

# SUSTAINABLE DEVELOPMENT ANNUAL REPORT 2019



WORKING **TOGETHER** FOR  
**SUSTAINABLE** GROWTH



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## COMPANY OVERVIEW

### Letter from...

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The publication of the 9th edition of our Annual Sustainable Development Report takes place at a time of exceptionally severe health challenge and on the eve of a worldwide economic and social crisis of unprecedented size. Our first thoughts go to all those who, in recent months, have fought this subtle, invisible, deadly enemy that generates fear, distrust and concern for the future, in the personal as well as in the professional sphere. In the Group, in every plant, all possible measures have been enforced to guarantee the safety and health of all employees. We have also taken out an insurance policy that covers all our employees around the world if they fall ill due to Covid 19.

At the same time, we are committed to maintaining production and the guarantee of supply to our customers worldwide wherever possible.

After a positive 2019, the impact of the crisis on the first months of 2020 is already considerable, and 2020 performance will be affected.

Although fully aware of the difficulties that lie ahead and the great changes to be made, our Group has, however, more reasons to look forward with confidence.

The health crisis we are going through requires a new look at our most precious capital: people. All different and unique, women and men, young and old, with their challenges to face and win in personal and professional life. Our challenge, as a Group, is to resume our activities, to find our way back to growth, putting people and the environment at the center.

To the three Group values «Excellence, Innovation and Sustainability», we have decided to add that of «Diversity & Inclusion». At the end of 2018, we started a reflection process that involved all the Business Units. The fruit of this work led to the development of a «Charter of diversity and inclusion», which will be launched during the year.

There are 4 key principles, respect, tolerance, ethics and solidarity. And it is precisely the same spirit of solidarity that has manifested itself everywhere in the world to counter Covid 19 which should guide all of us to get out of the crisis and guarantee everyone health, work, safety and well-being.

In our 2016-2022 sustainable growth program, environmental and social goals are more important than ever.

We are halfway there and there is still a lot to do. The crisis is not and will not be an excuse to ease efforts and investments. Indeed, it tells us that there is no more time to waste.

Let's move forward, united, determined and confident.

Many thanks.

*Marco Giovannini & Franco Bove*







# COMPANY OVERVIEW





## COMPANY OVERVIEW

# Company history

- 1954** • Guala is founded for the production of plastic components.
- 1960** • The first patented models of non-refillable closures are produced.
- 1998** • Marco Giovannini becomes leader. Guala Closures Group is established and sponsored by private investors.
- 2000** • After Spain, Mexico, Brazil, Colombia and India, international expansion continues into Argentina, China and Russia.
- 2003** • The Aluminium Division is established - Global Cap SpA is acquired.
  - Guala Closures Group now has 21 production plants worldwide.
- 2004** • A new production plant is built in Mexico.
- 2005** • Guala Closures North America Inc. is established to sell products on the US and Canadian markets.
  - Guala Closures is listed on the Italian stock market: 22 November 2005.
- 2006** • New sales offices are opened in North America and France, as well as new production plants.
- 2007** • The new production plant is inaugurated at Spinetta Marengo HQ.

- 2008** • Acquisition of the Technologia Closures plant in Ukraine.
  - Guala Closures exits the Italian stock market.
- 2009** • The Pharma division is established with head office in Vasto.
- 2010** • Eastern Europe expansion: Guala Closures acquires Danik in Bulgaria and DGS in Poland.
- 2011** • Acquisition of Metalprint in Magenta (Italy), degreasing, cutting, and lithography plant.
- 2012** • Acquisition of Metal Closures Industries in South Africa.
- 2014** • Guala Closures Group celebrates 15 years in the business and 60 years in the business for the Guala Group.
  - Inauguration of the first production plant in Fairfield, California, featuring a modern and avant-garde Design Studio.
- 2015** • Guala Closures Group present at EXPO Milan. Opening Guala Closures DESIGN STUDIO Italia at Basaluzzo.
  - New offices and HQ in Luxembourg.
  - New plant opening in Santiago de Chile.

- 2016** • Acquisition of CAPMETAL in France in December 2016.
  - GCL Technologies founded in Foetz (LUX).
- 2017** • Acquisition of Axiom Propack Pvt Ltd in India.
  - Acquisition of the activities of LIMAT S.A. de C.V. in Mexico and of the activities of ICSA in Chile.
  - Opening of GCL Technologies.
- 2018** • Start up production in Chile.
  - Ordinary shares and market warrants traded on the Italian Stock Exchange.
  - Incorporation of a new company in Kenya, named Guala Closures East Africa Limited.
  - Merger process between group companies: Guala Closures (India) Pvt Limited and its subsidiary Axiom Propack (Pvt) Limited (acquired in 2017).
  - Acquisition of United Closures and Plastics (UCP) in UK.

## 2019 HIGHLIGHTS

- Dutch subsidiary Guala Closures International B.V. approved the establishment of a new company in Belarus. We started up a new production unit in Minsk (Belarus) at the end of 2019. The plant in Kenya started production in February 2019. We moved production to Scotland to the Bridge of Allan plant. The PET plant of Guala Closures Iberica in Alcalá De Henares (Madrid) was definitively closed at the end of July. We reorganized the Group's activities in France and China during the year.
- A review of the ethical/social policy was published which, in addition to drawing attention to full respect for human rights, highlights: our employees, suppliers and external communities and other stakeholders.
- We updated of the materiality assessment with internal and external stakeholders in order to take into account the Group's continued development and its stock market listing.
- We launched new chip-readable closures (NFC) in the United States. They have started the process of digitising the packaging.



## COMPANY OVERVIEW

# 2019 highlights





# Our presence around the world



# Our presence around the world



### GUALA CLOSURES GROUP

#### Europe

- Italy : Group Holding
- Luxembourg : International Holding
- Netherlands : International Holding

### GUALA CLOSURES' PLANTS

#### Europe

- Bulgaria : Kazanlak
- Belarus : Minsk
- France : Chambray
- Italy : Magenta ▪ Spinetta Marengo ▪ Termoli ▪ Vasto
- Luxembourg : Foetz
- Poland : Wloclawek
- Spain : Jerez de la Frontera ▪ Olerdola
- Ukraine : Sumy
- United Kingdom : Kirkintilloch ▪ Bridge of Allan

#### North America

- Mexico : San José Iturbide
- USA : Fairfield (California)

#### South America

- Argentina : Chivilcoy
- Brazil : São Paolo
- Chile : Santiago de Chile
- Colombia : Bogotá

#### Oceania

- Australia : Melbourne
- New Zealand : Auckland

#### Asia

- China : Beijing
- India : Ahmedabad ▪ Daman ▪ Dharwad ▪ Goa

#### Africa

- Kenya : Nairobi
- South Africa : Cape Town

### SALES OFFICES

#### Europe

- France : Tours

#### South America

- Argentina : Buenos Aires

#### Asia

- Japan : Tokyo



# Our Group in a few figures



# Our Group in a few figures







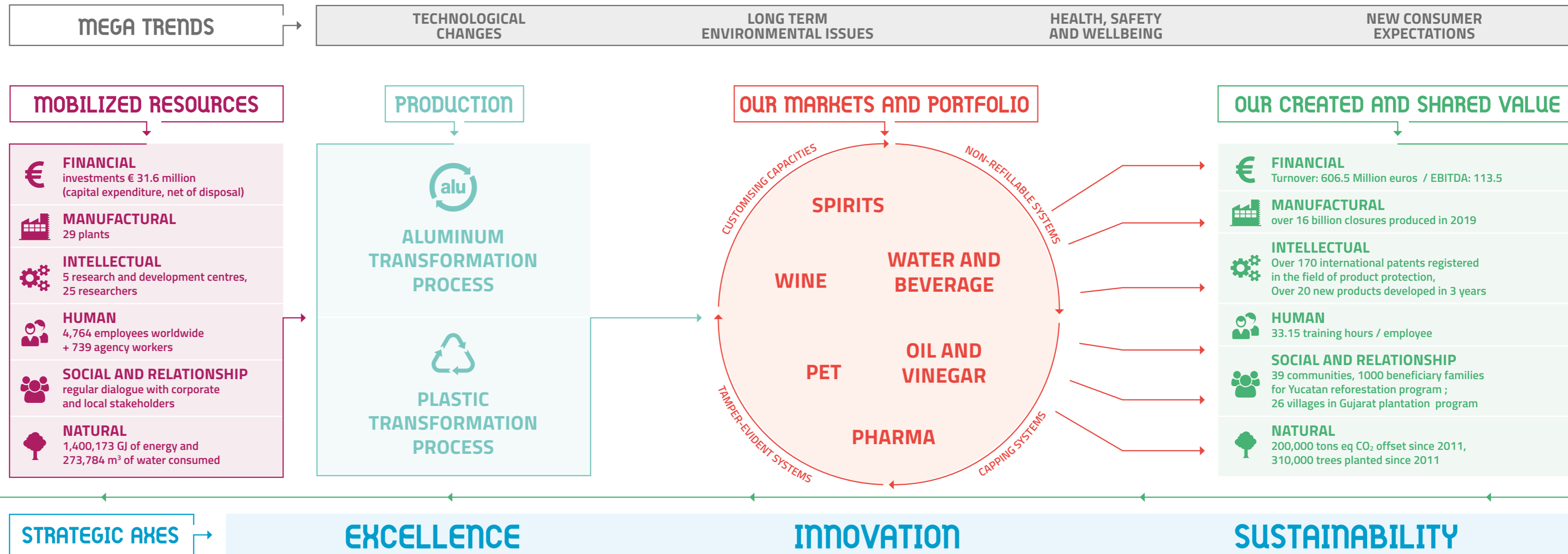
# COMPANY OVERVIEW

## Value creation

At Guala Closures Group, we manufacture closures that offer innovation, protection, safety and convenience to consumers while enhancing our customers' brands.

We built our business model on our vision and our values by relying on our resources and our production capacity to offer our customers quality and value-added products.

We create economic, social and environmental value that benefits all of our stakeholders and thus help strengthen our group and our customers' performance.







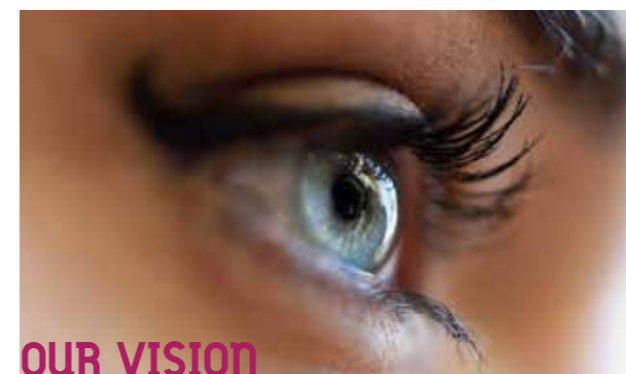
## COMPANY OVERVIEW Our missions and values

# EXCELLENCE INNOVATION SUSTAINABILITY

**At Guala Closures, we make closures that protect and enhance our customers' products.**



"Protect your quality. Create your value"



### OUR VISION

We manufacture closures that offer innovation, protection, safety and convenience to consumers while enhancing our customers' brands.



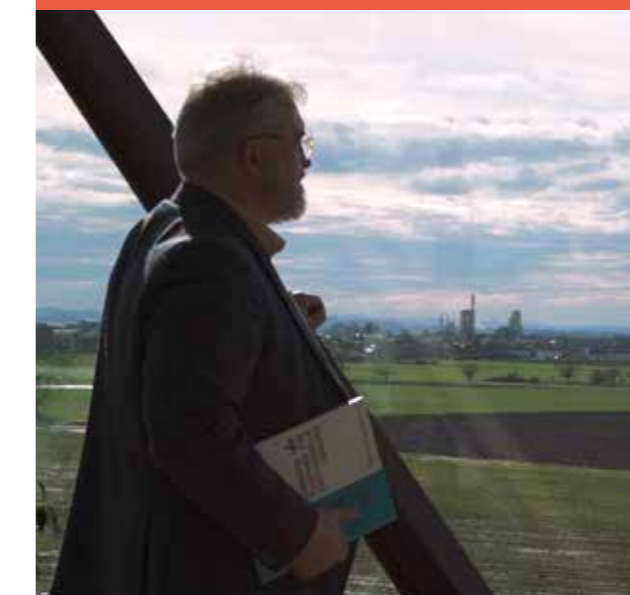
### OUR MISSION

We understand and embrace our clients' goals as our own, applying creativity, experience, integrity and dedication to deliver them superior closures and solutions while reducing our environmental impact on society.

### OUR TOP MANAGEMENT IS

- Committed to promoting the company values so that they are used as a reference for the correct development of all internal and external activities.
- Committed to promoting and sharing 'Corporate Responsibility' and Group objectives at all levels.
- Committed to sustaining and providing the resources needed to achieve the objectives.
- Committed to analysing results and performance, and verifying the effectiveness of the objectives achieved.

All our governance processes, values, corporate responsibility and various commitments are part of our ISO 9001:2015 system and audited accordingly by Bureau Veritas.



### OUR CORPORATE VALUES

- **Transparency:** clarity, completeness and correctness of information in our business activities and in our interpersonal relations.
- **Professionalism:** personnel training and growth in the pursuit of constant development.
- **Defence and well-being of the environment:** safety and health in the products' working environment, and of the impact on communities close to our production sites.
- **Acknowledging and awarding results:** full sharing of the goals and objectives' evaluation criteria to enhance and reward all human resources.



# Our markets and brand portfolio

Guala Closures products are designed, manufactured and distributed worldwide and cover six product categories: Spirits, Wine, Oil and Vinegar, Water and Beverages, Pharma and PET. All the products are sold to two types of customers: multinational and local customers (more details can be found in the Plants section). The quoted percentages derive from the Group's 2019 turnover with the named categories accounting for 97.2% with a balance of 2.8% from other revenues.

## Spirits / Luxury ..... 66.3%

Technological innovation has provided alcohol producers with solutions that make it increasingly difficult and demanding to counterfeit packaging and protect the brand's image.

[www.savethespirits.com](http://www.savethespirits.com)

## Wine ..... 17.8%

Wine is more stable over time and its delicate balance does not change during transport. Finally, the closures of Guala Closures make it easier to open and close the bottle, maintaining the quality and taste of the wine for longer.

[www.winedevelopers.com](http://www.winedevelopers.com)  
[www.savethewines.com](http://www.savethewines.com)

## Water and beverages ..... 8.9%

For this sector, we produce aluminium closures for glass bottled gaseous and non-gaseous drinks, fruit juices and non-alcoholic drinks. It supplies some of the most important international brands with generic or "tamper evident" closure systems, i.e. capsules with a patented system that allows the first opening of a bottle to be highlighted. All closures are personalised with the best graphic techniques to maximise the brand's image.

## Oil and vinegar ..... 2.0%

For the oil sector Guala Closures supplies a diversified range of long and short capsules, pourers specifically designed for the viscosity of the oil in order to allow perfect pouring and anti-drip devices to prevent dripping that could occur when pouring of the liquid is interrupted.

[www.salvalolio.com](http://www.salvalolio.com)

## Pharma ..... 1.3%

We are able to offer a wide range of solutions, often customised to meet the needs of customers and the market. The range includes plastic and aluminium closures, rubber closures, single-dose vials and PET bottles in an infinite range of colours, sizes, shapes and materials.

[www.gclpharma.it](http://www.gclpharma.it)

## PET ..... 0.9%

It groups together the production of containers such as bottles, jars, flasks and miniatures with a volume capacity ranging from 20 ml up to 5 litres and collar finishes between 18 mm and 110 mm, thanks to a very modern equipment together with one-stage and two-stage procedures.

# Spirits market



Guala Closures Group stands out as the key partner of spirits manufacturers.

We are able to design totally customised closures in an infinite range of colours, shapes, sizes and materials to meet the needs of customers and to enhance their brand image.

Our technological innovations provide spirits manufacturers with solutions that make the counterfeiting of packaging increasingly difficult. We proactively address strategic issues in this market, including the need of premiumisation and of differentiation.







Passion is the soul of Luxury.

The artisans dedicate themselves to the pursuit of perfection. Luxury Closures seeks to reflect both brand luxury and perfection, introducing a unique solution.

The craft trend is one consequence of the Millennials' aspiration for new and different products.

Craft in Beer, Food or Spirits reflects a more traditional production method, less processed, with more local content, authentic, genuine, differentiated and where possible, enveloped in a plausible and distinctive story.



Guala Closures wine screwcaps have been adopted by leading wine manufacturers in five continents due to the benefits they offer with respect to traditional corks: they have no impact on the organoleptic qualities of the wine, avoiding oxidation and the so-called 'cork taint'.

Wine lasts longer over time and its delicate balance does not change when transported. Additionally, Guala Closures screwcaps make the bottle easier to open and to re-seal, maintaining the quality and the taste of the wine for a long time. The screwcaps can be personalised with a variety of decoration techniques to meet the customer's brand and marketing requirements.







Guala Closures Group makes aluminium closures for beverages in glass bottles, such as: sparkling and still soft drinks, fruit juices and non-alcoholic beverages.

Guala Closures is the partner of international leading companies, protecting their product brands with either generic or tamper-evident closures, guaranteeing the consumer's bottle has not been opened.

All Closures can be customized with high quality graphical techniques to enhance brand image.



Olive oil embodies tradition, history and quality.

For the olive oil sector, Guala Closures Group offers a wide range of closures with an infinity of decorative possibilities, development of spouts adapted to the different products' viscosities and drip systems that prevents liquid spillage from the bottle.

Thanks to our 60 years of experience in innovation through our R&D department, the Group has patented solutions that make the consumption of olive oil safer, avoiding counterfeiting and preserving its authenticity and quality.





## COMPANY OVERVIEW

# Our technologies

The SAFETY CLOSURES created by Guala Closures fight against counterfeiting. This illegal phenomenon affects all countries worldwide, and consists in refilling and substituting the original product. Such actions cause not only enormous economic damage to the company, but – above all – provides a serious risk to the health and safety of final consumers. As world leader in the production of safety closures, Guala Closures prides itself in its expertise thanks to continuous research in solutions and technology towards:

\* **NON-REFILLABLE SYSTEMS** consist of a series of internal valve systems of varying complexity dependent on market need. This invention prevents the bottle from being refilled and the original product replaced with a counterfeit version



\* **TAMPER-EVIDENT SYSTEMS** are available in different types to allow the consumer to see if the bottle has been opened.



\* **CAPPING SYSTEMS** guarantee that the closure is secured to the bottle. The three ways of capping systems methods include:

- ▶ **Roll-on:** The aluminium closure is rolled on the glass with specific rollers which form the aluminium to the exact shape of the glass
- ▶ **Snap-on:** The closure is secured by vertical pressure.
- ▶ **Screw-on:** The closure is screwed on.



## CUSTOMISING CAPACITIES

To satisfy all the customers' requests, we have developed the capability to provide unique and customized solutions.

- **ICON** range combines our artisan know-how and our technological mastery (sputtering metalisation matt & shiny, spray painting, top & side embossing or debossing, material effects, integration of emblems, tags and medallions).
- With **ESSENCE** range, the Group introduces highest quality Wood Closure and offers luxurious closure solutions.
- **GRAVITAS** is a unique material innovation providing greater design freedom with a wide choice of finish and weight. This range brings together the versatility of plastic and the luxury feel of metal.



The market evolution pushes our group in several different directions, mainly driven by the new generations' approach to distilled product choice and consumption.

### THE MAIN TRENDS ARE:

**Sustainability of our products, more and more requested by our customers and coming from their direct and strong commitment**

**Customer engagement, through connected closures that allow the brand to pass to the final consumer the actual values and create a strong consumer connection with the brand; this is an important request in craft distilling, where brands need visibility to final consumers**

**Market accelerated trend to push mass products toward commodities and elevate few brands to premiumisation; this trend brings to a continuous research of cheaper solutions in one end and to fragmentation of more and more customised products but with small volumes, in the other end.**

## COMPANY OVERVIEW

# Our innovation process



Connected caps are a key project for future developments. With its loC (Internet of Closure) technology, Guala Closures Group can make every bottle identifiable, interactive and changes an isolated bottle to a Connected Bottle. Thanks to the insertion inside the closure of a specifically designed NFC circuit, with a simple gesture, the consumer engages the tag via his/her mobile phone and accesses content through the loC platform. We are strongly investing in this field in research and development of both products and production lines.



These trends are pushing us in a big effort to change not only the design of the products, but also the way we develop and produce them: we need to be fast, able to manage in parallel many developments, and flexible in production tooling, because of the small volumes of the different designs.

More and more Luxury-Premium market's competitors have been following our technological roadmap: a lot of companies, that until yesterday just produced corks, for example, now are offering complete Luxury caps, so the competitive arena is becoming quite crowded and challenging.

In the Premium market we have developed new solutions based on putting together different materials (like plastic and wood) and we have added further effects taking them from the fashion industry; the result has been a new Group catalogue for the Luxury and craft ranges ("Luxury Closures Artisans" and "Secret Garden" respectively).

New closures for high end products have been developed for different markets, spanning from Scottish gins and whiskies, to Korean and Far East products, to Tequilas in Mexico and the USA.

We have developed new caps whose target is to go toward more sustainable solutions keeping the same aesthetical appeal of the current more complex and less sustainable solutions. These caps use mainly mono-material structures and are ready to further evolve toward totally compostable caps. That remains our target. All these developments come not only from a tight collaboration between R&D centers and Marketing, but also from external partners, design agencies and web developers. We are enlarging the number of competences we need to be ready for future challenges.





**CONNECTED CLOSURES**  
NFC Aluminium closures  
for wine and spirits



**WINE CLOSURES**

**LUXURY CLOSURES**  
Gravitas



**LUXURY CLOSURES**  
Ultra-premium t-bar



# RE-USE RECYCLE USE LESS CONSUME LESS

Guala Closures, as a global leader in the production of special closures for alcoholic beverages and wine, has always been focused on protecting the environment, preserving natural resources and reducing production waste; 26% of its total raw materials (plastic and aluminium) are recycled materials, achieving 38% of recycled materials in Europe, and over 50% in Africa and Oceania.

Aware that there is no single solution to the demand for sustainable products, Guala Closures' innovation has moved in different directions of eco-design:

- Easy recycling, through mono-material solutions;
- Reduction of the impact in the production of the closure, achieved through the use of materials partially or totally produced from renewable sources;
- Reduction of the plastic materials used, continuing the research in the partial replacement of polymers with fibers / fillers from natural waste;
- The biodegradability / compostability of closures, through the development (with strategic partners) and the use of advanced polymers.

The goal is to provide customers with a broad spectrum of solutions that will then be chosen according to the local structure of the packaging end-of-life treatment chain.

In this direction, the launch of the «Green Cap» aluminum closure should be considered, which allows an easy division between closure and bottle for correct disposal of the packaging at the end of its life.

The Group intends to achieve the challenging objective of using 35% of recycled materials by 2025, also by leveraging external stakeholders, implementing increasingly environmentally-friendly solutions and developing new ones at its innovative R&D centre, extending its existing range of sustainable closures (Green Cap, Bio Agave, Wave, Bikini, etc.).

To encourage best practices for closure recycling, Guala Closures has committed to joining European entities and consortia that endorse materials collection and recycling, and to organise events to promote awareness, in collaboration with Environmental organisations, addressed to consumers and stakeholders with a view to encouraging informed consumption practices.

### \* GREENCAP®

The research, development and engineering team of Guala Closures have developed GreenCap®, a special ROPP closure for wine and spirits which allows to easily and safely unscrew the skirt, that usually remains on the neck of the bottle after use, without using any tool.

While maintaining all the advantages of a screwcap, including ease of opening and closing and preservation of the quality of the wine without, among other things, requiring any modification on the bottling line from producers who already use screwcaps, this helps the separation of the aluminium from the glass in order to improve waste collection and materials recycling process.

### \* BIO AGAVE

To meet the requests of our tequila customers, a research and development process has been undertaken aimed at the production of stoppers with bio-based material derived from the waste of agave processing in the tequila manufacturing process, in line with a circular economy perspective.

With the introduction of agave bio-based composite material, on the overall finished closure, 30% comes from agave fibers and 70% from polypropylene. This means that the consumption of polymers from oil have been reduced and CO<sub>2</sub> emission have been cutted.

This bio-based material preserves the mechanical properties of plastics and transform waste from the agro-industrial process into an alternative material.







## COMPANY OVERVIEW

# 2019 Awards

### 2 AWARDS FOR E-WAK®, THE CONNECTED CLOSURE FOR WINE PART OF NĚSTGATE™ RANGE

In May, during the Alufoil Trophy competition, organised by the European Aluminium Foil Association (EAFA), the “Discretionary Award” went to Guala Closures for e-WAK®, the first NFC integrated aluminum closure for wine, dedicated to wineries, allowing them to start a one to one relationship with their end consumers.

The closure impressed the judges in each category, leading them to consider it as a possible revolution for the wineries, their marketing strategy and consumer engagement.

In November during the Innovation Challenge SIMEI competition, the technical-scientific committee selected e-WAK®, among the most deserving innovations.

Then, a new award had been assigned to the connected version of Guala Closures’ WAK® screw cap for wine, thanks to the scores obtained by the technical panel and the public of Enoforum, the largest technical-scientific congress in Europe for the wine industry.

### ALUSNAP SMART WINNER OF “PREMIO CONAI”

Thanks to the reduction of the raw materials used for its new Alusnap closure, Guala Closures was one of the 86 companies that received a CONAI award, which has reinvented its packaging with a view to innovation and environmental sustainability.

### SPECIAL MENTION FOR GUALA CLOSURES INTERNATIONALISATION STRATEGIES

In October, during the ceremony of “Eccellenze d’impresa” that took place inside the prestigious Palazzo Mezzanotte, home to the Italian Stock Exchange, Guala Closures Group CEO & Chairman Marco Giovannini received the prize assigned to the Group: a special mention in the Internationalization category for its business strategies, for its active presence in over one hundred countries, with twenty-nine production plants on five continents.

### SPIRIPACK BRONZE AWARD FOR GRAVITAS LUXURY CLOSURE DESIGNED FOR GLENFIDDICH GRAND CRU

In the occasion of the VSPack trade exhibition in Cognac, France, Guala Closures submitted its Gravitas closure designed for the new Glenfiddich Grand Cru to the «Spiripack Crédit Agricole 2019 Award», organised by Atlanpack and dedicated to the best packaging innovations from VSPack exhibitors. The jury of professionals – comprised by representatives of the V&S News and Formes de Luxe magazines, the creative agency in Spirits Design and the Conseil National de l’Emballage – gave to Gravitas closure the «Bronze Award» for the innovative features of the material and the versatility of the shape and finishing.



## COMPANY OVERVIEW

# Fight against counterfeiting



# 12%

## THE PERCENTAGE OF COUNTERFEITED OR ILLEGAL SPIRITS IN THE GLOBAL MARKET

The consequences of spirits counterfeiting are serious. Along with the economic damage, it causes serious health risks and the deaths of tens of thousands of people every year.

An advertising campaign has been planned to support communication, to raise awareness not only of consumers but bartenders, companies and stakeholders in the beverage and drinks sector. To facilitate the process, a selected number of pubs, bars and clubs will act as testimonials of the campaign, explaining the importance of the steps taken to ensure the authenticity of products sold.

Thanks to the development of NFC technology integrated into our new range of connected closures, consumers benefit from full traceability on the product and its packaging.

## SAVE THE SPIRITS, SAVE THE OIL, SAVE THE WINES

The Group has conceived and launched three websites dedicated to social responsibility campaigns to fight against the counterfeiting of alcohol, oil and wine.

This is a worldwide phenomenon causing serious damage to consumer health and the economies of many countries. The Group creates products that can counteract this phenomenon and help to protect customers’ beverages. The aim of these websites is to create international specialist focus channels and to promote a wider awareness and appreciation of the circumstances behind counterfeiting beyond the usual boundaries of fashion and technology.

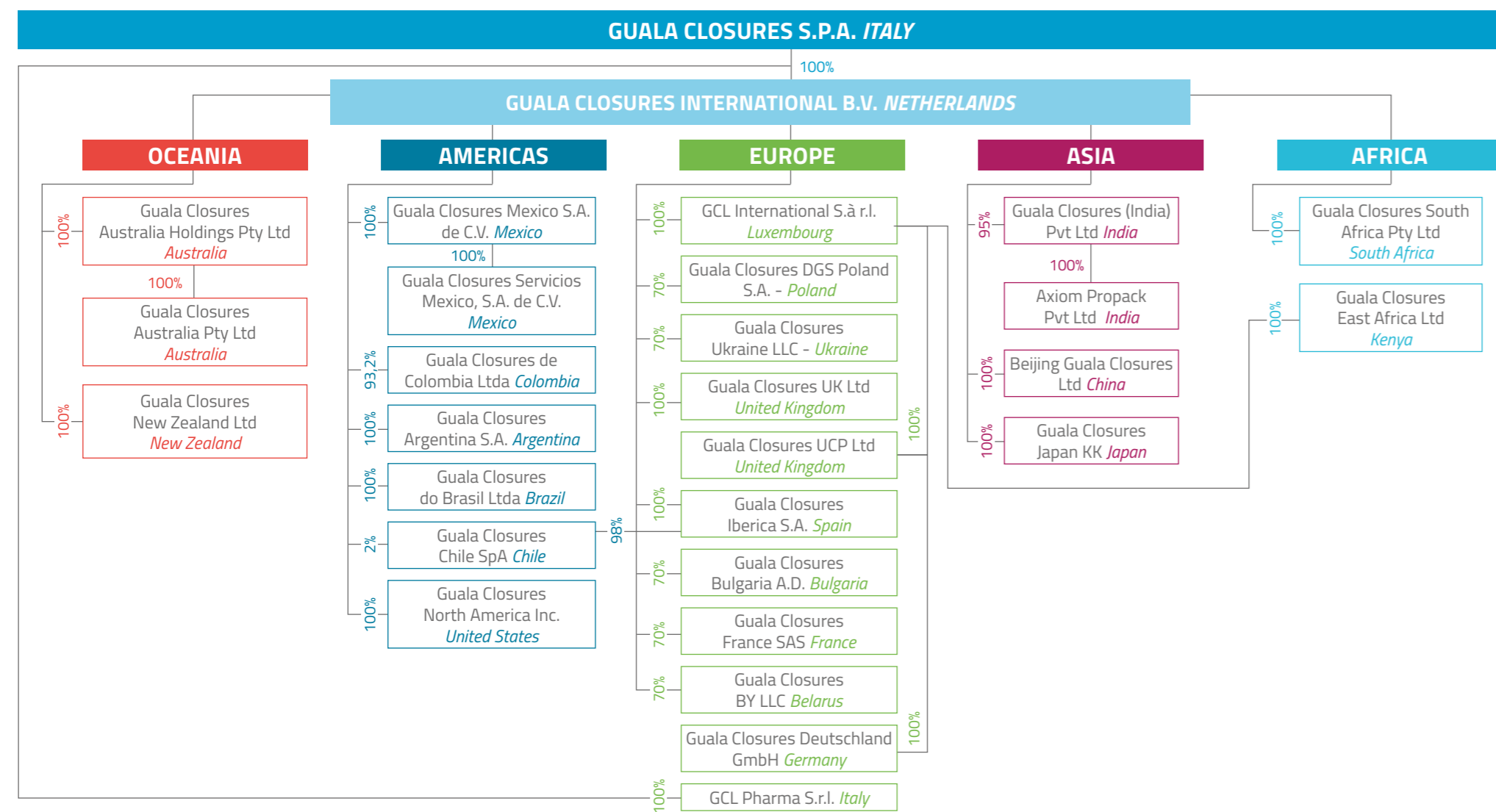
### TO FIND OUT MORE, VISIT

- > [www.savethespirits.com](http://www.savethespirits.com)
- > [www.savethewines.com](http://www.savethewines.com)
- > [www.salvalolio.com](http://www.salvalolio.com)

# \$1 billion

## THE VALUE OF COUNTERFEITED ALCOHOL PRODUCTION IN THE WORLD





The Guala Closures S.p.A. Corporate Governance system is characterized by a set of rules, behaviours and processes aimed at guaranteeing efficient and transparent corporate governance and the effective functioning of governance bodies and control systems. The Company adheres to the principles and application criteria contained in the current Code of Conduct for listed companies, promoted by Borsa Italiana (the Italian Stock Exchange). The Governance adopted by Guala Closures must ensure fairness and transparency in the management and information and the protection of all shareholders, in accordance with national and international best practices. The Shareholders' General Meeting expresses the will of shareholders. It approves the financial statements and appoints the members of the Board of Directors and the Board of Statutory Auditors. It can resolve on amendments to the Articles of Association and extraordinary transactions.

**The Board of Directors** has a central role, through the performance of functions of strategic guidance, organisational coordination, as well as verification of the existence of the controls necessary to monitor the performance of the Company itself. Moreover, it is vested with the widest powers for the ordinary administration of the Company and, more precisely, it has the power to carry out all the acts it deems appropriate for the achievement of the Company's objectives, excluding only those acts which are exclusively reserved to the Shareholders' General Meeting.

**The Control and Risk Committee** is made up of Mr. Francesco Caio (president), Prof. Lucrezia Reichlin and Dr. Nicola Colavito. The **Remuneration Committee** is composed of Ms. Luisa Maria Virginia Collina (Chairwoman), Mr. Francesco Caio and Mr. Edoardo Carlo Maria Subert.







**CORPORATE STRUCTURE**



- \* **Guala Closures S.p.A.** is a company listed on the STAR segment of the Milan stock exchange. The ownership structure of Guala Closures S.p.A. is characterised by a significant portion of the share being held by the market and 24.54% of voting rights held by Managers, out of which 24.28% indirectly through the Luxembourgish company GCL Holdings SCA.
- \* **Guala Closures S.p.A.** owns GCL Pharma S.r.l. and Guala Closures International B.V.
- \* **Guala Closures International B.V.**, with its main office in Holland, is the sub-holding company which controls directly and indirectly all the foreign companies belonging to the Group.

**SHAREHOLDERS' MEETING**



The Ordinary and Extraordinary Shareholder's Meeting is usually convened by the Board of Directors and has the task of deciding upon the approval of the annual financial statements and on the other matters reserved by the law or by the Articles of Associations, such as the amendments of the articles of association, capital increase, appointment of the directors, the auditors and the determination of the relevant compensation, etc. The Ordinary Shareholders' Meeting occurs at least annually to approve the financial statements.

**REMUNERATION COMMITTEE**



This 3 member committee (composed of a majority of independent directors) formulates proposals to the Board of Directors regarding the definition of the remuneration policy of directors and key managers of the Issuer post-merger. It periodically assesses the adequacy, overall compliance and actual application of the remuneration policies for directors and key managers, and with regard to this, establishes proposals to submit to the Board of Directors. Finally, it submits proposals to the Board of Directors on the remuneration of executive managers and the other directors who have specific roles, establishes the remuneration performance targets and monitors the application of the Board of Directors' decisions.

**BOARD OF DIRECTORS**



Guala Closures S.p.A.'s Board of Directors is in charge of managing and deciding the Group's strategic and organisational directions, as well as verifying the existence of the needed controls to monitor the Group's activities. The Board is made of 9 members, of which 3 are independent. Among the board members, Marco Giovannini is the Chairman and CEO and holds the Group's most senior position.

**ETHICAL / SOCIAL COMMITTEE**



This committee is composed of the COO and concerned directors : Purchasing, Legal Affairs, Quality, Human Resources and Sustainability. It guarantees the knowledge and correct implementation of the Ethical / Social Policy and the Code of Ethics in all the Group's plants with 4 objectives :

- \* dissemination of Group policies and objectives on ethical / social aspects
- \* definition of tools for staff training and awareness
- \* definition and dissemination of Group procedures to manage the application of ethical / social aspects (internally and in relations with interested parties)
- \* coordination and verification of the internal audit results on the ethical / social part

**COMEX (EXECUTIVE COMMITTEE)**



This committee meets each month and analyses management progress and the achievement of set objectives. It is composed of the Group's CEO, COO, and CFO and other Group key department Heads (Corporate General Secretary, Marketing, Human Resources, Administration and Finance, Management Control, Technical Departments, R&D, Purchasing, Sales, Quality and Sustainability). In addition, the Group's Country General Directors are invited periodically as each subsidiary is established according to national local laws.

**RISK AND CONTROL COMMITTEE**



This 3-member committee (composed of a majority of independent directors) has also the duty of assisting the Board of Directors in:

- \* defining the guidelines of the internal control and risk management system, to ensure the main risks are properly identified, adequately measured, managed and monitored;
- \* the periodic verification of the adequacy and effectiveness of the internal control and risk management system;
- \* the approval of the work plan prepared by the Internal Audit Department Manager;
- \* the evaluation of the results presented in the reports of the auditing firm and in any letter of suggestions and in the report on the fundamental issues emerging during the audit of the accounts;
- \* the appointment and revocation of the Internal Audit Department Manager.

**ROLE OF THE COUNTRY DIRECTOR**



Each of Guala Closures International's subsidiaries is established in respect to national local laws. In general, for each country in which Guala Closures operates, a company-owned enterprise exists which manages the local plant. A Country Director oversees the plant and liaises with the Group.





**\* TURNOVER**

In 2019, the Group recorded a net revenue of 606.5 million euros, with a total increase of the revenues of the sales of +11.7% and an increase of the marginality to level of adjusted EBITDA of +8.6% to current currencies. This reveals of the resilience of Guala Closures Group's business and the great capacity for action to cope with exceptional events.

The contribution of the business of Guala Closures UCP, a company that entered the consolidation perimeter only at the end of December 2018, consolidated the Group's presence in the spirits market and in particular in the Scottish whisky market.

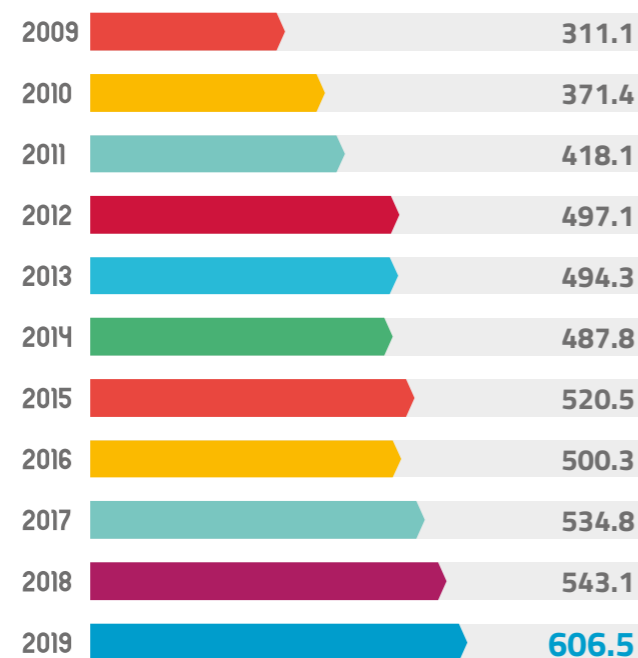
The organic growth in revenues on a like-for-like basis is the result of both an increase in sales volumes and the effect of increasing sales prices. The organic growth of Adjusted EBITDA, again on a like-for-like basis, is attributable to the combined effect of an increase in sales prices, a reduction in the cost of core raw materials, and in particular plastics, and the application of the new accounting principle IFRS 16; the latter positive effects, which more than compensate for the increase in other variable production costs.

**\* FINANCIAL STATEMENT CERTIFICATION**

The overall economic data has been taken from the Group's consolidated financial statements. The financial statements are certified by KPMG, which audits the contents and confirms its compliance with International Financial Reporting Standards.

**\* TURNOVER GUALA CLOSURES GROUP**

(million euros, 2009-2019)



**\* INVESTMENTS**

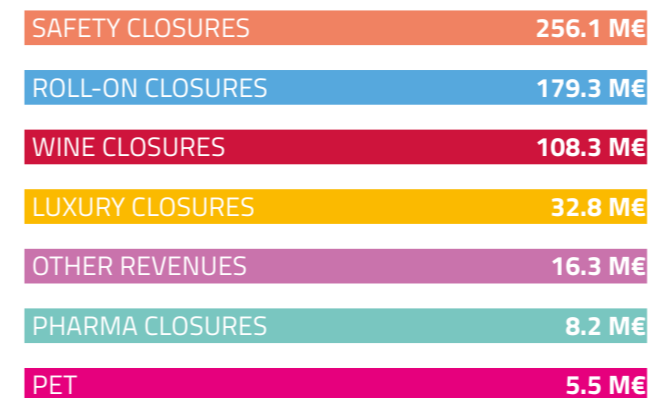
Net investments for the year 2019, amounting to € 31.6 million mainly concern plants and machinery and have affected all five continents in which the Group operates, concentrating particularly in the European area in the plants in Italy, in Ukraine and in the United Kingdom.

**\* 2 NEW ACQUISITIONS IN 2019**

On 30 July 2019 the Dutch subsidiary Guala Closures International B.V. approved the establishment of a new company in Belarus. This company, called Guala Closures BY LLC, was established on September 5, 2019. and 70% of the shareholding structure is made up of Guala Closures International BV. The activity of the new Minsk plant was started already in 2019 and the development project continues to better serve the wider Russian market.

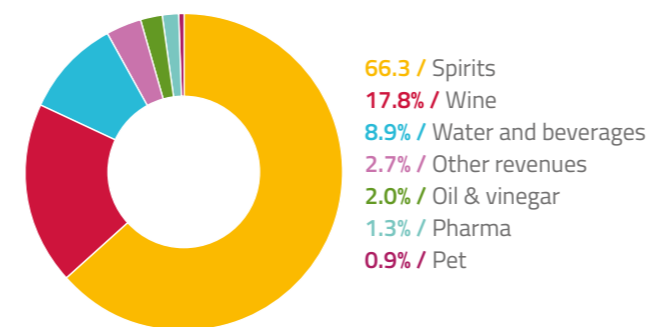
On 4 November 2019 the new plant in Guala Closures East Africa was officially inaugurated. The company's aim is to assist alcohol producers in Kenya and in the wider East African market with anti-counterfeiting closures equipped with the latest technologies. The new plant located in Nairobi made the first productions in February and began to penetrate the market in March by making the first sales to an important local customer, and continues the growth path supported by the Group.

**\* REVENUES PER TYPE OF PRODUCT 2019**

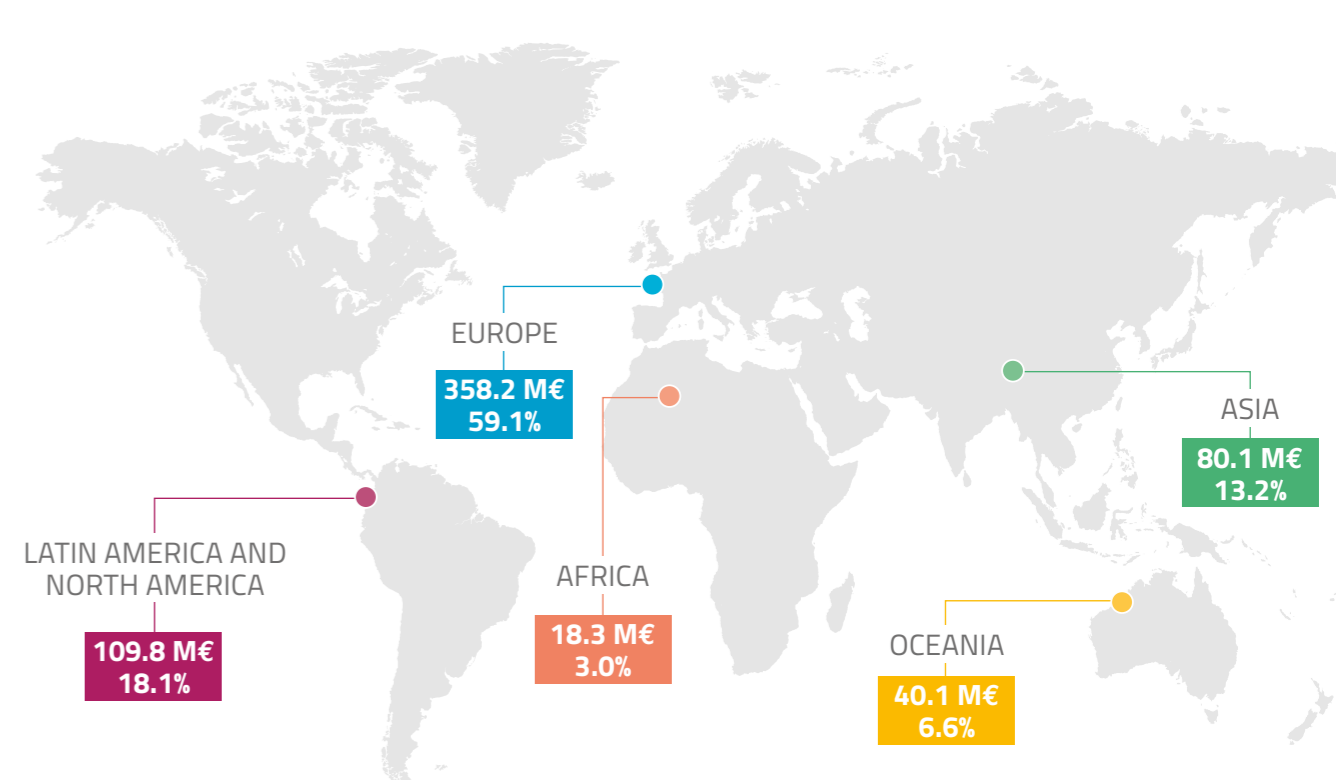


**\* REVENUES PER MARKET SECTOR IN 2019**

The spirits and wine markets continue to represent more than 84% of the Group's revenue. The Group's consolidated financial statements are accessible to the public on our website at: [www.gualaclosures.com](http://www.gualaclosures.com)



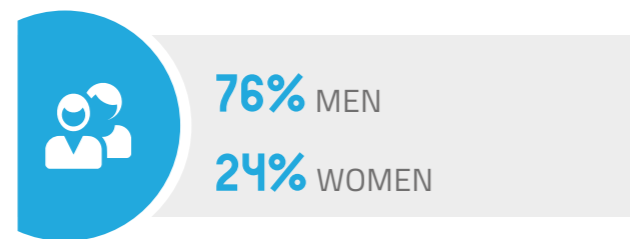
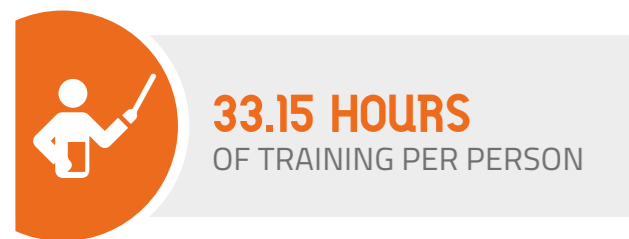
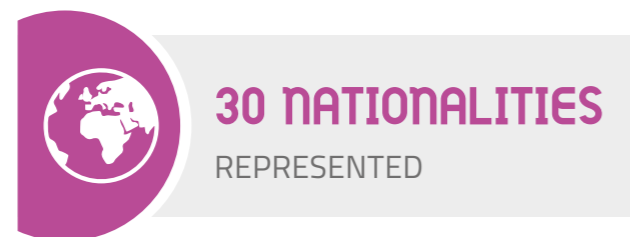
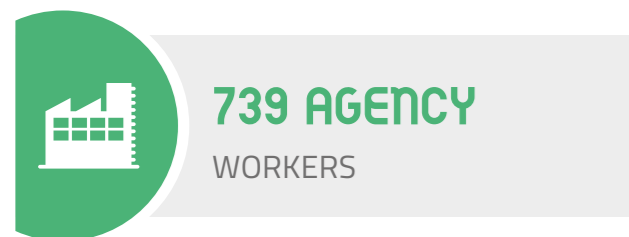
**\* REVENUES PER GEOGRAPHIC AREA 2019**



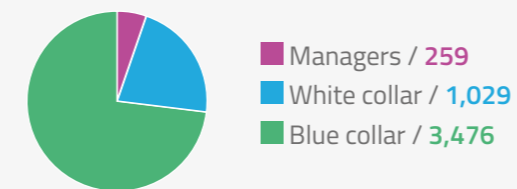
The Group is not exposed to significant geographical risks other than normal business risks.



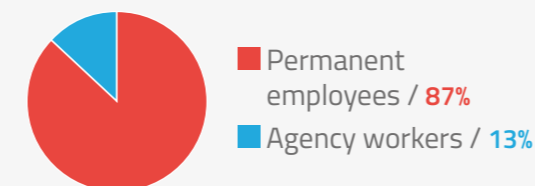
COMPANY OVERVIEW  
**Human Resources figures**



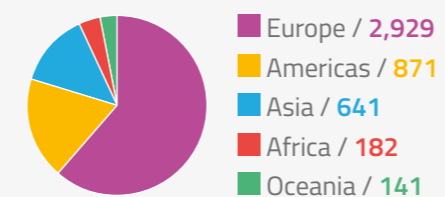
NUMBER OF EMPLOYEES PER CATEGORY



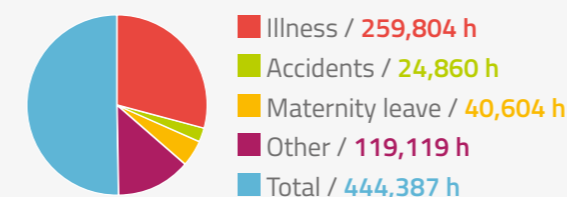
BREAKDOWN BY TYPE OF CONTRACT



AMOUNT OF EMPLOYEES AROUND THE WORLD



HOURS OF ABSENCE



For Guala Closures Group, with its 29 facilities and 3 sales offices in 23 countries around the world, people are a real asset and the best resource to maintain market leadership and develop its business. The Group's commitment is to stimulate and guide its employees towards personal and professional growth, in line with the company's culture and its corporate role, while generating economic and social value. Multiculturalism, training, engagement, awareness of diversity as a resource, and attention to health and safety are the pillars of Guala Closures' values and policies and, thus, empower our employees and collaborators.

Starting from these principles, Guala Closures strives to guarantee its employees full observance of social and ethical topics in all the countries in which it operates, focusing primarily on three areas:

- promoting company values and continuous improvement at all levels to encourage participation and a sense of belonging;
- promoting professional growth through continuous training;
- the increasingly scrupulous protection of labour law, respecting employees' rights and adopting rigorous policies for occupational safety, with particular attention to the developing countries in which the Group operates, focusing, above all, on the selection of a supply chain that is also aware of ethical and social topics.

COMPANY OVERVIEW  
**Human Resources figures**

Guala Closures promotes respect for work and employees by avoiding all forms of discrimination and ensuring full observance of the fundamental human rights.

Guala Closures works to promote a socially ethical business activity, based on the transposition and application of the following four documents:

- Social and ethical policy
- Work safety policy
- Code of ethics
- Modern Slavery Act





# CSR VISION AND ACTION





## CSR VISION AND ACTION

# Our CSR governance



Guala Closures Group's CSR governance is essentially based on the Green Board.

This CSR body was set up in 2015 to define and ensure effective implementation of the agreed sustainability strategy and to monitor progress. In 2019, The Green Board was composed of senior executives at both the Corporate and Country/Factory levels, thus including a mix of geographical areas.

All Country Managers and the continuous improvement team collect and transmit to the Green Board the environmental, social and economic KPIs for the monitoring of the Sustainability Programme and greenhouse gas emissions. The body meets 2 to 4 times a year to discuss progress, listen to top management feedback, identify challenges and suggest strategic solutions, under the guidance of COO Franco Bove.

In 2020, the Green Board will be renewed to achieve the gender equality in line with our commitment to diversity and inclusion.

The organisation of CSR at local level is voluntarily left to the free choice of the Country Managers, who implement it according to the resources and needs of local conditions. In all the Business Units, the Country Managers have appointed a CSR manager who has the task of implementing the Group's strategy, implementing the planned actions and achieving the collective objectives of the Programme. Local CSR managers support, pilot and coordinate actions within their Business Units. They are responsible for reporting group indicators.

The Corporate CSR team brings its expertise and support in the use of tools to the Business Units, giving life to the entire CSR Programme, facilitating the exchange of good practices between the Business Units and supporting innovative projects.

In 2011 we designed our Sustainability Strategy based on three pillars (Planet / People / Profit) and 12 indicators.

- ENERGY CONSUMPTION
- CO<sub>2</sub> EMISSIONS
- WASTE
- RAW MATERIALS
- WATER
- ENVIRONMENTAL MANAGEMENT
- HEALTH AND SAFETY
- TRAINING
- DIVERSITY
- PRODUCTION EFFICIENCY
- INNOVATION
- CUSTOMER SATISFACTION

## CSR VISION AND ACTION

# Our CSR strategy



In every area of the Group, Guala Closures promotes and strengthens its global leadership in the field of safety closures and aluminium closures, as well as in the PET and pharmaceutical product lines, through:

### CUSTOMER SATISFACTION

- Developing products that meet the needs of customers and the market
- Making production, products and processes ever more innovative
- Improve the efficiency and quality of production processes
- Ensure a fast, effective and secure standard of service
- Safeguard the brands and confidentiality of our customers

### ATTENTION TO THE CONSUMER

- Ensure full compliance of our food-contact closures
- Respect the environment with particular attention to reducing the environmental impact of production cycles
- Engage in important initiatives for communities close to production sites

### THE DEVELOPMENT OF HUMAN RESOURCES

- Ensure full compliance with ethical-social aspects within the areas of the group
- Promote our corporate values with employees at all levels
- Foster professional growth
- Ensure safety in the working environment

### INVESTOR SATISFACTION

- Commit to controlling costs and eliminating inefficiencies and waste
- Generate added value at all stages of business processes

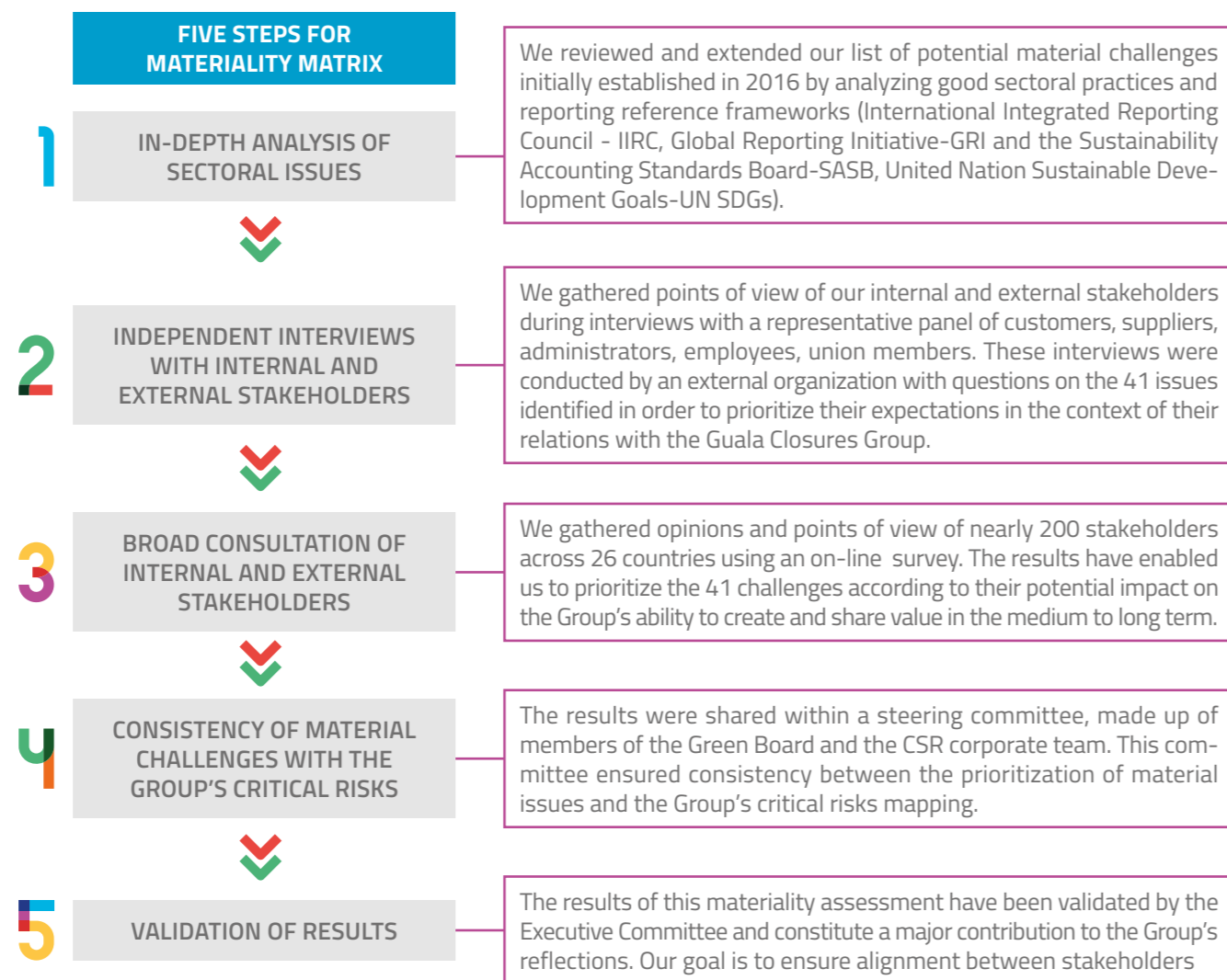


# Our issues and challenges

In 2019, we updated our materiality assessment by involving our internal and external stakeholders in a dialogue process. In line with the <IR> reference framework published by the International Integrated Reporting Council (IRCI), our essential issues are the economic, social and environmental issues that impact our ability to create value in a sustainable manner. They are determined based on their impact on the Group's strategy, governance, performance and prospects.

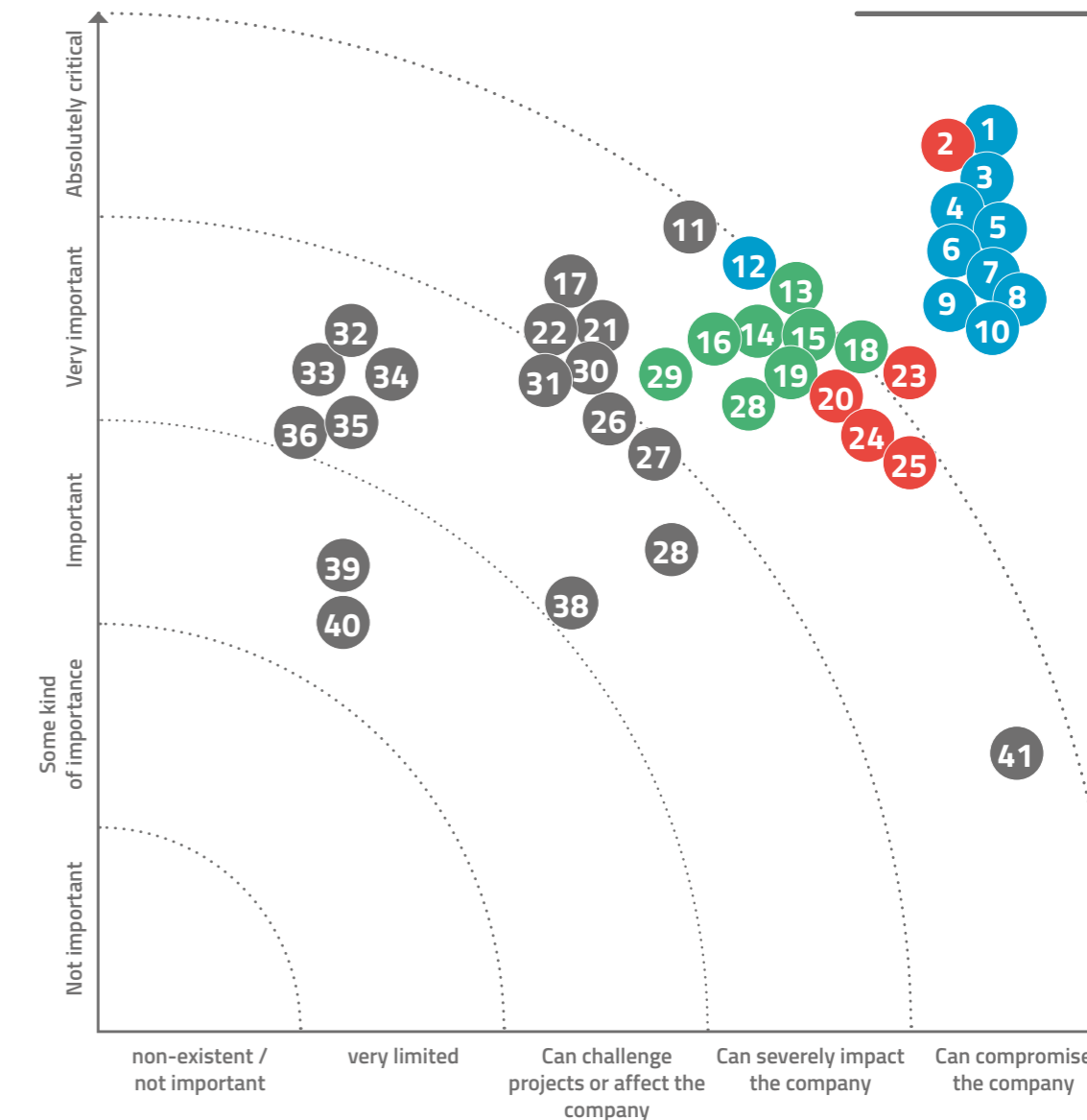
Materiality assessment update was a real opportunity to expand even more the dialogue with stakeholders that is part of the culture of Guala Closures Group. We work with all stakeholders to jointly develop our commitments and contribute to sustainable and inclusive growth.

We are convinced that creating an ecosystem including team members and strategic partners creates more opportunities to do good. We are committed to engaging with stakeholders at local, national and global levels: to determine where Guala Closures can contribute to significant change.



- 01- Customer satisfaction
- 02- Employee safety at work
- 03- Ethics and integrity
- 04- Ethical business practices
- 05- Governance & compliance
- 06- Innovation
- 07- Corruption risk management and prevention
- 08- Economic performance
- 09- Data privacy and security
- 10- Transparency
- 11- Child labour prevention
- 12- Ethical purchasing practices
- 13- Raw material recycling
- 14- Use of harmful substances
- 15- GHG emissions
- 16- Waste from operation
- 17- Human rights throughout the value chain
- 18- Energy efficiency of operations
- 19- Prevent pollution from operations
- 20- Employee training and skills / share practices
- 21- End of life product recycling
- 22- Ethical marketing practices
- 23- Employee satisfaction
- 24- Diversity and inclusion
- 25- Employee empowerment
- 26- Material scarcity management
- 27- Employee welfare at work
- 28- Develop product with environmental benefits
- 29- Water management
- 30- Renewable energy use or purchase
- 31- Engaging suppliers in sustainable performance
- 32- Air pollution
- 33- Socially responsible investment
- 34- Employee psychosocial risks
- 35- Biodiversity preservation
- 36- Land management
- 37- Transport and travel
- 38- Employee volunteering
- 39- Support for charities and NGOs
- 40 - Support for local communities
- 41- Financial stability

# Our issues and challenges







# Our policies and framework

All policies of Guala Closures Group are characterized by a common and strong commitment to sustainable development, which makes it possible to strengthen market leadership in the production of closures in full compliance with ethical and social aspects, product safety and workplace safety, all whilst safeguarding the environment. Policies were signed by M. Giovannini, Chairman and F. Bove, Chief Operating Officer. Each General Manager or Plant Manager undertakes to comply with this policy, disseminating it and applying it to his or her own organization, defining concrete objectives in accordance with the Group's Sustainability Programme, as well as implementing actions to achieve them.

### \* QUALITY POLICY

- Satisfy customer: surpass their expectations, support their needs, ensure and improve an efficient use of products.
- Invest in people: training, communication, development of specific expertises, pride to belong to the group, recognition and celebration of results.
- Continuous check and update of products, processes and production systems, encourage strong relationships with key suppliers, respect all applicable requirements and apply the concept of continuous improvement.

### \* ENVIRONMENTAL POLICY

- Develop or improve products and processes with a view to safeguarding the environment and saving energy, reducing pollution and cutting CO<sub>2</sub> emission.
- Act to involve all stakeholders in the product supply chain to be aware of environmental aspects.
- Respect for the environment is one of our priorities.

### \* FOOD SAFETY POLICY

- Make safe products: hygienically suitable for contact with food, respectful of legislative and regulatory requirements; communication with all members of the supply chain.
- Include compliance with hygiene and food safety standards in product development and process.
- Believe in people to guarantee food safety: effective methods of internal communication, implementing, assessing and improving Good Manufacturing Practices.

### \* LAND ACQUISITION POLICY

- Any form of forced land acquisition, free negotiation, payment aligned to market value.
- Recruitment of local personnel to work in manufacturing sites.
- Respect and protection of local communities.
- Safe and suitable working environment, free of discrimination.
- Minimization of environmental impact.

### \* MODERN SLAVERY ACT

- Respect and protect human rights: accept no form of child labour or practices that inhibit child development.
- All work freely chosen and refuse any form of forced or involuntary work.
- Respect and protect the rights of all employees, those working in the supply chain and those involved in the business.
- Safe and sustainable working environment, without discrimination.

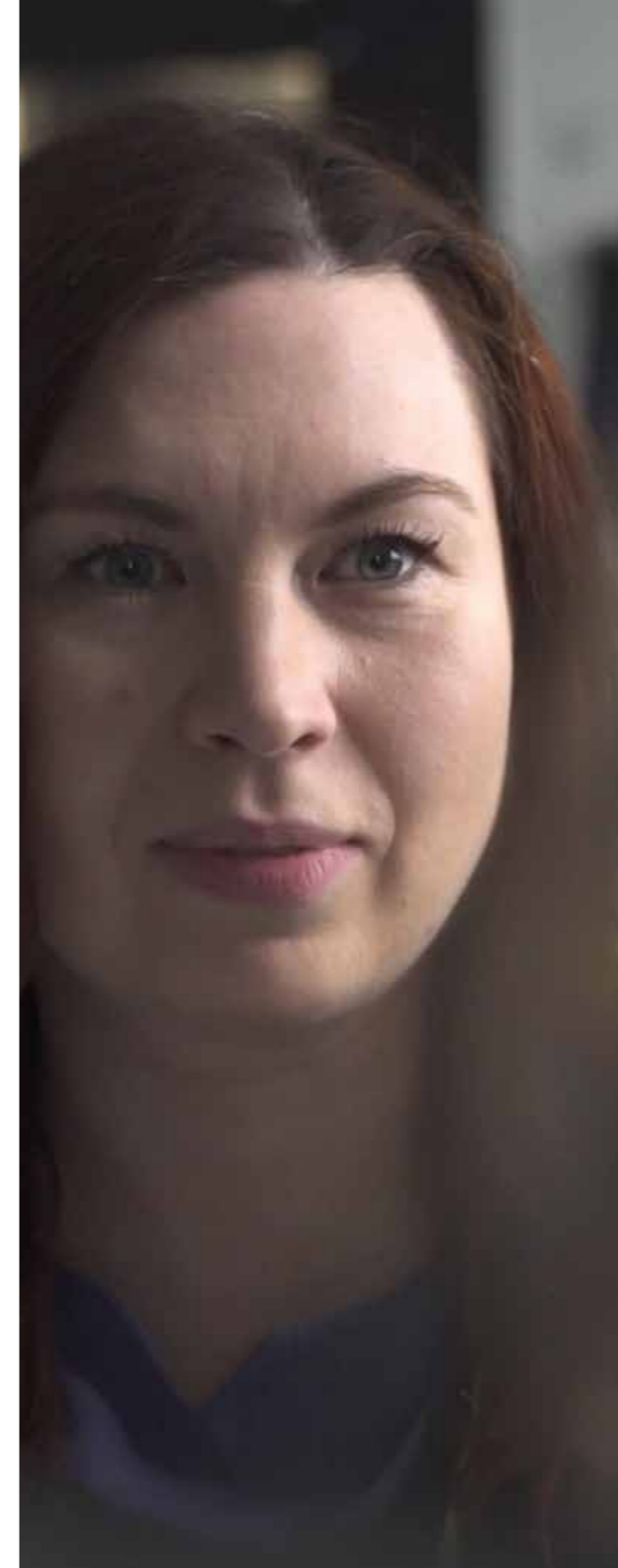
- Legitimate employment contract for all employees, that guarantees a minimum wage appropriate to the country in which they work.
- Respect privacy and personal data .

### \* ETHICAL AND SOCIAL POLICY

- Recognize employees as our added value and manage human resources in a correct manner.
- Engage stakeholders involved in the supply chain to be aware of our integrity in business and commitment to sustainable development.
- Guarantee safety in the workplace and respect of the environment.

### \* WORK SAFETY POLICY

- People involved in their own safety: effective communication to guarantee requirements and objectives; collection of observations, complaints and suggestions for improvement; development of know-how, methods and tools necessary to maintain safe working conditions; sharing of good practices between plants.
- Develop or improve products and processes with a view to guaranteeing and improving safety in the workplace; engage suppliers to avoid potential risk situations.
- Endorse and comply with international, national, and local laws and standards, as well as with additional requirements from stakeholders; internal representatives in charge of training, communication and first aid procedures, systematic analysis of causes of accidents or potential accidents.



# Our Ethics and integrity



Guala Closures strives to guarantee its employees full observance of social and ethical topics in all the countries in which it operates, focusing primarily on three areas:

- promoting company values and continuous improvement at all levels to encourage participation and a sense of belonging;
- promoting professional growth through continuous training;
- the increasingly scrupulous protection of labour law, respecting employees' rights and adopting rigorous policies for occupational safety, with particular attention to the developing countries in which the Group operates, focusing, above all, on the selection of a supply chain that is also aware of ethical and social topics.

The Group promotes respect for work and employees by avoiding all forms of discrimination and ensuring full observance of fundamental human rights.

We work to promote a socially ethical business activity, based on the transposition and application of the following four documents:

- Code of Ethics
- Social and Ethical Policy (updated in November 2019)
- Modern Slavery Act
- Land Acquisition Policy

The cornerstones of these documents, which apply to all Group employees and with which the supply chain must comply, are:

- ensuring that all employees have a regular employment contract and guaranteeing the minimum legal remuneration;
- guaranteeing freedom of association and collective bargaining;

- not to employ child labour;
- not to use forced labour;
- not to discriminate, ensuring equal opportunities and treatment and promoting inclusion regardless of religion, ethnicity, gender, political or spiritual beliefs, age and disability;
- ensuring adequate working conditions, treating all employees with dignity and respect, excluding the use of unusual disciplinary practices and/or corporal punishment;
- ensuring that employees and collaborators operate in healthy and safe workplaces in accordance with applicable occupational health and safety standards.
- ensuring ethical topics in management and supplier relations.

The group is very attentive to the exemplary behaviour of employees and to the awareness of all parties concerned with respect to company ethics and integrity.

In particular, those involved in the supply chain are required to actively comply with the Ethical and Social Policy, ensuring the full observance of ethical aspects, avoiding any potential act of corruption, intimidation or fraud, and the Group undertakes to do the same.

The relations with external communities are based on the respect for people, without discrimination or exploitation, and considering the suggestions and needs of different parties.

The respect for customers, suppliers and competitors is the root of the Group's business relations. As outlined in the Code of Ethics, particular care is taken to avoid any anti-competitive practices.

In 2019, the awareness and training plan for the Code of Ethics has continued, involving the relevant managers and employees.



# Management systems and tools

All Guala Closures processes are developed and operate by reference to the following standards:

- > **For Quality: ISO 9001: 2015**  
"Quality management systems - Requirements"
- > **For Hygiene: ISO 22000:2005**  
"Management systems for food safety"
- > **For the Environment: ISO 14001:2015**  
"Environmental management systems - Requirements and guidance for use."
- > **Safety: OHSAS 18001:2000**  
"Occupational Health and Safety Management Systems - Requirements"
- > **Continuous improvement: ISO 9004:2009**  
"Managing for the sustained success of an organization - A quality management approach"

Currently, almost all indicators' data retrieval is done monthly. Each business unit sends its data to the Sustainability Team which checks and compiles the information into a master document. Also, the central team annually retrieves all actions and initiatives done on a local level, and uses this information to update the current report.

In 2017, we switched from 'TEA Tool' (Tool for Environment Analysis) to 'CIS Tool'. This new software automates and streamlines the data collection process. During the year, we have completed the database and made tests successfully. The software has been introduced worldwide. The majority of the plants have been trained to use the CIS-Tool, and the 2018 reporting campaign has been realised with this new software.

In 2008, Guala Closures performed its first life cycle analysis (LCA), a study that focused on a specific type of closure known as the Divinum. Additional LCA studies followed in 2014 with our wine and oil closures. As we progress in the years to come, we will increase the focus on reducing carbon dioxide contributors along the supply chain and production process.

Not all Business Units are certified in every category, but the Group has a clear programme for future certification:

COUNTRY	PLANT REF	9001	22000	14001	SEDEX	OHSAS 18001
ARGENTINA	Chivilcoy	✓	2020	2020	✓	-
AUSTRALIA	West Footscray	✓	✓	✓	✓	-
BELARUS	Minsk	TBD	TBD	TBD	TBD	-
BRAZIL	Sao Paulo	✓	✓	2019	✓	-
BULGARIA	Kazanlak	✓	✓	2020	✓	-
CHILE	Santiago de Chile	2019	2019	2020	✓	-
CHINA	Beijing	✓	2020	2020	✓	-
COLOMBIA	Bogota	✓	2020	2019	✓	-
FRANCE	Chambray	✓	2020	2020	✓	-
INDIA	Ahmadabad	✓	✓	✓	✓	-
INDIA	Daman	✓	✓	2019	✓	-
INDIA	Dharwad	2020	2020	2020	2020	-
INDIA	Goa	✓	✓	✓	✓	-
ITALY	Magenta	✓	2019	2020	✓	-
ITALY	Spinetta Marengo	✓	✓	✓	✓	-
ITALY	Termoli	✓	✓	✓	✓	-
ITALY	Vasto	✓	✓	✓	✓	-
KENYA	Nairobi	2020	2020	2021	2020	-
MEXICO	S.J. Iturbide	✓	✓	✓	✓	-
NEW ZEALAND	Auckland	✓	2019	2019	✓	-
POLAND	Wloclawek	✓	✓	✓	✓	✓
SOUTH AFRICA	Cape Town	✓	✓	✓	✓	-
SPAIN	Jerez de la Frontera	✓	✓	✓	✓	-
SPAIN	Olèrdola	✓	✓	✓	✓	-
UKRAINE	Sumy	✓	✓	2019	✓	-
UK (UCP)	Bridge of Allan, Stirlingshire (Stirling)	✓	✓	✓	2019	✓
UK	Kirkintilloch	✓	✓	✓	✓	-
U.S.A.	Fairfield	✓	2019	2019	✓	-

## 2019 COMMUNICATION FIGURES

### SUSTAINABILITY REPORT (Full version)

- > 3,000 copies printed in English
- > A digital version sent to managers, clients and suppliers of the Group

### SUSTAINABILITY REPORT (Abstracts)

- > 4,360 copies delivered to each employee of the Group, printed in the local language
- > A digital version in each language

### ECHO NEWSLETTERS

- > 1 printed newsletter for the Group and 1 for Italy employees
- > A digital English version sent to all the managers

### POSTERS & TOTEM

- > Material provided to each business unit around the world for display.



Newsletters

Your opinions and suggestions are important. You can write us any time at the following email: [mmittino@gualaclosures.com](mailto:mmittino@gualaclosures.com)

# Communication on Sustainability



Sustainability report



Abstracts

## INTERNAL AND EXTERNAL INFORMATION ON SUSTAINABILITY

Guala Closures values its Human Resources division which has helped the company continue to grow, improve and promote our sustainability initiative. By informing, motivating and involving our employees, Human Resources has encouraged their participation in the Group's sustainability strategy. This has been a key factor in achieving Guala Closures' objectives which are defined within the Sustainability Programme. On the other hand, the Group regularly informs the external stakeholders (customers, suppliers, ...) about its commitment, actions and results.

## MAIN COMMUNICATION TOOLS

### Annual Sustainability Report

The first Sustainability Report was issued in 2011. Nowadays it is mainly addressed to the employees of the Group and to its customers. It contains information on the Group governance and product portfolio as well as on how the Group manages and mitigates the environmental and social impact of its business activities. The report is available in English (printed and digital version).

In addition, a report abstract is translated into the eleven languages spoken within the Group for wider distribution to employees, customers and suppliers (Byelorussian, Bulgarian, Chinese, English, French, German, Italian, Polish, Portuguese, Spanish and Ukrainian).

### Newsletter

ECHO is the internal newsletter which serves as the main tool to share information about projects, initiatives and key findings regarding the Sustainability Programme. Since 2017 the newsletter has 2 versions: one for Italy and one for the Group.

### Website

The Group's website offers an extensive amount of information, ranging from products to markets, as well as policies, the Group's Code of Ethics and information on sustainability. Company contact information also is included ([www.gualaclosures.com](http://www.gualaclosures.com)).

### Social Media: YouTube / LinkedIn / Facebook

Guala Closures uses social networks to publish information and film clips to publicize and illustrate its business.





**Maurizio Mittino**  
Sustainability and Continuous Improvement Director

**AS HEAD OF THE CSR CORPORATE TEAM, WHAT ARE YOUR MISSIONS? WHO ARE THE MEMBERS OF YOUR TEAM?**

Ana Maria, Elena, and Matteo are the pillars of the Guala Closures Sustainability team.

Filippo joined the team few months ago when Elena was waiting for her baby to be born, and he has done a great job in a short time.

Our mission is to raise awareness towards Sustainability in the Group and to support all the plants in the development of all points of the Sustainability Programme.

We give tools, methods, training, share best practices. We standardize the use of the KPIs to monitor the targets and we collect the results from each plant and ... a lot of other things!

To achieve all this, the support of the sustainability reference of each plant is fundamental.

**THE GROUP IS NOW IN THE MIDDLE OF ITS 2016-2022 CSR PROGRAM. WHAT DO YOU THINK ARE THE MAIN CHALLENGES FOR THE GROUP AND FOR YOUR CSR CORPORATE TEAM TO REACH THE OBJECTIVES?**

In 2020, we are facing the unexpected experience of the Covid 19 worldwide. Faced with this crisis, our priority has been to preserve the absolute safety and health of our employees. From one point of view the difficulties coming from the crisis will make it more difficult to achieve the objectives. But there are some opportunities coming from the need to be more supportive, more linked each other.

I am convinced that companies committed to sustainable development can be more resilient with the economic and financial crisis that we are all going to face. Guala Closures Group acts to succeed in the long term, and to create value for shareholders, employees, customers, suppliers, the environment and society.

Corporate Social Responsibility is not a bonus, it proves to be useful in this time of crisis. If we remember this and take care of the lesson learned, we could achieve the goals in the same way.

**MAURIZIO MITTINO, AMONG ALL THE 2019 HIGHLIGHTS AND PROJECTS, WHAT ARE YOU MOST PROUD OF?**

I think we are understanding the values of sustainability in their entirety and not only what is related to our productions. That is demonstrated by the numerous projects towards the local communities of our Business Units.

Another important point is the Diversity project. Now the preparation is finished and we are ready to start involving all our people. That will be the great challenge for the next couple of years.



**ELENA CARNIGLIA, AMONG ALL THE 2019 HIGHLIGHTS AND PROJECTS, WHAT ARE YOU MOST PROUD OF?**

2019 is the year in which we accelerated on our Diversity and Inclusion Project. Being part of this program is a source of pride and it stimulates me to continue on this path. Beyond the Diversity theme, we notice the awareness of being part of an international group with the desire to cultivate this multiculturalism as a strength in order to grow all together.

**FILIPPO BERTONI, AMONG ALL THE 2019 HIGHLIGHTS AND PROJECTS, WHAT ARE YOU MOST PROUD OF?**

I am proud of the gradual shifting to energy from renewable sources such as the one we saw this year in Brazil. Our presence in multiple countries gives us the opportunity to contribute on improving the well-being of the places in which we operate while taking care of the environment at the same time.



**ANA MARIA AMPLE, AMONG ALL THE 2019 HIGHLIGHTS AND PROJECTS, WHAT ARE YOU MOST PROUD OF?**

I am proud of the progressive growth of the use of recycled aluminum as a raw material that contributes to improve the carbon footprint of our products.

**MATTEO IACULLI, AMONG ALL THE 2019 HIGHLIGHTS AND PROJECTS, WHAT ARE YOU MOST PROUD OF?**

I wouldn't talk only about 2019 projects, but about the fact that nearly every plant in the Group integrated our Sustainability Program.





CSR VISION AND ACTION  
**2016-2022 programme and indicators**

Through the “Working together for sustainable growth” programme, adopted in 2016, Guala Closures Group expresses its vision for the future. From the materiality assessment updated in 2019, we analyzed the relationship between our activity and the programme of the Sustainable Development Goals published by the United Nations. This analysis made it possible to put into perspective - with the sustainable development objectives defined by the UN - to which Guala Closures Group contributes through its activities and its CSR strategy, «Walking together for sustainable growth». **THE AMBITIOUS SEVEN-YEAR AGENDA: 12 INDICATORS AND 21 TARGETS.**

INDICATOR	OBJECTIVES	UNITS	RESULTS 2015	RESULTS 2016	RESULTS 2017	RESULTS 2018	RESULTS 2019	FINAL RESULTS EXPECTED	SDGs
<b>CO<sub>2</sub> EMISSIONS</b> Atmospheric emissions plants and CO <sub>2</sub> equivalent	To reduce carbon dioxide equivalent emissions (Scopes 1 and 2) by 25% per tonne of finished product.	teqCO <sub>2</sub> /t FP	/	2.19	2.16	1.98	2.00	2022: 1.64 teqCO <sub>2</sub> /t FP	 
	To certify indirect CO <sub>2</sub> emissions (Scope 3)		/	/	✓	/	/	2017: Certification of GCG Scope 3	
	To develop partnership projects with suppliers to reduce the usage of raw materials and transport		-	-	-	-	-	2020: Partnerships to reduce the usage of raw materials and transport	
<b>ENERGY CONSUMPTION</b> Consumption of all sources used	To reduce energy consumption per finished product (GJ/tonne FP) by 25%	GJ/t FP	17.58	17.87	17.86	16.21	16.67	2022: 13.18 GJ/t FP	 
	To Facilitate the supply of renewable energy	BU	-	-	-	-	1	2020: Minimum 3 main BU as renewable energy pilot	
<b>WASTE</b> Waste produced, type and final destination	To reduce the waste generated per finished product by 20%	kg/t FP	/	/	272	236	252	2020: 218 kg/t FP	  
	To reduce hazardous waste with respect to total waste produced <5%	%	/	/	9.17	8.79	10.29	2020: <5%	
	Zero waste in the landfill (kg)	%	/	/	11.55	12.56	12.21	2022: 0 kg >1%	
<b>RAW MATERIALS</b> Raw materials, accessory, auxiliary and packaging materials	To decrease the percentage of scrap <2%	%	2.56	3	2.87	2.67	2.52	2022: <2%	
	To increase the quantity of recycled and/or low environmental impact aluminum		/	/	✓	✓	✓	2020: To have a minimum of 1 low impact supplier	
<b>WATER</b> Water drawn	To reduce the water drawn per finished product (m <sup>3</sup> /t FP) by 20%	m <sup>3</sup> /t FP	3.95	3.61	3.98	3.42	3.41	2020: 3.16 m <sup>3</sup> /t FP	  
<b>ENVIRONMENTAL MANAGEMENT</b> Environmental management systems	To obtain ISO 14001 certification for all Group Plants	plants certified	3	4	8	13	19	2020: All plants certified	 

CSR VISION AND ACTION  
**2016-2022 programme and indicators**



INDICATOR	OBJECTIVES	UNITS	RESULTS 2015	RESULTS 2016	RESULTS 2017	RESULTS 2018	RESULTS 2019	FINAL RESULTS EXPECTED	SDGs
<b>HEALTH AND SAFETY</b> Accident frequency and gravity	Zero accidents - To reduce the accident frequency indicator	number of accidents / million worked hours	9.04	7.75	10.4	7.4	7.7	2020: 4.5	
<b>TRAINING</b> Type & quantity of training given	100% of employees with 2 hours of Sustainability Program training	%	-	-	25	95	100 ✓	2018: 100%	  
	To strengthen the development program for internal resources		-	-	-	-	-	2020: To be defined	
<b>DIVERSITY</b> Gender and cultural differences	To promote awareness campaigns to facilitate the integration of diverse groups		-	-	-	Diversity survey	Diversity workshop	2020: Campaigns to facilitate the integration of diverse groups	   

INDICATOR	OBJECTIVES	UNITS	RESULTS 2015	RESULTS 2016	RESULTS 2017	RESULTS 2018	RESULTS 2019	FINAL RESULTS EXPECTED	SDGs
<b>PRODUCTION EFFICIENCY</b> Efficiency of production systems	Overall Equipment Efficiency (OEE) > 85%	%	73.8	76.5	77.1	77.7	79.3	2022: >85%	
<b>INNOVATION</b> Innovative capacity	To develop at least 26 patentable ideas	New patents	-	3	6	15	18	2020: 26 patents	
<b>CUSTOMER SATISFACTION</b> Customer satisfaction	On Time In Full delivery (OTIF) > 95%	%	83.9	86.5	86.6	88.9	89.7	2022: >95%	  
	All plants SEDEX accredited	%	-	78	100	90	83	2017: All plants	
	ISO 22000 for all Group plants	Plants	-	15	15	17	21	2020: All plants	





## CSR VISION AND ACTION Energy consumption

The management of energy consumption is key to meet our engagement on climate change and, at the same time, make production processes more efficient. In most plants, electricity first and natural gas second are the energy resources most exploited used in production activities, and therefore having the greatest impact on consumption.

The optimization of consumption plays a crucial role in energy management. For these reasons, the Group focusses its efforts on identifying the processes that have the greatest impact on energy consumption and implementing specific improvement measures.

### OUR STRATEGY

At Guala Closures Group, we intend to reduce our energy consumption by upgrading production machinery and systems, installing equipment with improved energy efficiency, innovating new production processes, designing products which require less energy intensive manufacturing and also by experimenting with new raw materials.

We study all the opportunities for using renewable energies according to local conditions.

Several plants have already shifted to renewable energy and others will do the same soon.

Perimeter: All plants except Belarus.

### OUR COMMITMENTS

**-25% energy consumption**

**Facilitate the supply of renewable energy**

### OUR PROGRESS

In 2019, the Group's production increased by 8.4% in units of finished products and only 4.1% in weight of finished products. Even if energy consumption per ton of finished product increased by 2.8%, the energy consumption per unit reduced by 1.2%.

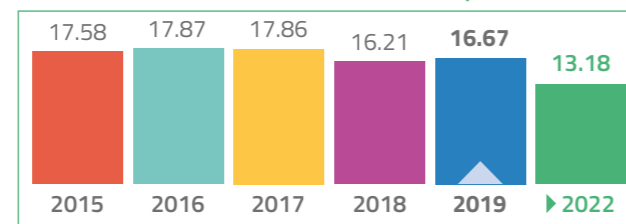
These results show that ecodesign efforts allowed to generate savings in natural resources and energy resources.

The energy mix changed with an increase in electrical energy of 6.8%, a reduction in diesel consumption of 4% and a rise in the use of natural gas equal to 10.4%.

The most important project in the energy field took place at Spinetta Marengo facility with the roll-out of a trigeneration plant which uses natural gas to supply electrical energy, heating and refrigeration for cooling systems.

In São Paulo, the plant is using 100% renewable energy since 2018.

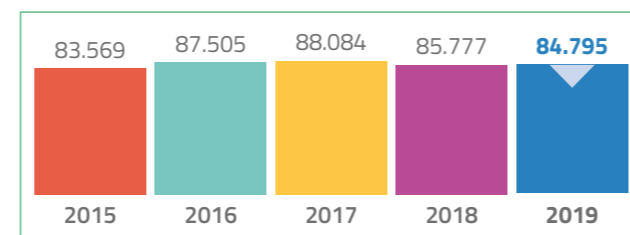
### ENERGY CONSUMPTION (in GJ/t of finished product)



*We conserve energy to make the future better, cooler, and brighter.*

*Filippo Bertoni, Sustainability and Continuous Improvement Specialist*

### ENERGY CONSUMPTION (in KJ/unit)



### OUR AXES OF WORK

The Group signed an agreement with the Italian energy supplier to assess the use of electrical energy from renewable sources in European plants. In particular, the Spanish factory in Olerdola will receive electricity 100% from renewable sources from 2020.



## CSR VISION AND ACTION CO<sub>2</sub> emissions

### OUR COMMITMENTS

**-25 % CO<sub>2</sub> emissions**

**on Scope 1 & 2 for each tonne of finished product, by 2022 (versus 2016 baseline)**

**Certification scope 3**

**Obtain certification of the Group's indirect carbon dioxide emissions in 2017 (achieved)**

**Partnership projects**

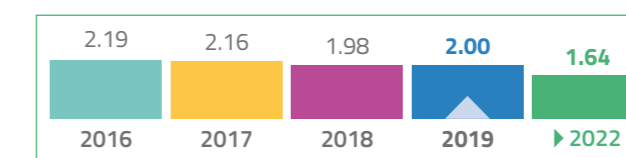
**with suppliers to reduce the use of raw materials and transport in 2020**

### OUR PROGRESS

In 2019, the CO<sub>2</sub> emission intensity (Scope 1&2) per tonne of finished products increased very slightly. In fact, Scope 1&2 CO<sub>2</sub> emissions and finished products quantity increased respectively by 4.7% and 4.1%.

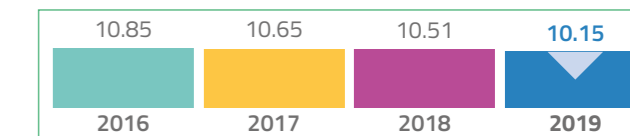
If we look at the CO<sub>2</sub> emissions per unit of product, GHG emissions have been reduced by 3.4%. This positive performance is the result of 3 factors: high increase of units produced, constant efforts in ecodesign and an optimization of energy consumption. Concerning the indirect emissions of Scope 3, they decreased in absolute terms by 2.1%. Guala Closures Group produced more closures using less raw materials, which lead to less transport and packaging materials consumption.\*

### EMISSIONS SCOPES 1&2 (in tCO<sub>2</sub>eq/t of finished product)



Perimeter: Scope 1&2: all plants except Belarus - Scope 3: all plants except Belarus, UK/Bridge of Allan and East Africa partially included.

### EMISSIONS SCOPE 1&2 (in gCO<sub>2</sub>eq/unit)



	Scope 1 tCO <sub>2</sub> eq	Scope 2 tCO <sub>2</sub> eq	Scope 3 tCO <sub>2</sub> eq
2016	33,616	117,937	488,859
2017	34,123	118,653	427,593
2018	33,615	126,552	463,138
2019	37,120	130,519	456,261

### OUR AXES OF WORK

Between 2016 and 2019, the Group reduced its GHG emission nearly by 9%. In order to reach the final objective of 25% of reduction, Guala Closures Group has set up a "Green CAPEX Group" that will support the Business Units in identifying and implementing projects with a significant impact on reducing greenhouse gas emissions. Project selection criteria include volume of greenhouse gas emissions avoided, innovative character, financing and ROI. The greatest efforts and investments will be concentrated on the Business Units with the highest impact on greenhouse gas emissions.

A significant investment has been realized in November 2019 in Spinetta plant to adopt trigeneration process. The expected positive impact on emissions reduction will be measured as from 2020.

In addition to our commitment to reducing greenhouse gas emissions, we continue to implement an offsetting program for our direct CO<sub>2</sub> emissions by buying carbon credits and funding reforestation projects that actively involve local communities, in countries where the Group operates.

\*Results have been certified following an audit by Bureau Veritas in February 2020 and included all Group facilities with the sole exception of Belarus, which became operative at the end of 2019.



## CSR VISION AND ACTION Waste

At Guala Closures, production plants generate different types of waste: packaging waste (paper, cardboard, plastic etc.); waste from the processing of raw materials (about 10 different polymers, aluminum, ferrous materials, residues such as wood shavings and cork, etc.); liquid waste (which, in any case, is mostly purified and, therefore, does not constitute discharge into the receiving water bodies), and waste from plant activities (office waste, green waste, domestic water, etc.).

### ✳ OUR STRATEGY

The Group implements a waste management system based on:

- Reduce both input and waste for a given quantity of output
- Re-use material as inputs in its production activity
- Recycle waste and scrap in order to exploit it as new raw material
- Create energy by incineration (external practice)
- Dispose waste in landfill when nothing is recoverable

Perimeter: All plants except Belarus and East Africa.

### OUR COMMITMENTS

**-20% waste production**  
per tonne of finished product, by 2020

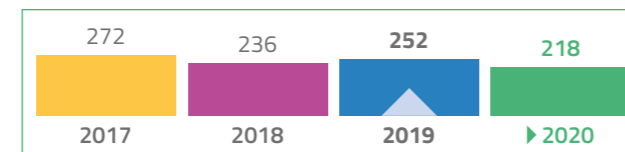
**<5% hazardous waste**  
over the total waste, by 2020

**ZERO waste to landfill**  
in 2022

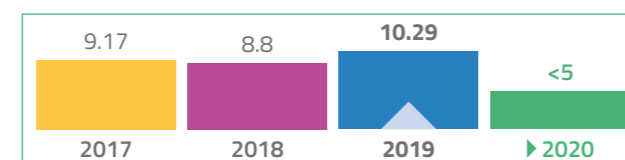
### ✳ OUR PROGRESS

Looking at the figures, the results related to hazardous waste and landfill are not positive. The reason is that among the Group's plants, one, Magenta, is not producing closures but is transforming aluminium and providing the lithography for a large part of the plants. Its activities generate more hazardous waste and more landfilled waste than the average of all the other plants. Unbundling Magenta the trend results positive and emphasizes the priority to be given to actions and investment in Magenta.

#### QUANTITY OF WASTE (in kg/t of finished product)



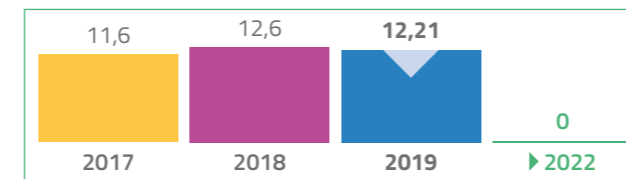
#### HAZARDOUS WASTE (in%)



An important project "zero discharge for degreasing treatment" is being launched. It will have a significant positive impact on the sustainability of the plant.

Marinella Vercellone, Magenta Plant Manager

#### LANDFILL (in%)



#### ZOOM ON 2019 WASTE RESULTS

	Group's results without Magenta plant	Magenta plant results
Hazardous waste (in %)	5.4%	41.2%
Landfill (in %)	7.3%	42.9%

In 2019, we realised and disseminated to all plants a list of best practice about waste prevention and treatment that collects and shares best practices and waste prevention methods that the plants can follow to reduce their impact.

### ✳ OUR AXES OF WORK

As Magenta is a heavy waste generation contributor, an important project is being launched for the degreasing treatment making it «Zero Discharge». The new purifier configuration, in addition to the important reduction of hazardous waste, will allow the elimination of drains in the sewer treatment. The project is currently in a feasibility analysis phase and, if confirmed, will be implemented between 2020 and 2021.



## CSR VISION AND ACTION Raw materials

In the industrial sector in which Guala Closures Group operates, the use and consumption of raw materials is undoubtedly one of the most decisive factors in defining the products' environmental footprint. The Group focuses its efforts on making its products by combining a reduction of the environmental impact with customer expectations, designing its closures in compliance with food safety standards and regulations.

### ✳ OUR STRATEGY

To reduce impacts on raw material usage, the Group has adopted a strategy based on a three-pillar eco-design approach:

- minimise waste as much as possible;
- minimise the amount of materials used in the manufacture of each product, while ensuring great performance;
- use alternative materials (e.g. recycled aluminium).

The main raw materials used in production processes are aluminium and various types of plastics. In terms of recycling and reuse, these two raw materials differ in one important aspect: while aluminium can be repeatedly recycled without losing its structural and qualitative characteristics and the collection and recycling chain is active and effective, for plastics it is not currently possible to use recycled material. This is largely due to the strict requirements governing suitability for food contact. In this respect, efforts are focused on the continuous search for new suppliers and new solutions.

Perimeter: All plants except Belarus, Bridge of Allan, East Africa and USA.

### OUR COMMITMENTS

**<2 % scrap<sup>1</sup>**  
in 2022

**1 supplier**  
minimum with low impact in 2020

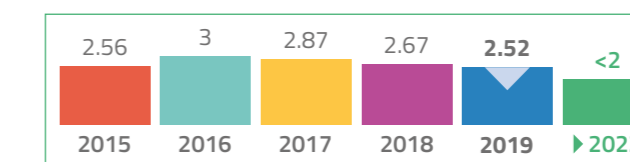
### ✳ OUR PROGRESS

The entire industrial process, from raw materials to finished closures, generates scraps. Semi-finished and finished products which are deemed non-compliant with the required characteristics during production, process changes, adjustments and machine fine-tuning and quality control, are rejected. Scraps are also generated by complaints, laboratory tests and obsolete stocks. Each facility is committed to minimising scraps and disposing of it in the most correct way.

In 2019, the Group's average scrap reached 2.52%, that is to say a reduction of 6% compared to 2018.

This result was achieved thanks to the deployment of training programmes, better control of the production, cameras, maintenance and machine efficiency.

#### SCRAP (in %)



1-Scrap: all semi-worked, semi-finished and finished products, which, during production, process changes, adjustments, fine-tuning of machinery and quality control, are found not to comply with the required characteristics and rejected. Scrap also is generated by claims, laboratory testing and obsolete stock.



Managing sustainable materials is a win-win strategy: it improves our business while improving our world.

Ana Maria Ample, Sustainability and Continuous Improvement Specialist

### ✳ OUR AXES OF WORK

The Group, that uses mainly aluminium and plastics, aims to reduce scrap below 2%. But it faces to two different realities. Plastics processes are already under the 2% of scrap and aluminium processes generate more. Particular attention will be paid to the plants which produce aluminium closures.

In 2019, the percentage of recycled plastic used for the production of closures is almost zero. However, contacts and trials have commenced, mainly for the production of PET bottles, one of the few plastic materials that has a dedicated recycling chain.

An ecodesign process is implemented and includes weight reduction objectives.





## CSR VISION AND ACTION Water consumption

The use of water resources within the Group's production processes is limited. It is mostly related to three industrial processes:

- cooling of plastic moulding presses (usually using a closed circuit);
- rubber cooling in the facility producing closures for the pharmaceutical sector;
- degreasing of aluminium coils in the Magenta facility.

### \* OUR STRATEGY

As the Spinetta plant in Italy and the 4 plants in India represent 75% of the Group's water consumption, Guala Closures is paying a particular attention to them.

In its Sustainable Programme, efficient water resource management and progressive reduction in water withdrawals are two of the 12 priorities for all facilities around the world.

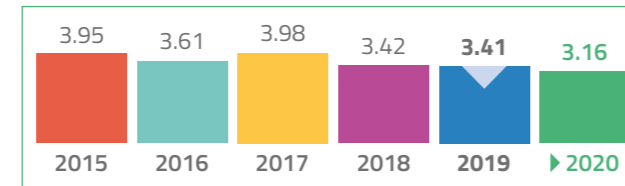
### OUR COMMITMENTS

**-20% water drawn**  
per ton of finished product in 2020

### \* OUR PROGRESS

In 2019, Water consumption, per tonne of finished product, is practically unchanged from 2018, with a decrease of 0.4%. Although in most plants the release of pollutants into the water is minimal, some of them have wastewater treatment systems, where the quality and quantity of discharges are constantly monitored, applying treatments to remove pollutants and maintaining a level that does not cause negative impacts and, in any case, within the levels set by the relevant national regulations.

### WATER CONSUMPTION (in m<sup>3</sup>/t of finished product)



### \* OUR AXES OF WORK

The reduction of water consumption is linked to people's awareness. For this reason, we are working on sharing best practices between plants. We are convinced that the most virtuous plants in this topic, can push the whole Company to continuously improve our impact on water consumption.



*Water is a precious commodity for all of us. Saving it means saving our future.*

*Maurizio Mittino - Sustainability and Continuous Improvement Director*

The trigeneration plant in Spinetta is giving its first results. Spinetta is one of the plants that consumes more water in the whole Group. So, we are witnessing a more than appreciable improvement in the indicator. This is possible, because the trigeneration system produces cooling energy for the plant.

Perimeter: All plants except Argentina, Australia, Belarus and USA



## CSR VISION AND ACTION Environmental Management

The Group supports each plant in the development of the environmental management system, with an approach focused on risk analysis and product life cycle assessment. In addition to meeting compliance requirements, each facility has to set objectives and define an environmental performance improvement plan.

### \* OUR STRATEGY

Guala Closures operates in accordance with a rigorous environmental policy, updated in April 2017, which applies to all its facilities. Similar to the Group's other policies, the environmental policy is characterized by a commitment to sustainable development, fully observing ethical and social values, product and occupational safety.

Obtaining the ISO 14001:2015 environmental certification for all its facilities further confirms the Group's commitment. The ISO14001 environmental management system helps plants to assess, monitor, report and guarantee the environmental quality of products and processes.

Perimeter: All plants.

### OUR COMMITMENTS

**100% ISO 14001 certification**  
(all Group's plants certified in 2020)

### \* OUR PROGRESS

The Group environmental policy applies to all plants, and each Plant General Manager is committed to complying with it, applying and disseminating it by sharing it with their organization, setting concrete targets in accordance with the Group's sustainability programme and implementing actions to achieve them.

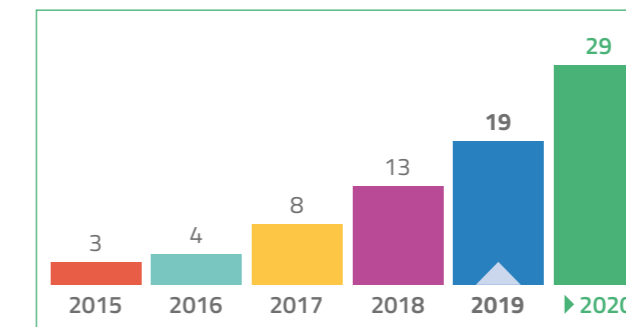
In 2019, there were no incidents of non-compliance with environmental laws and regulations.

The plan to deploy environmental certifications continued. 6 new factories have been certified according to the ISO 14001:2015 standard:

- Sao Paulo (Brazil) - Bogota (Colombia) - Daman (India)
- Auckland (New Zealand) - Sumy (Ukraine) - Fairfield (USA)

The group has now 19 out of 29 certified factories (65.5% of the Group).

### NUMBER OF PLANTS ISO 14001 CERTIFIED



*A certification system is a step to assure sustainability.*

*Roberto Boidi, Group Quality Assurance*

### \* OUR AXES OF WORK

In 2020 the first ISO 14001 certification covering all the plants belonging to the Group in 2018 expires.

The new integrated contract, Quality and Environment, will be extended to all the new plants, will start by the end of 2020 with the certification renewal foreseen in the first quarter of 2021.



Occupational safety, which has always been a key priority for Guala Closures, is used as one of the main performance indicators.

**\* OUR STRATEGY**

Since 2017, the occupational safety policy developed by Guala Closures is based on three pillars:

- Our people: we want our employees to be involved in their personal safety. We ensure that the means of communication are effective and guarantee that requirements and objectives are met. We collect comments, complaints and suggestions for improvement. We provide employees with the know-how, means and tools to keep working activities safe and we share good practices between plants.
- Our products and processes: we always operate with a view to guaranteeing and improving occupational safety. We avoid potential risk situations and operate in compliance with the concept of continuous improvement of all activities.
- Occupational safety and the environment: we are committed to ensuring occupational safety and respect for the environment by approving and complying with international, national and local laws and standards. Managers are mobilised daily to monitor the safety performance of all plants and systematically analyze the causes of any accident or near miss to ensure that it does not happen again.

Perimeter: All plants.

CSR VISION AND ACTION  
**Health and safety in the workplace**

**OUR COMMITMENTS**

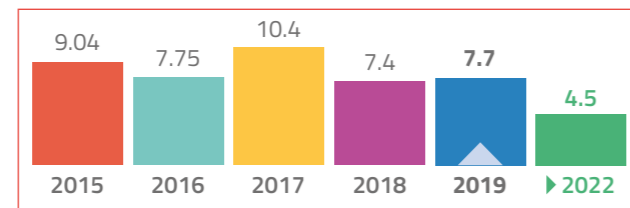
**-50% accident frequency**  
in 2020, while our final goal is to have zero injuries and work-related illnesses

**\* OUR PROGRESS**

In 2019, the accident frequency rate is stable compared to 2018 and represents a 15% reduction versus the 2015 score.

**ACCIDENT FREQUENCY**

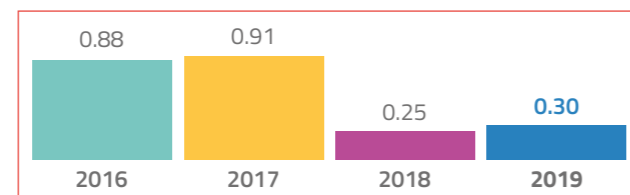
(in number of accidents / million worked hours)



Likewise, the gravity rate remains stable compared to 2018 and it decreased by 66% compared to the 2016 baseline.

**GRAVITY INDEX**

(in number of days of accident absence over thousand working hours)



*Safety and wellbeing at work is a serious thing for our workers and their families.*

Lorenzo Ferrarese, HSE Group Manager

The Group started important activities in the Health & Safety field to ensure the full implementation of the Group Policy:

- the safety standards applied by the individual plants were analyzed to assess compliance with local laws and regulations through an e-mail survey;
- internal audits were carried out at the Italian plants;
- a project dedicated to the Ukrainian plant was launched, taking into consideration not only compliance with regulations, but also continuous improvement.

Plant managers are always committed in safety issues and it is still a priority for the awareness and training programme.

**\* OUR AXES OF WORK**

Auditing and standards compliance activities will continue in 2020, under the responsibility of the Group's HSE manager, a new figure in Guala Closures Group organisation. Operation since January 2020, he reports directly to the Group COO.



For Guala Closures Group, success is linked to the people who work in the Group, the development of their skills, their professional growth and their sharing of principles and objectives. In order to enhance this link, the Group focuses, in particular, on the development of skills on issues such as:

- environment,
- hygiene and safety,
- technical skills,
- interpersonal skills.

**\* OUR STRATEGY**

For this reason, each business unit has a specific training plan that facilitates the professional and personal growth of all their employees. The Group also facilitates the engagement of employees and welcomes suggestions and ideas that are often important in developing and improving production processes.

Because the CSR Roadmap 2016-2022 is ambitious, the Group provided all employees with a special two-hour training session dedicated to awareness of its Sustainability Programme.

Perimeter: All plants excepted Belarus.

CSR VISION AND ACTION  
**Training & continuous improvement**

**OUR COMMITMENTS**

**100% employees sustainability aware and involved**  
thanks to the 2 hours sustainability learning module (achieved)

**\* OUR PROGRESS**

In 2019, the objective to raise awareness and involve people in the Group's Sustainability Programme has been reached. 100% of our employees have now benefited from 2 hours training in sustainability.

The total number of training hours decreased by 23% on 2018, exclusively for technical training, while those dedicated to health & safety remained unchanged.

**TRAINING HOURS / MONTH**

CATEGORY	2017	2018	2019
Managers	1.5	1.9	2.1
White collars	1.8	2.7	2.0
Blue collars	2.3	4.4	3.0
Total	2.1	3.9	2.8

**NUMBER OF HOURS IN 2019**

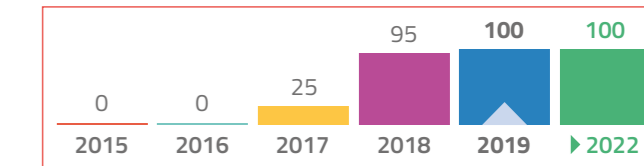
HSE skills	18,319
Technical skills	126,765
Soft skills	12,840



*Learning is a process which is strictly connected to our lives. The more it involves us, the more effective it becomes.*

Francesca Frassanito from HR,  
Recruiting & Training Manager Guala Closures S.p.A.

**SUSTAINABILITY TRAINING MODULE DEPLOYMENT (in %)**

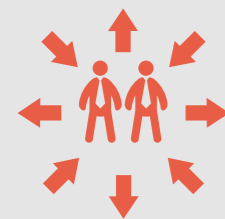


**\* OUR AXES OF WORK**

In 2020, we will continue to prioritize training related to our health and safety policy and to deploy our training program. We also plan to raise awareness widely on the topics of diversity and inclusion which are major axes of our Corporate Social Responsibility. This is a way that we wish to develop more strongly.

Raising awareness of social responsibility will also be done in the communication media, such as the CSR report and Newsletters that facilitate the sharing of good practices from each business unit.





## CSR VISION AND ACTION Diversity & inclusion

The Group operates through facilities and offices in 23 countries around the world, dealing with customers in over 100 countries. There are at least 30 different nationalities in the Group and more than 20 languages are spoken in the various facilities. For all these reasons, the need to incorporate diversity of thought, gender and culture into the corporate decision-making process is essential for the Group to continue to grow and achieve its objectives in a multicultural world.

### \* OUR STRATEGY

Our ethical and social policy clearly refers to the commitment:

*"not to discriminate, ensuring equal opportunities and treatment and to promote inclusion regardless of religion, ethnicity, gender, political or spiritual beliefs, age and disability ..."*

Guala Closures is committed to ensuring that each Business Unit, with its own cultural characteristics, fully implements the contents of the policy.

At corporate level, three priorities have been identified, relating to Diversity, for which the Group is required to set objectives and concrete actions: Gender - Age - Disability.

Perimeter: All plants.

### OUR COMMITMENTS

#### Valorise diversity

*Promote awareness campaigns to facilitate the integration of diverse groups, with specific regard to gender, age and religious diversity*

### \* OUR PROGRESS

Diversity is a cultural issue that varies from one country to another and cannot easily be addressed homogeneously, as revealed by an online survey conducted in each Business Unit.

In 2019, CSR and HR corporate teams worked in collective intelligence with the multicultural business teams, involving 25 people representing 15 plants in order to:

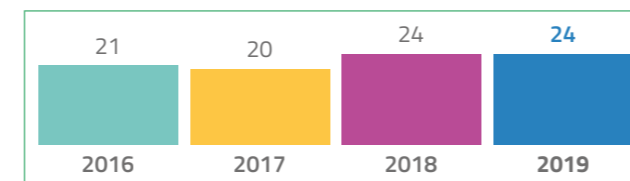
- discuss the meanings of Diversity
- gather local ideas and initiatives
- identify priorities and lay the foundations for a Group roadmap
- make the Group's multiculturalism a strength.



The workshop culminated in the drafting of Guala Closures Group's Diversity and inclusion Charter, that will be broadcasted all around the Group in 2020.

### GENDER

#### WOMEN IN THE TOTAL WORKFORCE (IN %)



In 2019, the percentage of women employed by the Group remained unchanged at 24%, while the percentage of women holding leadership positions increased from 15% in 2018 to 18% in 2019.

In 2019, the review of the ethical and social policy, the set-up of the ethical and social committee and the expected rotation of Green Board members were heavily driven by need.

### AGE

#### 2019 AGE PYRAMID

< 30 years old	From 30 to 50 years old	> 50 years old
900	2,691	1,173

The age pyramid considerably differs from one plant to another. More than 30% of the personnel at the Indian factories (a peak of 62% in Dharwad) is under 30 and less than 5% is over 50. The Mexican plant also has a high percentage of young people under 30, over 40%.

More than 40% of the personnel of the French, Australian, Bridge of Allan and the Italian and Spanish plants is over 50. Mentoring activities and the exchange of experiences between the various plants were adopted to both exploit the experience gained from age and offer opportunities to younger people.

### DISABILITY

With respect to disability, the Group is committed to developing partnerships with associations operating in the field of disability and to mapping corporate roles, in accordance with the objective of ensuring equal opportunities and treatment.

In 2019, there were no discrimination incidents in the Group facilities.

### \* OUR AXES OF WORK

Guala Closures is multicultural by nature and we are proud of it. We want to ensure that the values of respect, tolerance, ethics and solidarity are shared and applied everywhere and by everyone in our Group.

A Diversity and Inclusion Charter will define the three commitments to be developed in the 2020 - 2022 three-year period:

- ensuring equal opportunities and equal treatment
- strengthening the Groups' multiculturalism and inclusiveness

- maintaining and bolstering the sense of belonging to the Group.

The goal for 2020 will be to share the Charter throughout all Business Unit and to set concrete objectives both at Group and individual business unit level, based on their own cultural characteristics.



*Each one of us in our diversity is equal to the others.*  
Mauro Boano, Group Human Resources Director



*A Sense of belonging is the heartbeat of Inclusion.*  
Elena Carniglia, Sustainability and Continuous Improvement Specialist



## CSR VISION AND ACTION Production efficiency

The efficiency of production processes is key to achieving customer and investor satisfaction.

The Guala Closures Group uses the OEE (Overall Equipment Effectiveness) indicator to measure the total efficiency of facilities. This indicator monitors production efficiency starting from the individual machine or mould, to arrive at a complete production line, the entire facility and, finally, the entire Group. The Group has standardised the efficiency calculation methods in all facilities, considering all production losses due to testing, set-up, sampling, ordinary and extraordinary maintenance, cleaning, changes in machining operations, reworking, cycle losses, scraps and non-compliant products.

### \* OUR STRATEGY

Main improvements usually come from ongoing actions related to training and maintenance efficiency.

### OUR COMMITMENTS

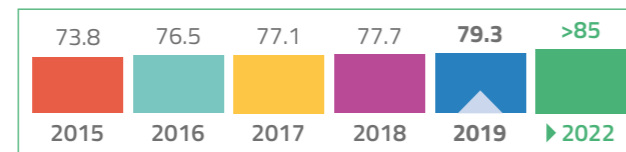
>85% OEE  
in 2022

### \* OUR PROGRESS

Facilities are monitored monthly using industrial indicators and figures are published in an internal report, which is the basis for the definition of action plans driven by continuous improvement.

In 2019, the performance improvements reached 79.3%, up by 1.6 percentage points on 2018 and 5.5 percentage points on the baseline of 2015, showing a positive trend.

### OEE SCORE (IN %)



### \* OUR AXES OF WORK

This OEE indicator has been steadily increasing and the objective is to keep the mobilization of all the Business Units unchanged.

There are two ways to achieve efficiency improvements: on one hand have plants oriented to machine replacement, on the other one focus on continuous improvement plans. On this last point, it is important to focus training and people involvement, as it has been pointed as a good lever of efficiency.

Perimeter: All products plants except France, USA, Ukraine, Chile, UK/Bridge of Allan, Belarus, East Africa



*Improving efficiency is not only a risk-reduction strategy, it's a profitability strategy.*

Matteo Iaculli,  
Sustainability and Continuous Improvement Manager.



## CSR VISION AND ACTION Innovation

Achieving customer satisfaction by exceeding their expectations and proactively supporting their needs is one of the main priorities of the Group. Therefore, innovation becomes one of the most important ways to deliver value to customers and improve products and processes. There are five Research and Development centers: in Italy (Spinetta Marengo), Luxembourg (Foetz), Mexico (San José Iturbide), Ukraine (Sumy) and the UK (Kirkintilloch). These centers work in collaboration with all Group departments to support all facilities. Guala Closures also develops exclusive projects, with the aim of creating innovative solutions to enhance and protect the brands of its main customers.

The Group has an intellectual property protection (IP) service both to protect its products and to defend its customers' brands.

### \* OUR STRATEGY

To achieve the goal of 26 new patentable ideas, our teams concentrate their research guided by 3 main aims:

- Continue developing partnerships with customers to generate new solutions
- Anticipate regulations
- Fight against counterfeiting

Perimeter: The whole group.

### OUR COMMITMENTS

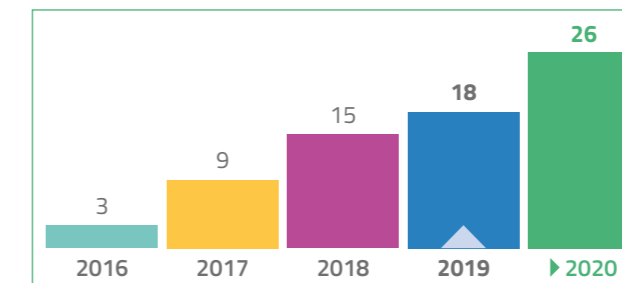
26 new patents  
by 2020

### \* OUR PROGRESS

In 2019, the Group registered three new patents, which, in addition to the 15 registered between 2016 and 2018, brings the total to 18.

In addition to the patents of UCP (Bridge of Allan - UK) the Company acquired at the end of December 2018 and those still in force, the new registrations bring the total to over 170 patents, utility models and designs.

### NUMBER OF NEW PATENTS (2016-2020 period)



### \* OUR AXES OF WORK

To continue to bring innovation to the markets, the Group has consolidated the new organisation of innovation teams, with three different areas and approaches: the "customer requests" team, the "widening and strengthening markets" team and the "thinking outside the box" team.

SUSTAINABLE DEVELOPMENT ANNUAL REPORT 2019



*The ability to develop sustainable products will increasingly be the most important competitive advantage for our Group.*

Fulvio Bosano,  
Group Product Research and Innovation Director.

Innovation teams are focused on 2 major areas:

- Connected Closures that meet strong expectations from the market and consumers.
- eco-design projects which develop products that consume fewer resources, that are more recyclable and that use new less impacting materials from an environmental point of view.

63





## CSR VISION AND ACTION

# Customer satisfaction

Customer satisfaction, as represented by the Corporate Responsibility, is based on a number of fundamental pillars:

- the systematic innovation of products and processes;
- guarantees for consumers' health and safety;
- a punctual, effective and high-quality level of service;
- trademark protection and confidentiality of relationships.

### \* OUR STRATEGY

The ethics of relationships is another important aspect for customer satisfaction. In order to offer objective guarantees of compliance with occupational, health and safety, environmental and ethics standards, the Guala Closures Group has joined the SEDEX (social ethical data exchange) platform with the aim of keeping information on all facilities updated, making it transparent to customers and having its facilities subject to SMETA audits by third parties.

The level of customer service must be punctual and effective, as well as high quality. This requirement is measured by the OTIF indicator which considers the percentage of deliveries made On Time and In Full, compared to the total number of shipments made.

*Perimeter: For ISO 22000 and Sedex certifications, all plants. For OTIF score, all plants except Santiago (Chile), Dharwad (India), Bridge of Allan (UK) and Nairobi (Kenya).*

### OUR COMMITMENTS

**100% ISO 22000**  
certification of all plants by 2020

**100% SEDEX**  
All plants SEDEX accredited

**OTIF score > 95%**  
by 2022

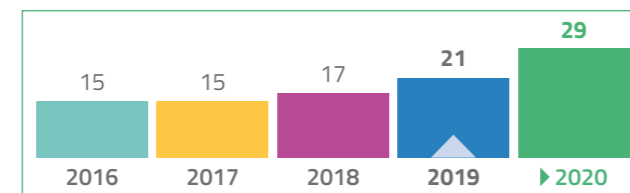
### \* OUR PROGRESS

At the end of 2019, 21 sites were ISO 22000 certified (76% of facilities).

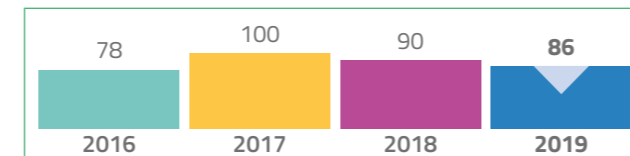
The remaining facilities are continuously monitored by the Group's Quality assurance department, which also deals with regulatory updates and information relating to food safety alerts. In addition, by checking product suitability through third party laboratories, each facility can issue statements of compliance for the products supplied.

In 2019, there were no incidents relating to product and service information.

### NUMBER OF PLANTS ISO 22000 CERTIFIED

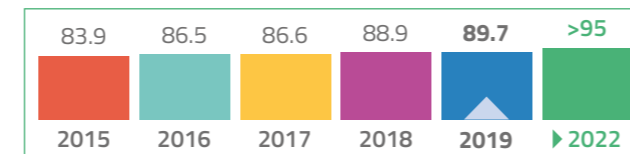


### SEDEX ACCREDITATION (IN % OF PLANTS)



At the end of 2019, 25 sites were included in SEDEX platform (86% of the plants, one less than in 2018 as Alcalà plant in Spain closed in July 2019). Furthermore, throughout the year, SMETA audits were carried out in 5 plants.

### OTIF SCORE (IN %)



In 2019, the indicator points to 89.7% compared to 88.9% in 2018, improving by 0.8 percentage points.

### \* OUR AXES OF WORK

The Group will continue to exploit the geographical distribution of its facilities and the production lines of the various models to ensure continuity of service to customers and thus eliminating the potential risk of service disruption due to catastrophic events, as well as interruptions in the supply of utilities and malfunction.

Thanks to a good level of dialogue with customers, continuity plans are agreed with the majority of them that include production in alternative facilities or the identification of backup warehouses.

In 2020, the certification programme provides ISO 22000 certification for 6 additional plants and SEDEX member sites are expected to increase to 29.







# LOCAL ENGAGEMENT





## LOCAL ENGAGEMENT Committed to local communities

COMMUNITY INVOLVEMENT AND COMMUNITY DEVELOPMENT ARE BOTH INTEGRAL PARTS OF GUALA CLOSURES' SUSTAINABLE DEVELOPMENT.

IN THE COUNTRIES IN WHICH THE GROUP OPERATES, WE ENGAGE PEOPLE FROM LOCAL COMMUNITIES IN ACTIVITIES DESIGNED TO IMPROVE THE QUALITY OF LIFE AND STANDARD OF LIVING. THIS HAPPENS THROUGH OUR NUMEROUS INITIATIVES THAT ARE TARGETED AT DIFFERENT BENEFICIARIES ALL OVER THE WORLD.

PEOPLE FROM OUR PLANTS ARE PERSONALLY COMMITTED IN THESE INITIATIVES AND ARE SPURRED TO TAKE CARE OF OTHERS.

### PLAY A ROLE IN YOUTH EDUCATION

For many years, in Italy, Guala Closures Spa has been collaborating with the ITIS «Alessandro Volta» in Alessandria, a prestigious school in the area which represents one of the main training agencies in this province. In 2019, a donation was made to expand the instrumentation of the organic chemistry and instrumental chemistry laboratories of the school. That allows students to carry out experiments and exercises, thereby increasing their practical skills, in order to promote scientific research starting from high school. This initiative forms part of the partnership between organizations.



- Guala Closures India has been involved in the development of schools in the country for a long time. This year, the Business Unit took part in the construction of a new classroom which will be used for teaching purposes. It also has provided 6 desktop computers with UPS and a printer in another school to help students in their studies.
- Guala Closures Chile is committed to promote environmental values on children. They participated in 2 different programmes to encourage children to develop an environmental conservation awareness. One programme concerns reforestation and the other one concerns recycling culture and taking care of nature.



## LOCAL ENGAGEMENT Committed to local communities

### SUPPORT CULTURAL HERITAGE

In collaboration with the Italian conservator agency Opificio Delle Pietre Dure Firenze, Guala Closures India arranged and contributed to the funding for the restoration of the Tomb of St Francis Xavier, a Spanish saint.

His body is on display at the Basilica of Bom Jesus, a Roman Catholic basilica located in Old Goa which is part of the Churches and convents of Goa UNESCO World Heritage Site.

The restoration work began in March 2019 with the restoration of the Bronze Panels. The project will continue in 2020. Guala Closures is proud to support associations that promote local heritage conservation.



### INVOLVE TO DEVELOP COMMUNITIES

Guala Closures cultivates the value of solidarity on a daily basis in the way of leading its activities, but also in the way it relates with communities around it.

This year, several Business Units' initiatives emerged to support and help local communities. Guala Closures India provided equipment to enable children to play freely in the local village. Guala Closures UK and Guala Closures Chile were invested in charitable organisations to help people in precarious situations. UK employees assisted homeless people by providing them with food and clothing over the winter months. They also organized different actions to support the local food bank to fight against hunger. Guala Closures Chile employees assisted a local foreign refugee institution in collaboration with the Municipality by providing food assistance.







## LOCAL ENGAGEMENT Invest in local projects

Besides our commitment towards reducing carbon dioxide emissions, Guala Closures funds reforestation projects and is gradually shifting to energy from renewable sources. Concerning the Reforestation Programme, we focus in supporting developing countries where the Group operates (India, Colombia, Mexico) and actively involve local communities who get social and economic benefits from our programmes. We also involve the employees of our local subsidiaries .



Trees planted



Credits  
Voluntary Carbon Unit Credit



Tonnes of CO<sub>2</sub> offset



Partners



Certification



### 2011 COSTA RICA

A reforestation project was implemented in Manuel Antonio National Park, involving and enhancing awareness of the local community.

### 2012 PERU

We promoted a project addressing the preservation and protection of the tropical rainforests by planting and allowing the local community to cultivate autochthonous vegetables which can survive the frequent monsoons.

### 2013-2014 INDIA

Participation in a reforestation project with an initiative to educate on environmental awareness «My class, my forest» at the Takshila in Gaya and Co-funding by purchasing carbon credits -VCS- from a wind energy production project

### 2015 COLOMBIA AND BRAZIL

Co-funding by purchasing carbon credits - VCS - from a project in Brazil and the starting phase of a Reforestation Project in Colombia (2015-2017).



## LOCAL ENGAGEMENT Invest in local projects

From 2011 to 2019, around 200,000 tonnes of carbon dioxide have been compensated through reforestation projects or the purchase of carbon credits. These projects have been developed with influential partners and controlled by certified international independent agencies. At the end of 2019, we had planted over 310,000 trees, offsetting more than 50,000 tonnes of carbon dioxide and got more than 6,000 people involved in the various projects (Peru, India, Colombia and Mexico).



Trees planted



Credits\*  
Voluntary Carbon Unit Credit



Tonnes of CO<sub>2</sub> offset



Partners



Certification



### 2016 COLOMBIA, INDIA AND BRAZIL

Co-funding by purchasing carbon credits – VCS – from a project in Brazil and the second year of the Reforestation Project in Colombia (2015-2017) along with a reforestation Programme in India funded by Guala Closures India.

### 2017 COLOMBIA, INDIA AND BRAZIL

Co-funding by purchasing carbon credits – VCS –, and the last year of the Reforestation Project in Colombia (2015- 2017) along with a reforestation Programme in India funded by Guala Closures India

### 2018 MEXICO, INDIA AND URUGUAY

Co-funding by purchasing carbon credits - VCS - the starting phase of Reforestation Project in Mexico (2018-2020) and a reforestation Programme in India funded by Guala Closures India

### 2019 MEXICO, INDIA AND UKRAINE

Co-funding by purchasing carbon credits - VCS - from a «No till farming project» in Ukraine and the continuation of reforestation projects in Mexico (Yucatan) and India (Gujarat)





# MEXICO



**5,000 tonnes of CO<sub>2</sub>**  
offset in 2019



**35,550 trees**  
planted in 2019



**3,800 students**  
trained in San Jose de Iturbide  
in 2019



**Benefits** for biodiversity,  
and local **eco-systems**



**Project coordination**  
Up2green Reforestation and  
local support of NGOs



## LOCAL ENGAGEMENT Agroforestry project in Yucatan

### TRIPLE BOTTOM LINE PROJECT (PLANET, PEOPLE, PROFIT)

Guala Closures Group is committed since 2018 in a 3 years programme with Up2green Reforestation, a French NGO for the preservation of forests and ecosystems in the state of Yucatan in Mexico.

This project follows another one completed 2 years ago in the Colombian Andes. This long-term commitment with the Group is crucial in a global context of accelerated disappearance of forests and biodiversity. This is particularly true in the Yucatan Peninsula, which is a biodiversity hotspot where Mayan communities live in precarious conditions.

### BENEFITS FOR LOCAL COMMUNITIES

The reforestation project aims to protect and preserve biodiversity. Only Mexican and Central/Tropical American species are selected for planting. In particular, all timber, honey and palm tree species are native to this region. Planting native species makes ecosystems more resilient and capable of adapting to climate change, and also supports the traditional use of plants for local communities.

In addition to protecting Yucatan forests, the programme also aims to contribute to the food autonomy of Mayan communities and to diversifying and improving their agricultural production. By transmitting agroforestry methods to them, NGO staff raises awareness of sustainable agriculture, which reduces the use of chemical inputs and preserves the soil and biodiversity.

The main issue is to help indigenous communities to be aware about the importance of preserving or restoring their ecosystems and help them to take ownership of the program.

### FOCUS ON 2019

In accordance with our objective of planting 100,000 trees in three years, 35,550 trees were planted in 2019. These trees have the potential to absorb 5000 tonnes of CO<sub>2</sub>.

In parallel, *"My class, my forest"*, the educational programme realized in 2016 in some Indian schools has been implemented in the schools of San Jose de Iturbide frequented by the children of Guala Closures Mexico employees. The aim of this programme is to inform and sensitise all students with educational and recreational strategies in favour of the preservation of the environment. Each student is invited to express his/her creativity by drawing a tree.

<https://mexico.miclasemibosque.org>







INDIA



**15,080 students** participated in "My class, my forest" educational project in Goa and Amhedabad schools in 2016-2017



**45,000 trees** planted in Gujarat State from 2016 to 2019



**Benefits** for biodiversity, and local **communities**



**Project coordination** Up2green Reforestation and a local NGO Vikalp



## LOCAL ENGAGEMENT Plantations project in Gujarat

### TRIPLE BOTTOM LINE PROJECT (PLANET, PEOPLE, PROFIT)

Guala Closures India and Up2green Reforestation have been working since 2016 with Vikalp, an Indian NGO that develops social and environmental programs with tribal communities in the state of Gujarat. Guala Closures and its partners are convinced that environmental education is a key point to develop a more sustainable world. That's why the collaboration with Vikalp began with the project «From the schools to the fields» through which 15,000 students received sessions on forest conservation. At the same time, Guala Closures supported the plantation of 15,000 trees in the Tapi district in collaboration with Vikalp. Since 2017, 10,000 trees have been planted every year in Gujarat State.

### BENEFITS FOR VILLAGERS

The reforestation project supports and trains rural communities. The beneficiary families plant the trees on their land so it gives villagers the opportunity to cultivate their own fruits and to diversify their food. The most popular species are mango (15,724 mango trees planted since 2016) and teak, both of which are native and easily adapted. Guava and almond trees are also very popular because they grow quickly, which allows the beneficiaries to see the results of their work more quickly and thus to motivate them.

### FOCUS ON 2019

In 2019, 10,000 trees were planted in Dang, another district of Gujarat state. Our partners of Vikalp have thus completed some social program related to nutrition awareness, tribal rights and education.

In August 2019, Up2green Reforestation staff visited the plantations, which strengthened the relationship with Vikalp, shared knowledge and improved the quality of the programme and its social and environmental impacts.







# WORLDWIDE PLANTS OVERVIEW

Argentina.....	78	Kenya.....	90
Australia.....	79	Mexico.....	91
Brazil.....	80	New Zealand.....	92
Bulgaria.....	81	Poland.....	93
Chile.....	82	Spain.....	94
China.....	83	South Africa.....	96
Colombia.....	84	Ukraine.....	97
France.....	85	United Kingdom.....	98
India.....	86	United States of America.....	100
Italy.....	88		



LOCATED IN CHIVILCOY, OUR PLANT IN ARGENTINA PRODUCES ROLL-ON CLOSURES FOR WINE. THE GUALA CLOSURES GROUP OWNS 98.38% OF THIS BUSINESS.

**209**  
employees

**5,968**  
m<sup>2</sup>

**REGIONAL DIRECTOR**  
José Luis Gutierrez

**COUNTRY DIRECTOR**  
Daniel Damián García

**CLOSURES**  
Roll-on for wines and spirits

**MAIN INTERNATIONAL CLIENTS**  
Cartavio Rum Company, Campari Brazil, Pernod Ricard Brazil, Diageo Brazil, CCU, Capel

**MAIN LOCAL CLIENTS**  
Fratelli Branca, Campari Argentina, Pernod Ricard Argentina, Cepas, Peñaflo

**LOCAL PROFESSIONAL MEMBERSHIP**  
None



**Argentina**  
Guala Closures Argentina S.A.

**Indicators' highlights**

**28% reduction**  
in accident frequency

**4.3% reduction**  
in GHG emissions on Scope 1&2 (kgCO<sub>2</sub>eq/tFP)



Carlos Zoppi, Plant Manager

Natalia Bianchi,  
Quality Manager and  
Sustainability Representative

*"Have a sustainable management of the processes and achieve a balance between the economic, social and environmental dimensions."*



**PRODUCTION EFFICIENCY**

Our focus in 2019 was to improve production efficiency. We achieved the goal thanks to the modifications on 2 important production lines. We replaced part of an assembly line for 31,5 mm closures, with a faster knurling machine. Moreover, the design is more hygienic and fits the customers' demands. Benefits are notable in the improvement of knurling, productivity, and performance of the machine.

The second modification was on the line producing 28 mm closures, improving the capacity to feed the assembly machine. Its works continuously, improving the final quality by not accumulating covers with problems in the middle and inspection center.



OUR AUSTRALIAN BUSINESS, WHOLLY OWNED BY GUALA CLOSURES, CONSISTED FOR SOME YEARS OF TWO PLANTS IN ACACIA RIDGE (CROWN SEAL) AND BRAYBROOK (ROLL-ON CLOSURES). HOWEVER, THE ACACIA RIDGE LOCATION CLOSED IN JULY 2016 AND ITS PRODUCTION OPERATIONS WERE MOVED TO WEST FOOTSCRAY.

**97**  
employees

**9,179**  
m<sup>2</sup>

**COUNTRY DIRECTOR**  
Tomasz Malarczyk

**CLOSURES**  
Aluminium, Tinplate for wines, soft drinks, beers and spirits

**MAIN INTERNATIONAL CLIENTS**  
Diageo

**MAIN LOCAL CLIENTS**  
Vinpac, Casella, Treasury Wines, Accolade, Bertons, Yalumba, Taylors, Warburn

**LOCAL PROFESSIONAL MEMBERSHIP**  
None



**Australia**  
Guala Closures Australia Pty Ltd

**Indicators' highlights**

**Zero accident**

**9% reduction**  
in GHG emissions on Scope 1&2 (tCO<sub>2</sub>eq/tFP)

**LIGHTS REPLACEMENT**

We replaced our fluorescent lamps in the office with LEDs. LED lamps consume 20% less than the fluorescent ones and are brighter. We reduced lighting from 51 units to 44 units resulting in approximately 3k kWh saving per year.



**ENERGY EFFICIENCY**

We installed some control switches/relays to reduce and control energy consumption. We now have the ability to turn each air conditioner on and off with the added benefit of zoning. We estimate that we could save over 180 kWh saving a year (2% to 2.5% saving per year).



*"Thinking sustainable, even by the smallest measures, can make an impact"*

James Barrie, one of the key members of Sustainability Team







**Brazil**

Guala Closures do Brasil Ltda

THE GROUP WHOLLY OWNS THE COMPANY. THE PLANT IN SAO PAULO PRODUCES SAFETY CLOSURES.

75 employees

6,800 m²

REGIONAL DIRECTOR  
José Luis Gutierrez

COUNTRY DIRECTOR  
Ivan De Nadai

CLOSURES  
Safety closures

MAIN INTERNATIONAL CLIENTS  
Diageo, Pernod Ricard, Campari, Bacardi Martini, Capel, Cepas Argentinas, Dellepiane, Tres Leones, Fortin, Capasa

MAIN LOCAL CLIENTS  
Cia. Müller, Fante, Paratudo, Salton, Destillerie Stock, Bacardi Martini Brasil, Diageo Brasil, Ypioca, Campari Brasil, Pernod Ricard Brasil

LOCAL PROFESSIONAL MEMBERSHIP  
ABRABE (Brazilian Association of Beverages)

Indicators' highlights

35% reduction in accident frequency

54% increase in training hours (per capita)



*"Focus and simplicity in contributions for sustainable development, going beyond legal requirements."*

Walber Pereira, Plant Manager

RENEWABLE SOURCES

We are abating greenhouse gas emissions by using energy from renewable sources. In 2018, we reduced 437,64 T CO<sub>2</sub>eq and it is estimated it will be approximately the same this year. The emissions avoided voluntarily are equivalent to planting 3063 trees in a 30-year reforestation project.

ENERGY EFFICIENCY

To reduce our energy consumption, we set up a minichiller in the production area. This machine substitutes the cooling system of an injection moulding machine. It guarantees more efficient cooling by reducing the cooling time and consumes less energy.



REDUCING CO<sub>2</sub> EMISSIONS

This year, we replaced some of our old forklifts by renting Electric forklifts. The new ones enabled us to :

- reduce operating and maintenance costs
- improve health and safety for our employees thanks to a better work environment
- reduce CO<sub>2</sub> emission
- use electricity from renewable sources instead of GLP



**Bulgaria**

Guala Closures Bulgaria A.D.

THE COMPANY IS 70% OWNED BY THE GROUP. THE PLANT IN KAZANLAK PRODUCES SAFETY CLOSURES.

250 employees

6,500 m²

COUNTRY DIRECTOR  
Tancho Mihaylov

CLOSURES  
Safety for spirits

MAIN INTERNATIONAL CLIENTS  
Pernod Ricard, MEY, Rubin, Alcopack, MALA, Ozmer, La Fantana, TOKK, FOB DECOR, JAS Hennessy

MAIN LOCAL CLIENTS  
VP Brands International, SIS Industries

LOCAL PROFESSIONAL MEMBERSHIP  
None

Indicators' highlights

20% reduction in total waste (kg/t FP)

Zero accident

100% OTIF Score (On Time In Full delivery)



SUPPORTING VOCATIONAL EDUCATION

In 2019, we continued participating in the dual education project, aimed to establish a sustainable Bulgarian system of professional training by generating a competent, knowledgeable and highly qualified workforce, able to respond to the immediate needs of the labour market. Five students from the «Ivan Hadzhienov» Vocational School - Kazanlak are being prepared by our qualified mentors to become professional Machine Technicians (CNC Machines).



*"Everything we do matters"*

Veronica Draganova,  
Manufacturing Coordinator and Sustainability Representative

ENERGY EFFICIENCY

In 2019, the plant implemented a lighting replacement project. We replaced 160 of our fluorescent lamps with LED technology. The replacement will continue in 2020 and will enable us to reduce our energy consumption.



GUALA CLOSURES CHILE STARTED PRODUCTION IN MAY 2018. WE BEGAN OUR ACTIVITIES AT THE END OF 2015 AS A COMMERCIAL COMPANY IMPORTING CAPS FROM OTHER GUALA CLOSURES PLANTS, AND SELLING THEM TO THE DOMESTIC CHILEAN MARKET. AT THE END OF 2017, BY ACQUISITION OF A COMPETITOR, WE STARTED OUR INDUSTRIAL ACTIVITIES.



## Chile

### Guala Closures Chile

#### Indicators' highlights

**55% reduction** in energy consumption (G/tFP)

**71% reduction** in GHG emissions on Scope 1&2 (tCO<sub>2</sub>eq/tFP)



*"Teaching to look after the environment is teaching to value life."*

Cecilia Petrosini,  
Chile's Sustainability Representative

#### CUSTOMER SATISFACTION

In 2019, we obtained the BRC (British Retail Consortium) Certification for packaging and packaging materials. The certification guarantees the Food Safety and Quality of our products. The objectives are to :

- Facilitate access to foreign markets
- Improve relations with distributors
- Increase transparency
- Reinforce the confidence of our customers
- Control internal processes



#### LOCAL COMMUNITIES

Guala Closures Chile is involved in supporting local communities' development. In collaboration with the Municipality and neighboring companies, we support a local foreign refugee institution throughout the year by providing food.

#### AWARENESS PROJECTS FOR CHILDREN

We started a reforestation program with local public school students to inspire awareness of the environmental conservation spirit. We also launched an art contest to decorate the main wall of an institute in order to foster environmental values on kids by promoting the recycling culture and care of nature.



## China

### Beijing Guala Closures Ltd

#### Indicators' highlights

**Zero waste** to landfill

**86.2% OEE score** (Overall Equipment Efficiency)

**99.4% OTIF score** (On Time In Full delivery)

56 employees

4,602 m<sup>2</sup>

COUNTRY DIRECTOR  
Giorgio Vinciguerra

CLOSURES  
Safety, Snap-on and TE for spirits and oil

MAIN INTERNATIONAL CLIENTS  
Diageo, Pernod Ricard, APU, MCS Heineken, Nestlé

MAIN LOCAL CLIENTS  
Diaoyutai, Guchuan

LOCAL PROFESSIONAL MEMBERSHIP  
Chinese Packaging Association



*"As it should be in every looking far away community, sustainability means the responsibility of every individual and every act every day"*

Hong Ming, Plant Manager



#### EMPLOYEES' HEALTH

Regarding the Chinese Labour Law, the company has to apply medical insurance for each employee which covers 70% of medical expenditures. We decided to offer a supplementary medical insurance to cover the remaining 30%. All BGC employees are fully reimbursed for their medical expenses.

#### ENERGY EFFICIENCY

We planned to replace our fluorescent and halogen lamps with LEDs but our plant will be relocated to another place. We plan to use only LEDs in the new plant this year. This will help to reduce the plant's environmental footprint.







**Colombia**

Guala Closures de Colombia Ltda

OUR PLANT IN BOGOTÁ PRODUCES SAFETY CLOSURES, AND THE BUSINESS IS 93.2% CONTROLLED BY THE GROUP.

**74**  
employees

**3,865**  
m<sup>2</sup>

**REGIONAL DIRECTOR**  
José Luis Gutierrez

**COUNTRY DIRECTOR**  
Lina María Ascencio

**CLOSURES**  
Safety for spirits

**MAIN INTERNATIONAL CLIENTS**  
SAV (Sociedad Agroindustrial del valle), ILSA

**MAIN LOCAL CLIENTS**  
FLA (Fabrica de Licores de Antioquia), ELC (Empresa de Licores de Cundinamarca), ILC (Industria licorera de Caldas)

**LOCAL PROFESSIONAL MEMBERSHIP**  
Acoplásticos, CABA

**Indicators' highlights**

**-60% reduction**  
in water consumption (m<sup>3</sup>/tFP)

**88.7 OEE score**  
(Overall Equipment Efficiency)

**100% OTIF score**  
(On Time In Full delivery)

**WATER SAVING**

To comply with local environmental law regarding water quality parameters, the old refrigeration system for injection machines was changed to reduce water consumption and increase efficiency in the molding area. Moreover, the discharged water is analyzed by an accredited laboratory to validate compliance with the 631/2015 resolution.



Sustainability Team

*"The Planet in our mind,  
the Solution in our hands"*

**ENVIRONMENTAL MANAGEMENT AND ENERGY EFFICIENCY**

In 2019, we obtained the Environmental Excellence by the PREAD (Programa de Excelencia Ambiental Distrital) which supports companies to improve their environmental performance in Bogota. The program is focused on reducing the consumption of natural resources and waste generation.

To improve our saving energy, we replaced a dialog injector of a machine in the production department. We reduced the production cycle by 1 second and energy consumption by 40%.



**France**

Guala Closures France

OUR OPERATION IN FRANCE CONSISTS OF A PLANT IN CHAMBRAY WHICH PRODUCES ROLL-ON CLOSURES AND A SALES OFFICE IN TOURS.

**31**  
employees

**5,500**  
m<sup>2</sup>

**COUNTRY DIRECTOR**  
Stéphane Gondange

**CLOSURES**  
Roll-on for wine

**MAIN INTERNATIONAL CLIENTS**  
Pernod Ricard, Monin

**MAIN LOCAL CLIENTS**  
LGCF, Castel, Vinadeis, Perrin

**LOCAL PROFESSIONAL MEMBERSHIP**  
CETIE

**Indicators' highlights**

**89% reduction**  
in water consumption (m<sup>3</sup>/t FP)

**22% reduction**  
in GHG emissions on Scope 2 (kgCO<sub>2</sub>eq/tFP)

**zero accident**

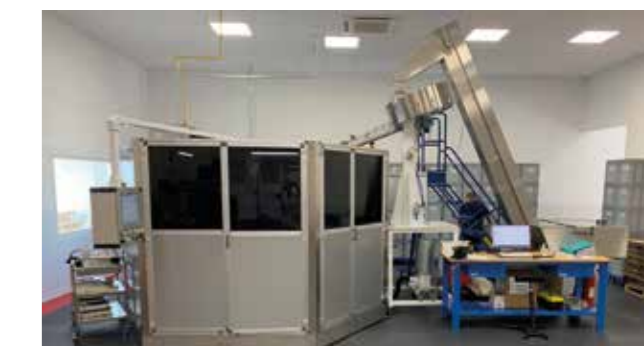


*"More with less"*  
Stéphane Gondange,  
Country Director



**NEW PRODUCTION SITE**

The year was marked by the change of production site. The machines and part of the staff of the Saint Remy Sur Avre (Dreux) production site have been transferred to Chambray. In the new plant, we are working on increasing production and reducing waste.





**India**

**Guala Closures (India) Pvt Ltd**

OUR BUSINESS IN INDIA CONSISTS OF FOUR SAFETY CLOSURE PLANTS, LOCATED IN GOA, DAMAN, AHMEDABAD AND DHARWAD

**AHMEDABAD**

**122**  
employees

**8,964**  
m<sup>2</sup>

**DAMAN**

**95**  
employees

**2,912**  
m<sup>2</sup>

**DHARWAD**

**122**  
employees

**3,081**  
m<sup>2</sup>

**GOA**

**246**  
employees

**17,153**  
m<sup>2</sup>

**REGIONAL DIRECTOR**  
David Stevenson

**COUNTRY DIRECTOR**  
David Stevenson

**CLOSURES**  
Safety for spirits

**MAIN INTERNATIONAL CLIENTS**  
UDV Kenya, KWAL, Guinness Nigeria, Pernod Ricard Nigeria, Uganda Breweries

**MAIN LOCAL CLIENTS**  
Alcobrew Distilleries India, Allied Blenders & Distillers, Amrut Distilleries, Bacardi Martini India, Beam Suntory India, United Spirits (Diageo), John Distilleries, Pernod Ricard India, Radico Khaitan, Tilaknagar India

**LOCAL PROFESSIONAL MEMBERSHIP**  
None

**Indicators' highlights**

**21% reduction**  
in water consumption (m<sup>3</sup>/t FP) in Daman

**50% reduction**  
of total waste (kg/tFP) in Darwad

**zero accident**  
in Ahmedabad



**WATER SAVING**

We have implemented a range of initiatives to reduce water consumption in our Indian plants :

- installed waterless urinals which save around 25,000 liters of water per year
- elevated the awareness of the importance of water saving amongst our personnel
- conducted detailed sustainability awareness training programs

In 2019, we reduced our total water consumption by 15%.

**MORE EFFICIENT PRODUCTION**

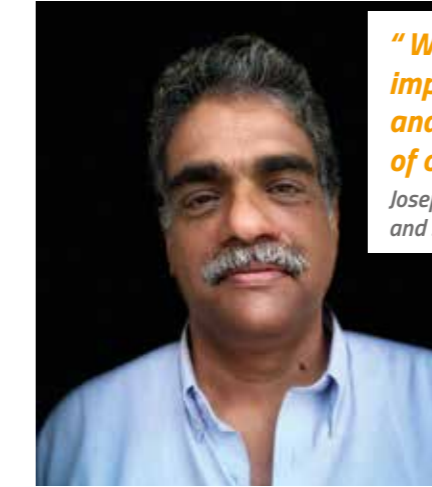
We achieved a 4% increase in OEE across our Indian sites. This reflects our ongoing commitment to investing in training our personnel. In Ahmedabad, we made important modifications to our stack mold operation, which reduced downtime thereby increasing output by more than 1 million pieces per month.



**COMMITTED WITH SCHOOLS**

Guala Closures India is involved in supporting educational development in local schools :

- we constructed a classroom for Adarsh Primary School in Ahmedabad. This is a mixed school with 250 students aged 6 to 14 years.
- we constructed two classrooms for St. John of the Cross High School (Goa). The school has approximately 1,300 students. The new classrooms will be for computer and music classes.
- we have provided desktop computers with UPS and printing peripherals for Shri Ganesh Vidyalaya. The school has 164 students.



*" We are committed to improving the social, economic and environmental well-being of our local communities "*

*Joseph Pereira, Operation Manager and Sustainability Representative*

**SUPPORTING LOCAL COMMUNITIES**

We are arranging the restoration of the Tomb of St Francis Xavier, a Spanish Jesuit Saint whose body is kept for veneration at Bom Jesus Basilica in Old Goa. This is a multi-year project of important historical significance.

In 2019, a team of three teachers and five students from Italy worked in conjunction with Opificio delle Pietre Dure of Florence on the restoration of the XVII century bronze casting created by Gian Battista Foggini.







GUALA CLOSURES SPA IS WHOLLY OWNED BY THE GROUP, AND HAS THREE PLANTS: IN SPINETTA MARENGO, MAGENTA AND TERMOLI. IN ADDITION, GUALA CLOSURES SPA OWNS GUALA CLOSURES PHARMA WHICH MANAGES A SINGLE PLANT IN VASTO THAT PRODUCES PACKAGING FOR MEDICINES.

**SPINETTA MARENGO**  
MANAGING DIRECTOR: Federico Donato

**313** employees  
 **20,315** m<sup>2</sup>

**TERMOLI**  
MANAGING DIRECTOR: Federico Donato

**66** employees  
 **6,250** m<sup>2</sup>

**MAGENTA**  
MANAGING DIRECTOR: Fabrizio Venezia

**77** employees  
 **9,000** m<sup>2</sup>

**VASTO**  
MANAGING DIRECTOR: Fabio Rastelli

**48** employees  
 **4,500** m<sup>2</sup>

**SUPPORT PRODUCTION (inter-company)**  
MAGENTA: Treatment and cutting of aluminium coil sheets. Lithographic printing on aluminium sheets and tinplates.

**CLOSURES**  
SPINETTA: Safety and Roll-on for spirits and beverages  
TERMOLI: Safety and Roll-on for spirits, wine, beverage and oil  
VASTO: ROPP, Flip Off Type, Ruber stopper, pharmaceutical closures

**MAIN INTERNATIONAL CLIENTS**  
SPINETTA: Diageo, Pernod Ricard, Bacardi, Brown-Forman, Nestlé Waters, Hennessy  
TERMOLI: Bacardi, Deoleo, Brown Forman, Monini  
VASTO: Fresenius Kabi, GSK, ACS DOBFAR, Recipharm, Sandoz, Diaco, Unither Liquid, Vetoquinol, Baxter Bieffe, Medochemie

**MAIN LOCAL CLIENTS**  
SPINETTA: San Pellegrino, Angelini Group, Smeraldina, San Benedetto, Norda, Ponti, Ramazzotti, Campari, Branca, Gancia, Caffo  
TERMOLI: Olii Italia, Fratelli Carli  
MAGENTA: Intercompany plants, FTT, ICM  
VASTO: Biologici Italia, Fisiopharma, Bioindustria, Intervet, Esseti, Sm Farmaceutici, Monico, Angelini, Damor, Salf

**LOCAL PROFESSIONAL MEMBERSHIP**  
CETIE, Istituto Italiano Imballaggio, Proplast



**Indicators' highlights**

**9% reduction** in total waste (kg/t FP) in Termoli

**Zero accident** in Termoli

**13% reduction** in scrap

**ENERGY EFFICIENCY**

We installed a trigeneration system in Spinetta Marengo to produce energy internally (heating, cooling and electricity). Throughout the year 2020, our gas and electricity supplier will calculate the savings produced by the Trigeneration system, hoping reach 20%.



*Paolo Furiani,  
Sustainable Development  
Manager Spinetta Marengo*

**SUPPORTING SCHOOLS**

During the inauguration of the trigeneration system at the Spinetta Marengo plant, we made a donation to ITIS "Alessandro Volta", a prestigious school in Alessandria. The donation served to expand the instrumentation of organic chemistry labs, allowing students to carry out experiments and exercises.



*Marinella Vercellone,  
Plant Manager in Magenta*

**HEALTH AND ENERGY SAVING**

After installing the line 28 (painting and printing line) in Magenta, the plant faced some problems of smoke leakage with unpleasant smells, causing machine stops. In order to improve the well-being of employees and the healthiness of the area, the post burner was replaced with a new Post Regenerative Thermal Regeneration System with Recovery. It shows a higher efficiency as the new heat exchanger permits to save natural gas.

We also installed ventilation turrets between the cutting and the degreasing department to improve the working environment, in particular the number of air changes, temperature and humidity.



*Maurizio Ambrosino,  
Sustainability  
Representative  
in Termoli*

*"Think sustainable:  
be the change!"*







## Guala Closures East Africa Ltd

### Indicators' highlights



Zero accident



GUALA CLOSURES EAST AFRICA (GCEA) COMMENCED OPERATION IN 2019, WITH A STATE-OF-THE-ART FACTORY LOCATED IN NAIROBI, KENYA. THE PLANT MANUFACTURES TAMPER-EVIDENT NIPCAPS FOR THE KENYAN MARKET AND ALSO EXPORTS THROUGHOUT THE EAST AFRICAN REGION.



4,170 m<sup>2</sup>

REGIONAL DIRECTOR  
David Stevenson

COUNTRY DIRECTOR  
Sadanand S Hanagodimath

CLOSURES  
Nip Cap with various types of decorations:  
UV Offset, Conventional & Hot Foil, etc.

MAIN LOCAL CLIENTS  
East African Breweries (Subsidiary of Diageo).  
Kenya wine Ltd. (Subsidiary of Distell)



Collaborator team - Gjenge Makers Ltd.

**"Guala Closures East Africa (GCEA) truly stands to its name – Greener-Cleaner-Eco-friendly Africa."**



### LOCAL PARTNERSHIP AND WASTE MANAGEMENT

We work in collaboration with Gjenge Makers Ltd, a social enterprise founded in 2017 in Nairobi which builds paving bricks, which are eco-friendly consisting of 40% waste plastic (HDPE) and 60% aggregate (sand & soil). We work for a social initiative 'Brick by Brick Campaign' to supply the HDPE plastic scrap generated in the manufacturing process. This campaign is powered by Gjenge Makers with two other US Based Non-profit foundations – "The Red Empress Foundation" & "Hemera Foundation". The goal is to pave the Mukuru Skills school with Gjenge's eco-friendly pavers.

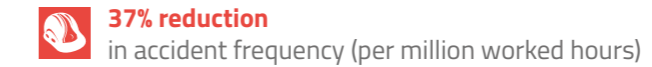


## Guala Closures Mexico S.A. de C.V.

### Indicators' highlights



7% reduction in GHG emissions on Scope 3 (tCO<sub>2</sub>eq/tFP)



37% reduction in accident frequency (per million worked hours)

### WASTE MANAGEMENT

Guala Closures is working on a new way to organize the waste that is sent to the sanitary landfills, trying to achieve «zero waste», for this reason we started with the recollection of 80% of our organic waste for the compost process. We are offering training on environmental care to our employees. The internal communication has been improved with new tools and the facilities reorganised with new rubbish bins.



457 employees



26,754 m<sup>2</sup>

REGIONAL DIRECTOR  
José Luis Gutierrez

COUNTRY DIRECTOR  
Antonio Ramirez

CLOSURES  
Plastic, Aluminium, Wooden and Premium Caps

MAIN INTERNATIONAL CLIENTS  
Bacardi, Campari, Beam Suntory, Brown Forman, Diageo, Brugal, Serralles, Pedro Domecq Colombia

MAIN LOCAL CLIENTS  
Casa Cuervo, Patron Spirits, Cia Braga, Domecq, Pernod Ricard

LOCAL PROFESSIONAL MEMBERSHIP  
GAMISAJI



Karen Torres & Roberto Velasquez, in charge of Sustainability projects

**"Guala Closures Mexico's commitment begins with its people by investing in sustainability, working on a better future for the society and the environment."**



### FIRE SAFETY

We worked on two projects to minimize the fire risk in the plant and to improve health and safety:

- installation of a unified alarm system that covers all the areas with a high level of fire risk to alert in case of any fire outbreak
- maintenance works on the fire protection system to ensure its efficiency in case of fire.





# New Zealand

## Guala Closures New Zealand Ltd

OUR PLANT IN AUCKLAND MANUFACTURES ALUMINIUM ROLL-ON CLOSURES FOR NEW ZEALAND'S WINE INDUSTRY AND IS WHOLLY OWNED BY THE GROUP.



44 employees



4,619 m<sup>2</sup>

**COUNTRY DIRECTOR**  
Dave Campbell

**CLOSURES**  
Roll-on for Wine

**MAIN INTERNATIONAL CLIENTS**  
Treasury Wines, Constellation Brands, Wines & Estates, Kirin group

**MAIN LOCAL CLIENTS**  
Villa Maria, Giesen, Wine Works, Foley Family Wines, Yealands

**LOCAL PROFESSIONAL MEMBERSHIP**  
Employers and Manufacturers Association, Auckland Chamber of Commerce New Zealand Wine Growers

### Indicators' highlights

**9% reduction** in water consumption (m<sup>3</sup>/tFP)

**51% reduction in accident frequency** (accidents/million worked hours)

**50% reduction in absenteeism**



Mark Yovich, GCNZ Quality Manager



Vaibhav Sharma, GCNZ Environmental Officer

**"Act now for a sustainable future for all people!"**



### WASTE MANAGEMENT

This year, we are working on 2 projects to reduce our waste :

- **Project 1: Recycled shipper packaging.**  
We replaced our current boxes with ones that can be reused multiple times. This delivers commercial and sustainability benefits, and we are currently scoping different quantity sizes.
- **Project 2: Pallet transport.**  
We worked on research and made trials on the use of strengthened wooden pallets to allow multiple uses over current pallet duration. In the long term the project could include the use of plastic pallets.



# Poland

## Guala Closures DGS Poland S.A.

OUR PLANT IN WLOCLAWEK PRODUCES SAFETY AND ROLL-ON CLOSURES AND IS 70% OWNED BY THE GROUP.



637 employees



30,390 m<sup>2</sup>

**COUNTRY DIRECTOR**  
Krzysztof Grządziel

**CLOSURES**  
Safety and Roll-on for spirits, wine and beverages

**MAIN INTERNATIONAL CLIENTS**  
Diageo, Accolade, Vintervions, Kingland, Pernod Ricard, G-3, Stumbras, Latvijas Balzams, Kaiser, Encirc, Bacardi

**MAIN LOCAL CLIENTS**  
CEDEC, Wyborowa, Stock Polska, Herbapol Lublin, Wawrzyniak, Polmos Bielsko-Biała, Jantoń, Sobieski, Polmos Wrocław, Polmos Siedlce

**LOCAL PROFESSIONAL MEMBERSHIP**  
None

### Indicators' highlights

**44% reduction** in accident frequency

**23% reduction** in scrap

### ENERGY EFFICIENCY

In our plant, we replaced 85% of our conventional bulbs with LEDs. We are still working on it, hoping to reach 100% LED lighting. We also set up a fan controlled air compressor to reduce energy consumption of the plant.



**"Sustainable development - not a fashionable slogan but a necessity"**

Krzysztof Grządziel, Country Director

### PRODUCTION EFFICIENCY

We implemented ASPROVA, a production planning system. The system creates production schedules at high speed, integrating multiple processes. Asprova improved the efficiency up to nearly 5%.

### WASTE MANAGEMENT

We are working on a project called "Scrap Press". We compress scraps to save space in the warehouse and improve our logistic organisation.





WE HAVE TWO PLANTS IN SPAIN, AND ALL ARE WHOLLY OWNED BY THE GROUP.

THE PLANTS INCLUDE OLERDOLA, PRODUCER OF ROLL-ON CLOSURES; JEREZ, PRODUCER OF SAFETY CLOSURES.



## Spain

### Guala Closures Iberica S.A.

**JEREZ**

**39** employees

**5,200** m<sup>2</sup>

**OLERDOLA**

**106** employees

**5,000** m<sup>2</sup>



#### Indicators' highlights

**79% increase** in training hours (per capita) in Jerez

**8% reduction** in scrap in Jerez

**COUNTRY DIRECTOR**  
Francisco Festa

**CLOSURES**  
JEREZ: Safety closures  
OLERDOLA: Roll-on closures

**MAIN INTERNATIONAL CLIENTS**  
JEREZ: Diageo, Pernod Ricard, Branca Distillerie  
OLERDOLA: Nestlé Waters, SABMiller, Heineken, Coca-Cola Hellenic, Beam Suntory, Bodegas Fundador, Bacardí

**MAIN LOCAL CLIENTS**  
JEREZ: Torres, DZ Licores, Bodegas Fundador, Bardenet, Arehucas  
OLERDOLA: Damm Group, Miguel Torres, Mahou, J.Garcia Carrion, Felix Solis

**LOCAL PROFESSIONAL MEMBERSHIP**  
None

#### ENERGY EFFICIENCY

We changed our old compressor for a new more powerful and efficient machine, which uses less impacting cooling gas (R-134a). It also improves working conditions of our employees. We reduced electricity consumption by 6.6% and water consumption by 1% in 2019. The electricity reduction is estimated at 9.3% for 2020.



#### ZERO WASTE IN THE DUMP

The Olerdola plant is willing to develop the zero waste objective through promoting a new culture, starting with the most common items for the workers: to remove bottled water and single-use plastic cups. We purchased aluminum bottles for employees and a new water machine. We bought compostable single-use cups and added the «no cup» option in coffee machines. We also plan to do a «reusable cups» campaign to sensitize our staff regarding the zero waste program.



*“ Working to be the green - circular - ethical change we want to see in the world “*



Sonia Elbal,  
Supply Chain and Sustainability Representative





## South Africa

Guala Closures South Africa Pty Ltd

OUR PLANT IN CAPE TOWN PRODUCES SAFETY, ALUMINIUM AND LUXURY CLOSURES, AND IS WHOLLY OWNED BY THE GROUP.

181 employees

12,000 m<sup>2</sup>

REGIONAL DIRECTOR  
David Stevenson

COUNTRY DIRECTOR  
Giuseppe Carosini

CLOSURES  
Safety and Roll-on for spirits, wine and beverage

MAIN INTERNATIONAL CLIENTS  
SODEAM, Tanzania Distilleries, Distilleries Company Sri Lanka, East African Breweries Limited, Malawi Distilleries

MAIN LOCAL CLIENTS  
Distell, Diageo, South African Breweries, KVV, DGB, Aspen Pharmacare, Pioneer Foods, Overhex, Robertson Winery

LOCAL PROFESSIONAL MEMBERSHIP  
Aluminium Federation of South Africa (AFSA)

### Indicators' highlights

**29% reduction** in water consumption (m<sup>3</sup>/t FP)

**28% increase in training** (training hours/thousand worked hours)

**27% reduction** in GHG emissions on Scope 3 (tCO<sub>2</sub>eq/tFP)



*" We live and work in harmony with nature ! "*  
Tumi Mompoti, Sustainability Representative



### ELECTRICITY REDUCTION PROJECT

To control our energy consumption, we installed 3 electricity monitoring meters in April to measure the incoming electricity. These meters are connected to our provider through a SIM card, ensuring real time data accessibility (30 min intervals). The 3 meters are consolidated to a virtual meter for our site.

This installation enabled us to optimise and save electricity and also control the peak demand.



## Ukraine

Guala Closures Ukraine LLC

OUR PLANT IN SUMY PRODUCES SAFETY, ROLL-ON AND LUXURY CLOSURES, AND THE GROUP HAS A 70% OWNERSHIP STAKE IN THE BUSINESS.

826 employees

24,154 m<sup>2</sup>

COUNTRY DIRECTOR  
Volodymyr Zayets

CLOSURES  
Safety, Roll-on and Luxury closures for spirits, wine and beverages

MAIN INTERNATIONAL CLIENTS  
S.P.I., ROUST, Bulbash, IDS Borjomi Georgia, Latvijas balzams, Ladoga

MAIN LOCAL CLIENTS  
LVN Limited, National Vodka Company, Global Spirits (Khortytsa)

LOCAL PROFESSIONAL MEMBERSHIP  
None

*" Contribution to the future generation is the guarantee of success and sustainable development "*

### Indicators' highlights

**26% reduction** in water consumption (m<sup>3</sup>/tFP)

**10% reduction** in GHG emissions on Scope 1&2 (tCO<sub>2</sub>eq/tFP)

**12% reduction** in total waste (kg/tFP)

### WATER SAVING

We installed a special water treatment system used for injection moulds cooling to reduce water consumption and improve water quality.

We want to improve water drains purification from the remains of varnish in the production area. Moreover, we are working towards using water-dispersible varnishes instead of solvent ones for side decoration.



### DUAL EDUCATION

In 2019, we opened several technical disciplines at the local educational institutions to prepare specialists for our production. The trainers are our leading specialists. We've arranged a production room model with equipment that is in line with the needs of our production process. During the training, students can see how everything works, understand the relationship between what they are taught and what they do. They can combine learning with hands-on experience and get a much better results.







# United Kingdom

## Guala Closures UK Ltd

OUR PLANT IN KIRKINTILLOCH PRODUCES SAFETY, ALUMINIUM AND LUXURY CLOSURES, AND IS WHOLLY OWNED BY THE GROUP. IN ADDITION TO ALUMINIUM AND SECURITY CLOSURES, OUR PLANT IN BRIDGE OF ALLAN ALSO PRODUCES PET BOTTLES

### KIRKINTILLOCH

**161**  
employees

**9,012**  
m<sup>2</sup>

### BRIDGE OF ALLAN

**321**  
employees

**19,881**  
m<sup>2</sup>



### Indicators' highlights

**16% increase**  
in training hours (per capita) in Kirkintilloch

**18% reduction**  
in energy consumption (GJ/tFP)

#### COUNTRY DIRECTOR

Ken Moran

#### CLOSURES

Aluminium ROPP, Cork Stoppers, EST Closures, Non-Refillable Closures, Gravitas Prestige Stoppers

#### MAIN INTERNATIONAL CLIENTS

Diageo, Baileys, Dewars/Bacardi, Accolade, Encirc, Beam Suntory, Distell, Chivas, IDL, Edrington

#### MAIN LOCAL CLIENTS

Loch Lomond, Campbell Meyer, Whyte & Mackay, Broxburn Bottlers, Glen Turner, Angus Dundee, Charterbrands, Glasgow Whisky Co, MacDuff, Benriach, Niche Drinks, The Old Bushmills, Grants, TJ Carolan, Admiral Ford/Donohoe, Inverhouse, Greenalls, Bruichladdich, Greencroft, Kingsland

#### LOCAL PROFESSIONAL MEMBERSHIP

None

### OEE AND WASTE MANAGEMENT

In the GC-UK we improved our spluttering machines by using HVLP spray technology which has increased production efficiency and reduced paint waste.

We also worked on our Monaco line and the scrap has been reduced to 0.4%. Moreover, we targeted the scrap created via testing which has yielded a 400kg drop in waste.

Other projects included a moulding improvement on Highland Park where we increased output and OEE by 20%

### COMMITMENT TO SCHOOLS

In GC-UK, we are still supporting local schools, particularly Merkland who educate kids who require additional support. We support parents' information evenings and events to encourage local businesses to support the school.



### SUPPORTING LOCAL COMMUNITIES

During December, the GC-UCP employees carried out a food drive to support a local food bank which was well received. The company made a food contribution as well to support employees' involvement.

At GC-UK, we have strengthened our partnership with Haven Products, a social enterprise providing sustainable employment and development opportunities for the disabled people in the local community. The company has provided their inspection and rework services throughout the year



### ENVIRONMENTAL MANAGEMENT

In GC-UCP plant, we repaired and replaced gates that control water movement across the plant and replaced fractured sewer pipes to prevent pollution to the surrounding area. Emergency lighting was also installed ensuring the site meets the legislative standards.



Ashley Carroll,  
UK Technology Director

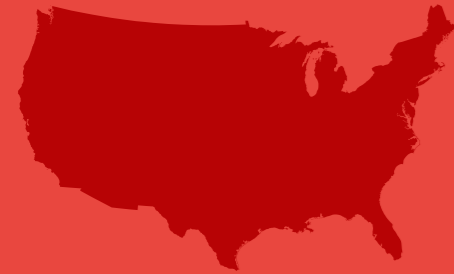


*"Guala Closures UK and Guala Closures UCP have a combined focus on sustainability and it is core to our joint business"*



George Norville, Energy & Environmental Manager





USA

Guala Closures North America Inc.

THE COMPANY IS WHOLLY OWNED BY THE GROUP. THE PLANT IN FAIRFIELD, CALIFORNIA, PRODUCES ROLL-ON CLOSURES.

14 employees

1,600 m<sup>2</sup>

REGIONAL DIRECTOR  
José Luis Gutierrez

COUNTRY DIRECTOR  
Simon Yudelevich

CLOSURES  
Roll-on for wine and spirits

MAIN INTERNATIONAL CLIENTS  
Brown-Forman, Diageo, Bacardi, Beam Suntory, Pernod Ricard, Domain Chandon, Campari

MAIN LOCAL CLIENTS  
Caymus, Copper Cane, Cork Supply, Delicato Family Estates, The Wine Group, Trinchero Family Estates, Constellation, Heaven Hill, Sazerac, AO Wilson, Tricor Braun (Titos & Deep Eddy), Berlin Packaging, Scott Laboratories

LOCAL PROFESSIONAL MEMBERSHIP  
None

### Indicators' highlights

**48% reduction**  
in energy consumption (GJ/t FP)

**0% hazardous waste**

**zero accident**

**100% OTIF score**  
(On Time In Full delivery)

### WASTE MANAGEMENT

We have put measures in place to improve the management of waste in the dump :

1. We put in place additional containers, properly labeled to collect the different type of waste.
2. We do periodical refresher training on proper separate collection rules

We plan to reduce the amount of waste generated per finished product by 30% (kg / t FP). We work on additional machine controls to reduce scrap through each machine stop and work with shell supplier to reduce cap ovalization.



**" Act Responsible, Think Sustainable ! "**

Randy Weller, Operation Manager and  
Jimmy Chanthapaseut, Production Supervisor

### LOCAL COMMUNITY

We are involved with supporting local causes. We have made donations to a special program called PAL which stands for Police Association League. The program is designed to help under privileged children in the local community to stay away from drugs and violence.







ANNEXES





**\* ACCIDENT FREQUENCY INDICATOR**

The statistical frequency indicator represents the number of accidents per milion working hours.

**\* ACCIDENT GRAVITY INDICATOR**

The statistical gravity indicator represents the number of days of absence due to accidents per thousand working hours.

**\* CARBON CREDIT**

A permit that allows a company to emit one tonne of CO<sub>2</sub>. The concept was established with the ratification of the Kyoto Protocol and credits may be exchanged on the relevant markets.

**\* CARBON FOOTPRINT**

Indicates the total quantity of CO<sub>2</sub> emitted (directly or indirectly) by an organisation, event or product during its entire life cycle (LCA approach) or part of it. It is usually expressed in tonnes of CO<sub>2</sub> equivalent and represents a tool to manage, measure, assess, communicate and improve environmental performance.

**\* CERTIFICATION**

Statement of conformity of an organisation to certain requirements, issued by an independent, accredited external body.

**\* CO<sub>2</sub>**

Carbon dioxide. It is a so-called greenhouse gas. CO<sub>2</sub> equivalent expresses the contribution of the various greenhouse gases to global warming in terms of CO<sub>2</sub>, according to set conversion factors.

**\* CORPORATE SOCIAL RESPONSIBILITY (CSR)**

This is a voluntary approach adopted by companies to properly manage the environmental and social impact of their business activities. It may include monitoring emissions of any solid, liquid or gaseous substance discharged into the atmosphere that may cause pollution.

**\* DIVERSITY**

Similarities and differences in terms of age, cultural background, physical abilities and disabilities, ethnicity, religion, gender and sexual orientation.

**\* ENVIRONMENTAL IMPACT**

Any change in the environment, whether negative or beneficial, total or partial, resulting from business activities, products or services of an organisation.

**\* ENVIRONMENTAL INDICATORS**

Qualitative and quantitative measurements that enable the most important impacts on the environment resulting from a company's operations to be described.

**\* FINISHED PRODUCT (FP)**

All material that leaves the plant, such as finished closures, semi-processed to be sold, raw sheet metal to be sold, lithographed sheets. When calculating the finished product for the Group perimeter, products sold between Guala Closures plants are not included in the calculation.

**\* FOSSIL FUELS**

Coal, oil and natural gas, today they represent almost all of the world's energy sources.

**\* GHG**

Greenhouse gases of both natural and man-made origin, responsible for the greenhouse effect, namely the fact that the earth's temperature is rising due to the failure to disperse solar radiation. The main greenhouse gases are: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFC), perfluorocarbons (PFC) and sulphur hexafluoride (SF<sub>6</sub>). The GHG emissions are reported as follows:

> **SCOPE 1** refers to Direct GHG and is defined as 'emissions from sources that are owned or controlled by the organisation'. This typically includes all combustion from fossil fuels in heating, industrial applications, transportation and refrigerant systems.

> **SCOPE 2** refers to Energy Indirect GHG and is defined as 'emissions from the consumption of purchased electricity, steam, or other sources of energy (e.g. chilled water) generated upstream from the organisation'.

> **SCOPE 3** refers to Other Indirect GHG, and is defined as 'emissions that are a consequence of the operations of an organisation, but are not directly owned or controlled by the organisation'. Scope 3 includes a number of different sources of GHGs including employee commuting, business travel, third-party distribution and logistics, production of purchased goods, and emissions from the use of sold products. Based on data from companies that have conducted comprehensive assessments of their Scope 3 emissions, it is evident that Scope 3 GHGs are by far the largest component of most organisations' carbon footprint, but it is where they experience the most challenging work to influence it.

**\* GRI (GLOBAL REPORTING INITIATIVE)**

An international nonprofit organisation that promotes the environmental, social and economic sustainability of organisations through a reporting schedule.

**\* IPCC INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE**

This is the scientific committee formed in 1988 by two UN bodies, the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP) for the purpose of studying global warming.

**\* JOULE**

The joule (J), is the unit of measurement for energy, work and heat of the International System (IS). A gigajoule (GJ) corresponds to 1 billion joules.

**\* LCA (LIFE CYCLE ASSESSMENT)**

Is a method to assess energy consumption and the environmental impact associated with a product/process/activity over its entire life cycle, from the acquisition of raw materials to the end of its life.

**\* MANAGEMENT SYSTEM**

A management system encompasses organisational structure, responsibilities, practices, procedures, processes and resources to enable an organisation to formulate a policy and set objectives for continuous improvement that may be measured over time.

**\* OEE**

A dynamic measurement that indicates the efficiency of a facility as a percentage. OEE is an acronym for Overall Equipment Efficiency.

**\* RENEWABLE ENERGY**

A form of energy that is generated from sources that do not compromise natural resources and regenerate continuously. It includes the electricity and heat generated by resources such as the sun, the wind, biomasses, geothermic, bio fuels and hydrogen generated from renewable sources.

**\* STAKEHOLDERS**

Parties internal or external to a company, with different interests and needs, who are able to influence or be influenced by a company's behaviour and to influence the achievement of its objectives. The parties in question may be customers, investors, economic partners, local communities, public authorities, future generations, environmental interest, employees, trade unions and suppliers.

**\* WELL-BEING**

The state of feeling good, healthy and happy. There are different aspects that include: physical, economic, social, psychological, life satisfaction and work.

**\* 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT**

Adopted by all United Nations Member States in 2015, it provides a shared blueprint for peace and prosperity for people and the planet, now and into the future.

> **SDG: SUSTAINABLE DEVELOPMENT GOALS:** A collection of 17 goals set by the United Nations, at the heart of "Agenda 2030". They are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

> **GLOBAL COMPACT**

A United Nations initiative to encourage companies to align strategies and operations with 10 universal principles (on human rights, labour, environment and anti-corruption) and take actions that advance societal goals.







ANNEXES

## Please note:

In 2019, Guala Closures Group has edited a Non-Financial Declaration within the GRI framework. You can download it on: [www.gualaclosures.com](http://www.gualaclosures.com)

The report integrates the whole CSR programme of Guala Closures Group and its 29 plants across the world, which deploy the CSR roadmap "2016-2022" and the 12 indicators at local level.

The report's scope covers our entire activities in 23 countries and 29 plants. Exceptions are marked directly into the indicators' pages if applicable.

The reporting period for all data takes place from January 1, 2019 to December 31, 2019.

**Designed, produced and coordinated by:** com2green (Ulysse)

**Graphics:** Doriane Denis

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Each year, we try to make this report more transparent, efficient and comprehensible, and your opinion and suggestions for improvement are welcome.

However, even if after all the care and attention put into the making this publication any inaccuracies or imprecisions are found, we kindly ask that they be drawn to our attention by writing to:

[sustainability@gualaclosures.com](mailto:sustainability@gualaclosures.com)



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