



STÖLZLE GLASS GROUP



SUSTAINABILITY REPORT 2016

EXECUTIVE SUMMARY

”

**THE STÖLZLE GLASS
GROUP RECYCLES
MORE THAN
100,000 TONNES
OF GLASS PER
YEAR, THUS SAVING
RAW MATERIALS
AND ENERGY.**

“



COMPANY OVERVIEW

Stölzle Glass Group at a glance

STÖLZLE GLASS GROUP

Stölzle develops, manufactures and sells moulded glass containers for the pharmaceutical, spirits, perfumery/cosmetic and consumer industry in a huge variety of bespoke designs, standards and sizes. The product range is complemented by a full range of state-of-the-art in house finishing processes, medical & lab devices, closures and packaging solutions.

The story of the Stölzle Glass Group started in 1805, when the Oberdorf glass works was founded. In 1871 the glass factory in Köflach was established. In 1987 the Austrian glass plant Stölzle-Oberglas AG was taken over by Dr. Cornelius A. Grupp. Currently, the Group consists of six production sites and three decoration facilities in Europe. Its registered office is located in Köflach/Austria, with three further offices in Vienna (Austria), Moscow (Russia) and New York (USA).

Our VISION is to be the first-choice partner for our customers and our employees by establishing a culture of mutual trust and by striving for high performance, flexibility and reliability.



STÖLZLE GLASS
USA, INC.



MANUFACTURERS

- **Stölzle-Oberglas GmbH**
Köflach, AT
- **Stölzle-Union s.r.o**
Heřmanova Huť, CZ
- **Stolzle Częstochowa Sp. z o.o.**
Częstochowa, PL
- **Stolzle Wymiarki Sp. z o.o.**
Wymiarki, PL
- **Stoelzle Masnières Parfumerie SAS**
Masnières, FR
- **Stölzle Flaconnage Ltd.**
West Yorkshire, GB



FURTHER OFFICES

- **Stölzle-Oberglas GmbH**
Vienna, AT
- **Stolzle Glass USA, Inc.**
New York, USA
- **Stoelzle Glass Russia LLC**
Moscow, RU




9 European production and decoration sites



3 billion bottles output per year



300 million euro turnover



2,365 total employees

CONTENT

	Company Overview	03
	Foreword / CEO Statement	06
01	Sustainability	
	1.1. Our approach to sustainability	08
02	Performance	
	2.1. Performance highlights, achievements and targets	11
03	Key Messages	
	3.1. Business ethics and Legal compliance	13
	3.2. Employees	13
	3.2.1. Employee development	14
	3.2.2. Health and Safety	14
	3.2.3. Training and development	14
	3.3. Sustainable supplier selection	15
	3.4. Glass – Great Material	15
	3.4.1. Use of post-consumer recycled cullet	16
	3.4.2. Avoidance of hazardous substances	16
	3.5. Energy management and carbon footprint	17
	3.6. Clean air and water	17
	3.7. Waste management	18
	3.8. Customers and consumers	18
	Imprint	19

FOREWORD

CEO Statement

The Stölzle Glass Group is pleased to present its first sustainability report. This report underscores our actions and sense of responsibility with respect to resources and the environment, and reflects our social commitment towards our employees and business partners.

Over the last few years, the Stölzle Glass Group has been growing steadily. Linked with this growth and expansion of production capacity, Stölzle has invested heavily in the field of environmental protection. Today, we can be proud not only of meeting our legal obligations, but also of making a significant contribution to the environment as a result of our ongoing improvements and innovations. Our medium term targets for 2020 and beyond continue to pursue this strategy. Due to our capacity expansion, numerous activities designed for employee development have been implemented. Stölzle places great value on training and competence, continuous further training, fostering young talent and of course keeping experienced, long-standing members of staff completely up-to-date. At present, our

focus lies on occupational safety and preventing accidents at work: we have not quite reached our target in this respect and must strengthen measures to ensure a safe working environment and safety-conscious employees.

From the inert raw material of glass, we develop, manufacture and market high-quality packaging for the pharmaceutical, food, spirits and cosmetics industries. Thanks to its unlimited recyclability, only glass can claim the capacity to go back into the production process over and over again; to be re-used endlessly without compromising on quality, flavour-neutrality or functional safety. This fundamental unique selling point with regard to longevity will be a key aspect in our Group's sustainability strategy in the future. This sustainability report and the conclusion of this project mark the first step – now it's a question of putting it into practice and long-term further development to lead the Stölzle Glass Group successfully into the future.



Dkfm. Johannes Schick
CEO Stölzle Glass Group

01



SUSTAINABILITY

Our approach to sustainability

1.1. OUR APPROACH TO SUSTAINABILITY

The publication of the first sustainability report emphasizes the Stölzle policy to take sustainability seriously and to develop it constantly. Stölzle wants to inform its stakeholders about the activities, achievements and targets for the future actively and continuously.

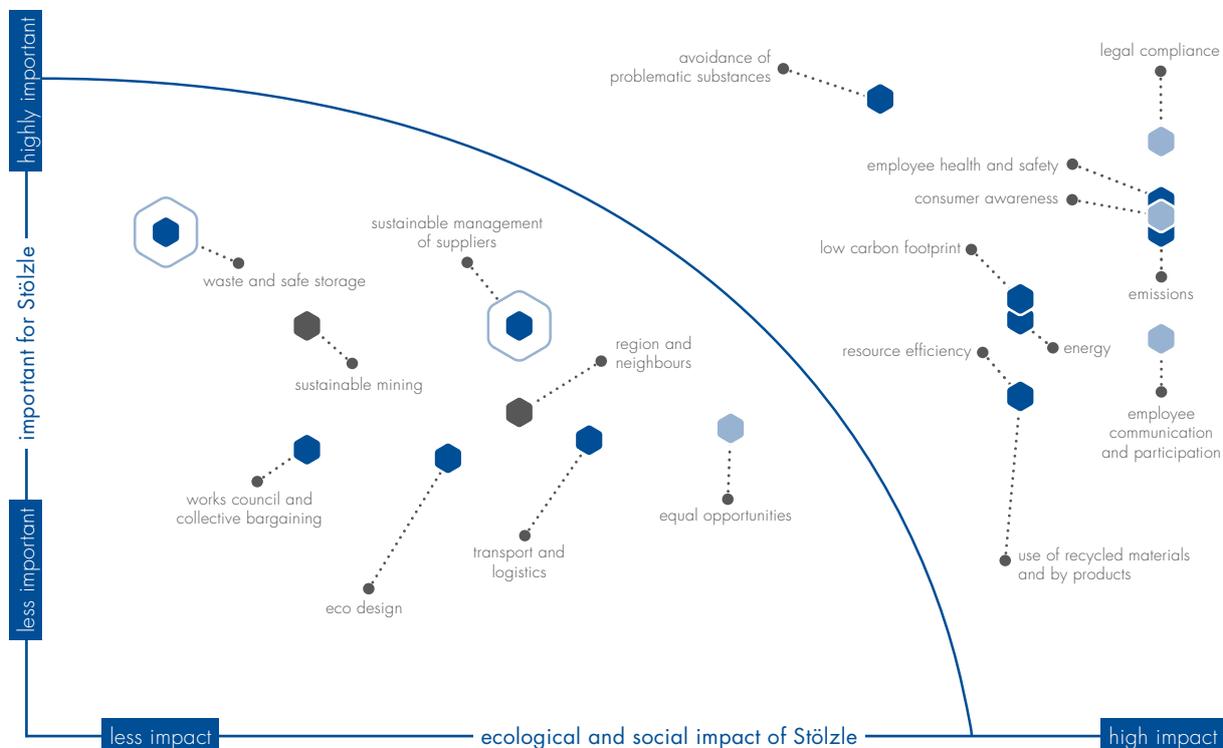
ABOUT THE REPORT

When Stölzle decided to issue its sustainability report, we also decided to adhere to the GRI's Reporting Guidelines (G4). To ensure that these principles are observed throughout the report, an external consultant supported us in this project.

The sustainability topics in the Stölzle report were defined internally by the Sustainability Team.

In addition, about 80 key stakeholders (customers – suppliers – employees) participated in an anonymous and independent stakeholder survey. The process resulted in the Materiality Matrix and definition of certain aspects of the report on the next page. The material aspects were finally approved by the CEO.

STÖLZLE GLASS GROUP MATERIALITY ANALYSIS





SUSTAINABILITY FOR US MEANS ...

... Protecting the environment

We as a glass producer are proud of the fact that glass is a perfect material, as it does not pollute the environment, is endlessly recyclable, does not react to its content, and does not contaminate this with hazardous substances. Stölzle balances its energy-intensive production with constant investment and improvement in processes and technologies.

... Social responsibility

The fascination for glass unites all Stölzle

employees. This passion is alive and well, and is evident in the daily work carried out by all employees, from executive management to the operators on the lines. The employee-focused approach is driven by a vision of the "5 T's" (Trust – Transparency – Target-driven – Teamwork – Talent Research).

... Being a sustainable partner for our stakeholders

Thanks to the successful growth of the Stölzle Glass Group, stakeholders can trust Stölzle as a reliable business partner that demonstrates respect for nature and its employees.

02



PERFORMANCE

Highlights, achievements and targets

2.1. PERFORMANCE

TARGETS	ACHIEVEMENTS
ENVIRONMENT	
Furnace waste gas heat exchangers	Investments in highly energy efficient new furnaces over the past 6 years
Further increases in energy efficiency	Successful heat recovery project implemented
Collection of waste cooling water	NOx emissions reduced with new furnaces
Batch preheating	Waste water separation improved
	Water treatment plants at all sites
Heavy metal free colours where possible	PCR supplier monitoring and control
Increase PCR usage	Quality of PCR glass under control
ISO 5001 certifications at all plants	ISO 50001 certifications in Austria and Czech
ISO 14001 certifications at all plants	ISO 14001 certification in Czech
EMPLOYEES	
Safety in the focus	Fostering Health and Well-being programmes
Employee satisfaction survey	Leadership programmes at all sites
OHSAS 18001 certification at all plants	Talent research programme started
	Apprenticeships increasing
CORPORATE RESPONSIBILITY	
Renewal of "Code of Conduct"	Conformity with EU regulations and directives
Customer satisfaction survey planned	OTIF monitoring continuously with IR support
	Promotion of sustainability aspects
New Supplier "Code of Conduct"	Integration of sustainability aspects in supplier audits

HIGHLIGHTS 2015 TO 2016

+0,7% Energy efficiency increased

Energy consumption decreased **-3%**

-20% NOx emissions reduced

CO₂ emissions reduced **-1,5%**

-3% Water emissions reduced

Heavy metal content in glass – compliant with legal requirements **100%**

+15% Female employees

Absentee quote stable at **3,7%**

+50% Training hours per employee

Incidents on corruption **zero**

zero fines or sanctions

increasing

Share of supplier audits with CSR aspects

03



KEY MESSAGES

*The most important messages
on the materiality aspects*

3.1. BUSINESS ETHICS AND LEGAL COMPLIANCE

KEY MESSAGES/TARGETS

- 📌 Legal compliance: All legal requirements met, no sanctions or fines received.
- 📌 Our target: Implementation of a Group-wide Legal Compliance structure and organisation.
- 📌 Renewal of our Code of Conduct in progress.
- 📌 We make our ethical standards transparent in independent and international supplier platforms such as ECOVADIS and SEDEX.
- 📌 As members of FEVE, we supported EU policies for Circular Economy and Environmental Footprinting in 2016.



As a producer of packaging for beverage, food and pharma products, product liability is core to all our business practices. Stölzle sets a high value on ethical behaviour, strict refusal

of corruption and bribery, as well as strict adherence to legal requirements in cooperation with business partners, but also internally with employees.

3.2. EMPLOYEES

A fascination for the material of glass unites employees from all plants and offices of the Stölzle Group. This passion is alive and well in the daily actions of glass production, in marketing and in the support departments and runs from top management through executives and glass experts to workers on the production lines.

In line with our mission statement, we aim to be the preferred partner for our customers and employees on a permanent basis, based on a business culture of mutual trust and a demand for high motivation, flexibility and reliability. This demonstrates the strengths of Stölzle and ensures a leading position in the strategic areas of PHARMA, PERFUMERY & COSMETICS and SPIRITS. With the

aid of our excellent glass experts, highly trained skilled workers and experienced marketing staff, we are able to maintain an export quota of 94% in over 90 countries across the globe and remain successful over the long term in an increasingly difficult world market.



3.2.1. EMPLOYEE DEVELOPMENT AT STÖLZLE GLASS GROUP

KEY MESSAGES/TARGETS

- 📌 Growing number of employees in the Group.
- 📌 Group-wide employee satisfaction survey.
- 📌 Intensive professional education and promotion of competences.
- 📌 Increase the share of female employees to 38% in 2016.



3.2.2. HEALTH AND SAFETY

KEY MESSAGES/TARGETS

- 📌 Caring for the health of our employees: Close to 700 Health Checks in 2016.
- 📌 Positive trend: Reduction in the absentee rate within Stölzle Glass Group.
- 📌 Various safety issues in the past, now safety is a focus.
- 📌 Implementation of BS OHSAS 18001 – Health and Safety Management system in the Stölzle Glass Group at all production sites until 2020.



3.2.3. TRAINING AND DEVELOPMENT

KEY MESSAGES/TARGETS

- 📌 Long-established leadership programmes.
- 📌 Talent research programme started in reaction to demographic changes and in order to provide the best-educated staff wherever needed.
- 📌 Facing the challenge of Industry 4.0.



3.3. SUSTAINABLE SUPPLIER SELECTION

KEY MESSAGES/TARGETS

- 📌 Over 3,000 suppliers in the Stölzle Glass Group
- 📌 Target: Group-wide purchasing standards with respect to sustainability – the process is already successfully underway among suppliers of the Austrian plant.
- 📌 Target: Sustainability in all supplier audits.



As part of the existing certified quality management system, supplier management is of considerable importance in the purchasing process of raw materials, packaging materials and external services. Our supplier management strategy encompasses the following: a qualification process for new suppliers; monitoring said suppliers in the

annual supplier audits in accordance with an audit plan; and an annual performance evaluation. Purchasing and quality management work closely together in this process. Transparency in dealings with our suppliers is just as important to us as mutual appreciation and the maintenance of long-term connections.

3.4. GLASS – GREAT MATERIAL

KEY MESSAGES/TARGETS

- 📌 High level of transparency and focus on local suppliers helps to reduce the environmental impact of our raw materials.
- 📌 New formulas to maximize material efficiency and quality.
- 📌 Constant online monitoring and new technologies for water efficiency.



Glass is the ultimate packaging material. It is sustainable, infinitely recyclable without loss of quality, reusable and refillable, safe to store food and drinks in, and is made from naturally occurring

ingredients. It is also beautiful! The Stölzle Glass Group operates sustainably because we dedicate ourselves to being environmentally friendly whilst producing innovative and exciting products.

3.4.1. USE OF POST-CONSUMER RECYCLED CULLET

KEY MESSAGES/TARGETS

- 📌 The use of recycling material for amber and green glass varies between the sites due to availability and adequate quality.
- 📌 For flint glass the use of recycling material is challenging due to quality issues.
- 📌 Constant monitoring of the quality of PCR glass in respect of heavy metals and foreign glass colours.
- 📌 Start of new projects to increase the use of recycled glass.



Glass is composed of basic raw materials (Sand, Soda, Lime, etc) and crushed glass. To reduce the usage of sand and other raw materials, cullet from two different sources can be added: **Internal cullet** (coming as waste from the glass production process) and **External cullet** (post-consumer recycled cullet). Glass containers are recycled into the production of

new glass instead of being wasted to landfill. Using recycled materials within glass production helps to save energy and is an important aspect when it comes to a sustainable production. Increasing the percentage of recycled materials causes a decrease of energy within the melting process and a reduction of CO₂ throughout the whole process.

3.4.2. AVOIDANCE OF HAZARDOUS SUBSTANCES

KEY MESSAGES/TARGETS

- 📌 Glass is the preferred packaging for keeping products free of impurities.
- 📌 Product safety: Full observance of the limits for heavy metal content in our products.
- 📌 Aim: Switch to heavy metal-free decoration, with the involvement of our customers.



Glass is the preferred material for preventing impurities in products with hazardous substances. Glass production is known as a “clean industry”. In the decoration field, as well as in the use of secondary materials (cullet), we must occasionally contend with tiny traces of heavy metals. In order to reduce this, in the decoration sector we have undertaken to prevent

the use of heavy metals entirely, where feasible. In any case, we ensure that the legal thresholds are observed for all our products. These are already so deeply anchored in our process as to exclude any health or ecological repercussions. However, we do not wish merely to maintain these thresholds but also to continue decreasing them.

3.5. ENERGY MANAGEMENT AND CARBON FOOTPRINT

KEY MESSAGES/TARGETS

- 📌 Reduce energy consumption and increase energy efficiency – a key factor in the Stölzle Glass Group.
- 📌 Reduction of the carbon footprint through best possible techniques and control.
- 📌 Implementation of an Energy Management and Environmental Management system throughout Stölzle to support the targets.



Historically, nothing has changed in glass production except the level of automation and new techniques to raise the production capacity. Raw materials are still melted at very high temperatures, and apart from melting using

100% electricity (produced from renewable sources), there is no other 'revolutionary' method of melting glass currently available. Until then, we continue our efforts to reduce energy consumption.

3.6. CLEAN AIR AND WATER

KEY MESSAGES/TARGETS

- 📌 All emission levels are within the limits of the applicable laws.
- 📌 Continuous measurements, latest technologies and the started implementation of the ISO 14001 standard guarantee that Stölzle is always up-to-date with its environmental performance.
- 📌 No fines or any kind of penalties concerning the Legal Compliance of emissions.
- 📌 Further reduction of emissions is an ongoing target of the Stölzle Glass Group.
- 📌 Water treatment plants are already installed at all plants.



Clean air and water is a strong focus of the Stölzle Glass Group. The use of natural gas as the main fuel in all our furnaces ensures we are using the cleanest form of fossil fuel energy with low emissions.

Furthermore, Stölzle has invested significantly in recent years in the installation of 'state of the art' standard furnaces and filter systems at all plants. Every plant fulfils the regulatory IPPC standards.

3.7. WASTE MANAGEMENT

KEY MESSAGES/TARGETS

- 📌 Target: Implementation of a Group-wide homogeneous waste management programme.
- 📌 Improve waste collection through training and increasing awareness.



Waste Management is recognized as an important factor in the Stölzle Glass Group, as we want to separate different waste types to enable effective collection and proper

handling. We also want to reduce waste. In order to achieve our targets, we need monitoring, management and corresponding data to improve the process.

3.8. CUSTOMERS AND CONSUMERS

KEY MESSAGES/TARGETS

- 📌 Customer satisfaction is of the highest priority – customer survey 2017 planned.
- 📌 Product development and supervision of key figures with the help of software solutions.
- 📌 Glass as a packaging material brings many advantages – we are actively working to ensure that everyone knows this.



In our strategic business segments “Pharma, Spirits and Perfumery and Cosmetics”, Stölzle supplies premium quality packaging glass to more than 1,800 customers in over 90 countries. Our customers place great value on the quality and safety of the products, as well as on a high level of service, adherence to delivery dates and flexibility. Customer satisfaction therefore ranks very highly at the Stölzle Glass Group.



IMPRINT

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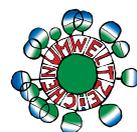
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**YOUR
PRESTIGE
GLASS
PARTNER**
“





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