

Press Release

Ad hoc announcement pursuant to Art. 53 LR – Vetropack Group closes production site in St-Prex

Bülach, 14 May 2024 – The [Vetropack Group](#), one of Europe's leading glass packaging manufacturers, announced today that it expects to close its St-Prex production site by the end of August this year. This decision was taken by the Board of Directors yesterday following a detailed examination of the alternative proposals for the future development of the site, which were submitted by employee representatives. Vetropack is preparing a social plan for the employees affected by the job cuts.

“We did not take this decision lightly and examined all proposals submitted to us regarding the future development of the site very comprehensively and in detail,” explains Claude Cornaz, Chairman of the Board of Directors of the Vetropack Group. “However, we always come to the same conclusion in all possible scenarios: the future prospects of the St-Prex plant remain negative in terms of profitability and competition – even with an investment worth millions. Profitable operation would not be possible in the long term. The closure of production is therefore unavoidable.”

The St-Prex production site, which is over a hundred years old, has undergone numerous adjustments and major investments over the decades – amounting to more than CHF 50 million since 2010 alone. Despite these efforts, the Vetropack Group's only Swiss production site suffers from its small size and lack of competitiveness. Vetropack therefore launched a [consultation process on the future of the site](#) at the beginning of March.

Employee representatives' proposals thoroughly evaluated

On April 30, the [employee representatives presented their alternative proposals to a closure](#) to the Vetropack Group management. Important elements of this concept are the introduction of a different melting technology in glass production (oxyfuel process), a partial reorganization of the production lines, and investments in the conversion and sustainability of the site.

These proposals have been thoroughly and comprehensively evaluated and assessed by the Vetropack Group Management and the Board of Directors over the past two weeks: “They are ambitious proposals with many good approaches,” explains Claude Cornaz. “Nevertheless, after thorough examination we have come to the conclusion that the proposed measures would not change the situation at the site sufficiently to ensure the long-term profitability of the plant.”

It is above all the unchanged high operating costs of production that make the glass packaging produced at St-Prex uncompetitive in the European core markets. Any subsidies for the

decarbonization of the site that have been brought into play by politicians in the meantime would not change this.

Social plan for affected employees

“Even if the evaluation of the proposals from the consultation process unfortunately confirms our negative forecast for the site, we must now look to the future,” explains Johann Reiter, CEO of the Vetropack Group. “In the upcoming weeks, we will concentrate on initiating the closure in an orderly manner. A particular focus will be on our employees, for whom we will seek socially acceptable solutions. A corresponding social plan will be presented to the workforce and their representatives shortly.”

As a result of the closure, a large proportion of the jobs at the St-Prex site will have to be cut. The job cuts will take place gradually. Where there is an opportunity to retain employees within Vetropack, corresponding offers will be made.

Employees and customers are being informed today by Vetropack management about the decision to close. Vetropack currently generates around 40 percent of its sales to Swiss customers with glass packaging from St-Prex. In the future, these customers will be supplied by other Vetropack plants in neighbouring countries. “We are making sure that the closure will not lead to bottlenecks or quality problems in supplying our customers,” says Johann Reiter. “In the future, they will mainly be supplied from other Vetropack locations – particularly Austria and Italy.”

No changes to Vetrocycling

The closure of the plant in St-Prex in no way means that Vetropack is withdrawing from its home market of Switzerland, emphasizes Johann Reiter: “Our company headquarters will remain in Bülach. We will continue our commitment to glass recycling in cooperation with our Swiss partners at local level. So, in terms of recycling, everything will remain the same.”

About Vetropack

The Vetropack Group numbers among Europe's leading manufacturers of glass packaging for the food and beverage industry, with around 3,800 employees and net sales of CHF 898.8 million in 2023. Vetropack has state-of-the-art production plants as well as sales and distribution offices in Switzerland, Austria, the Czech Republic, Croatia, Slovakia, Ukraine, Italy, the Republic of Moldova and Romania.

Through our work, we enable people to enjoy food and beverages in the most elegant, safest and most responsible way. This is because glass is a sustainable packaging solution – and the perfect material to ensure that food is packaged safely. With our holistic Service plus+ approach, we help our customers to optimise their value chains and guarantee consumers' safety. To this end, we

endeavour to build close and long-lasting relationships. Guided by our understanding of environmental responsibility and cost efficiency, we aim to minimise our carbon footprint throughout the supply chain, and we are committed to recycling as the key to optimising product life-cycles.

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