



**SUSTAINABLE
DEVELOPMENT**
Annual report 2016

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...Marco Giovannini

To our stakeholders:

For the sixth consecutive year, Guala Closures has created our latest sustainability report which underlines our firm belief that for a company to prosper and create value for all, it must integrate the corporate responsibility dimension in everything we do.

The year of 2016 was a transformative one for Guala Closures. We focused extra effort on our corporate social responsibility (CSR) strategy, while investing in a materiality analysis survey that provided us with feedback from our internal and external stakeholders on this subject.



This exercise allowed us to review and challenge every commitment we have made so far, but also to take into consideration the extra care shared around specific topics such as ethics and integrity.

In this report, we provide more information than ever before and expand the reporting scope to the whole Group's activities across geographies while we start our new 2016-2020 CSR road map.

With this new set of indicators for this five-year period, we also reviewed our Corporate Social Responsibility strategy to support the following key objectives:

- Embrace our clients' goals through innovation, performance, execution and delivery
- Reinforce our employee safety and continuous empowerment through training and active internal communications
- Reduce our environmental footprint, with a focus on energy and water consumption, greenhouse gas emissions reduction, and waste and raw material management

While we hope to achieve our goal between 2017 and 2020, we are pleased to see that significant progress has been made in the three dimensions of our commitments set out in last year's sustainability report.

We are energised by the opportunity to make the world a better place, and our objectives give purpose to the work we do every day at Guala Closures. We thank our employees, our clients and all our stakeholders for their support and ongoing feedback on our operations.

We hope you will enjoy learning about our efforts in this report. As always, we welcome your questions and comments.

Sincerely,

Marco Giovannini
Chairman & Chief Executive Officer



...Franco Bove

Franco Bove, **Chief Operating Officer**, shared insight on what it means to be a socially responsible company along with the successes we have achieved and challenges we face.

What does corporate social responsibility mean at Guala Closures?

Franco Bove: Purpose has always been our compass and guide. We see corporate social responsibility (CSR) as an enterprise-wide commitment focused on business, social and environmental impacts to protect and enhance our reputation.

We believe we can fuel Guala Closures' growth, improve people's lives and make a difference in the world since we lead the closures category. This aspiration runs parallel with our overall purpose and strategy.

Between 2011 and 2015, we focused our efforts on our CSR programme, starting within Italy. We have experimented and learned a lot during this period. Now, we are entering our second phase with our new 2016-2020 road map. We are expanding the programme globally which is energising and challenging.

Please tell us more about your current challenges.

FB: We are entering the phase where we need either significant investment or breakthrough innovation to continue to reach our objectives. While we have made great progress in the past five years, we are merely at the halfway point. It is becoming more difficult with each growth step, and is requiring more effort and investment. This is the reason 2016 showed only a slight improvement. However, we remain committed and are looking for other ways to improve our work with social responsibility.

What are you most proud of this year?

FB: Focusing on the environment and communities through reforestation and educational programmes has made me very proud. In many part of the worlds, we plant trees (almost 200,000 trees since 2011) which



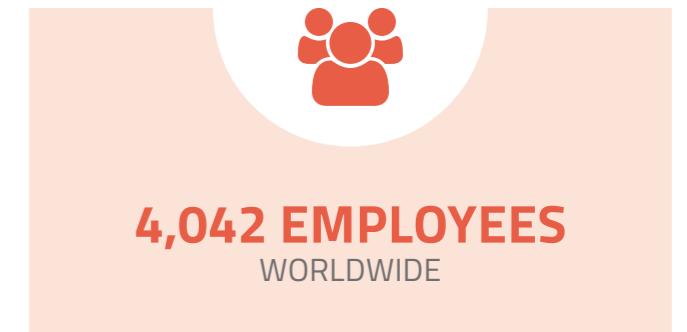
are compensating about 115,000 tonnes of carbon dioxide. We support more than 5,500 people and have trained about 15,000 students. This work is making a difference to these communities we are involved in.

What's next for Guala Closures?

FB: The difference one company can make is often limited, but creating an ecosystem that includes our team members and strategic partners creates more opportunities to do good.

That's why we'll engage in local, national and global stakeholder conversations to gauge where Guala Closures can contribute meaningful change.

And I wholeheartedly want to extend my deepest gratitude to everyone who's been part of our journey and thank them for their continuous support and ability to generate ideas and continue to improve our footprint. Looking back, we have many reasons to be proud of what we have accomplished but we are also conscious of the challenges that lie ahead.



Updated to December 31, 2016

Guala Closures Group worldwide



GCL HOLDINGS S.C.A.

Europe	Luxembourg	Headquarters
---------------	------------	--------------

CLOSURES PRODUCTION

Europe	Bulgaria	Kazanlak (2 sites)
	France	Dreux
	Italy	Basaluzzo ■ Magenta Spinetta Marengo ■ Termoli
	Poland	Wloclawek
	Spain	Jerez de la Frontera ■ Olèrdola
	Ukraine	Sumy
	United Kingdom	Kirkintilloch

North America	USA	Fairfield (California)
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South America	Argentina	Chivilcoy
	Brazil	São Paolo
	Chile	Santiago de Chile
	Colombia	Bogotá
	Mexico	San José Iturbide

Oceania	Australia	Melbourne
	New Zealand	Auckland

Asia	China	Beijing
	India	Ahmedabad ■ Daman ■ Goa

Africa	South Africa	Cape Town
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PHARMA PRODUCTION

Europe	Italy	Vasto
---------------	-------	-------

PET PRODUCTION

Europe	Spain	Alcalá de Henares
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SALES OFFICES

Europe	France	Tours
South America	Argentina	Buenos Aires
Oceania	Australia	North Adelaide
Asia	Japan	Tokyo



EXCELLENCE INNOVATION SUSTAINABILITY

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



OUR MISSION

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



OUR VISION

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



OUR CORPORATE VALUES

- **Transparency:** clarity, completeness and correctness of information of our business activities performed 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 working environment of the products, and of the impact with those communities outside production sites.
- **Acknowledging and awarding results:** full sharing of the goals and objectives evaluation criteria to enhance and reward all human resources.



THE GROUP'S 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.
- Promoting and sharing 'Corporate Responsibility' and Group objectives at all levels.
- Sustaining and providing the resources needed to achieve the objectives.
- 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 9001:2008 system and audited accordingly by Bureau Veritas.



"Protect your quality. Create your value"



- 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, and new production plants in New Zealand and Australia



1954



1998



2003



1998



2007



- 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 acquisition of Danik in Bulgaria and DGS in Poland

- 2011** Acquisition of Metalprint in Magenta (Italy), degreasing, cutting, and lithography plant

- 2012** Acquisition 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 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)



2016

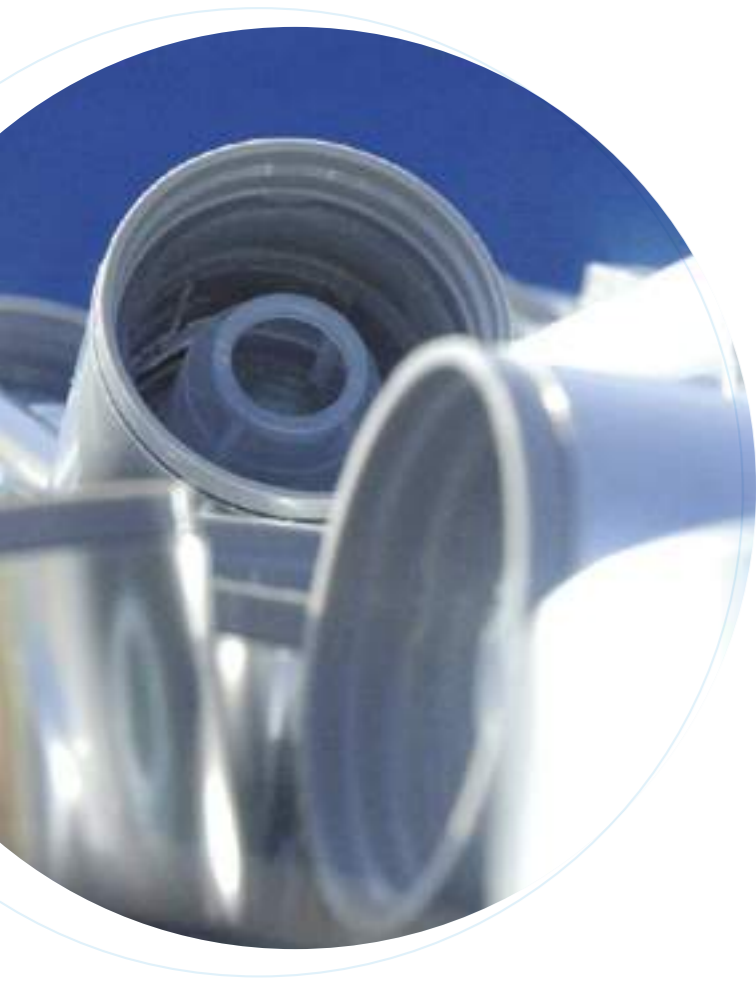


Products presentation



SAFETY CLOSURES

The safety closures created by Guala Closures combat the increasingly common problem of drink counterfeiting. This illegal phenomenon affects all countries worldwide, and consists of 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 consumers. As world leader in the production of safety closures, Guala Closures prides itself in our expertise thanks to continuous research in solutions and technology designed to:



PREVENT REFILLING OF BOTTLES WITH COUNTERFEIT MATERIALS BY USING **NON-REFILLABLE SYSTEMS**

ENSURING **SECURE ATTACHMENT** OF THE CLOSURE TO THE BOTTLE, AND **CAPPING SYSTEMS** (SNAP-ON, SCREW-ON, ROLL-ON)

IDENTIFY ANY POTENTIAL OPENING OF A BOTTLE: **TAMPER-EVIDENT SYSTEMS** AND **SMART PACKAGING**

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.



SMART PACKAGING is comprised of highly sophisticated systems such as laser applications, microchips, matrix data codes, RFID and NFC. These systems provide information on the product and its traceability by interacting with the consumer.



CAPPING SYSTEMS guarantee that the closure is secured to the bottle. The three models of capping systems 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.

SMART AND SUSTAINABLE DESIGN

When producing safety closures for customers who sell products in different areas of the world, companies like ours must consider local regulations with respect to safety and counterfeiting. Guala Closures offers a design which is easily adaptable by adding a few parts, even in markets with the strictest regulations. With our design, there is no need to alter the bottle, nor the machinery used in the production of the various models. Such innovation provides obvious economic and environmental benefits.

NEW
IN 2016

MECHANICAL EMBOSSING

In following the premiumisation trend, Guala Closures Group has improved its techniques in the use of aluminium for the production of closures with refined finishes. Cutting edge processes have been used to obtain fine details in top and side embossing which convey a tactile decoration clearly perceived by the final consumer. In addition, an oriented hot foil decoration can be added in different colours.

Along with their appealing design, the closures include a complex decoration created with special high-end equipment, thus making it difficult to counterfeit. As a result, products topped with this type of decorative closure are ensured authenticity.





ROLL-ON* CLOSURES

With an estimated **9 billion** aluminium closures produced each year, Guala Closures is the biggest roll-on producer. From the simplest screw cap to the more complex versions equipped with particular aesthetic or safety features, the company offers full customisable products using the most advanced decoration techniques. These include **lithography, hot-foil, relief or bas-relief punching**, which bring together **design, high quality and innovation**.

Such closures are mainly used for wine and spirits products.

THE RECYCLABILITY OF ALUMINIUM

Chosen for its excellent **quality** and **sustainability** features, aluminium is the perfect material to preserve and protect the bottle contents such as taste, aroma and quality before and after opening.

As aluminium can be **recycled continuously without losing** any of its **characteristics**, it is the perfect material for producing closures. The recycling processes require about **95% less energy** compared with its original production. That's why we are making all efforts during production to collect and recycle all aluminium waste back to new, perfect closures.

Today, the percentage of recovery and recycling of aluminium in Europe is above 50%. Depending on local collection systems, treatment, and recycling of waste, it can reach up to 85% in some areas.

To discover all the benefits of aluminium screw caps:
www.winedevelopers.com



PREMIUMISATION TREND IN THE WINE MARKET

Guala Closures wine screw caps have been adopted by leading winemakers on five continents due to the advantages they offer compared with traditional cork. They don't affect the organoleptic qualities of the wine, thus avoiding oxidation and the so-called 'cork taint'. The wine lasts longer and its delicate balance does not change when transported. The bottle is easy to open and reseal, while the wine maintains a longer-lasting quality and taste.

Through years of research, we have developed the widest range of screw caps for wine. This list includes screw caps for sparkling wine; varieties that contain controlled OTR liners; and other types with endless decorative possibilities from the most traditional to the most innovative such as digital printing.

In recent years, our efforts have focused on closures dedicated to premium wine, a move related to the growing trend of 'premiumisation' in the wine market. Consumers are increasingly looking for brand authenticity and heritage, followed by the embodiment of a luxurious life, and finally the element of experimentation. For wine producers, creating a brand identity which is unique and unmistakable is an essential part of a winning marketing policy, and packaging is an integral part of this strategy.

To meet market needs, Guala Closures has improved the performances of our two patented wine closures:

- ▶ **WAK:** Combines unique technology with a traditional look by matching the famous shape of a classic wine bottle with the numerous advantages of the latest technologies.
- ▶ **Savin Premium:** A top quality screw cap with a dedicated aluminium inner cap that not only improves the seal, but also provides the closure with a high-quality appearance and touch of modernity.



**MEIOMI:
A BIG DEAL OR
A SUCCESS STORY**

In August 2015, the Wagner family – founders of Caymus Vineyards in California's Napa Valley – signed a deal with Constellation Brands to sell its Meiomi brand for \$315 million. Meiomi was conceived in 2006. And by 2009, the brand debuted in the market. A year after being introduced, Meiomi sold 60,000 cases, and each bottle sold for about \$25. After six years, sales rocketed to more than 600,000 cases. The brand's performance has been nothing short of astonishing.

According to founder Joe Wagner, packaging has played a key role in the success of Meiomi – which means 'coast' in the native language of Northern California's Wappo tribe. The name reflects the vineyard sources for the brand's Pinot Noir and Chardonnay wines. The label was developed with a California-based design agency and features a traditional paper with foil embellishment, but what makes the package stand out is the closure. Wagner chose our WAK screw cap with an invisible thread that makes it look almost like a traditional wine capped with cork. A tiny arrow offers twist-off directions.

Eight years since its beginning, Meiomi remains one of the highest performing luxury wines in the category.



LUXURY CLOSURES

Guala Closures is the global benchmark in the production of premium closures for an extensive range of products such as whisky, vodka, tequila and imported wine labels.

Our position as the world leader has been established through a sustained research effort on materials and decoration techniques. Guala Closures distinguishes itself primarily as a partner to its customers in the conception and creation of their projects, accompanying them every step of the way, providing solutions, materials and state of the art techniques.

THE PROCESS OF METALLIC SPUTTERING

Sputtering is considered the most innovative and environmentally sensitive process for applying films of metallic layers to aluminium and plastic.

Flexible and stable, this process allows layers of varying thickness to be deposited in creating a number of optical decorative finishes. The metal coating adheres securely to plastic and aluminium surfaces, and its scratch-resistant quality is possible through the application of robust UV coatings.

Over the past few years, Guala Closures has invested in metal 'sputtering technology' which allows closures to be decorated by a thin, pure metal coating or a metal coating in a specific colour.

The process we developed requires fewer UV coatings and results in low atmospheric emissions. Through constant development by our team of engineers, this process now uses a low level of solvents.

CLOSE TO YOUR SPIRITS

Our luxury product range was created to follow a growing trend. Thanks to ongoing efforts and know-how, we are proud to offer innovative, safe and outstanding closures.

Heavyweight materials and innovative finishes are ideal for those traditional products with a strong heritage and have already been adopted by the most prestigious brands to complement their products.

We are always working closely with key brand/design agencies and well-known glass manufacturers in order to provide the best packaging solutions. Each closure can be customised in terms of decoration, shape and materials to enhance the brand.



TORQ: A REVOLUTIONARY SOLUTION

Our ongoing, innovative research led to the development of the new TorQ closure which eliminates the problem of cork-rise without compromising the brand.

The perfect partnership of technology and tradition, the TorQ closure combines the security of an internal screw thread with the premium feel of cork. This innovation allows our customers to avoid the use of the sleeve over the closure.

The TorQ closure is a simple but revolutionary solution which will make life easier for brand owners by saving time and using only one component - the closure - in the capping line.



2016 ALUFOIL TROPHY
'MARKETING AND DESIGN' AWARD



Each year, the **Alufoil Trophy** competition - organised by the European Aluminium Foil Association (EAFA) - recognizes several products that enhance the versatility of aluminium in all its uses and shapes. Within the five competitive categories, Guala Closures won a **Marketing and Design** award for the 'Sunrise' closure.

Produced by **Beijing Guala Closures**, the Sunrise closure was adopted first by APU Co., a Mongolia-based customer that produces vodka. Our Sunrise closure product is now available in the Asian market.



2016 WORLDSTAR AWARD IN THE 'BEVERAGES' CATEGORY

Also last year, Guala Closures received the ultimate packaging prize - the distinguished WorldStar Award in the 'Beverages' category for our 'Sunrise' closure.



In all, 293 packaging projects from 35 countries were entered in the 2016 WorldStar Awards. The entries were judged by representatives from 19 packaging associations and members of the World Packaging Organisation (WPO).

2016 VIBES INNOVATION AWARD FOR GUALA CLOSURES UK

Long recognized as one of Scotland's most sustainable and environmentally sound businesses, Guala Closures UK was honoured with a 2016 VIBES Award for innovation. VIBES is the acronym for Vision in Business for the Environment of Scotland. Guala Closures UK won the award based upon its innovative new sputtering technology and the types of closures it produces. This technology has demonstrated significant reductions in the use of energy, water and solvents, as well as produced closures which are comparable with similar products that travel many miles around the world to be manufactured.



Another step forward for a sustainable future.



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 health and the economies of many countries.

The Group creates products that can counteract this phenomenon and help to save the Spirits. The aim of these websites is to design and set up international specialist channels with videos that show the scenario of counterfeiting beyond the usual boundaries of fashion and technology.

12%

THE PERCENTAGE OF COUNTERFEITED OR ILLEGAL SPIRITS IN THE GLOBAL MARKET



\$1 BILLION

THE VALUE OF COUNTERFEITED ALCOHOL PRODUCTION IN THE WORLD



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 also bartenders, companies and stakeholders in the beverage and drinks sector. To help communication activities, a selected number of pubs, bars and trendy clubs will become testimonials of the campaign certifying to their customers the responsible choice of original tested and certified products.

TO FIND OUT MORE, VISIT

www.savethespirits.com
www.savethewines.com
www.salvalolio.com

Production processes



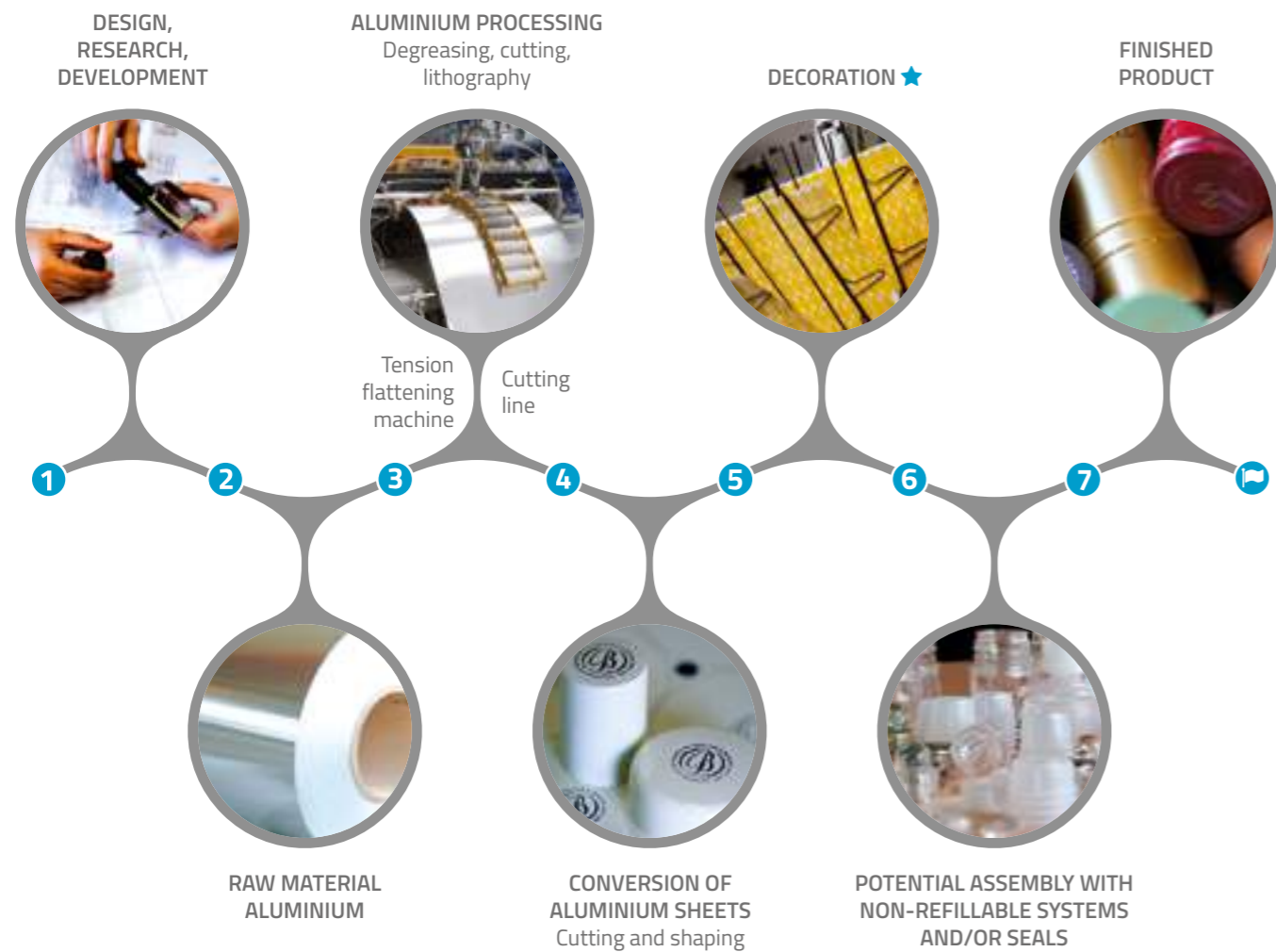
Guala Closures is the world leader in producing closures, with **more than 14 billion units produced each year**. We rely on two main processes - 'Safety' as well as 'Roll-on and Luxury' - to create our innovative and top-quality closures.

Aluminium and plastic are the key raw material components that we use which allow maximum closure safety and convenience.

All liners used in our closures are completely traceable and approved by the European Union and the U.S. Food and Drug Administration (FDA). We strictly follow

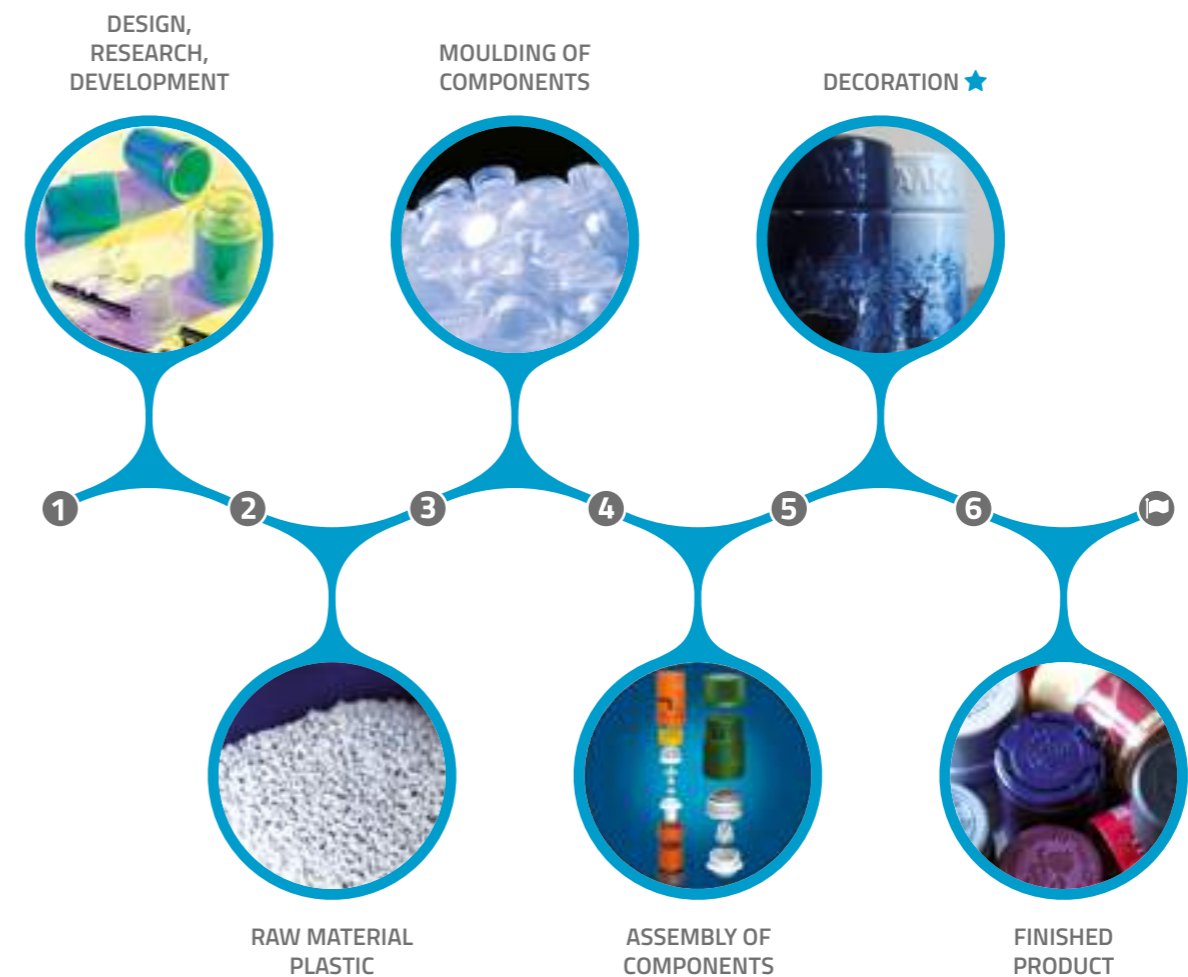
regulations in all the countries where we produce and sell our closures, and adopt precautionary principles when necessary.

ALUMINIUM TRANSFORMATION CYCLE



★ LITHOGRAPHY, SCREEN PRINTING, OFF-SET, HOT FOIL, TAMPOPRINT GCDS TECHNOLOGY, DIGITAL EMBOSING, SPUTTERING, EMBOSING NEGATIVE AND POSITIVE, PAINTING, SMART TAG

PLASTIC TRANSFORMATION PROCESS



★ SCREEN-PRINTING, OFF-SET, HOT FOIL, TAMPO-PRINT, DIGITAL EMBOSING, SPUTTERING, POSITIVE OR NEGATIVE EMBOSING, PAINTING, SMART TAG



The Group invests in cutting-edge technology and production processes both in terms of quality and environmental impact.

R&D CENTRES

The year 2016 marked an important one for the research and development (R&D) structure of the Guala Closures Group.

For a long time, technology research applied to processes and products had been one of the most important elements in building the competitive edge of our Group over our competitors.

Consider some of our successes:

- ▶ The **sputtering metallisation** process developed in the field of aerospace, which with the help of two industrial partners, we managed to transfer to our products. This allowed us to obtain a much more ecological metallisation process than those used today and at a lower cost.
- ▶ Or even the **digital printing set-up** to decorate our aluminium capsules which has opened up some important opportunities in the field of wines to the Group.

These are just two examples of technologies that today are familiar. Already in 2016, many other projects have been in the experimentation process, or simply in the idea phase, pending the resources needed for development.

This is why the Group in 2016 made the important decision to give more strength to these projects, creating a dedicated facility for them with spaces, equipment and specialised researchers.

In the summer of 2016, construction began on the new 650-square metre Technological Innovation Centre in Luxembourg, providing facilities to best serve these activities.

New engineers and some resources – spun-off from Spinetta’s offices for the necessary continuity and product knowledge – formed a collaborative group of researchers who took charge of these activities.

At the same time, Spinetta has been reformed into the Innovation Product Group, aiming to align the potential and internal capabilities in order to meet new challenges that our Group will face in creating future products.

The new structure – which has been active since the end of 2016 – is made up of three distinct groups that work together. They are:

- ▶ **The Innovation Product Group** which deals with design and development leading up to the prototype stage of new products (Spinetta)
- ▶ **The Engineering Group** which brings products from the prototype stage to production (Spinetta)
- ▶ **GCL Technologies** which deals with research and development of new technologies and provides the first two important innovation tools. This group - unlike the first two - is based in Luxembourg.

Also included are other product development centres in Mexico, Ukraine and the UK’s Scotland.

ADVANTAGES OF COMPUTED TOMOGRAPHY

Over the past few years, the Group has invested in a Computerized Tomography (CT) scan. This machine makes use of computer-processed combinations of many X-ray images taken from different angles to produce cross-sectional (tomographic) images or virtual ‘slices’ of specific areas of a scanned object. The technology allows the user to see inside the object without cutting.

This in-depth analysis tool allows us to understand whether the assembly of new closures is correctly done or to test if the closures already in production remain up to standard. It also allows us to cope with customers’ claims in detecting the type of problem without destroying or damaging the samples.

Thanks to our CT scan, we can look into the inner parts of the caps, make measurements and direct comparisons with the drawings, and also analyse mould details.

INTRODUCING 3D PRINTING

3D printing refers to processes used to create a three-dimensional object in which layers of material are formed under computer control to create the object. Such objects can be of almost any shape or figure and produced by extracting data from a 3D model.

Guala Closures Group is equipped with 3D printers in Italy, Luxembourg, the UK, Ukraine and Mexico. This technology is used for:

- ▶ Rapid prototyping to reduce the lead time and cost of developing prototypes of new closure parts and devices for customer sampling.
- ▶ Production of components for manufacturing machines to shorten downtime in case of breakage.

GCL TECHNOLOGIES

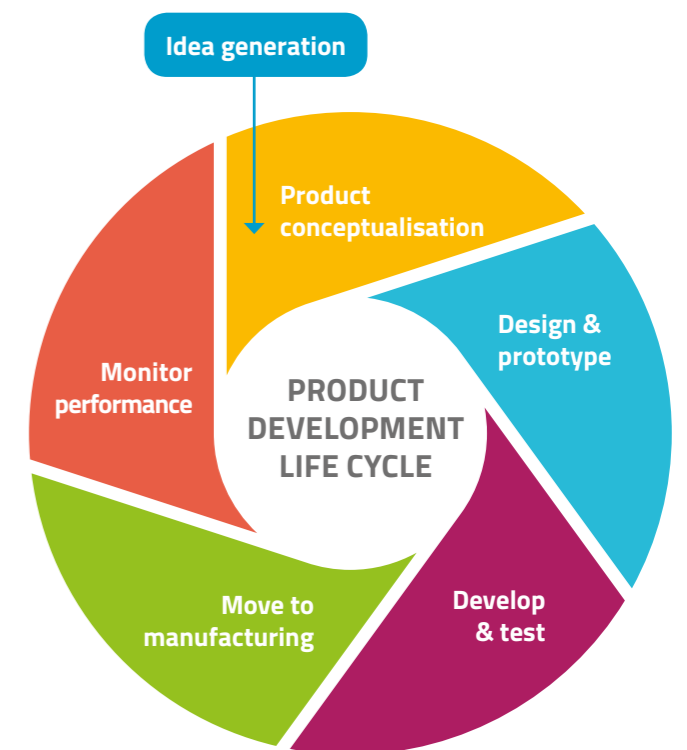


GCL Technologies focuses on the selection, development and assessment of the most innovative technologies with the goal of making them available to Guala Closures Group business units.

The GCL Technologies innovation process comprises technology scouting; technology selection and first review; technology piloting and assessing; technology validation; and transfer to the Group.

Based in Foetz (Luxembourg), the team is working on the following projects:

- > 3D advanced printing – state of the art HP technologies
- > Flexible automation, industry 4.0
- > NFC implementation in closures and packaging
- > Electro magneto forming of aluminium



Idea generation is collaborative work, and great ideas come from a number of sources. We may brainstorm with our colleagues or generate ideas via ‘workshopping’. But the most dependable ways of creating ideas come from our teams, through marketing endeavours, and working with our sales team and customers.



Guala Closures products are manufactured and distributed worldwide and cover six product categories: **Spirits, Wine, Oil and Vinegar, Water and Beverages, Pharma** and **PET**.

The quoted percentages derive from the Group's 2016 turnover with the named categories accounting for 97.4% with the balance of 2.6% from other revenues.

All the products are sold to two types of customers: multinational and local customers (more details can be found in the Plants section).



62.6% SPIRITS

Numerous customisable closure models, which through sophisticated anti-counterfeiting and tamper-evident technologies, protect brand image and consumer health.

www.savethespirits.com



19.5% WINE

Screw caps guarantee the best conditions for each type of wine over time. They may include specific liners which permit different degrees of oxygen permeability and infinite decoration options.

www.winedevelopers.com
www.savethewines.com



11.1% WATER AND BEVERAGES

Aluminium closures for beverages in glass bottles, fizzy and non-fizzy fruit juices and non-alcoholic beverages with generic or 'tamper evident' closure systems which indicate whether the bottle has been opened.



2.0% OIL AND VINEGAR

Long, short, plastic, and plastic and aluminium closures enable perfect pouring. Closures are available with a tamper-evident seal and a system of valves which prevent contamination and refilling.



1.6% PHARMA

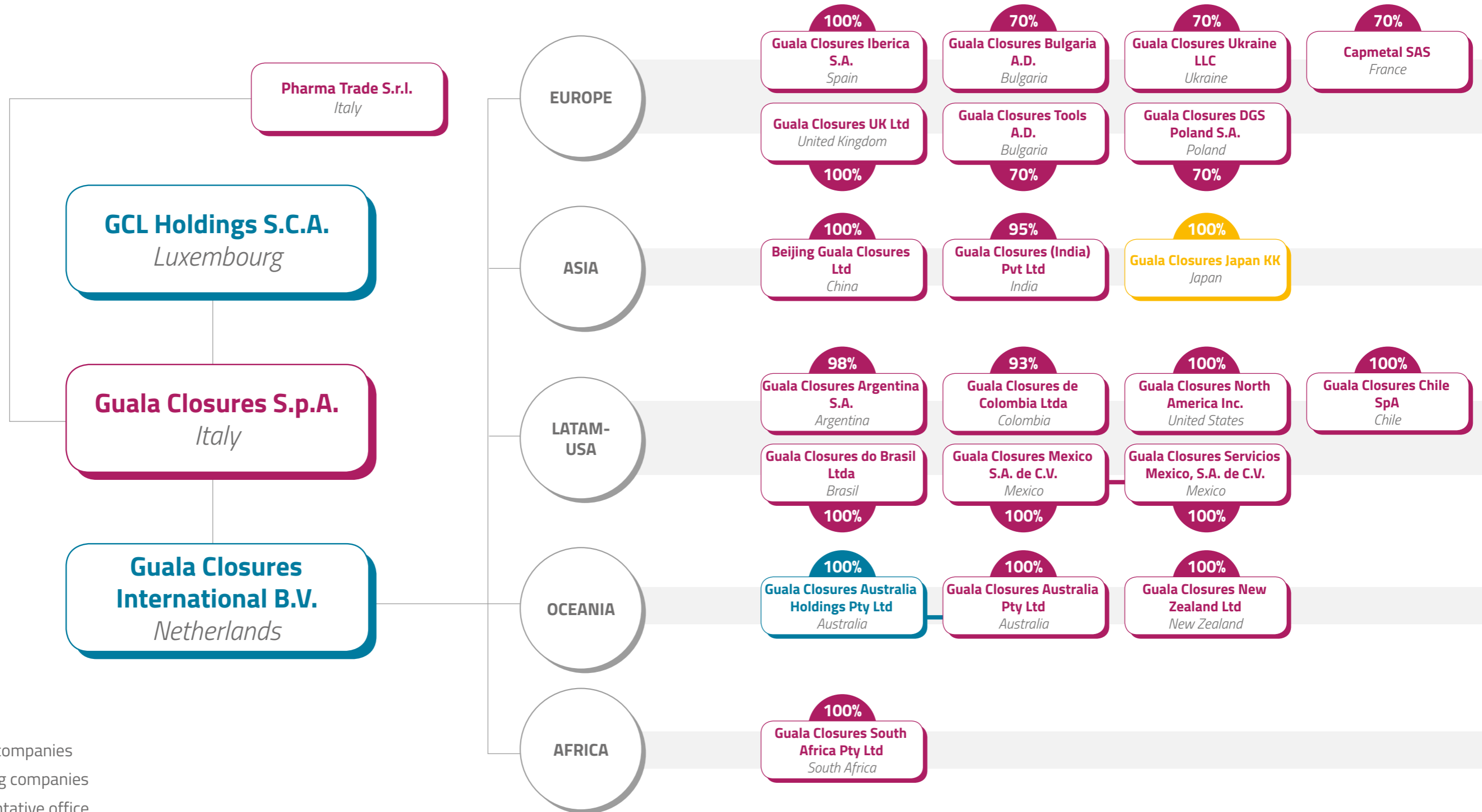
Products for the pharmaceutical and cosmetic sectors range from aluminium snap-off caps to rubber caps, single-dose vials and bottles in PET.

www.pharma-trade.it



0.6% PET

Customised containers in PET are available in various shapes, volumes and colours. This includes bottles, templates, canisters, flasks and miniatures for diverse sectors which undergo strict control measures.



■ Holding companies
■ Operating companies
■ Representative office



CORPORATE STRUCTURE

- **GCL Holdings S.C.A.** is an associated company owned by three financial institutions with 11.7% of the shares held by the Group's managers.
- **GCL Holdings S.C.A.** controls the joint-stock company Guala Closures S.p.A., which owns Pharma Trade S.r.l. entirely and Guala Closures International B.V. with its main office in Holland.
- **Guala Closures International B.V.** is the parent company which controls all the companies belonging to the Group.



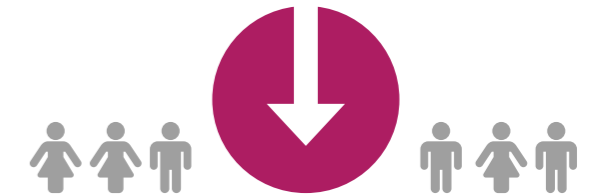
BOARD OF DIRECTORS

GC Holdings S.C.A. Board of Directors is in charge of managing all companies and deciding the Group's strategic and organisational direction, as well as verifying the existence of the needed controls to monitor the Group's activities. The Board is made up of 11 members, who represent the company shareholders (and indirectly the Group). Among the board members, Marco Giovannini is the CEO and holds the Group's most senior position.



REMUNERATION COMMITTEE

This committee submits the remuneration policy and managerial duties to the Board of Directors relating to the Group companies. It is composed of three members and usually meets once a year.



INTERNAL AUDITING COMMITTEE

The Internal Auditing Committee defines the guidelines for the Group's internal audit system and ensures its implementation. It is composed of four members and usually meets after the budget approval, once a year.



SHAREHOLDERS' MEETING

The Ordinary and Shareholders' Meeting is usually convened by the Board of Directors, and has the task of deciding upon and approving the actions of the Board of Directors. The Ordinary Shareholders' Meeting occurs annually to approve the financial statements. The Shareholders' Meeting also deliberates on specific legal matters as well as deciding on the company's statutory matters and capital increases.



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). In addition, the Group's Country General Managers are invited periodically as each subsidiary is established according to national local laws.



ROLE OF THE COUNTRY MANAGER

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 Manager oversees the plant and relies with the Group.



Economic indicators



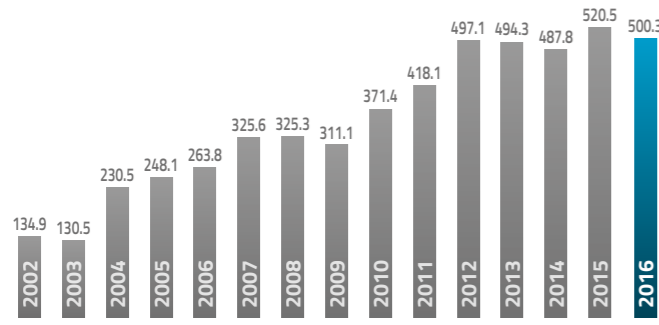
TURNOVER

In 2016, the Group recorded net revenue of **500.3 million euros**. The Group was penalized by a negative translation impact due to the euro's strengthening versus the main group currencies. At constant exchange rates, the Group delivered **4.2% sales growth and a 4.9% increase** in adjusted gross operating profit (adjusted EBITDA - excluding one-off items).

These performances have been achieved thanks to the measures implemented to improve operating efficiency and to contain costs; the investments made to improve technology; the ability to roll out new products onto the market; and the capability to direct its investments to best meet customer requirements.

TURNOVER GUALA CLOSURES GROUP

(million euro, 2002-2016)



ACQUISITION OF CAPMETAL SAS

On December 15, 2016, the Group acquired, through its Dutch sub-holding Guala Closures International B.V., 70% of the French company Capmetal SAS.

Due to the late acquisition, the plant data are not incorporated into this Sustainability Report. Data reporting will start in 2017 as its integration into our Sustainability 2016-2020 road map.

MAIN ACTIVITIES OF GUALA CLOSURES

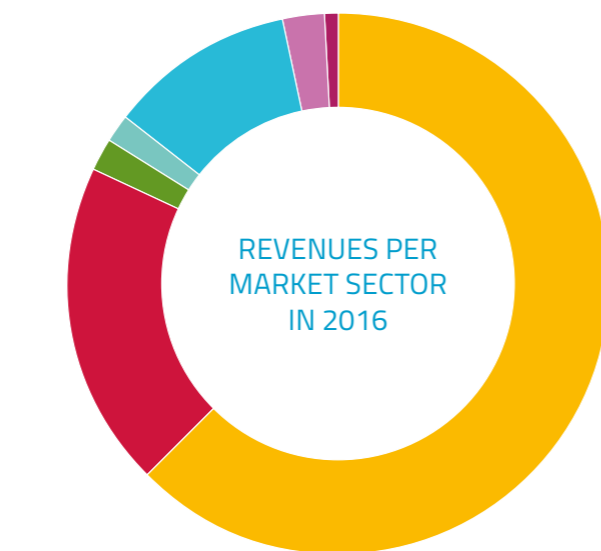
The Closures division represents the Group's core business (99.4% of net revenue), specialising in the following product lines: safety closures, luxury (decorative) closures, wine closures, roll-on (standard) closures, Pharma and other revenue.

The remaining 0.6% is with the PET division and mainly produces standard and custom moulds, PET bottles and miniatures.

REVENUES PER MARKET SECTOR IN 2016

The spirits and wine markets continue to represent more than 80% of the Group's revenue.

The Group's consolidated financial statements are accessible to the public on our website at : www.gualaclosures.com



- Spirits **62.6%**
- Wine **19.5%**
- Oil & Vinegar **2%**
- Pharma **1.6%**
- Other Markets **11.1%**
- Other revenues **2.6%**
- PET **0.6%**

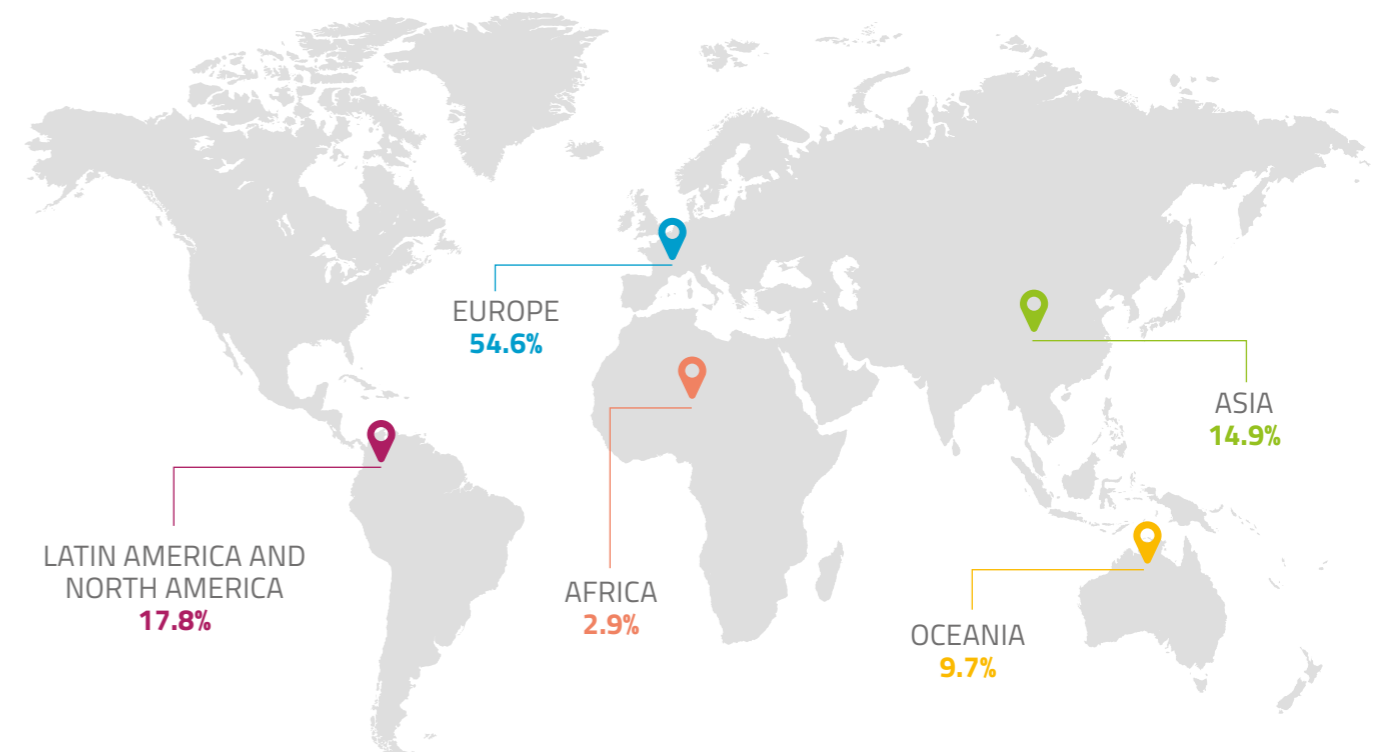
REVENUES PER TYPE OF PRODUCT 2016

SAFETY CLOSURES	219.1 M€
ROLL-ON CLOSURES	143.1 M€
WINE CLOSURES	97.6 M€
LUXURY CLOSURES	16.1 M€
OTHER REVENUES	13.4 M€
PHARMA CLOSURES	8.2 M€

REVENUES PER GEOGRAPHIC AREA 2016

EUROPE	273.1 M€
LATIN AMERICA AND NORTH AMERICA	89.3 M€
ASIA	74.8 M€
OCEANIA	48.7 M€
AFRICA	14.4 M€

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



INVESTMENTS

During 2016, the Group invested € 31.2 million (capital expenditure, net of disposal) (€ 22.6 million in 2015), in order to support future growth. The main investments of 2016 took place in Italy, Poland, India, Ukraine and the UK. The main investments were made for the sputtering technology in Italy, Poland and the UK and for new technology in Ukraine.

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 content and confirms its compliance with International Financial Reporting Standards.

Human Resources indicators



4,042
EMPLOYEES

RECRUITED ON PERMANENT
CONTRACT WORLDWIDE

623
AGENCY
WORKERS

**PRESENCE IN
20 COUNTRIES**



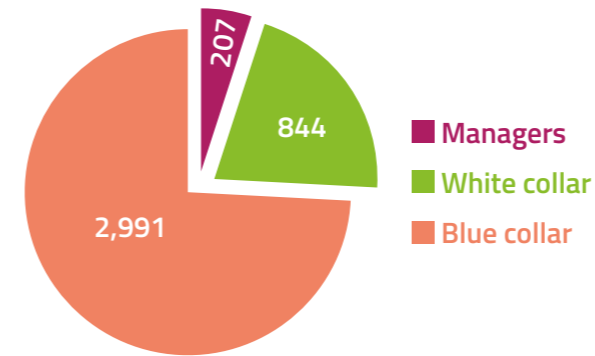
25
NATIONALITIES
REPRESENTED

78.8% MEN
21.2% WOMEN

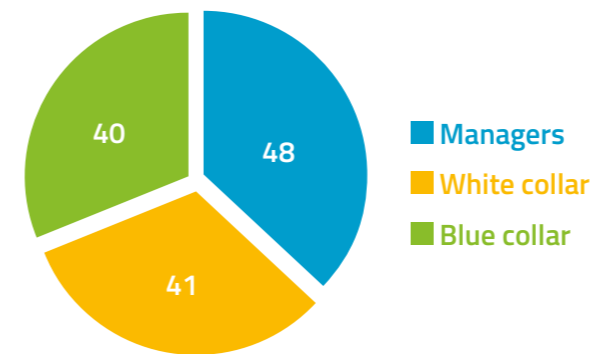


42 HOURS
OF TRAINING PER PERSON

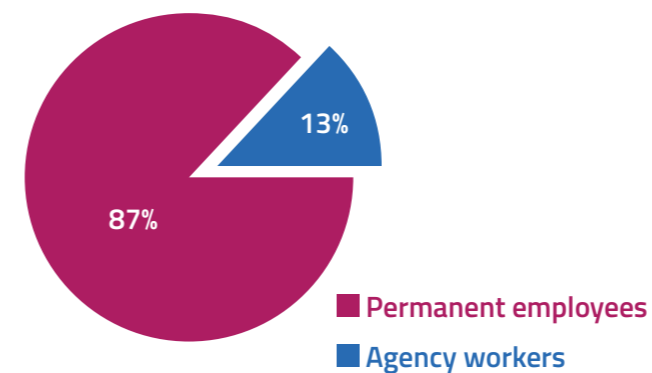
NUMBER OF EMPLOYEES PER CATEGORY



AVERAGE AGE PER CATEGORY



BREAKDOWN BY TYPE OF CONTRACT



HOURS OF ABSENCE (-3.5% VS. 2015)

	2015	2016
ILLNESS	418,746	222,709
ACCIDENTS	29,296	19,323
MATERNITY LEAVE	50,274	40,211
OTHER	70,801	266,953
TOTAL	569,117	549,196

Towards health and safety, our sites are free to adopt the OHSAS 18001 standard. So far, we have one site certified in Poland since 2006. Another one is currently implementing the system, but not yet certified.

DETAILS ON OHSAS 18001

OHSAS 18001 is an internationally recognised occupational, health and safety management system series standard. The OHSAS 18001 standard is based on the similar ISO 9001 and ISO 14001 Plan - DO - Check - Act structure (PDCA). To achieve certification to OHSAS 18001, an organisation must have a health and safety management system compliant with the requirements of the OHSAS 18001 standard. The standard also requires a company to have appropriate health and safety policies, procedures and protocols to ensure it is a safety-conscious organisation.

Towards our employees, Guala Closures Group engagement is focused on guaranteeing full respect of social and ethical aspects in group organisations:

- > Promoting company values and continuous improvement at all levels of the company to encourage participation and a sense of belonging.
- > Encouraging professional growth through continuous training.
- > Developing stricter compliance with labour law, the respect of workers' rights and the adoption of rigorous policies for safety in the workplace, with a special commitment to developing countries in which the group operates, aiming, in particular, to eliminate the use of child labour.

THE GREEN BOARD

The Green Board was created in 2015 to define and ensure an effective implementation of the agreed sustainability strategy as well as monitoring progress.

The Board is made of top executives both the Corporation and at country/plant levels with a mix of geographies. Under Franco Bove's supervision, it meets quarterly to discuss progress, hear feedback from top management, identify challenges and suggest strategic solutions.



Franco Bove
 Group Chief
 Operating Officer



Mauro Boano
 Human Resources
 Manager



Fulvio Bosano
 Group Product Research
 and Innovation Director



Armando Finis
 Country Manager
 Spain



José Luis Gutierrez
 LATAM General Manager
 Mexico



Maurizio Mittino
 Director of Sustainability, Quality
 and Continuous Improvement



Ken Moran
 Country Manager
 United Kingdom



Alessandro Pera
 Group Controller



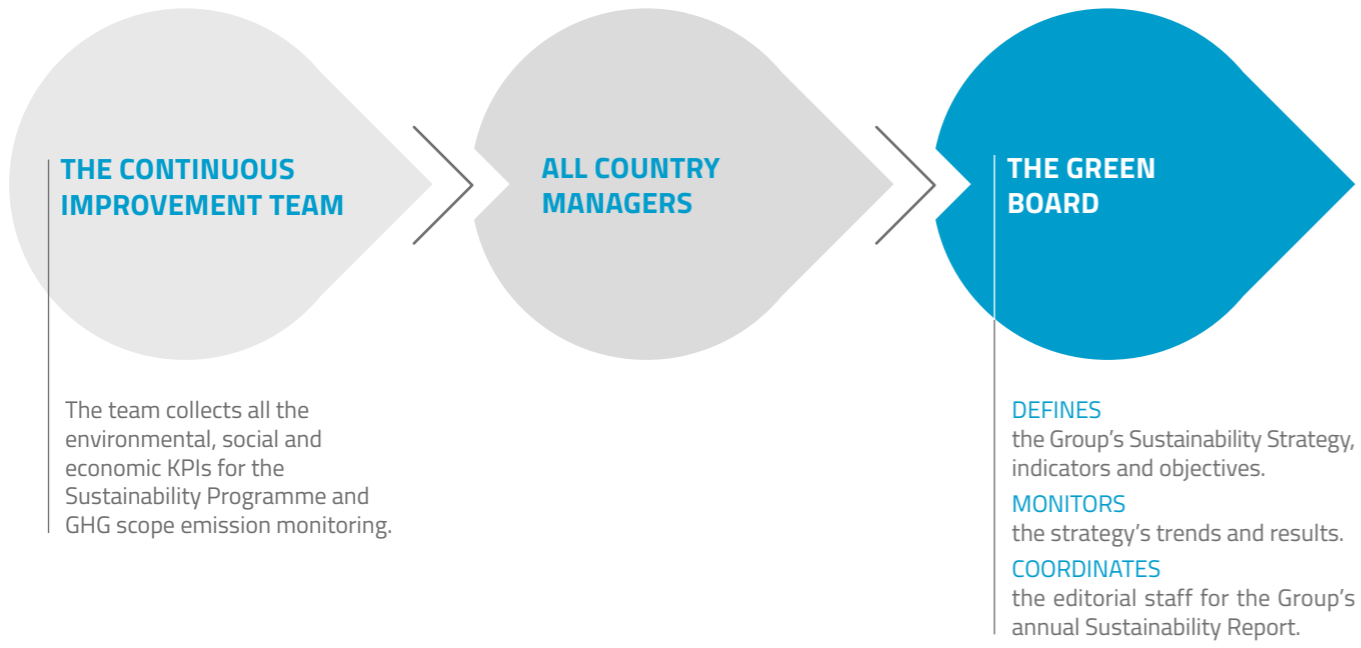
David Stevenson
 Country Manager
 India



Andrea Tassisto
 Group Industrial
 Manager



Fabrizio Venezia
 Purchasing
 Manager



In every area of the Group, Guala Closures promotes and strengthens its world leadership in the fields of both safety and aluminium closures as well as PET preform and container moulds through:

CUSTOMER SATISFACTION

- Developing products which meet customer and market needs
- Innovating production, products and processes
- Enhancing efficiency and quality of production processes
- Guaranteeing a prompt, effective and safe service standard
- Safeguarding the brands and confidentiality of our customers

FOCUSING ON THE CONSUMER

- Guaranteeing full compliance of our closures when in contact with food
- Respecting the environment with a focus on reducing the environmental impact of its production cycles
- Committing ourselves to initiatives that are relevant and important to communities near production sites

ENHANCING HUMAN RESOURCES

- Guaranteeing complete respect of ethic-social aspects within the group's areas
- Promoting our corporate values to all levels of employees
- Fostering professional growth
- Ensuring safety in the work environment

INVESTORS' SATISFACTION

- Committing ourselves to controlling costs and eliminating inefficiencies and waste
- Generating added value throughout all phases of corporate processes



Based on commitments we designed in 2011, our sustainability strategy focuses on three pillars and 12 indicators.

GROUP POLICIES

Guala Closures Group has adopted internal policies in relation to Environment, Quality and Safety. The Sustainability Programme 2016-2020 has provided the opportunity to promote and apply these policies in an increasingly more effective way. The policies, principles and values are listed below:



ENVIRONMENTAL POLICIES

- Evaluate, monitor and control environmental impact
- ~
- Increase awareness and involvement of everyone in environmental protection
- ~
- Develop eco-friendly innovation of products and processes
- ~
- Reduce consumption and optimise processes



SAFETY POLICY

- Minimise risks to safeguard integrity of health and well-being of employees
- ~
- Prevent accidents, injuries and occupational risks
- ~
- Spread and consolidate a safety culture among all collaborators, and promote responsible behaviour



QUALITY POLICY

- Anticipate and respond to customer expectations
- ~
- Develop cutting edge products to combat counterfeiting
- ~
- Promote continuous improvement in quality, costs and efficiency
- ~
- Uphold a firm respect of laws and regulations, procedures and adopted company policies



FOOD SAFETY POLICY

- Guarantee hygiene and food safety of products and processes
- ~
- Involve suppliers in guaranteeing hygiene and product suitability
- ~
- Promote objectives and information on product hygiene



Our policies and procedures such as focusing on the health and safety of employees, ensuring an easier way for data retrieval and minimising our impact on the environment remain key elements for Guala Closures towards fulfilling our objectives.

MANAGEMENT SYSTEMS

All our processes are developed and run under the following certifications, however, not all business units are certified in every category. Details are provided along the report (e.g. indicators' section).

- > **Quality: ISO 9001:2008**
'Quality management systems - Requirements'
- > **Hygiene: ISO 22000:2005**
'Food safety management systems'
- > **Environment: ISO 14001:2004**
'Environment management systems Requirements and guidelines'
- > **Safety: OHSAS 18001:2000**
'Management systems for the health and safety of workers - Requirements'
- > **Continuous Improvement: ISO 9004:2000**
'Quality management systems Guidelines to improve performance'
- > **Human Resources: SA 8000**
'Social Accountability'

DATA RETRIEVAL

Currently, almost all indicators' data retrieval is done monthly. Each business unit sends its data to the Quality 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.

We are developing a new software which will replace the current one named 'TEA TOOL' (Tool for Environmental Analysis). This software will automate and streamline the data collection process. Once completed and tested in 2017, the software will be introduced worldwide.

LIFE CYCLE ANALYSIS (LCA)

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.

Such studies allow us to better determine our priority. As we progress in the years to come, we will expand our focus on smaller carbon dioxide contributors along our supply chain and production process.



FOCUS ISO CERTIFICATIONS

The International Organization for Standardization (ISO) is an independent, non-governmental organisation considered the world's largest developer and publisher of international standards related to products, processes and services.

ISO 9001

A standard for quality management, ISO 9001 ensures that products and services consistently meet customers' requirements, and that quality is consistently improved.

ISO 14001

A standard for environmental management systems, ISO 14001 helps companies identify and minimise how their operations may affect the environment.

ISO 22000

A standard for food safety management, ISO 22000 defines the requirements of a management system for safety and food hygiene. This rule applies to producers of packaging and products which come in contact with foodstuffs, as well as plants and machinery used for their production.

Stakeholder map and dialog



We regularly engage with our key stakeholders either through meetings and discussions, or by email and surveys. Such dialog may occur annually or several times during the year, depending on the stakeholders and their needs.

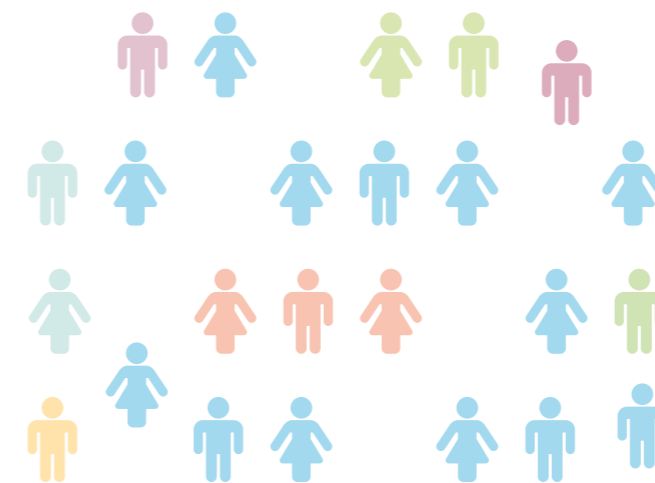
In 2016, we engaged our key stakeholders to help us perform our 'materiality analysis survey' in order to identify our most key concerns.



We recognise that our stakeholders play an essential role in our continued success and that considering varied perspectives is pivotal to shaping our business priorities. We engage our stakeholders to share information on our sustainability priorities and performance, and identify opportunities for collaboration towards common goals.

Additional opportunities exist to increase stakeholder engagement, and we will continue to evolve our process to better understand and incorporate our stakeholders' views into our business strategy and sustainability reporting. Performing the materiality survey has shown us the value to dialog with our internal and external stakeholders. This exercise goes beyond collecting their feedback as we see opportunities for future collaborative initiatives to benefit all.

Such dialog may take various forms in each subsidiary and the frequency depends on local situations. The company does not centrally consolidate all the actions carried out by its subsidiaries in this area.



With our main clients and suppliers, we meet at least once a year to review the past year's performance and agree on the new objectives for the coming year. Additional meetings may occur based on our stakeholders' needs.

For our employees, we provide an annual performance evaluation and extended discussion once a year. However, any employee or manager is able to adjust this schedule to better adapt to local or personal needs.

We operate in many communities around the world, and because of this, we subscribe to an 'open-door' approach by proactively engaging with these communities and always responding to their requests.

This year, all our plants around the world received passing grades when they were visited by regulators and inspectors. The results: not a single violation, penalty fee or infringement.

Materiality analysis and main issues

DECIDING WHAT MATTERS

To understand which issues are most important to our stakeholders and our business, we have conducted several qualitative interviews and distributed an online survey to internal (employees and management) and external stakeholders (clients, suppliers, NGOs, and unions).

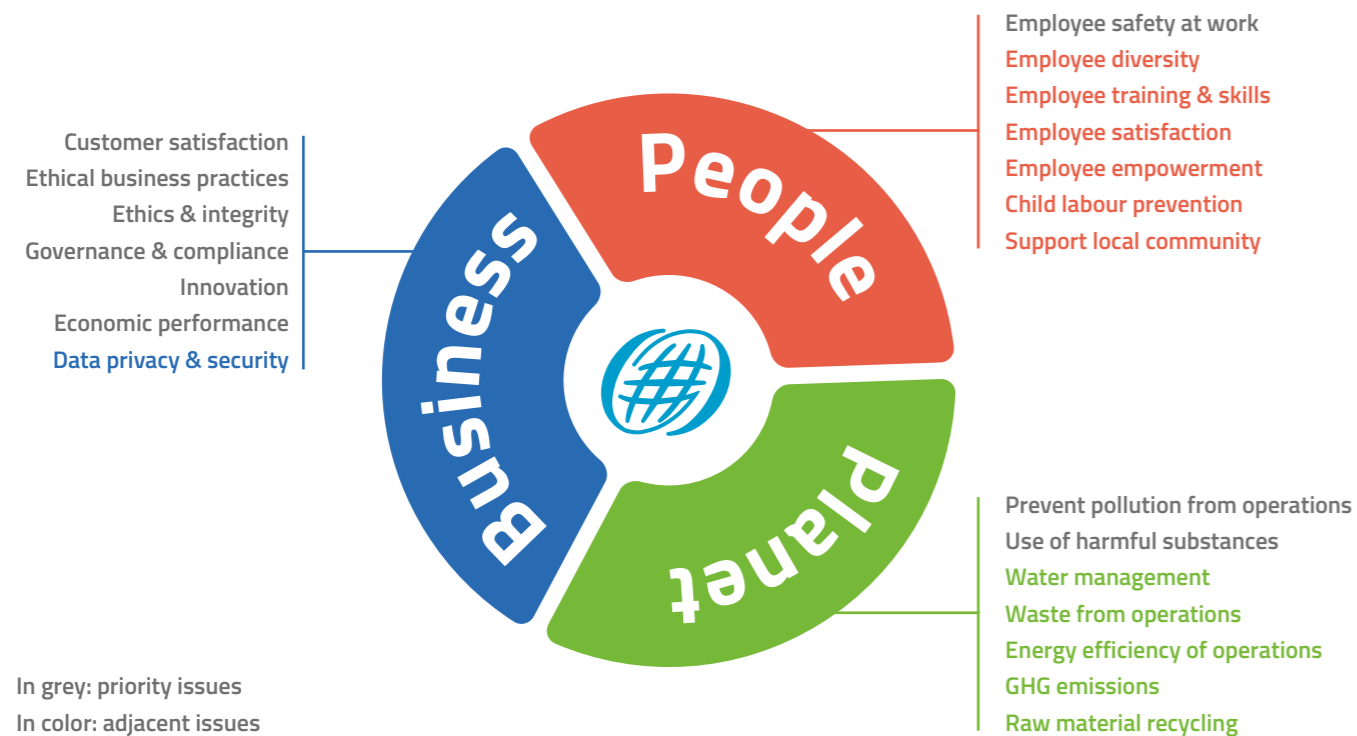
Prior to the interviews and survey, we promoted our sustainability framework and considered issues based on the completeness and materiality principles to ensure we captured our message adequately for stakeholders to assess our organisation. The interviews and survey also have helped identify additional material issues, and validated the ones that really matter to us.

A total of 37 issues have been prioritised by our stakeholders. A workshop held by the Guala Closures Main Board members ranked each issue regarding its impact on business activity.

This has helped identify the following top material issues:

None of them were a surprise. However, among the 37 issues ranked, we decided to focus on the ones considered top priority for both the stakeholders and us, as well as adjacent ones in terms of importance. In all, 22 issues (10 considered top priority and 12 as important) will be given great attention.

A large part of them are already covered by our CSR strategy and key indicators follow-up (staff safety, diversity, training and skills, customer satisfaction, economic performance, water and energy management, energy efficiency, greenhouse gas emissions, raw material recycling, innovation, economic performance), and we suggest you visit the specific indicator page to see our strategies, commitments and progress.



With the materiality analysis completed, we want to highlight items which are not directly followed in our indicators described in this report. They include:

EMPLOYEE SATISFACTION: We do not perform regular employee satisfaction surveys. But from time to time, we use questionnaires to gather feedback about employee-related initiatives or programmes.

EMPLOYEE EMPOWERMENT: Our continuous improvement programme empowers employees in taking the lead to resolve issues, and suggest improvements to increase efficiencies while decreasing our environmental impacts. In addition, we have different mentoring programmes, mainly dedicated to the Research and Development and Engineering departments.

CHILD LABOUR: This subject is covered in our Ethics and Social Policy section as well as our Human Resources section in the Group's Corporate Governance Policy and Code of Conduct. It is our policy and the policy of all our business units to not use child labour or juvenile workers. Towards our suppliers, we make it very clear in our Code of Conduct that we refuse all relationships with any persons or organizations using child labour or not respecting fundamental individual rights.

SUPPORT LOCAL COMMUNITIES: As described in several parts of this report (Reforestation and Offsetting section, Business Units section), we support local communities by undertaking tangible projects to benefit residents in the areas of the world in which the Group operates. We have two levels of involvement: corporate programmes funded by the Group (e.g. reforestation programmes), and local initiatives led by our business units (e.g. educative programmes). More details are available in the Business Units/Plants section.

ETHICAL BUSINESS PRACTICES, ETHICS AND INTEGRITY: Guala Closures Group operates with high ethical business standards. All our operating rules are fully described in our Ethics and Social Policy. In addition, our operating standards are covered in our Code of Conduct. Within our procedures, Guala Closures strictly states its intention to refuse all relationships with any persons or organizations known for being connected with money laundering, drug trafficking, usury, child labour, non-protection of fundamental individual rights, or terrorism.

PREVENT POLLUTION FROM OPERATIONS: Guala Closures operates under very stringent environmental policies. Besides the ISO 14001 certification at the plant level, the Group relies on an internal Environmental Policy design to reduce our environmental impacts at all levels.

USE OF HARMFUL SUBSTANCES: As much as possible, Guala Closures limits the use of harmful substances. If used, any hazardous material is carefully stored, handled, and monitored to ensure the best controls are in place. The Group operates under ISO 14001, ISO 22000, OHSAS 18001 for the management systems* for the health and safety of workers, and the internal Work Safety Policy signed by Guala Closures officers.

* Details of certification are disclosed in the indicators and Human Resources indicators' sections.



Coordinating the operational activities in 26 production plants across five continents requires specific planning and certain controls applied through procurement services. Guala Closures consumes large quantities of raw materials in its production purposes. For this type of supply, the Group provides an indicative price ceiling considered acceptable for the different materials and its minimum requirements on quality, leaving each individual business the option to choose the local supplier they find most convenient.

ALUMINIUM

Guala Closures needs about 30,000 tonnes of aluminium per year. We purchase 56% of our supply of aluminium in coils from the Magenta plant. Once it undergoes pre-treatment and sheet-cutting, the metal is sent to various production plants. The remaining 44% of the required aluminium sheets are purchased by five of the Group's plants directly from local suppliers.

PLANTS AND EQUIPMENT

The Group uses its control more as a sales support, whereas the technical choices are handled by the local plants.

With exception of the material mentioned in the chart, the remaining purchasing operations typically are independently managed by the different business units, particularly packaging, transport and office furniture.

PLASTIC

For plastics, the Group uses a centralised computerised system which periodically verifies that costs of the same plastic materials (polythene, polypropylene, polycarbonate, carbonates) are similar for all plants. Thus, there is a centralized control of purchase prices received from local suppliers.

CONTROL OF SUPPLIERS

The Guala Closures Group has about 1,000 suppliers. Before taking on a trade relationship with Guala Closures, suppliers must provide technical and financial information which is evaluated before selection. Once a business relationship is established with us, suppliers are regularly checked by a formal audit process. The Group's testing is based mostly on the quality of production processes. It is appropriate to mention that of our 1,000 suppliers, about 100 appear among the 'top players' on a global level within the Group's four main interest purchasing categories of aluminium, plastic, liners, and coating material. Another 300 to 400 suppliers are small local producers, whose production amounts to a small percentage of total procurement expenditure and thus do not need specific controls. For the remaining suppliers, the Group makes periodic checks in line with contractual agreements.

LINERS

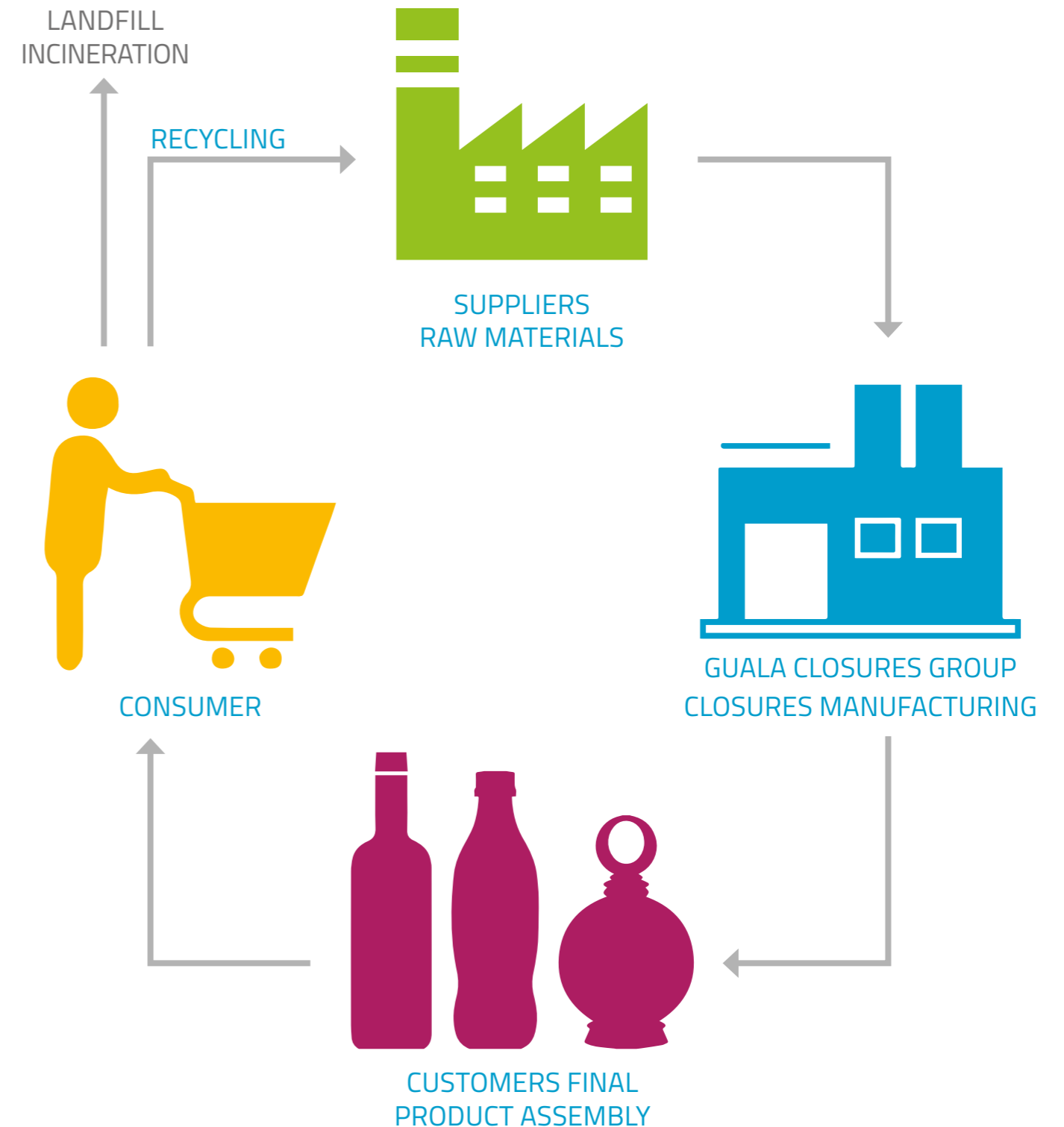
Global agreement with one supplier except in Poland and UK where we source from a local supplier.

COATING MATERIAL AND INK

Local sourcing under the Group's specifications (quality and prices).

GLASS SPHERES

Most glass spheres are sourced from China, but a small segment is imported from Germany.



Internal communication on Sustainability

INTERNAL 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 involvement in the Group's sustainability strategy. This has been a key factor in Guala Closures achieving our objectives which are defined within the sustainability programme.

MAIN COMMUNICATION TOOLS

Newsletter

Published twice a year in April and October 2016, the internal newsletter serves as the main tool to share information about projects, initiatives and key findings regarding the sustainability programme. The four-page newsletter includes an editorial, a focus on one specific plant in the Group, and in-depth insight about the programme which keeps our employees informed and helps initiative discussion. Until 2015, the newsletter's primary focus was on Italy and corporate business dealings while distributed across the entire company. The introduction of the sustainability Group report, however, will bring changes to the newsletter which will expand its content to the whole Group activities.

Sustainability Report

The Sustainability Report was created in 2011 by combining information from two different sources. Until 2014, the Italian Business Unit and beginning in 2015 each Business unit of the Group provided background on local initiatives and indicator updates. In addition, we relied on KPMG-certified financial data from the annual financial statement and on Bureau Veritas for the GHG data.

The report contains information on the Group governance and product portfolio as well as how the Group manages and mitigates the environmental and social impact of its business activities.

Since the first edition in 2011, the Sustainability Reports have been published in three languages: Italian, English and Spanish while distributed across the globe. With this new edition, the report is taking on a broader global scope and printed only in English. Digital versions are available in English and Spanish.

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

This Sustainability Report was written by following the Global Reporting Initiative (GRI) Standards, Core approach.

Website

The Group's website offers an extensive amount of information, ranging from products to markets, and policies and code of ethics to information on sustainability. Company contact information also is included (www.gualaclosures.com).

Social Media: YouTube / LinkedIn / Facebook

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

Your opinions and suggestions are important.

You can write us any time at the following email: sustainability@gualaclosures.com

2016 Communication in figures



SUSTAINABILITY REPORT (between 2011 and 2016)

- > More than 9,000 copies printed in English, Italian and Spanish.
- > A digital version sent to managers, clients and suppliers.

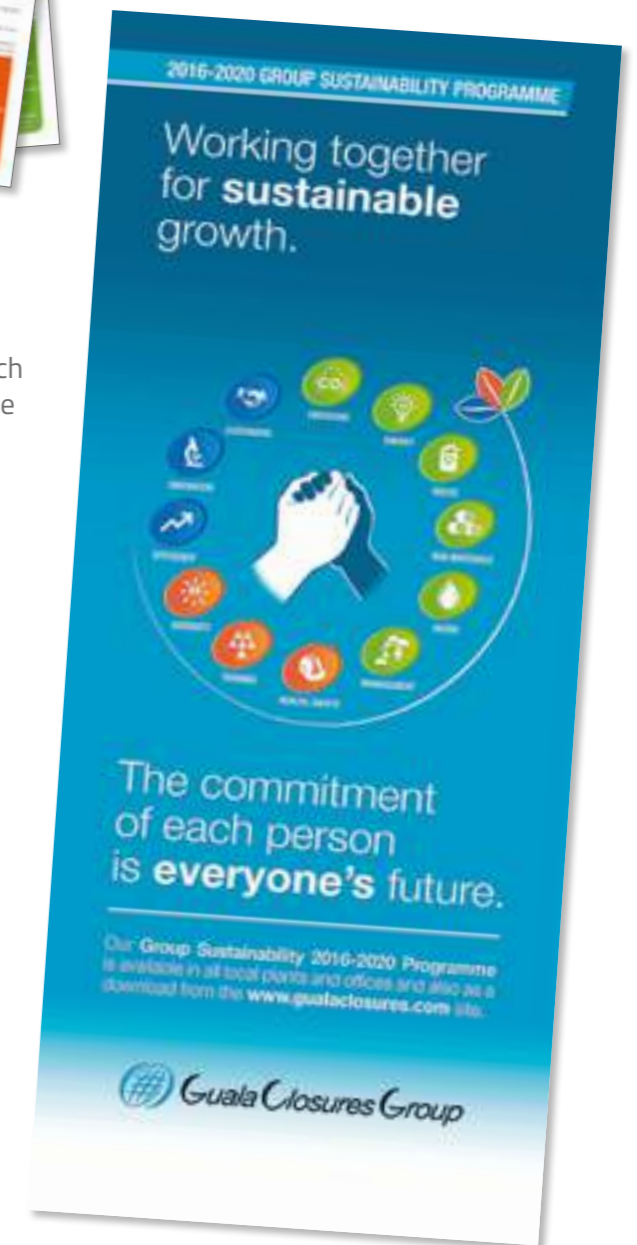


NEWSLETTERS ECHO (between 2011 and 2016)

- > 15 newsletters
- > More than 9,000 copies printed (Italian)
- > A digital English version sent to managers, clients and suppliers.

POSTERS & TOTEM

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





REPORTING SCOPE

In this report, we have shifted from a local scope (Italy) to global scope which enables us to take our full range of activities and plants into consideration. Exceptions are marked directly into the indicators pages if applicable.

Basaluzzo (warehouse) and Capmetal (acquired mid-December 2016) are excluded from the report, Acacia Ridge data are partially included (closed in July 2016).

We started a new road map for 2016-2020 – with a 2015 data baseline – with the exception of the two waste indicators' baselines (aligned with 2016 data).

The reporting period for all data takes place from January 1, 2016 to December 31, 2016.



Maurizio Mittino,
*Director of Sustainability, Quality
and Continuous Improvement*

How long have you worked for the Guala Closures Group, and what roles have you had at the company?

I started my career at Guala Closures in March 1988. Through the years, I have had several roles within the organisation. They have included maintenance manager, technical manager, quality director, and research and development director. Last year, I became the director of Sustainability, Quality and Continuous Improvement. I report to Franco Bove, our Chief Operating Officer.

Tell us about your current role.

I manage the quality side of the business while helping develop the sustainability program. It's a very demanding job because every day there are many challenges taking place as you can imagine with a company that has 26 plants around the world. But it is great to see that we have an important role in helping plants improve their efficiency, reduce any environmental impact, and make our customers happy. That's a team effort!

What changes do you expect to see in Italy after five years of having a sustainability program?

Our plants in Italy were the first ones where the sustainability program was introduced in 2011. So far, the program has allowed us to experiment, improve, learn and see numerous benefits. Since last year, we have started to roll out the program globally. There is a general interest and curiosity about this program, but it is important to continue to train, explain and show how sustainability can create opportunities in all dimensions, including social, environmental and economic, so it can become part of everybody's DNA.

Last year, the sustainability program streamlined its organisation. Among the changes included naming you as its leader. How have the recent changes improved the program?

Now that our company has a dedicated person in the sustainability leadership role, we can better expand the program globally. In my new role, I have direct access to all the country managers, and this has greatly helped with communication, allowing us to become more efficient and better focused on objectives and key performance indicators. At the same time, having a clear structure and a formal team ensures for a smooth process.

Tell us more about your sustainability organisation.



The current team supports many aspects of the business, from environment to quality assurance, and food safety to customer technical service. Our group is well-trained in continuous improvement tools, and provides strong support for each business unit.

What are the main priorities in the coming years?

We want to continue to decrease our environmental impact and mitigate what cannot be reduced due to our business. We also are focused on making sustainability something that will become fully integrated in everything we are doing.

Why is Guala Closures Group a great place to work?

I am amazed by the knowledge and dedication of the people who work here. It is our employees who drive innovation at the company, and I am really proud to be a part of that.



INDICATORS, OBJECTIVES AND RESULTS



GROUP ENVIRONMENTAL INDICATORS



CO₂ emissions



Energy consumption



Waste



Raw materials



Water consumption



Environmental management





At Guala Closures, we aim to reduce our direct greenhouse gas emissions. From 2012 to 2015, we decreased Scope 1 and Scope 2 emissions by 38% within the Italian perimeter (historic perimeter for the 2012-2015 road map). In addition, we collaborate with other companies to reduce Scope 3 emissions from across our supply chain.

OUR COMMITMENTS

OBJECTIVE 2020

Reduce carbon dioxide equivalent emissions (Scope 1 and Scope 2) by 25% ; the type of emission generated to produce 1 tonne of finished product.

-25% CO₂ EMISSIONS

OBJECTIVE 2017

Obtain certification of the Group's indirect carbon dioxide emissions (Scope 3).

CERTIFICATION SCOPE 3

OBJECTIVE 2017

Develop partnership projects with suppliers in order to reduce the usage of raw materials and transportation.

PARTNERSHIP PROJECTS

OUR STRATEGY

We work with all Supply Chain members – raw material, machinery, transportation, clients, and suppliers – to see how we can optimise loads and logistics.

Every year, we invest in new equipment in our plants, taking into consideration energy consumption and greenhouse gas emissions.

OUR PROGRESS

	Scope 1	Scope 2	Total	tCO ₂ eq/t
2015	38,365	131,795	170,160	2.52
2016	40,834	135,018	175,852	2.54

Based on energy consumption of 2016, Guala Closures Scopes 1 and 2 are certified by Bureau Veritas¹.

	Scope 3	tCO ₂ eq
2015	521,484	7.71
2016	515,690	7.44

It is important to assess the Group performance by determining the total emissions generated to manufacture one unit of finished product. In 2015, this indicator was at 2.52 tonnes of CO₂ per tonne of finished product (tCO₂ eq./t FP). In 2016, it increased to 2.54 for the reasons listed above.

Towards Scope 3, we saw a decrease of 3.5% of CO₂ per tonne of finished product (tCO₂/t FP).

Since 2011, we offset a part our direct CO₂ emissions (see our section 'Compensation CO₂ Emissions'): in 2016, we offset 38,700 tonnes of CO₂ emissions which represent 95% of our 2016 direct emissions

1. The calculation has been audited and certified by the international third-party entity 'Bureau Veritas', performed correctly in accordance with the criteria dictated by international standard ISO 14064, regarding the emissions encompassed by Scopes 1 and 2 of the standard.

Please refer to the glossary for GHG definition and scopes details.



Energy consumption in our industry is a key component of our manufacturing process. It is also the main source of climate-change gas emissions.

The cost of energy significantly influences the fixed production costs.

Guala Closures has chosen to follow this indicator correlated with its production of finished product in order to allow yearly comparison.

OUR COMMITMENTS

OBJECTIVE 2020

Reduce energy consumption per finished product by 25% compared with 2015.

-25% ENERGY CONSUMPTION

OBJECTIVE 2020

Facilitate the supply of renewable energy in all Group plants.

RENEWABLE ENERGY

OUR STRATEGY

As explained on the previous page, and as we've done in Italy from 2011 to 2015, we intend to reduce our energy consumption by renewing production machinery and systems, installing equipment with improved energy efficiency, innovating production processes, designing products which require less energy intensive manufacturing, and also by experimenting with new raw materials.

OUR PROGRESS

In 2016, we saw an increase of 1.65% at 17.87 GJ/tonne of finished product of the energy consumption compared with 2015. Those numbers are attributed to our slight increased energy usage as explained on the previous page about carbon dioxide emissions.



At Guala Closures, our commitment is to protect the environment, conserve natural resources and reduce waste in a manner consistent with our business strategies and objectives as well as our principles of continuous improvement in environmental management. Our environmental management system – based on ISO 14001 certification – is currently under deployment in our 26 plants and will be fully implemented by 2020.

While producing the report for this 2016 edition, we strengthened the data collection process. A part of our data was not robust enough in 2015, so we realigned our 2016-2020 sustainability baseline to the improved numbers we achieved in 2016. This means that our 2020 objective for the waste indicator will be based on 2016 data with the exception of total waste which remains on 2015 baseline.

OUR COMMITMENTS

OBJECTIVE 2020

To reduce the quantity of waste generated per finished product by 30% compared to 2015.

-30% WASTE PRODUCTION

OBJECTIVE 2020

To further reduce the percentage of hazardous waste with respect to the total (<5%).

<5% HAZARDOUS WASTE

OBJECTIVE 2020

Eliminate waste sent to landfill.

ZERO WASTE TO LANDFILL

OUR STRATEGY

Although it is impossible to reduce the amount of hazardous waste to zero, we will ensure that all practical steps are taken to reduce it to the most minimum amount possible. We will do this through continuous improvement and the close monitoring of situations if the waste indicator is not improving as expected.

While trying to reduce the amount of waste, we also will seek alternatives to landfill disposal.

OUR PROGRESS

Due to our decision to use data from 2016 as the new baseline for the waste indicator, we cannot report on progress this year. For now, our baseline for 2016-2020 will be as follows:

- > **9.52%** of hazardous waste over total waste
- > **13.12%** of waste sent to the landfill over total waste generated

Total waste generation in 2016 has reduced by **4.73%** compared with the 2015 baseline at **230.01 kg** per tonne of finished product.

OBJECTIVES	DEADLINE	NEW BASELINE (2016)	FINAL RESULTS EXPECTED AT THE PROGRAMME'S END
To reduce hazardous waste with respect to total waste produced <5%	2020	9.52% of hazardous waste over total waste	<5%
Zero waste in the landfill (kg)	2020	13.12% of waste sent to the landfill over total waste generated	0 kg



The increasing demand for raw materials along with the scarcity of some global resources have imposed a significant challenge for Guala Closures. As a result, we have made an extra effort on efficiency in designing our closure products. This includes ensuring we use the right level of required materials, producing products the right way on the first try, and properly managing scrap when it occurs.

At Guala Closures, the raw materials we use include aluminium and plastic (aluminium represents our most used raw material since most of our closures are made with this metal).

These two raw materials differ in at least one important aspect. Aluminium can be recycled repeatedly without losing its structural and quality characteristics, while it is almost impossible for plastic to maintain its original properties after repeated recycling.

OUR COMMITMENTS

OBJECTIVE 2020 / NEW DEADLINE

To bring the percentage of scrap at Group level, below 1.5%

<1.5% SCRAP

OBJECTIVE 2020

To reduce total CO₂ emissions generated by the production of aluminium using recycled aluminium or certified aluminium as produced with reduced CO₂ emissions.

PREFERENCE FOR RECYCLED OR LOW CARBON EMISSION ALUMINIUM

SCRAP

'Scrap' means 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.

OUR STRATEGY

As for the waste strategy, we look at minimising our scrap as much as possible. We do our best to recycle internally (aluminium) or externally (plastic) when feasible.

We rely on our environmental management system and our close monitoring to identify areas of progress in our production process.

Finally, we look at finding better alternatives to the scrap we cannot recycle internally.

OUR PROGRESS

While our 2020 objective is to bring the percentage of scrap at Group level to below 1.5%, we are currently at 3%. This represents a slight increase from the 2015 result of 2.52%¹, and can be attributed to internal quality issues and maintenance not carried out completely.

Our plant in Magenta (Italy) prepares around 46% of the aluminium used by the entire Group around the world. This plant has the ability to recycle and reprocess aluminium scrap into new foil. In 2016, roughly 76% of the aluminium processed at Magenta came from recycled aluminium, a sharp increase compared with the 49% reported in 2015.

1. Editor's note: The 2015 edition of this report included incorrect information related to data on the percentage of scrap accumulated at Guala Closures. As noted above, the correct number is 2.52%, rather than 2.06% which was erroneously included in the 2015 report.

The plants of Vasto (Italy), Alcalá (Spain), Fairfield (USA), Sumy (Ukraine) and Wloclawek (Poland) were excluded as the measurement of this indicator.



Water, more than any other substance, is essential to life and cannot be replaced. By 2030, water withdrawals are predicted to exceed renewals by 40% if no action is taken. That's why water consumption is a key performance indicator for any manufacturing company.

The use of water is very limited at Guala Closures. We use it only for two industrial processes in our closures production:

1. The cooling of plastic moulding presses
2. The degreasing of aluminium coils

Our locations in Italy and India are responsible for 78% of the Group's total water consumption.

A great amount of water is used in Italy at our Magenta plant which performs degreasing operations for around 46% of the aluminium processed by the Group. In India, the business unit is dedicated exclusively to the production of plastic closures.

OUR COMMITMENTS

OBJECTIVE 2018

To reduce the quantity of water drawn per finished product by 20% compared to 2015.

-20% WATER DRAWN

OUR STRATEGY

Since two of our plants comprise 78% of our water consumption, our efforts will be focused on these locations in Italy and India.

While Magenta has already achieved great results in the past with a 52% water reduction from 2011 through 2015, we continue to look for other opportunities to reduce water consumption at this plant. This year we have made a new internal awareness campaign to continue to mobilise our teams around this objective.¹

OUR PROGRESS

In one year (2015-2016), we have reduced water usage by 8.08% from a baseline of 3.54 cubic metres of water (m³/t FP) to 3.30 cubic metres of water per tonne of finished product.

1. The plants of Chilvicoy (Argentina) and Fairfield (USA) were excluded as the measurement of this indicator.



To assess, monitor, report and ensure the quality and the safety of every closure we make, it is important to rely on strong advance management systems.

These systems which guide our production processes help reduce our environmental impact around the world.

With the environment in mind, Guala Closures has committed to completing ISO 14001 certification.

In doing so, we have signed an agreement with France-based Bureau Veritas, a global leader in testing, inspection and certification. This contract covers all of our plants around the world.

OUR COMMITMENTS

OBJECTIVE 2020

To obtain ISO 14001 certification for all Group plants.

100% ISO 14001 CERTIFICATION

OUR STRATEGY

A roll-out plan is made to certify:

- > 5 plants in 2017
- > 6 plants in 2018
- > 6 plants in 2019
- > 5 plants in 2020

OUR PROGRESS

In 2016, a total of four of our plants were fully certified for ISO 14001.



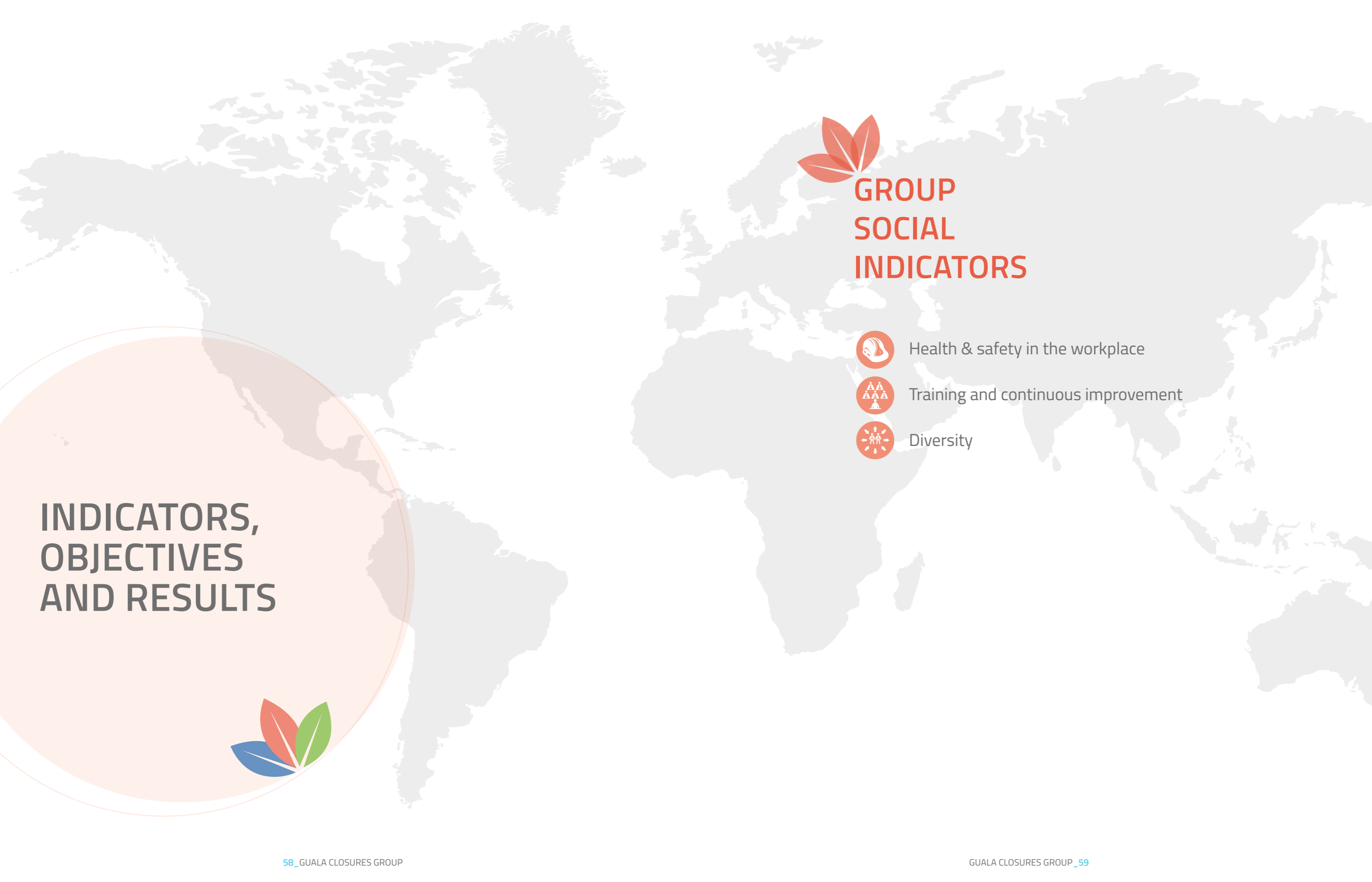
International
 Organization for
 Standardization

FOCUS ISO CERTIFICATIONS

The International Organization for Standardization (ISO) is an independent, non-governmental international organization. It is considered the world's largest developer and publisher of international standards related to products, processes and services.

ISO 14001

A standard for environmental management systems, ISO 14001 helps companies identify and minimise how their operations may affect the environment.



GROUP SOCIAL INDICATORS



Health & safety in the workplace



Training and continuous improvement



Diversity

INDICATORS, OBJECTIVES AND RESULTS



Health & safety in the workplace



All industries must deal with inherent hazards and dangers, but the significance of these hazards sometimes increases for global companies such as Guala Closures. This is due to the scale of our operations and the number of our plants around the world. Disparities among work-related regulations and legislation in a number of countries where we do business sometimes make our global approach to safety more difficult to implement.

However, we understand the importance in guaranteeing a safe and secure work environment, and are committed to continuously improving work conditions, thus ensuring the highest safety standards in our production facilities.

OUR COMMITMENTS

OBJECTIVE 2020

While our objective is to have zero injuries and work-related illnesses, we are committed to reducing by 15% the accident frequency indicator compared with 2015.

REDUCE ACCIDENTS BY 15%

OUR STRATEGY

- > Continuously update our safety procedures to cope with evolving processes and new machinery.
- > Train our employees on health and safety matters in order for them to adopt the most effective safety habits as well as prevent and limit workplace accidents.
- > Review each incident report to improve our working and safety procedures.

▶ THE ACCIDENT FREQUENCY INDICATOR:

This is represented by the number of accidents per 1 million hours worked.

▶ THE ACCIDENT GRAVITY INDICATOR:

This is represented by the number of absence days per 1,000 hours worked. In the case of a fatal incident, we count a penalty of 6,000 days.

OUR PROGRESS

Despite all the steps taken to ensure a fully secure work environment, we regretfully had a fatal accident in India in 2016.

Therefore, the gravity indicator increased from 0.30 in 2015 to 0.88 in 2016, while the frequency indicator moved from 9.04 in 2015 to 7.75 in 2016.

The number of hours of absence decreased by 3.5% in 2016 compared with 2015.

SAFETY MANAGEMENT

Adopting an effective management system for the health and safety of workers can improve safety in the workplace. SEDEX accreditation – which has already been obtained for 81% of Group plants – requires compliance with and the communication of several international criteria relating to workplace health and safety.

Our primary objective is to obtain SEDEX accreditation for all of our plants by 2017.

In addition, a working team will be created to establish a minimum safety standard at Group level, taking into account the diverse situations and laws in the various parts of the world in which the Group operates.

Training and continuous improvement



At Guala Closures, we pay great attention to the training and development of our employees as this facilitates personal and professional growth and allows our Group to successfully achieve our strategic goals.

Training ranges from specific machinery modus operandi and know-how to specific topics such as Corporate Social Responsibility (CSR) awareness. Our training program covers all levels of employees, from top management to plant workers.

In addition, we recognize the importance of our continuous improvement programme and the role each employee has in this process towards suggesting improvements and implementing them successfully.

In our 2011–2015 road map, we had two hours training dedicated to the corporate social responsibility programme for all our Italian employees. In our new 2016–2020 road map, we have extended this objective to all employees worldwide.

In 2016, the Group provided 170,881 hours of training. On average, it is 42.28 hours per person (+13.65% versus 2015).

Category	Number of Employees	Training Hours	Hours per capita
Managers	207	5,040	24.35
White collar	844	24,829	29.41
Blue collar	2991	141,012	47.14
Total	4,042	170,881	42.28

OUR STRATEGY

Develop in early 2017 all training supports, including a video presenting the CSR programme in nine languages, displays and documentation to allow each business unit to set-up the two hours training to all their employees by the end of 2018.

OUR PROGRESS

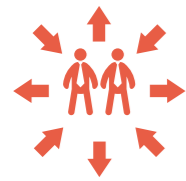
Training support documentation and videos have been defined and are in the late development stages. The training is planned to be fully delivered by end of 2018.

OUR COMMITMENTS

OBJECTIVE 2018

To provide two hours of training to all the Group's employees to make them aware of and involve them in the Group Guala Closures Sustainability Programme.

2 HOURS SUSTAINABILITY TRAINING



Embracing diversity of thought, background and culture in our business decision-making is essential for our company to continue to thrive in a multicultural world.

Our commitment to this principle is embodied in our Ethics and Social Policy. This policy helps our employees understand how to value diversity and inclusion, and maintain a workplace free of discrimination and harassment. In addition, we expect the top managers in each business unit to be committed to this policy, as well as understand, communicate and apply it to their organisations.

We are proud to count at least 25 different nationalities in our Group.



At end of 2016, Guala Closures had 4,042 employees and 623 temporary workers.

	Breakdown by professional categories	Breakdown by gender	
		Male	Female
Managers	5%	82%	18%
White Collar	21%	71%	29%
Blue Collar	74%	81%	19%



Roughly 21% of Guala Closures' more than 4,000 employees are women. In addition, 18% of our company's management positions are held by women, and women comprise 29 percent of our white-collar positions. We are making a committed effort to increase these numbers by recruiting and retaining more female employees.

Percentage of women by professional categories	2015	2016	2016 vs. 2015
Executives	17%	18%	+ 1%
White Collar	27%	29%	+ 2%
Blue Collar	19%	19%	-

OUR COMMITMENTS

OBJECTIVE 2020

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

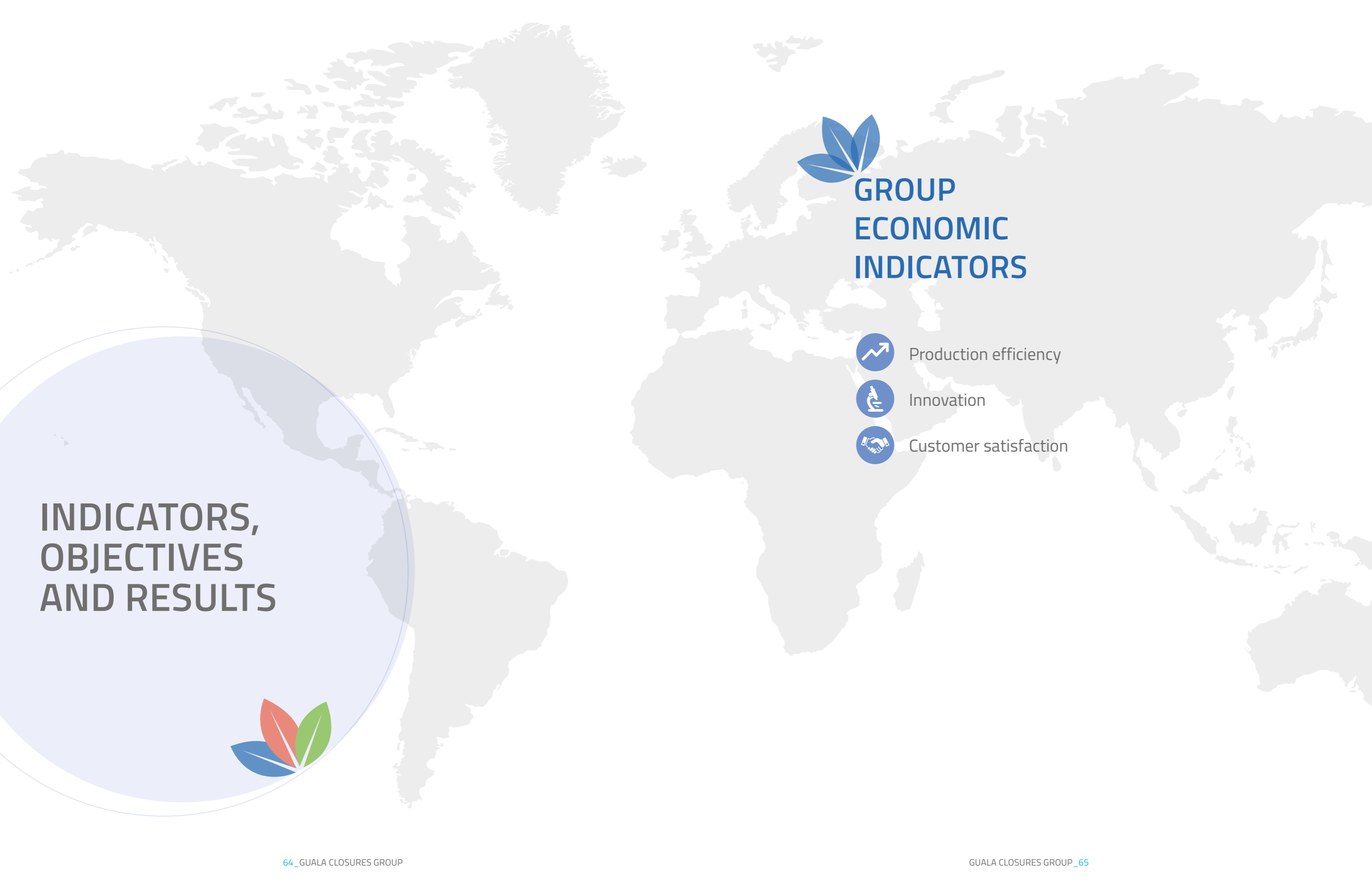
INCREASE DIVERSITY

OUR STRATEGY

Currently under development.

OUR PROGRESS

Measurement will occur once the strategy has been defined and the objective refined.



INDICATORS, OBJECTIVES AND RESULTS



GROUP ECONOMIC INDICATORS

-  Production efficiency
-  Innovation
-  Customer satisfaction



Overall Equipment Efficiency (OEE) is the indicator that Guala Closures uses to measure and monitor our production efficiency and the performance of our machines, production lines and, more generally, of our plants.

OEE measures to what extent machine downtime is due to events such as set-up, testing, sampling, ordinary and extraordinary maintenance, cleaning, quality performance and reworking, and quantifying their influence on the production efficiency of a machine or production line.

OEE is calculated as the ratio of output and saturated input and highlights inefficiencies due to organisation, maintenance, production and quality.

OUR COMMITMENTS

OBJECTIVE 2018

To bring Overall Equipment Efficiency to more than 85%.

85% OEE

OUR STRATEGY

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

OUR PROGRESS

In 2016, our OEE score⁽¹⁾ increased to 76.5% compared with 73.8% in 2015. This marked an increase of 3.7%.

All of our plants helped Guala Closures to achieve this higher score, but the locations that made the largest contributions were in Colombia, Ukraine and China. This trio of plants has focused efforts on training staff and on maintenance matters.

1. Note on the calculation: The average value for the Group is calculated by weighing the number of production machines in each plant. Since data were not available, the plants of Vasto (Italy), Alcalá (Spain), Fairfield (USA), and Sumy (Ukraine) were excluded as the measurement of this indicator.



Our clients operate in constantly evolving environments in terms of competition, regulation and product innovation. As a result, Guala Closures seeks to always improve the way we provide value to our clients through innovation.

In developing our new products, we currently rely on five Research and Development (R&D) structures.

United Kingdom > Kirkintilloch

Mexico > San José Iturbide

Ukraine > Sumy

Luxembourg > Foetz

Italy > Spinetta Marengo

The Design, Innovation and Quality division works in collaboration with all other internal departments to support all Group entities around the world.

We also develop exclusive partnership projects with some of our main customers by co-creating innovative and high-performing solutions in order to protect and enhance their products.

Over the years, we have developed more than 185 patents. A total of 80 of these patents are still active.

We offer a dedicated IP (Intellectual Property) service to protect our products and to defend our customers' brands, too.

OUR COMMITMENTS

OBJECTIVE 2020

To develop at least 26 new patentable ideas

26 NEW PATENTS

OUR STRATEGY

- > Continue to develop partnerships with customers to generate new solutions
- > Anticipate regulations
- > Fight counterfeiting

OUR PROGRESS:

In 2016, we have generated three new patents for Guala Closures Group.



ON TIME IN FULL (OTIF)

Since our inception, a hallmark of our business has been continuously working to improve the quality of our products and services. Our close-out meetings with clients remain an important means for achieving this goal. Key insights include the importance of delivering the right quantity of goods requested (In Full) in accordance with the Customer's deadline (On Time).

Over the years, OTIF (On Time In Full) has become a fundamental performance indicator for the entire Group. This benchmark is tracked each month and all efforts are made to constantly improve and achieve a score of 100% correct quantities delivered on time.

METHODOLOGY

OTIF is calculated as the ratio of the orders processed and the total orders received by each Group plant. The overall OTIF is calculated as the ratio of the total number of orders processed correctly and the total number of orders.¹

OUR OBJECTIVE

OBJECTIVE 2018

To bring OTIF above 95%

95% OTIF

OUR STRATEGY

Training and monitoring are the key enablers to improve our scores.

OUR PROGRESS

In 2016, the On Time In Full indicator reached 86.5% for the Group, calculated on the basis of weighted averages of the OTIF from each plant. This year, the score improved by 2.6% compared with 2015.

Two of our plants, Alcalá (Spain) and Kazanlak (Bulgaria) represent the best in class with 100% OTIF in 2016.

In 2016, nine plants had already surpassed the 2018 objective to be above 95% OTIF.

ISO 22000

An international standard, ISO 22000 is applied on a voluntary basis by parties that operate within the supply chain of the food sector. The standard guides companies in the adoption of management systems that seek to guarantee compliance with several minimum requirements such as risk assessment, the control of critical points (HACCP) and food safety. All Guala Closures products will come into contact with consumer beverages. Having this certification represents a guarantee of the quality and safety of our products which is extremely important to Group customers.

OUR OBJECTIVE

OBJECTIVE 2018

To obtain ISO 22000 certification for all Group plants.

100% ISO 22000

OUR STRATEGY

Six more plants will be certified in 2017, and the remaining sites will be certified in 2018.

OUR PROGRESS

In 2016, a total of 15 plants – around 58% of our plants – have achieved ISO 22000 certification.

SEDEX

SEDEX stands for Supplier Ethical Data Exchange. A nonprofit organisation based in London, SEDEX offers businesses – committed to continuous improvement of ethical performances for their supply chains – to exchange data, network and engage with other SEDEX members (e.g. suppliers and customers) through a collaborative platform. SEDEX members can do so via a secure online platform, which allows them to share and manage information related to Labour Standards, Health & Safety, The Environment and Business Ethics.

OUR OBJECTIVE

OBJECTIVE 2017

All plants become SEDEX accredited

100% SEDEX

OUR STRATEGY

The last five plants will be accredited in 2017.

OUR PROGRESS

In 2016, a total of 21 plants – 81% of our plants – were considered SEDEX-accredited.

¹Ukraine and USA are not included (same as 2015).



Climate-changing gases



Greenhouse gas emissions and the fight against global warming has been a strategic issue for many years at Guala Closures. Even before having a sustainability programme, the Group in 2008 commissioned its first Life Cycle Assessment (LCA) study on one of its closure types known as the Divinum.

In 2011, Guala Closures implemented a plan focusing on environmental objectives which would be achieved within five years within the Italian perimeter. As part of the sustainability programme, the Group came up with three objectives pertaining to carbon dioxide emissions. They were :

1

Develop an inventory of carbon dioxide emissions

2

Create a tool for collecting and managing the necessary data to calculate carbon dioxide emissions

3

Define a plan for the reduction of carbon dioxide emissions generated by its activities

The following year in 2012, the Group began to monitor all carbon dioxide emissions generated by our Italian plants. We rapidly expanded the programme to all the Group's plants in 2014.

While this was taking place, Guala Closures continued to conduct LCA studies on our wine (2012) and oil closures (2014).

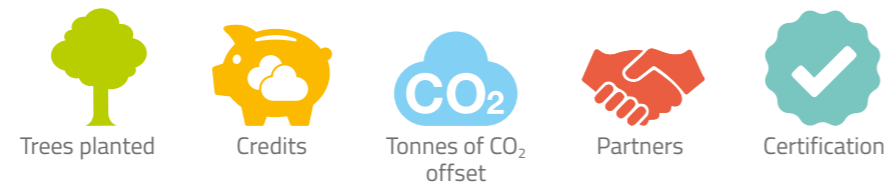
Guala Closures has compensated for more than 115,000 tonnes of carbon dioxide between 2011 and 2016. This Reduction-Compensation strategy will continue, and has been retained in the new 2016-2020 sustainability road map.

COMPENSATION PROJECTS





Besides our commitment towards reducing carbon dioxide emissions, Guala Closures will continue to fund reforestation projects and/or convert energy produced into renewable sources. We will do so preferably in developing countries where the Group operates, and actively involve local communities.



2011 COSTA RICA

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



2012 PERU

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 INDIA

Participation in a reforestation project undertaken by the Government of Bihar, which involved 1,600 local families in conjunction with initiative to educate on environmental awareness 'My class, my forest' at the Takshila school in Gaya.



From 2011 to 2016, more than 115,000 tonnes of carbon dioxide have been compensated for through reforestation projects or the purchase of carbon credits. These projects have been developed with influential partners and controlled by certified international independent agencies.

By the end of 2017, we will have planted 250,000 trees, offset more than 46,000 tonnes of carbon dioxide and gotten 5,500 people involved in the various projects.



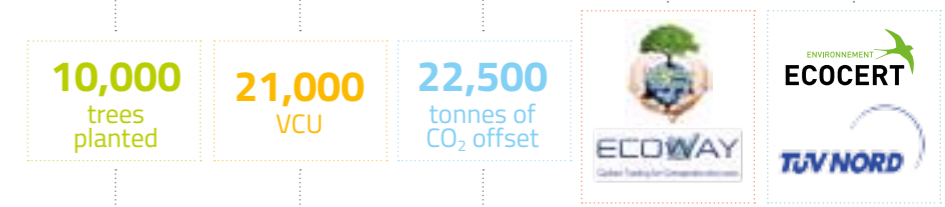
2014 INDIA

Co-funding by purchasing 26,000 carbon credits intermediary VCS (Verified Carbon Standard) from a wind energy production project purchase.



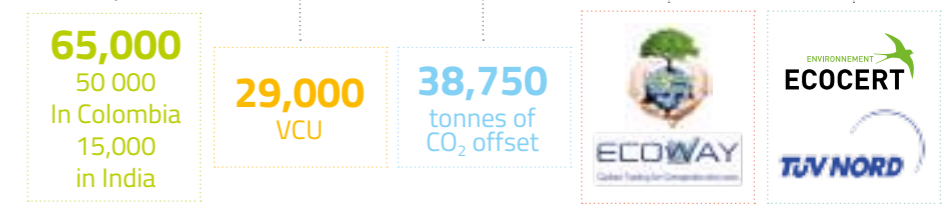
2015 COLOMBIA AND BRAZIL

Co-funding by purchasing 21,000 carbon credits VCS (Verified Carbon Standard) from a Biogas production project in Brazil and the starting phase of Reforestation Project in Colombia (2015-2017).



2016 COLOMBIA AND INDIA

Co-funding by purchasing 29,000 carbon credits – Verified Carbon Standard or VCS – from a Biogas production project in Brazil, and the second year of the Reforestation Project in Colombia (2015-2017) along with a reforestation programme in India.



2011-2014 Reforestation projects



COSTA RICA 2011

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



13,000 trees planted in Manuel Antonio National Park



1,310 tonnes of CO₂ offset

PERU 2012

A project carried out in the Yanayacu-Maquia National Reserve, in the Loreto region, province of Requena, Sarayacu and Maquia district, northwestern Peru.



30,000 autochthonous trees planted



6,000 tonnes of CO₂ offset



Project 100% Guala Closures Group

INDIA 2013

As part of a wider reforestation project undertaken by the Government of Bihar, Guala Closures funded the purchase and planting of 80,000 trees to recover 73 hectares of non-productive land.

More than 1,600 local families were involved. Furthermore, Guala Closures sponsored an educational initiative promoted by Up2green Reforestation 'My class, my forest' at the Takshila school in Gaya, with the objective to increase awareness and conduct young people towards respect and protection of the environment.



80,000 trees planted to regenerate 73 hectares of land



20,000 tonnes of CO₂ offset



1,600 families involved



Project coordinated by Up2green Reforestation

INDIA 2014

A project co-funding through carbon credit purchase to reduce greenhouse gases using wind energy.



26,000 VCU credits Voluntary Carbon Unit



26,000 tonnes of CO₂ offset



2015-2017 Reforestation Project



100,000 trees to be planted: **10,000** in Amazon and **90,000** in Ipiales in the Andes Mountains



More than **15,000 tonnes** of carbon dioxide will be offset



Work and income for more than **350 families**



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



Project funded 100% Guala Closures Group

COLOMBIA

In 2015, Guala Closures began its commitment to a three-year reforestation project in Colombia, devised and coordinated by Up2green Reforestation – a French non-governmental organisation (NGO).

The project, which is **100% funded by Guala Closures**, has three objectives:

- 1** Planting 100,000 fruit and timber trees to compensate for 15,000 tonnes of carbon dioxide
- 2** Generate income for local populations involved in the reforestation activities, while contributing towards the education and awareness of climate change
- 3** Preserving the wealth of local biodiversity while safeguarding the Amazon forests and recovering soils in the Andes Mountains

The first part of the project began in **2015** in the Amazon, where **10,000 trees** were planted in the native communities of San José del Rio and San Martín de Amacayacu.

The second phase is taking place between **2016** and **2017** near Ipiales in the Andes where **90,000 trees** are being planted. This area was chosen because at an altitude of 3,000 metres, the lack of trees creates drastic problems in water retention, causing serious consequences to local agriculture.

The project was developed by Up2green Reforestation and includes direct collaboration with the local population in order to identify the community's main needs. More than **350 local families** will be involved in working on the project during the three-year period.



2016 India: From School to the Fields



15,080 students
322 sessions
110 schools



15,000 trees



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



Project coordination
Up2green Reforestation and Local support of 3 Indian NGOs

In 2016, the 'From School to the Fields' project launched. Funded by Guala Closures India, the project falls within the legal regulation in India to spend 2% of the net profit on social responsibility activities. It takes place in the Indian States of Gujarat and Goa, where Guala Closures India has 2 production plants. This project will last two years (2016-2017).

Our main objectives with this project are to:

- 1** Sensitize and involve young people of schools in Ahmedabad and Goa in favour of preserving the environment and fighting climate change.
- 2** Support and train rural communities in Gujarat with concrete actions of planting and growing trees in areas which need to be reforested.
- 3** Spread awareness about the importance of solid waste management and the waste cycle within the schools of Goa.

Outcomes: So far, for the educational part, 322 sessions have been conducted, covering 15,080 students between the ages of 9 and 13.

More than 15,000 trees have been planted by 1,400 families in 16 villages located in the Tapi and Gujarat districts, south of Gujarat.



'My **class** my **forest**'

<https://india.myclassmyforest.org/>



GUALA CLOSURES WORLDWIDE



PLANT OVERVIEW

2016-2020

Argentina.....	82
Australia	84
Brazil.....	86
Bulgaria.....	87
China.....	88
Colombia	89
France	92
India	94
Italy	96
Mexico.....	100
New Zealand	102
Poland	103
South Africa.....	104
Spain.....	105
Ukraine.....	108
United Kingdom	110
United States of America	113

Argentina / Guala Closures Argentina S.A.



Located in Chivilcoy, our plant in Argentina produces Roll-on closures for wine. The Guala Closures Group owns 98.38% of this business.

236 employees
5,825 m²

COUNTRY MANAGER
Dr Daniel Damián García

CLOSURES
Roll-on for wines and spirits

MAIN INTERNATIONAL CLIENTS
Viña San Pedro Chile, Viña Santa Carolina Chile, Cartavio Rum Perú, Pernod Ricard Brasil, Bacardi Brasil, Campari Brasil, CCU Chile, CAPEL Chile, Viña Requiringua Chile, Bacardi Uruguay

MAIN LOCAL CLIENTS
Fratelli Branca, Cepas Argentinas, Pernod Ricard, Diageo, Campari Argentina, Bodegas Peñaflor, Bodegas Bianchi, Bodegas Esmeralda, Bodegas Argento

LOCAL PROFESSIONAL MEMBERSHIP
none

Indicators highlights*

28% reduction
in energy consumption (GJ/t FP)

24.1% reduction
in GHG Scopes 1 & 2 (tCO₂ eq./t FP)

20.2% reduction
in GHG Scope 3 (tCO₂ eq./t FP)



Highlights from 2016

This year, waste management has received great attention at our plant. We have encouraged our teams to learn more about this subject and take action in hopes of minimising waste produced at the plant. In waste management, we have concentrated on two main projects. They are:

PLANT WASTE SEGREGATION (GENERIC WASTE)

New segregation streams were generated to sort out materials and increase our recycling rate. Now, we individually separate and manage papers and cartons, plastics, metals (aluminium scrap) and wood.

SPECIAL RESIDUES SEGREGATION (HAZARDOUS WASTE)

While hazardous waste requires special handling, we have focused our efforts on raising awareness among our plant personnel in managing general waste and, especially, hazardous waste. Our main objective is to empower our teams so all employees may take ownership of this project and suggest tailored solutions which could lead to improvements.

SUSTAINABILITY TRAINING

Besides our waste management programme, we established a similar initiative related to sustainability. So far, the results have surpassed our expectations as we gained greater benefits from our aluminium suppliers. We worked with Aluar – Argentina’s largest aluminium producer – and Novelis Brazil to expedite the delivery of aluminium coils. The plan’s purpose was to optimize the production planning in order for Guala to supply our customers in a more timely manner. We set a goal to deliver 98.5% of our products on time. We topped that number, achieving a score of 98.7%.



* 2016 vs 2015



Wholly owned by Guala Closures, our Australian business, for a time, consisted 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 Braybrook.



119 employees



9,626 m²

COUNTRY MANAGER
Steve Ness

CLOSURES

Roll-on closures for wine, spirits and beverages

MAIN INTERNATIONAL CLIENT
Diageo, Campari, Coca Cola and Treasury Wines

MAIN LOCAL CLIENTS
Vinpac, Casella, Warburn, Yalumba, De Bortoli and Berton

LOCAL PROFESSIONAL MEMBERSHIP
none



Indicators highlights*



35.8% reduction
in GHG Scope 3 (tCO₂ eq./t FP)



125% increase
in training hours (per capita)



Highlights from 2016

LED LIGHTS

We switched to LED lighting on the factory floor at Braybrook, leading to several benefits. The two main ones are:

- > We were able to reduce electricity consumption by approximately 270,000 kilowatt hours per year. This has helped reduce carbon dioxide generated by local power plants, proving beneficial to the environment.
- > Within 3.5 years, Guala Closures will be able to pay for the LED lighting with the energy-related savings. That's a win-win situation both for the planet and the plant.



ENVIRONMENTAL IMPACT FROM CLOSING ACACIA RIDGE (ELECTRICITY AND RAW MATERIAL TRANSPORT)

With the closure of the Acacia Ridge plant, we were able to make some positive environmental impacts on both electricity consumption and local transport.

Overhead electricity at Acacia Ridge was approximately 5%. Based on yearly usage we expect to save 68,000 kilowatt hours.

Moving the production to Braybrook also helped reduce costs related to the liners we use in making our products. This is because the plant is located only 12 kilometres from our liner supplier in nearby Victoria. (Acacia Ridge is approximately 1,658 kilometres from Victoria). Based on average trips per year, our trucks are traveling 52,000 fewer kilometres, providing great savings in freight and shipment. This does not include cost savings related to fuel and carbon dioxide. The impact on our GHG Scope 3 was immediate with a reduction of 35.8% compared with 2015.

FACTORY SCRAP

With a goal of reducing flat sheet and factory scrap, we concentrated on key projects, maintenance and continual training.

In 2016, we installed a flat sheet camera – a side print camera – and undertook preventative maintenance on several pieces of equipment to improve our results. In addition, at each 'Quality and Best Practices' monthly meeting we constantly reminded our team members about the importance of reducing scrap.

To monitor our project results, we set and track our scrap target through monthly key performance indicators (KPI) and provide a KPI bonus scheme.

In addition, we have seen less waste on other raw materials such as inks and coatings.

* 2016 vs 2015



The company is wholly owned by the Group. The plant in São Paulo produces Safety closures.

78 employees
6,800 m²
 (over 11 286 m² land size)

COUNTRY MANAGER
 Ivan De Nadai

CLOSURES
 Safety for spirits

MAIN INTERNATIONAL CLIENTS
 Diageo Uruguay, Cepas Argentinas, Capel (Chile), Tres Leones (Paraguay), Dellepiane (Argentina), Pernod Ricard Uruguay, Carrau (Uruguay), Campari Argentina, Capasa (Paraguay)

MAIN LOCAL CLIENTS
 Companhia Müller, Diageo Brasil, Asteca, Paratudo, Pernod Ricard Brasil Fante, Bacardi Martini Brasil, Destillerie Stock, Chiamulera, Campari Brasil, Salton, Dubar, Tatuzinho

LOCAL PROFESSIONAL MEMBERSHIP
 ABRABE

Indicators highlights*

9.5% reduction
 in water consumption (m³/t FP)

19.8% increase
 in training hours (per capita)



Highlights from 2016

We acquired a new assembly machine for our closures Super Deluxe.

This new equipment is helping us reduce scraps and increase customer satisfaction.

THIS YEAR, WE ALSO HAD TWO IMPORTANT INSPECTIONS

- > The first came from the 'Conselho Regional de Quimica' (Regional Chemistry Council) to inspect and formally approve our process for the treatment and disposal of products.
- > The second inspection was done by the 'Vigilancia Sanitaria' (Health Surveillance) to approve our plant for food material production.

* 2016 vs 2015



The company is 70% owned by the Group. The plant in Kazanlak produces Safety closures.

185 employees
6,500 m²

COUNTRY MANAGER
 Tancho Mihaylov

CLOSURES
 Safety for spirits

MAIN INTERNATIONAL CLIENTS
 Diageo May TR, Pernod Ricard, LVHS, SPI, Ukraine ICO, Poland ICO

MAIN LOCAL CLIENTS
 VP Brands International, SYS Industries

LOCAL PROFESSIONAL MEMBERSHIP
 none

Indicators highlights*

100% OTIF score
 (On Time In Full)

20.4% reduction
 in water consumption (m³/t FP)

19.5% reduction
 in scrap (kg/t FP)

* 2016 vs 2015

Highlights in 2016

REDUCING ELECTRICITY CONSUMPTION

Inside our production hall, our staff changed 330 light bulbs from 150-watt power to 54-watt.

This allows us to reduce our electricity consumption and decrease greenhouse gas emissions. Payback will be in less than a year-and-a-half.

BETTER PLANT SURROUNDINGS BY PLANTING TREES

Team members also planted 12 trees, many bushes and plants on the grounds of our facility. The additions have made the plant surroundings more visually pleasant, while also contributing to the environment.

As part of our continuous action plan, we constantly worked on:

- > Reducing production rejects by optimising our production processes
- > Keeping our accidents to zero by focusing on the compliance with our safety rules
- > Keeping our production efficiency above 85% while searching for continuous improvement in the production technologies and equipment maintenance
- > Reducing the loss of time by optimising production processes
- > Maintaining an achieved result of 100% OTIF (On-Time In-Full)

Finally, in our action plan, we will focus future efforts on new opportunities in recycling more types of waste.



Beijing plant produces Safety and Roll-on closures. The Company is a registered WFOE (Wholly Foreign Owned Enterprise).

66 employees **4,602** m²

COUNTRY MANAGER
Giorgio Vinciguerra

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

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

MAIN LOCAL CLIENTS
Tuopai, LanJiu, Gujing, Guchuan, Wuhan

LOCAL PROFESSIONAL MEMBERSHIP
Chinese Packaging Association



* 2016 vs 2015

Indicators highlights*

32% reduction in scrap (kg/t FP)

16.2% reduction in water consumption (m³/t FP)

10.4% reduction in GHG Scope 1 & 2 (tCO₂eq/t FP)

Highlights in 2016

RELOCATION OF THE GLASS BALL CALIPER AND WASHING LINE

By enlarging the production area (by 55 square meters) of one of our Emperador in-bore assembly lines as well as the final assembly lines, we were able to keep a spray-painting line in-house rather than outsource the work.

CARBON FILTER

By installing a new carbon filter that minimises exhaust at our injection moulding workshop, we were able to reduce the release of volatile organic compounds (VOC) and meet the national VOC emission standard.

FOLDABLE BINS

We now use foldable bins for semi-finished products. This new material helps increase our warehousing capabilities dedicated to finished products.

Our plant in Bogotá produces Safety closures, and the business is 93.2% controlled by the Group.

89 employees **3,000** m²

COUNTRY MANAGER
Antonio Ramirez

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



* 2016 vs 2015

Indicators highlights*

12.7% reduction in GHG Scope 3 (tCO₂eq/t FP)

3.5% reduction in water consumption (m³/t FP)

2.6% reduction in energy consumption (GJ/t FP)



Highlights in 2016

REMOVING AND REPLACING ASBESTOS ROOFS

The danger of asbestos is well-known, and this mineral was detected in some of our roofs. In order to protect the health of our employees, we changed the roofs in several zones (bi-injection, screen printing and maintenance areas). The change also has provided better illumination in those work areas.





NEW TOILETS REDUCE WATER COSTS

While it may seem a joke at first, we saved 10% on water costs by replacing our old toilets with low water consumption toilets.



CHANGING OF GALVANIZED PIPES TO PVC

Galvanized pipes are well-known for conveying contaminant discharge into the water. Therefore, we had to change the pipes of the cooling system to reduce environmental contamination. This move helped us stay within the limits imposed by the Colombian regulation governing industrial water discharges.



NEW FANS REDUCE WORKPLACE TEMPERATURES, IMPROVE EMPLOYEE COMFORT

We installed new fans in several zones (decoration, cutting and assembly areas) to reduce the temperatures, thus providing better working conditions for employees. The change has allowed us to reduce work area temperatures to 29°C from 35°C.



REFORESTATION PROJECT BENEFITS ENVIRONMENT, COMMUNITIES

As described in the reforestation section, Colombia is one of the countries where Guala Closures has committed to planting about 100,000 trees (10,000 in Amazon and 90,000 in the Andes Mountains) as part of a three-year project. Results of this project will offset above 15,000 tonnes of carbon dioxide, while providing work and income for more than 350 families. The project also will benefit the biodiversity and local ecosystems.





Our operation in France consists of a plant in Dreux which produces Roll-on closures and a sales office in Tours. The business has been 70% owned by the Group since December 2016.



 **48**
employees  **7,000**
m²

COUNTRY MANAGER
Stéphane Gondange

CLOSURES
Roll-on for wine

MAIN INTERNATIONAL CLIENTS
Pernod Ricard, Monin

MAIN LOCAL CLIENTS
CASTEL, Les Grands Chais de France,
VINADEIS, Marmande Production,
Unisource

LOCAL PROFESSIONAL MEMBERSHIP
CETIE

Indicators highlights

Due to the late acquisition (December 2016), reporting starts in 2017.

As noted earlier in the report, Guala Closures Group acquired 70% of the French company Capmetal SAS on December 15, 2016. The remaining 30% stake in the company is still held by the former owners, including the ICAS group – the world leader in the production of wirehoods for champagne bottles closures – and MVL. The acquisition of Capmetal SAS is part of the Group's strategy to strengthen its core business through direct control of the commercial network.

Founded in 1986 and based in Tours, Capmetal SAS specialises in the production and distribution of aluminium screw caps, mainly for the French wine market. It operates through a production site in the Eure-et-Loire and a direct sales network covering the entire country.

In addition, Capmetal SAS has been promoting the Group's products for more than 10 years through a non-exclusive representation contract.



Highlights in 2016

WATER CONSERVATION - WELL CLOSING

Water conservation remains a priority at Guala Closures. And we were able to eliminate the use of water related to the factory's 'vacuum network' with the purchase of a new compressor.

Prior to the change, 6,000 cubic metres of water from a nearby well was used each year to cool the previous compressor. Since the water was no longer needed, the well was closed.



* 2016 vs 2015



Our business in India consists of three plants in Goa, Daman and Ahmedabad which produce Safety closures.

AHMEDABAD

 **342** employees  **9,480** m²

DAMAN

 **126** employees  **3,174** m²

GOA

 **358** employees  **17,153** m²

COUNTRY MANAGER

David Stevenson

CLOSURES

Safety for spirits

MAIN INTERNATIONAL CLIENTS

Guinness Nigeria PLC, Myanmar Distillery Co. Ltd, S R Distilleries (Zambia) Ltd, UDV Kenya Ltd

MAIN LOCAL CLIENTS

Alcobrew Distilleries India Pvt Ltd, Allied Blenders and Distillers Pvt Ltd, Amrut Distilleries Pvt Ltd, Bacardi Martini India Pvt Ltd, Beam Global Spirits & Wine (I)

Pvt. Ltd, John Distilleries Pvt. Ltd, Pernod Ricard India, United Spirits Ltd

LOCAL PROFESSIONAL MEMBERSHIP
 none

Indicators highlights*

Despite all the steps taken to ensure a fully secure work environment, we regretfully had a fatality in Goa in 2016.

Although Regulatory authorities have confirmed that the Company was not at fault, we have nevertheless re-doubled our efforts to further secure our work environment.

 **Zero waste** to landfill

 **96.9% increase** in training hours (per capita)

 **9% reduction** in water consumption (m³/t FP)

Highlights in 2016

ON THE PLANT SIDE

At our Ahmedabad plant, we have pursued efforts towards reducing energy consumption, which has led to a 5% decrease in energy usage per kilogram of production.



Additional efforts were focused on increasing our Overall Equipment Efficiency (OEE) indicator which monitors our production efficiency and performance of our lines and machines (Ahmedabad & Daman). We achieved this by investing in our people and doubling training hours on all aspects of their activity, reflecting our dedication towards improving the skills of our teams. Compared with 2015, we tallied 31,278 more total training hours in 2016 (117 hours per person vs. 42 hours per person in the Group).

This has also helped improve our On Time In Full (OTIF) indicator.



We further increased customer satisfaction by decreasing the number of customer claims per unit of output by 20% compared to the prior year.

In Goa, we installed a new sewage treatment plant which led to a significant decrease in water usage. Water consumption at the plant dropped by 35% while we increased production output by 2%.

In addition to the afore-mentioned achievements, our Daman plant was honoured with a Best Award for Fire Safety by the government of Daman.

ON THE SOCIAL SIDE



Our Indian plants also are extremely active within their surrounding communities. From monetary donations to projects such as the construction of a computer room in a local school (Goa), and the donation of musical instruments and water cooler equipment (Ahmedabad), our teams are proud to give back to communities.

In addition, we implemented the 'From the School to the Fields' program (see the Reforestation section for details), involving more than 15,000 students and the planting of 15,000 trees.



* 2016 vs 2015



Guala Closures SpA is wholly owned by the Group, and has three plants in Spinetta Marengo, Magenta and Termoli, and one Design Studio in Basaluzzo.

In addition, Guala Closures SpA owns Pharma Trade S.r.l. which manages a single plant in Vasto that produces packaging for medicines.

COUNTRY DIRECTOR
 Gianni Ferrari

LOCAL PROFESSIONAL MEMBERSHIP
 CETIE, Istituto Italiano Imballaggio, Proplast

SPINETTA MARENGO

 **238** employees  **22,000** m²

CLOSURES
 Safety and Roll-on for spirits and beverages

MAIN INTERNATIONAL CLIENTS
 Diageo, Pernod-Ricard, Bacardi, Brown-Forman, Nestlé Waters, Hennessy

MAIN LOCAL CLIENTS
 San Pellegrino, Amuchina, Smeraldina, San Benedetto, Norda, Ponti, Campari, Branca, Gancia, Caffo

Indicators highlights*

 **28% reduction**
 in GHG Scope 3 (tCO₂eq/t FP)

 **3.3% reduction**
 in water consumption (m³/t FP)

Highlights in 2016

ELECTRIC AND HYBRID PRESSES

Energy efficiency remains important, and that's why we use more hybrid presses which now account for one-third of the presses in our plant (30 out of 90). In 2016, roughly 65% of our closures were produced with electric or hybrid presses, compared with 60% in 2015.

CHILLER MANAGEMENT

We enhanced the refrigerator operation and refrigerant circulation pumps. Now, water circulation occurs only if necessary with a subsequent reduction in ignition hours. We also turned off one of our three refrigeration units in the winter, resulting in energy savings of 33.5 kilowatts per day from October to February.

In 2017, we'll extend this plan to a second refrigerators group.


COMPRESSOR AREA DESIGN

We now use a variable speed compressor to reduce the idle time of the four compressors when they are not in use. And by reducing the speed, we can minimise energy consumption.



* 2016 vs 2015

TERMOLI

 **62** employees  **6,250** m²

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

INTERNATIONAL CUSTOMERS
 Bacardi, Pernod Ricard, Deoleo, Monin, Unilever, Univer, VFI, Cogia, Casapreco, Jack Daniel

LOCAL CUSTOMERS
 Carapelli, Monini, Salvadori, Caviro, Cantine Riunite, Carli, Martini, Toso

Indicators highlights*

 **16.3% reduction**
 in water consumption (m³/t FP)

 **405% increase**
 in training hours (per capita)

Highlights in 2016

WE HAVE FOCUSED OUR EFFORTS ON:

- > Reducing the aluminium thickness to save almost 5% of metal used.
- > Reducing the coating thickness by 32%.
- > Using special air blow nozzles to reduce the noise and air consumption.
- > Re-dimensioning the air pipe ends to reduce excessive turbulence that generate harmful noises as well as reducing the use of expensive compressed air.

BASALUZZO

 **7** employees  **3,821** m²

CLOSURES
 Roll-on for wines

INTERNATIONAL CUSTOMERS
 Gruppo Collis

LOCAL CUSTOMERS
 Caviro, Cavit, Cantine Riunite, Enoitalia, Fontana Fredda, Toso

Highlights in 2016

In 2015, the Basaluzzo plant changed its production activity by focusing on the design. The shift means that the plant is now personalising closures for the wine market.

Guala Closures
DESIGN
STUDIO
 ITALIA



Imagination becomes reality



MAGENTA

 **72** employees  **9,000** m²

PRODUCTION
Treatment and cutting of aluminium coil sheets. Lithographic printing on aluminium sheets and tinplates

MAIN CLIENT
inter-company

LOCAL CLIENTS
ICM, Metalcolor / FM, Bazzi, Metalpress, Silfa, Federfin

Highlights in 2016

POSTBURNER ON THE COATER LINE

To provide better working and environmental conditions as well as improve safety for our employees, we made significant changes to the coater line where aluminium sheets are varnished. We remade the external post cylinder in order to prevent fumes from leaking in the work area.

ADAPTATION OF CORRECTION SYSTEM

By improving ventilation in the electric cabin, we were able to reduce its temperatures which resulted in the elimination of any chance of fires occurring. We also reduced electrical stops in lithographic lines during the summer. Finally, we've also minimised energy costs during electrical peak times.

DRAIN INSPECTION ON THE COATER LINE

By changing the drain system on the coater line, we were able to reduce waste related to dents present on pre-existing drainage, especially on the tinplate.

BOILER LINE DEGREASING

We have adapted our existing boiler to meet safety regulations. The change allows the constant monitoring of steam generation and better control of its environmental impact.

STORAGE TANKS REDESIGNED

In order to eliminate the risk of ground contamination and groundwater subsurface, we redesigned the storage tanks as well as our paint storage area. The changes meet federal environmental regulations.



VASTO

 **40** employees  **4,500** m²

CLOSURES
Pharmaceutical closures

INTERNATIONAL CUSTOMERS
GlaxoSmithKline (UK), Medochemie (Cyprus), Sandoz (Austria), Galenica SA (Greece), Unither (France)

LOCAL CUSTOMERS
Recipharma/Mitim, Fresenius Kabi, Baxter/Bieffe, Bonini, Esseti, Biologici

Indicators highlights*

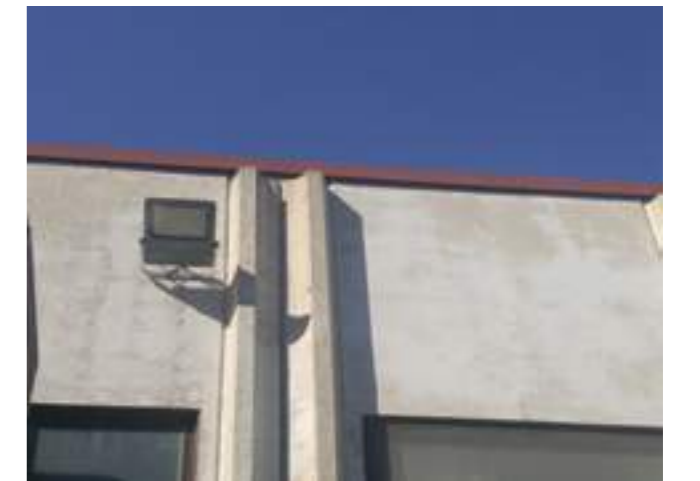
 **15.3% reduction**
in GHG Scope 3 (tCO₂eq/t FP)

 **10.2% reduction**
in scrap (kg/t FP)

Highlight in 2016

LED IMPLEMENTATION

We replaced all outdoor plant bulbs with LEDs. This change helped us save 50% on electricity consumption.



Indicators highlights*

 **5.2% reduction**
in scrap (kg/t PF)

 **145.6% increase**
in training hours (per capita)



* 2016 vs 2015



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



Our plant in San José Iturbide produces Safety, Roll-on and Luxury closures. The business is wholly owned by the Group.

 **280** employees  **15,000** m²

COUNTRY MANAGER
Hector de Corcuera

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

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

MAIN LOCAL CLIENTS
Cuervo, Grupo Corona

LOCAL PROFESSIONAL MEMBERSHIP
GAMISAJI

Indicators highlights*

 **46.9% reduction**
in water consumption (m³/t FP)

 **9.9% reduction**
in GHG Scope 3 (tCO₂eq/t FP)

* 2016 vs 2015

ON THE PLANT SIDE

LED lights

We substituted 306 lamps in the plant, offices, lockers and parking area, leading to a monthly energy cost reduction of 2.57%.



Redesign of printer ducting

Increasing the heat efficiency led to annual savings of 3% on gas consumption and a reduction in carbon dioxide emissions.



Dry toilets

The installation of dry toilets in the office and men's dressing room areas led to monthly water savings of 45 cubic metres, reducing water consumption by nearly 8%.

Bio-agave

Using a bioplastic made of agave's fibre – considered waste in the production of tequila – helped reduce plastic use by 30%. This eco-friendly change also helped reduce carbon dioxide emissions.

Elimination of masterbatch in Cuervo 1800 cap

The masterbatch gold and silver were eliminated in the overcap. Colour was not necessary because of metallisation.

Varnish reduction in sputtering process

Coating varnish consumption declined due to reducing application time – base (60%) and top (46%).

Reducing weight in caps

A feasibility study on reducing the weights in cap components and accessories led to changes that have allowed us to reduce aluminium and plastic consumption.



ON THE SOCIAL SIDE

2016 Reforestation campaign

Focusing on the environment, we planted 750 trees in four communities. These trees provide the equivalent of oxygen consumption for 34 persons per day and capture 15.83 tonnes of carbon dioxide per year (see more information on this programme in the Reforestation section).

School visits

Students from two schools came to visit our plant in Mexico in 2016 and learned about the Group's production process and industrial safety matters.

Food pantry

In 2016, we donated 20 boxes of food to the National System for Integral Family Development (DIF), an organisation that provides assistance to Mexican families and communities.

Training Without Frontiers

We teamed with the State of Guanajuato, Coparmex (a private association focused on economic and societal issues) and a few universities in a scholarship programme known as 'Training Without Frontiers'. The programme provides up to a year in professional training and development for student participants in order for them to gain skills that may lead to employment within certain industries. Two of the Group's engineers supported the programme in 2016.





Our plant in Auckland produces Roll-on closures, and is wholly owned by the Group.

42 employees **4,619** m²

COUNTRY MANAGER
Tomasz Malarczyk

CLOSURES
Roll-on for wine

MAIN INTERNATIONAL CLIENTS
Constellation Brands, Treasury Wine Estate, Accolade, LVMH, Lion

MAIN LOCAL CLIENTS
Villa Maria, Yealands, Cloudy Bay, Giesen Wines, Foley Family Wines, Wineworks

LOCAL PROFESSIONAL MEMBERSHIP
Employers and Manufacturers Association, and New Zealand Winegrowers

Highlights in 2016

RECYCLING ALL PLASTIC PRODUCTS

We reduced by half the amount of waste sent to landfills compared with previous years. In doing so, the plant also was able to reduce by half all landfill-related costs. No additional operating expenses were needed to achieve this.

REUSING WOODEN LITHO PALLETS

Instead of discarding litho pallets, we save and return some of them for reuse. The rest are sold.

RECYCLING ALL CARDBOARD BOXES

All cardboard boxes are either recycled or sold to external sources for recycling.

CAP FREIGHT TRANSPORT

On some occasions, we are able to ship closure deliveries via container load to ships rather than trucks. The change saves money, and our customers receive the deliveries in better condition.

UPGRADED WOODEN PALLETS FOR CAP TRANSPORT

We now use more expensive but more robust wooden pallets, which can be reused over and over again. Cheaper pallets usually were used once. Although the investment cost initially is pricier, the change will ultimately prove cost effective for the plant. Used pallets are recovered from the customers.

INITIAL TRIAL USE ON NEW CLOSURE BOXES

We are in the initial stages of working with reusable fold-down boxes for finished closure products. Since fewer boxes will be needed, we expect to save money.

Our plant in Wloclawek produces Safety and Roll-on closures, and is 70% owned by the Group.

670 employees **30,000** m²

COUNTRY MANAGER
Krzysztof Grządziel

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

MAIN INTERNATIONAL CLIENTS
Ohlinger, Capmetal, Accolade, Diageo Ireland, Kingsland, Keizer, Encirc, Beam Spain, Pernod Ricard Spain/ France, Bacardi, Berentzen, M.E.K., G-3, Stumbras, Parliament, Latvijas Balzams

MAIN LOCAL CLIENTS
Cedc, Wyborowa (Pernod Ricard), Stock Polska, Destylernia Sobieski S.A., Wawrzyniak, Herbapol Lublin, Bartex, Polmos Bielsko-Biała, Akwawit, Vinpol Henkell, Kofola, Jantoń, Ambra

LOCAL PROFESSIONAL MEMBERSHIP
none



Indicators highlights*

18.2% reduction in scrap (kg/t FP)

13.8% reduction in GHG Scopes 1 & 2 (tCO₂eq/t FP)

12.8% reduction in energy consumption (GJ/t FP)

Indicators highlights*

62.8% reduction in GHG Scope 1 & 2 (tCO₂eq/t FP)

52.9% reduction in water consumption (m³/t FP)



Highlight in 2016

LEARNING FROM 'NEAR MISSES' OF WORK ACCIDENTS

We always have focused on reducing accidents at work, and found a new way that may help us do so. By reporting any potential work-related accident, we can share with our employees all the 'near misses' to help everyone learn from such situations.

* 2016 vs 2015



Our plant in Cape Town produces Safety, Aluminium and Luxury closures, and is wholly owned by the Group.

210 employees **12,000** m²

COUNTRY MANAGER
Giuseppe Carosini

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

MAIN INTERNATIONAL CLIENTS
DCSL, Diageo, Africa Spirits, Phoenix Beverages, SODEAM

MAIN LOCAL CLIENTS
Distell, KWV, Edward Snell, Mulderbosch

LOCAL PROFESSIONAL MEMBERSHIP
none



Indicators highlights*

534% increase in training hours (per capita)

21% reduction in GHG Scope 3 (tCO₂eq/t FP)

31.4% reduction in water consumption (m³/t FP)

Highlights in 2016

Traditionally, we have used only aluminium closures for our products. But since 2016, we have added a new plastics line for the Safety Nip Cap model (as per Guala Closures India).

While implementing this new line, we also replaced all fluorescent tubes with LED tubes, leading to a reduction in energy consumption.

We continue to be proactive regarding matters such as equal opportunity, minimum wage, working conditions and training.



* 2016 vs 2015

We have three 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; and Alcalá, producer of PET containers.

COUNTRY DIRECTOR
Armando Finis

LOCAL PROFESSIONAL MEMBERSHIP
none

OLERDOLA

96 employees **5,000** m²

CLOSURES
Roll-on closures

MAIN INTERNATIONAL CLIENTS
Nestlé Waters, SABMiller, Heineken, Coca-Cola Hellenic, Beam Suntory, Bodegas Fundador, Bacardí

MAIN LOCAL CLIENTS
Damm Group, Miguel Torres, Mahou, J.Garcia Carrion, Felix Solis

Indicators highlights*

66.7% reduction in the number of accidents

* 2016 vs 2015

Highlights in 2016

On the plant side

REDUCTION OF PNEUMATIC LEAKS

We have controlled and repaired all compressed air leaks in our installation. During the work, we found 23 points of air leaks which produced 226.44 m³/h of air. Total savings have been 163,033 Kw/h with an amazing payback in 18 days.

AIR COMPRESSORS REPLACED

We replaced two air compressors which led to reduction in electricity consumption by 525,000 Kw/h.



On the social side

FOOD COLLECTION CAMPAIGN

We organised a food collection campaign to support our surrounding community and families in need. By collecting and donating 350 kilograms of food, our plant and employees were honoured by the City of Arboç.





ALCALÁ DE HENARES

21 employees **7,150** m²

PRODUCTS
PET containers 10 to 5000 ml

MAIN INTERNATIONAL CLIENTS
Bacardi, Diageo, Remy- Cointreau, Pernod Ricard, Disco, Opalia Pharma

MAIN LOCAL CLIENTS
Italfarmaco, Boniquet, Borges, Deoleo, Acesur, Laboratorios ERN, Osborne, Gonzalez Byass



REPLACING THE DISCHARGE SYSTEM IN THE INJECTION BLOW PRESS SYSTEM

In another move that has improved working conditions and safety at the plant, we replaced the discharge system used in this equipment. As a result, the manipulation of units is easier and safer.

SYSTEM OF SEALING TESTER IMPLEMENTATION

Implementing this new system has allowed us to significantly reduce external and internal non-conformities and reworkings.



Indicators highlights*

100% OTIF score

Highlights in 2016

LED IMPLEMENTATION

We replaced the plant's old light bulbs with LED lights. The change not only made an environmental impact, but also brought economic savings of about 51% in total electricity consumption.

CHANGING THE EMERGENCY LIGHTING SYSTEM

We modified the emergency lighting system to stay 'on' five minutes after a power failure and until all lamps are switched on again. This has improved working conditions and safety in the plant.

* 2016 vs 2015

TRAINING

Our staff participated in several training sessions in production, maintenance and technical, proper manufacturing processes as well as food safety. The training improved the production quality and reduced the level of non-conformities and waste.

JEREZ

44 employees **6,188** m²

CLOSURES
Safety closures

MAIN INTERNATIONAL CLIENTS
Diageo, F.Lli Branca Distillerie srl, Molinari Italia S.p.A., Bruni Glass S.p.A., Pack System, Casoni Fabbricazione Liquori S.p.A., Adhesaf Sarl, Beam Suntory Spain SI, Bortolin Kemo S.p.A., Pernod Ricard España, S.A.

MAIN LOCAL CLIENTS
Miguel Torres S.A., Dz Licores S.L.U, Bardinet S.A., Destilerias Arehucas SA, Destilerias La Huertana S.L., Dest. De La Vega Alta S.L., Fca.De Licores Artemi S.L.

Indicators highlights*

32.4% reduction in water consumption (m³/t FP)

Highlights in 2016

INCREASED THE ASSEMBLY MACHINE OUTPUT

This change has led to improved efficiency and utilities while helping reduce the maintenance and labour intensity.

SIGNPOSTING AND HORIZONTAL SIGNAGE

In order to comply with a new sanitation regulation, we implemented new signposting and horizontal signage in the production area. The results have led to improved safety conditions for all employees.

INFRASTRUCTURE ADAPTATION FOR FOOD SAFETY REGULATIONS

This project also has led to improved health and safety conditions for our employees.





Our plant in Sumy produces Safety, Roll-on and Luxury closures, and the Group has a 70% ownership stake in the business.



Indicators highlights*

 **51.2% reduction**
 in scrap (kg/t FP)

 **27.3% reduction**
 in water consumption (m³/t FP)

Highlights in 2016

ENVIRONMENTAL CONTROL SYSTEM FOR PRODUCTION AREA

We launched a new system that includes three chillers and three inflow exhaust ventilation systems for improved air exchange. This change allows us to keep stable, normal temperatures (18-22°C) in the production area and protect our employees from extremely high temperatures in summer (40-50°C). Normal temperatures in the production area are necessary to ensure the equipment works properly.



AIR-CHANGE SYSTEM AT METALLISATION AND LINER PRODUCTION AREAS

A new general ventilation system that relies on dilution and climatization provides improved air exchange in these production areas, allowing for normal working conditions for employees.

Additionally, this system provides excess pressure in these areas which prevents dust from getting inside the rooms.



WIND PORCHES INSTALLED AT ENTRIES TO PRODUCTION AREA

We built wind porches at all entries to production area number 1.

A wind porch prevents direct air flow from outside to production areas, and allow us to:

- > Save inside heat air in winter and chilled air in summer.
- > Eliminate direct air flow with dust from outside.
- > Protect our employees from rapid temperature changes when doors are opened.



 **699** employees
 **24,154** m²

COUNTRY MANAGER
 Volodymyr Zayets

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

MAIN INTERNATIONAL CLIENTS
 S.P.I., Russian Standard vodka, Bulbash Plant, IDS Borjomi Georgia

MAIN LOCAL CLIENTS
 LVN Limitid, UDK Natsionalna gorilchana compania

LOCAL PROFESSIONAL MEMBERSHIP
 none

* 2016 vs 2015

United Kingdom / Guala Closures UK Ltd



Our plant in Kirkintilloch produces Safety, aluminium and Luxury closures, and is wholly owned by the Group.

 **189**
employees  **9,012**
m²

COUNTRY MANAGER
Ken Moran

CLOSURES
Safety and Luxury closures for spirits,
Aluminium closures for spirits and wine

MAIN INTERNATIONAL CLIENTS
Diageo, Chivas, Pernod Ricard, Edrington,
Dewars Bacardi, Grants, Beam Suntory,
Accolade, Encirc & Kingsland

MAIN LOCAL CLIENTS
Loch Lomond, Inver House, Whyte and
Mackay and Glen Turner

LOCAL PROFESSIONAL MEMBERSHIP
Confederation of British Metalforming,
Alupro



Indicators highlights*

 **14.3% reduction**
in GHG Scope 3 (tCO₂eq/t FP)

 **5.9% reduction**
in GHG Scopes 1 & 2 (tCO₂eq/t FP)

Highlights in 2016

VIBES AWARD

We received a prestigious VIBES (Vision in Business for the Environment of Scotland) for innovation related to a sustainability project based on sputtering technology and products. More than 400 Scottish businesses competed for the award in 2016.

CARBON BED IMPROVEMENTS

We worked with Chemviron Carbon to identify an improved type of carbon which has a higher uptake. Envirocarb-60 has a 12% uptake of VOC based on its formulation. The change has increased the lifetime of the carbon bed and reduced total annual bed replacement costs.

NEW CHILLER UNIT

We purchased a new chiller that is more efficient and quiet while using less electricity than the previous unit.



VARIABLE SPEED COMPRESSOR

We are now using variable speed compressors instead of conventional fixed speed screw compressors. The new equipment has proven far more efficient from an economic and environmental perspective.



DISPOSABLE PAINT STATIONS

We invested in a mould tool to manufacture disposable paint stations from waste polymer and regrind, allowing the plant to reduce material waste.

ENERGY-SAVING LIGHTING

This project led to the replacement of certain lighting throughout the plant, making way for more efficient LED-style lights. We replaced the metal halide high bay lighting with LED corn bulbs; fluorescent tubes with LED flat panel lights; and the halogen office lighting with an LED equivalent. This programme continues in 2017.



* 2016 vs 20

GRAVITAS CYCLE TIME REDUCTION

Gravitas is Guala Closures' heavyweight filled polymer material used to make luxury closures. The material requires a longer injection moulding heating and working cycle time. The project was devised using chilled water to reduce the cycle time for several products, leading to a 20% increase in machine capacity and a reduction in electrical power usage.

RETURNABLE PACKAGING

A total of 80 Go-bins were purchased to store and move components rather than using cardboard and pallets. This project will be extended to other parts of the plant.

TRAINING PLANS

All employees undertake an annual review in January, and also set objectives and development needs for the upcoming year. From these reviews, we devise training plans. First, we prioritise our safety-related training needs and other mandatory skills such as forklift truck refreshers.

Given the need to increase productivity, our training activity is more extensive and varied than ever before. And it is all done on a smaller budget. We also introduced a new leadership programme mandatory for all mid-level managers.

HEALTHY WORKING LIVES

A government initiative, Healthy Working Lives (HWL) supports the Company's effort to improve the resources and activities available for the well-being of our employees. We joined HWL in 2014, and have progressed through Bronze, Silver and Gold awards. The program is helping us to change the culture, moving to one with a more open mindset towards new educational opportunities and learning campaigns. Additional employee support streams including physiotherapy and counselling have been introduced, and are funded through cost savings from our Occupational Health contract review.

This new approach – which comes at no additional

cost to the Company – has led to a reduction in sick pay spend and also in the number of days employees take for sick leave. Early intervention with the physio has markedly reduced sickness absence.



There have been several team activities from hill walking and cycling to fun baking competitions, all with the aim of getting people involved in activities that benefit physical or mental health.

OTHER SOCIAL ACTIVITIES

Supporting local causes has been a key focus as part of our social agenda. We partnered with the local foodbank to completely reorganize their Warehouse and provided supplies. This made a huge difference to how the volunteers managed the stock. We support the local school which educates children with disabilities. We hosted a design project to help them achieve recognized qualifications, providing work experience placements to prepare them for working life. We also sponsor a local help the elderly group which assist those isolated with no family members or support



The company is wholly owned by the Group. The plant in Fairfield, California, produces Roll-on closures.

 **8 employees**  **1,000 m²**

COUNTRY MANAGER
 Simon Yudelevich

CLOSURES
 Roll-on for wine and spirits

MAIN INTERNATIONAL CLIENTS
 Constellation, Bacardi, Campari, Brown-Forman

MAIN LOCAL CLIENTS
 The Wine Group

LOCAL PROFESSIONAL MEMBERSHIP
 none



One of the Group's smaller businesses, the Fairfield plant specializes in the decoration and branding of aluminium closures for wine bottles.

With the use of innovative technology and digital printing, the plant can produce even small batches of 1,000 units in an efficient manner, and at low levels of carbon dioxide emissions and raw material scrap. At the same time, the plant's efficient processes guarantee an infinite choice of designs to be studied and developed with our customers.

Highlights in 2016

We had two main highlights in 2016. The first focused on transportation consolidation for inward coming goods and outward goods. Also, we continue with our commitment to reduce energy costs.



Table of group indicators and timelines



INDICATOR	DESCRIPTION	OBJECTIVES	DEADLINE	BASELINE 2015*	RESULTS 2016	FINAL RESULTS EXPECTED
CO ₂ EMISSIONS	Atmospheric emissions of plants and CO ₂ equivalent	To reduce carbon dioxide equivalent emissions (Scopes 1 and 2) by 25% per tonne of finished product.	2020	2.52	2.54 tCO ₂ eq/t FP	1.89 tCO ₂ eq/t FP
		To certify indirect CO ₂ emissions (Scope 3)	2017	NA	-	Certification of GCG Scope 3
		To develop partnership projects with suppliers to reduce the usage of raw materials and transport	2017	To be defined	-	To develop several partnership projects with suppliers to reduce the usage of raw materials and transport
ENERGY CONSUMPTION	Consumption of all sources used	To reduce energy consumption per finished product (GJ/tonne FP) by 25%	2020	17.58 GJ/t FP	17.87 GJ/t FP	13.18 GJ/t FP
		To facilitate the supply of renewable energy	2020	To be defined	-	Increased renewable energy use – to be defined
WASTE	Waste produced, type and final destination	To reduce the waste generated per finished product by 30%	2020	241.43 kg of waste per tonne of finished product	230.01 kg/t FP	169 kg/t FP
		To reduce hazardous waste with respect to total waste produced <5%	2020	9.52% of hazardous waste over total waste (baseline 2016)	9.52% of hazardous waste over total waste	<5%
		Zero waste in the landfill (kg)	2020	13.12% of waste sent to the landfill over total waste generated (baseline 2016)	13.12% of waste sent to the landfill over total waste generated	0 kg
RAW MATERIALS	Raw materials, accessory, auxiliary and packaging materials	To decrease the percentage of scrap to below 1.5%	2020	2.56%	3%	<1.5%
		To increase the quantity of recycled and/or low environmental impact aluminium with respect to the total employed	2020	To be defined	-	Increase the quantity of recycled and/or low environmental impact aluminium with respect to the total employed - to be defined
WATER	Water drawn	To reduce the water drawn per finished product (m ³ /t FP) by 20%	2018	3.59 m ³ /t FP	3.30 m ³ /t of finished product	2.87 m ³ /t FP
ENVIRONMENTAL MANAGEMENT	Environmental management systems	To obtain ISO 14001 certification for all Group plants	2020	NA	4 plants certified	26 plants
HEALTH AND SAFETY	Accident frequency and gravity	To reduce the accident frequency indicator by 15%	2020	9.04	7.75	7.68
TRAINING	Type and quantity of training given	100% of employees with 2 hours of Sustainability Programme training	2018	0%	NA	100%
		To strengthen the development programme for internal resources	2020	To be defined	-	Strengthen the development programme for internal resources - to be defined
DIVERSITY	Gender and cultural differences	To promote awareness campaigns to facilitate the integration of diverse groups	2020	To be defined	-	Promote awareness campaigns to facilitate the integration of diverse groups
PRODUCTION EFFICIENCY	Efficiency of production systems	Overall Equipment Efficiency (OEE) >85%	2018	73.8%	76.5%	>85%
INNOVATION	Innovative capacity	To develop at least 26 patentable ideas	2020	NA	3 patents	26 patents
CUSTOMER SATISFACTION	Customer satisfaction	On Time In Full delivery (OTIF) >95%	2018	NA	86.5%	>95%
		All plants SEDEX accredited	2017	NA	21 plants	26 plants
		ISO 22000 for all Group plants	2018	NA	15 plants	26 plants

Latest update December 31, 2016

* with the exception of 2 indicators towards waste (see details in the tab).



Reporting scope and methods chosen

This marks the sixth edition of the Guala Closures Sustainability Report. The report's scope covers our entire activities in 20 countries and 26 plants, except for Capmetal France due to its late acquisition in mid-December 2016. The reporting period for all data takes place from January 1, 2016 to December 31, 2016.

This document has been drawn up according to the reporting guidelines of the Global Reporting Initiative (GRI) Standards, Core option, as well as the principles of inclusiveness, materiality and compliance with Standard AA1000APS (2008).

This report has not been assured externally while several indicators have been certified on their side (e.g. carbon dioxide emissions by Bureau Veritas).

This thorough report of our activities has been developed in English, Spanish and Italian. Nine abstracts have been made in: Bulgarian, Chinese, English, French, Italian, Polish, Portuguese, Spanish and Ukrainian.

A digital format can be downloaded from our website at www.gualaclosures.com.

Changes with respect to the last edition

In this report, we have shifted from a local scope (Italy) to global scope which enables us to take our full range of activities and plants into consideration.

We started a new road map for 2016-2020 – with a 2015 data baseline – with the exception of the waste baseline (aligned with 2016 data).

We hope you find this report engaging and informative, and continue to welcome your input and views at sustainability@gualaclosures.com.

GRI- STANDARDS INDEX



CORRELATION TABLE WITH GRI-STANDARDS

Core disclosure

GRI 102 – GENERAL DISCLOSURES

DISCLOSURE NUMBER	DISCLOSURE TITLE & INDIVIDUAL DISCLOSURE ITEMS	SECTION	COMMENTS
102-01	Name of the organization	> Corporate Governance	
102-02	Activities, brands, products and services	> GCG worldwide > Product presentation > Markets	
102-03	Location of headquarters	> Corporate Governance	
102-04	Location of operations	> GCG worldwide > Corporate Governance	
102-05	Ownership and legal form	> Corporate Governance	
102-06	Markets served	> GCG worldwide > Product presentation > Markets > Plants overview	
102-07	Scale of the organisation	> Key figures > Economic indicators > Human Resources indicators	> All details come from the 2016 Financial Statement certified by KPMG. > Details of capitalisation are available in the Financial Statement.
102-08	Information on employees and other workers	> Human Resources indicators	Tracking of information such as type of contract by region, by gender, employment type started in January 2017. Reporting will start in the 2017 report. Data are sent monthly by each business unit to the Group. Data are certified within the Financial Statement by KPMG.
102-09	Supply chain	> Supply Chain > Product presentation > Markets	
102-10	Significant changes to the organization and its supply chain	> Supply Chain	> Acacia Ridge plant (Australia) was closed in July 2016. > Capmetal (France) was acquired in December 2016. > Details of main changes in the capital structure are available in the Financial Statement.
102-11	Precautionary principle or approach		> Guala Closures use only approved raw material and comply with any international or local regulations.



102-12	External initiatives		> Currently Guala Closures has not joined any charters or initiatives outside the ones supported by the organisations of which the company is a member.
102-13	Membership of associations	> Plant overview	
102-14	Statement from senior decision-maker	> Letter from the Chairman > Message from the Group Chief Operating Officer	
102-16	Values, principles, standards, and norms of behavior	> Missions and Values	
102-18	Governance structure	> Corporate governance	
102-40	List of stakeholder groups	> Stakeholder map and dialog	
102-41	Collective bargaining agreements		> Details are not available. However, Guala Closures respects the right of collective bargaining.
102-42	Identifying and selecting stakeholders	> Stakeholder map and dialog	
102-43	Approach to stakeholder engagement	> Stakeholder map and dialog	
102-44	Key topics and concerns raised	> Materiality matrix and main issues	
102-45	Entities included in the consolidated financial statements	> Corporate Governance	> All entities are covered in the Financial Statement
102-46	Defining report content and topic boundaries	> GRI-Standards Index	
102-47	List of material topics	> Materiality matrix and main issues	
102-48	Restatements of information	> Waste indicator > Raw material indicator	
102-49	Changes in reporting	> GRI-Standards Index	
102-50	Reporting period	> GRI-Standards Index	> January 1 through December 31, 2016
102-51	Date of most recent report		> 2015 report
102-52	Reporting cycle	> GRI-Standards Index	> Annual
102-53	Contact point for questions regarding the report or its contents	> GRI-Standards Index	sustainability@gualaclosures.com
102-54	Claims of reporting in accordance with the GRI Standards	> GRI-Standards Index	
102-55	GRI content index	> GRI-Standards Index	
102-56	External assurance	> GRI-Standards Index	

GRI 103 MANAGEMENT APPROACH

103-01	Explanation of the material topic and its boundary	> Materiality matrix and main issues > Indicators pages	
103-02	The management approach and its components	> Materiality matrix and main issues > Indicators pages	
103-03	Evaluation of the management approach	> Materiality matrix and main issues > Indicators, objectives and results	

GRI 302 ENERGY

302-01	Energy consumption within the organisation	> Energy consumption	
302-04	Reduction of energy consumption	> Energy consumption	

GRI 305 EMISSIONS

305-01	Direct (Scope 1) GHG emissions	> Group CO ₂ emissions	
305-02	Energy indirect (Scope 2) GHG emissions	> Group CO ₂ emissions	
305-03	Other indirect (Scope 3) GHG emissions	> Group CO ₂ emissions	
305-05	Reduction of GHG emissions	> Group CO ₂ emissions	

GRI 404 TRAINING AND EDUCATION

404-01	Average hours of training per year per employee	> Training and Continuous Improvement	
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ACCIDENT FREQUENCY INDICATOR

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

ACCIDENT GRAVITY INDICATOR

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

AUDIT

Systematic and documented verification process to understand and assess, with objective evidence, whether an organisation complies with certain criteria.

BIOPLASTIC

Type of plastic that may be biodegradable or that may originate from renewable biomass sources.

BISPHENOL A (BPA)

Chemical substance used to produce plastic and resins. It may migrate in small quantities into food and beverages preserved in the materials that contain it.

CARBON CREDIT

A permit that allows a company to emit one tonne of CO₂. 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 CO₂ 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 CO₂ 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.

CO₂

Carbon dioxide. It is a so-called greenhouse gas. CO₂ equivalent expresses the contribution of the various greenhouse gases to global warming in terms of CO₂, 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.

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 Italian perimeter, products sold between plants in Italy 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 (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC), perfluorocarbons (PFC) and sulphur hexafluoride (SF₆). 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.

SUSTAINABILITY/ SUSTAINABLE DEVELOPMENT

Sustainable development seeks to not compromise the ability of future generations to continue developing by preserving the quality and quantity of their heritage and natural reserves. The aim is to maintain economic development that is compatible with social equality and ecosystems, therefore operating in a system of environmental balance.

UNI EN ISO 14001 STANDARD

See Management System.

WATT-HOUR (WH)

KILOWATT (KW)

MEGAWATT (MW)

The Watt-hour is a measurement unit of energy that is not part of the international system, defined as the energy supplied at the power of 1 W for 1 h of time. The Watt is the unit of measurement (in the International System) for mechanical, electrical power, and of the work performed in a unit of time. The most common multiples of the Watt are the kiloWatt (1 kW = 1,000 W) and the MegaWatt (1 MW = 11 million W).

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

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



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EUROPE

Luxembourg / Headquarters

Bulgaria / Kazanlak (2 sites)

France / Dreux ▪ Tours

Italy / Basaluzzo ▪ Magenta ▪ Spinetta Marengo ▪ Termoli ▪ Vasto

Poland / Wloclawek

Spain / Alcalá de Henares ▪ Jerez de la Frontera ▪ Olérdola

Ukraine / Sumy

United Kingdom / Kirkintilloch

NORTH AMERICA

USA / California

SOUTH AMERICA

Argentina / Buenos Aires ▪ Chivilcoy

Brazil / São Paulo

Chile / Santiago de Chile

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