

Press release

Ad hoc announcement pursuant to Art. 53 LR – Vetropack Group starts consultation process on the future of its production site in St-Prex

Bülach, 07 March 2024 – [Vetropack Group](#), one of Europe's leading manufacturers of glass packaging, has announced today that it will start a consultation process on the future of its Swiss production site in St-Prex (VD). For several years, this long-established and historical site has been facing difficulties in terms of location and profitability, which led the Group to launch in-depth analyses to evaluate the possibility of maintaining operations there. The result: The competitiveness and development prospects of the site are negative – and could even result in its closure this year. However, Vetropack's Board of Directors will only make its decision once the legally required consultation procedure has been completed.

More than a century old, the St-Prex production site has been the subject of numerous changes and substantial investment over the decades – more than CHF 50 million since 2010 alone. But despite these efforts, the site – the Group's only one in Switzerland – is suffering from its small size, the constraints of its location in the heart of a densely urbanised area, and its lacking competitiveness in a market that has become increasingly difficult. Its profitability is no longer guaranteed.

These are issues that have been of concern to the Group's management for several years. A decision on the future of the site is necessary now, as current melting furnace is due to be replaced because of its age. This would require an invest of at least CHF 30 million – which is economically not feasible under the current conditions.

In view of these developments, Vetropack's Management Board and Board of Directors have undertaken in-depth analyses of the situation. This has now led to the opening of a consultation process, which could result in the closure of the production site at St-Prex if no other viable alternative can be found. "This is a very difficult situation for us. St-Prex is our only glass production site in the Swiss domestic market, and we are very aware of the impact that a potential closure would have, particularly for our employees", says Claude Cornaz, Chairman of the Board of Directors of the Vetropack Group. "Nonetheless, the prospects for the plant in terms of competition and development are more than uncertain. We are of course open to any realistic proposal that would make it possible to avoid or limit the number of redundancies and, if necessary, mitigate their impact."

The position of the Board of Directors and Group Management is based on a comprehensive assessment of production in St-Prex, including an examination of the optimisation potential.

“Closing the factory would be the last option. It is only an option for us if we no longer see any long-term opportunities to improve the site's performance and secure its competitiveness,” says Johann Reiter, CEO of Vetropack. “For St-Prex, as for every other site, we have examined a whole range of different development scenarios. None of them has led to a positive economic outcome.”

Vetropack still generates around 40 per cent of its sales to Swiss customers with glass packaging from St-Prex. In the case of a closure, these customers would be supplied by other Vetropack plants in neighbouring countries – particularly Austria and Italy.

Consultation process over the coming weeks

A closure of the plant, which could take place in the second half of 2024 based on the current situation, would also mean the loss of the majority of the around 180 jobs at the St-Prex site. “If this cannot be avoided, our Group will act responsibly and strive to find socially acceptable solutions for all employees,” says Johann Reiter.

In accordance with the legal requirements for consultation processes, employees will be given the opportunity in the coming weeks to comment on the situation and eventually submit alternative proposals. These will be thoroughly examined and evaluated by the Board of Directors before a final decision is made.

The glass recycling facilities in the region would not be affected by a possible closure of production in St-Prex: “We will continue to fulfil our responsibility in this area by ensuring closed raw material cycles for glass and working closely with the local communities,” says Johann Reiter.

About Vetropack

The Vetropack Group numbers among Europe's leading manufacturers of glass packaging for the food and beverage industry, with around 4,000 employees and net sales of CHF 899.4 million in 2022. 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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