2018 was a very important year for Guala Closures Group. On 6 August, we were officially listed on the Italian Stock Exchange, a step forward that will allow us to develop our innovative products even faster, particularly with what will be an international breakthrough: the IoC, Internet-of-Closures and “Connected Closures” projects. This step forward will therefore allow us to reaffirm our brand worldwide.

All this would not be possible without the fundamental glue, our Sustainability Plan. There is no future without sustainable development.

Today, entering the stock market also means adapting to new needs, so we must continue to strive to improve our practices in an ethical, responsible and sustainable way. We need to refine our approach to sustainability in order to measure the effectiveness of our actions.

To achieve our goal of sustainable growth, we have a number of challenges to address, including: energy consumption and the use of green energy, the rational and sustainable use of raw materials, the safety and welfare of workers, and the information and satisfaction of our customers.

Our commitment is not a recent development: back in 2011 we placed social responsibility at the heart of our economic development, initially in Italy and then gradually in all our companies around the world. We are proud of the results we have achieved in recent years, thanks to the high quality of work of all the employees involved.

We have worked, and continue to work, on successfully achieving our goals. Our strategy focuses on the three pillars of sustainability (Planet / People / Business) and was sealed by a materiality analysis carried out in 2016. Our teams gather the Group’s CSR indicators on a monthly basis all around the world, in order to monitor the results achieved against the objectives we aim to achieve. We will continue to report on our activities and results with the utmost transparency, as we have demonstrated since 2011 to all our colleagues and external stakeholders, thanks to our annual Sustainability Report and now also through our Integrated Report.

We have done a lot in the last seven years. We have used the word “commitment” often and we believe that this is a particularly strong concept which is worth developing. We all need to undertake, from our Chief Executive Officer to all the people who work in our factories, to ensure that by 2022, at the end of this other big step forward, we can achieve all the goals we have set ourselves.

We want to be recognised as “social fabric developers” because this will allow us to build a better future not only for ourselves and our families, but also for our children and grandchildren. That is why we want to develop our Sustainability Programme even more swiftly!

You can be sure of our personal investment and our ability to mobilise all our energy to work together towards sustainable growth.
COMPANY
OVERVIEW
COMPANY OVERVIEW

COMPANY HISTORY

1954 Guala is founded for the production of plastic components

1960 The first patented models of non-refillable closures are produced

1998 Marco Giovannini becomes leader
Guala Closures Group is established and sponsored by private investors

2000 After Spain, Mexico, Brazil, Colombia and India, international expansion continues into Argentina, China and Russia

2003 The Aluminium Division is established - Global Cap SpA is acquired.
Guala Closures Group now has 21 production plants worldwide

2004 A new production plant is built in Mexico

2005 Guala Closures North America Inc. is established to sell products on the US and Canadian markets
Guala Closures is listed on the Italian stock market: 22 November 2005

2006 New sales offices are opened in North America and France, and new production plants

2007 The new production plant is inaugurated at Spinetta Marengo HQ

2008 Acquisition of the Technologia Closures plant in Ukraine - Guala Closures exits the Italian stock market

2009 The Pharma division is established with head office in Vasto

2010 Eastern Europe expansion: Guala Closures acquisition of Danik in Bulgaria and DGS in Poland

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

2012 Acquisition of Metal Closures Industries in South Africa

2014 Guala Group. Inauguration of the first production plant in Fairfield, California, featuring a modern and avant-garde Design Studio

2015 Guala Closures Group present at EXPO Milan - Opening Guala Closures DESIGN STUDIO Italia at Basaluzzo - New offices and HQ in Luxembourg - New plant opening in Santiago de Chile

2016 Acquisition of CAPMETAL in France in December 2016
GCL Technologies founded in Foetz (LUX)

2017 Acquisition of Axiom Propack Pvt Ltd in India; acquisition of the activities of LIMAT S.A. de C.V. in Mexico and of the activities of ICSA in Chile
Opening of GCL Technologies

2018 highlights

- Start up production in Chile (May 2018)
- Ordinary shares and market warrants traded on the Italian Stock Exchange
- Incorporation of a new company in Kenya, named Guala Closures East Africa Limited
- Merger process between group companies: Guala Closures (India) Pvt Limited and its subsidiary Axiom Propack (Pvt) Limited (acquired in 2017)
- Acquisition of United Closures and Plastics (UCP) in UK
COMPANY OVERVIEW

OUR MISSIONS AND VALUES

EXCELLENCE
INNOVATION
SUSTAINABILITY

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

OUR MISSION

We understand and embrace our clients’ goals 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 customers’ brands.

OUR CORPORATE VALUES

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

OUR TOP MANAGEMENT IS:

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

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

“Protect your quality. Create your value”
COMPANY OVERVIEW

OUR PRESENCE AROUND THE WORLD

GUALA CLOSURES GROUP
Europe
• Italy: Group Holding
• Luxembourg: International Holding
• Netherlands: International Holding

GUALA CLOSURES’ PLANTS
Europe
• Bulgaria: Kazanlak
• France: Dreux
• Italy: Magenta • Spinetta Marengo • Termoli • Vasto
• Luxembourg: Foetz
• Poland: Włocławek
• Spain: Alcalá de Henares • Jerez de la Frontera • Olérdola
• Ukraine: Sumy
• United Kingdom: Kirkintilloch • Bridge of Allan

North America
• USA: Fairfield (California)

South America
• Argentina: Chivilcoy
• Brazil: São Paulo
• Chile: Santiago de Chile
• Colombia: Bogotá
• Mexico: San José Iturbide

Oceania
• Australia: Melbourne
• New Zealand: Auckland

Asia
• China: Beijing
• India: Ahmedabad • Daman • Dharwad • Goa

Africa
• Kenya: Nairobi
• South Africa: Cape Town

SALES OFFICES
Europe
• France: Tours

South America
• Argentina: Buenos Aires

Asia
• Japan: Tokyo
COMPANY OVERVIEW

OUR GROUP IN FEW FIGURES

- **€543 MILLION**
  - Turnover 2018

- **15 BILLION CLOSURES**
  - Produced in 2018

- **5 RESEARCH AND DEVELOPMENT CENTRES**

- **4,381 EMPLOYEES**
  - Worldwide

- **6 CATEGORIES OF PRODUCTS**

- **SALES NETWORK IN OVER 100 COUNTRIES**

- **29 NATIONALITIES REPRESENTED**

- **29 PLANTS**
  - 3 SALES OFFICES

- **MORE THAN 140 PATENTS**
  - AND INTELLECTUAL PROPERTY RIGHTS

- **MORE THAN 180,000 TONNES OF CO₂**
  - Offset since 2011

- **MORE THAN 300,000 TREES**
  - Planted since 2011

Data updated as at 31 December 2018
Guala Closures products are designed, manufactured and distributed worldwide and cover six product categories: Spirits, Wine, Oil and Vinegar, Water and Beverages, Pharma and PET. All the products are sold to two types of customers: multinational and local customers (more details can be found in the Plants section). The quoted percentages derive from the Group’s 2018 turnover with the named categories accounting for 96.5% with a balance of 3.5% from other revenues.

**Spirits (63.4%)**

Technological innovation has provided alcohol producers with solutions that make it increasingly difficult and demanding to counterfeit packaging and protect the brand’s image. For this sector, we produce aluminium closures for glass bottled gaseous and non-gaseous drinks, fruit juices and non-alcoholic drinks. It supplies some of the most important international brands with generic or “tamper evident” closure systems, i.e. capsules with a patented system that allows the first opening of a bottle to be highlighted. All closures are personalised with the best graphic techniques to maximise the image of the brand.

**Wine (18.7%)**

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

**Oil and Vinegar (2.3%)**

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

**Water and Beverages (10%)**

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

**Pharma (1.6%)**

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

**PET (0.5%)**

It groups together the production of containers such as bottles, jars, flasks and miniatures with a volume capacity ranging from 20 ml up to 5 litres and collar finishes between 18 mm and 110 mm, thanks to a very modern equipment together with one-stage and two-stage procedures.
Olive oil embodies tradition, history and quality.
For olive oil sector, Guala Closures Group offers a wide range of closures with an infinity of decorative possibilities, development of spouts adapted to the different products’ viscosities and drip systems that prevents liquid spillage from the bottle. Thanks to our 60 years of experience in innovation through our R&D department, the Group has patented solutions that make the consumption of olive oil safer, avoiding counterfeiting and preserving its authenticity and quality.

Guala Closures Group makes aluminium closures for beverages in glass bottles, such as: sparkling and still soft drinks, fruit juices and non-alcoholic beverages.
Guala Closures is the partner of international leading companies, protecting their product brands with either generic or tamper-evident closures, guaranteeing the consumer's bottle has not been opened. All Closures can be customized with high quality graphical techniques to enhance brand image.
COMPANY OVERVIEW

WINE MARKET

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

The wine lasts longer over time and its delicate balance does not change when transported. Additionally, Guala Closures screwcaps make the bottle easier to open and to re-seal, maintaining the quality and the taste of the wine for a long time. The screwcaps can be personalised with a variety of decoration techniques to meet the customer’s brand and marketing requirements.
Guala Closures Group stands out as the key partner of the manufacturers of spirit. We are able to design totally customized closures in an infinite range of colors, shapes, sizes and materials to meet the needs of customers and to enhance their brand image. Our technological innovations provide spirit manufacturers with solutions that make the counterfeiting of packaging increasingly difficult. We proactively address strategic issues in this market, including the need of premiumization and of differentiation.
Passion is the soul of Luxury. The artisans dedicate themselves to the pursuit of perfection. Luxury Closures seeks to reflect both brand luxury and perfection, introducing a unique solution.
COMPANY OVERVIEW

NEW TREND: CRAFT

Millennials have caused a disruption in the food & beverages transmission chains. The craft trend is one consequence of the Millennial’s aspiration for new and different products. Craft in Beer, Food or Spirits reflects a more traditional production method, less processed, with more local content, authentic, genuine, differentiated and where possible, enveloped in a plausible and distinctive story.

COMPANY OVERVIEW

NEW TREND: IOC

With its IoC technology, Guala Closures Group makes every bottle identifiable, interactive and changes an isolated bottle to a Connected Bottle. Thanks to the insertion inside the closure of a specifically designed NFC circuit, with a simple gesture, consumer engages tag via its mobile phone and accesses content through the IoC platform.

Our smart closures Tap on Cap® are particularly adapted to Food & Drinks and pharmaceutical brands. For our customers, these connected closures represents 3 major benefits:

★ PROCESS MANAGEMENT: TRACK AND TRACE
Customers can monitor their bottles through production, supply and consumption with a single product view.

★ MARKETING: CONSUMER ENGAGEMENT
Tap on Cap® offers through the bottle a dynamic and ongoing digital content experience to consumers. It allows consumers direct engagement and Marketing Data Acquisition.

★ SAFETY: ANTI-COUNTERFEIT
Our ACF tools driven by product interaction and serialised IDs protect our customers’ brands.

How it works…

Bottle comes with integrated NFC tag in closure
Consumer engages tag via mobile phone
Content delivered to consumer using the IoC platform
COMPANY OVERVIEW

OUR CUSTOMIZING CAPACITIES

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

ICON

Guala Closures introduces Essence, the highest quality Wood Closure.

ESSENCE

Guala Closures introduces Gravitas, a unique material innovation providing greater design freedom with a wide choice of finish and weight.

GRAVITAS

COMPANY OVERVIEW

OUR TECHNOLOGIES

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

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

- **CAPPING SYSTEMS** guarantee that the closure is secured to the bottle. The three ways of capping systems methods include:
  - **Roll-on:** The aluminium closure is rolled on the glass with specific rollers which form the aluminium to the exact shape of the glass.
  - **Snap-on:** The closure is secured by vertical pressure.
  - **Screw-on:** The closure is screwed on.

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

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 new 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.

- **SMART AND SUSTAINABLE DESIGN.**

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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.

**COMPANY OVERVIEW**

**OUR PRODUCTION PROCESSES**

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**COMPANY OVERVIEW**

**OUR PROCESS AND PRODUCT INNOVATION**

The year 2018 has seen the R&D teams of the Group very active in Product and process Innovation. The market evolution pushes our group in several different directions, mainly driven by the new generations’ approach to distilled product choice and consumption.

The main trends are:

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

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

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

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

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

Connected caps are a key project for future developments and we are strongly investing in this field in research and development of both products and production lines.

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

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

We have developed new caps whose target is to go toward more sustainable solutions keeping the same aesthetical appeal of the current more complex and less sustainable solutions. These caps use mainly mono-material structures and are ready to further evolve toward totally compostable caps. That remains our target.

All these developments come not only from a tight collaboration between R&D centers and Marketing, but also from external partners, design agencies and web developers. We are enlarging the number of competences we need to be ready for future challenges.
COMPANY OVERVIEW

FIGHT AGAINST COUNTERFEITING

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

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

THE VALUE OF COUNTERFEITED ALCOHOL PRODUCTION IN THE WORLD

$1 billion

12%

THE PERCENTAGE OF COUNTERFEITED OR ILLEGAL SPIRITS IN THE GLOBAL MARKET

SAVE THE SPIRITS, SAVE THE OIL, SAVE THE WINES

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

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

TO FIND OUT MORE, VISIT

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

2018 AWARDS

CONAI (NATIONAL PACKAGING CONSORTIUM)
AWARD FOR ECO-DESIGN

“CONAI call for prevention—to enhance the environmental sustainability of packaging”, promoted by CONAI (National Packaging Consortium) with the sponsorship of the Italian Ministry of the Environment, rewards the most innovative and sustainable packaging solutions placed on the market. The call is open to all companies that have redesigned their packaging in view of innovation and environmental sustainability, with different levers such as reuse, recycling facilitation, raw material saving, use of materials coming from recycling, optimization of logistics, simplification of packaging system and optimization of production processes. Guala Closures Group had the honor to be included in the list of 23 award-winning companies, with its aluminum beverage capsule with score 4 for facilitating recycling.

ALUFOIL TROPHY FOR IMAGIC

During the 2018’s Alufoil Trophy competition, organized by EAFA (European Aluminium Foil Association), Guala Closures has been awarded with a trophy for the category “technical innovation” for its state-of-the-art decoration technology IMAGIC.

IMAGIC uses Electro Magnetic Forming (EMF), first developed for military use, to create almost any shape a designer could wish for – including round, pyramidal and precisely decorated – to a very high quality.

GC UK – EDRINGTON SUPPLIER OF THE YEAR

Guala Closures UK has been awarded ‘Supplier of the Year’ for Edrington in 2018 thanks to the consistently high level of creativity, quality and service proved in the different projects where we have been involved, one of the last excellent designs of the Macallan range.

Edrington, the maker of some of the world’s best loved Scotch whiskies and other premium spirits, hosted their Suppliers’ Awards ceremony at the fabulous Piping Centre in Glasgow, at the end of May.
COMPANY OVERVIEW

GUALA CLOSURES S.P.A.
ITALY

GUALA CLOSURES INTERNATIONAL B.V.
NETHERLANDS

OCEANIA

AMERICAS

EUROPE

ASIA

AFRICA

Guala Closures Australia Holdings Pty Ltd
Australia

100%

Guala Closures
Australia Pty Ltd
Australia

100%

Guala Closures
New Zealand Ltd
New Zealand

100%

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

100%

Guala Closures
Servicios Mexico, S.A. de C.V.
Mexico

100%

Guala Closures de Colombia Ltda
Colombia

100%

Guala Closures Argentina S.A.
Argentina

100%

Guala Closures da Brasil Ltda
Brazil

100%

Guala Closures Chile SpA
Chile

100%

Guala Closures North America Inc.
United States

100%

BOKI International B.V.
Luxembourg

100%

Guala Closures DGS Poland S.A.
Poland

100%

Guala Closures Ukranie LLC
Ukraine

100%

Guala Closures UK Ltd
United Kingdom

100%

United Closures and Plastics
United Kingdom

100%

Guala Closures Iberica S.A.
Spain

100%

Guala Closures Bulgaria A.D.
Bulgaria

100%

Guala Closures France SAS
France

100%

GCLU Pharma S.r.l.
Italy

100%

The Guala Closures S.p.A. Corporate Governance system is characterized by a set of rules, behaviours and processes aimed at guaranteeing efficient and transparent corporate governance and the effective functioning of governance bodies and control systems. The Company adheres to the principles and application criteria contained in the current Code of Conduct for listed companies, promoted by Borsa Italiana (the Italian Stock Exchange). The Governance adopted by Guala Closures must ensure fairness and transparency in the management and information and the protection of all shareholders, in accordance with national and international best practices.

The corporate governance structure of Guala Closures S.p.A. is based on the traditional model and therefore consists of the following corporate bodies: the Shareholders’ General Meeting, the Board of Directors and the Board of Statutory Auditors.

The Shareholders’ General Meeting is the collective body that expresses the will of the shareholders. In particular, the Shareholders’ General Meeting, on an ordinary basis, approves the financial statements and appoints the members of the Board of Directors and the Board of Statutory Auditors.

In exceptional cases, the Shareholders’ General Meeting resolves on amendments to the Articles of Association and extraordinary transactions. On 10 September 2018, Guala Closures S.p.A. appointed its Board of Statutory Auditors, in the persons of Ms. Benedetta Navarra, as Chairman, Mr. Franco Abbate and Mr. Piergiorgio Valente, standing statutory auditors.

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

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

OUR COMMITTEES

CORPORATE STRUCTURE

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

BOARD OF DIRECTORS

Guala Closures S.p.A. Board of Directors is in charge of managing and deciding the Group’s strategic and organisational directions, as well as verifying the existence of the needed controls to monitor the Group’s activities.

The Board is made of 9 members, of which 3 are independents. Among the board members, Marco Giovannini is the Chairman and CEO and holds the Group’s most senior position.

SHAREHOLDERS’ MEETING

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

REMUINERATION COMMITTEE

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

RISK AND CONTROL COMMITTEE

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

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

COMEX (EXECUTIVE COMMITTEE)

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

ROLE OF THE COUNTRY DIRECTOR

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

ECONOMIC FIGURES

TURNOVER
In 2018, the Group recorded a net revenue of 543.1 million euros. The Group was penalized by negative translation impact due to the Euro’s strengthening versus the main group currencies. At constant exchange rates, the Group delivered 8.5% sales growth and an 1.4% increase in adjusted gross operating profit (adjusted EBITDA).

EVENTS OF THE YEAR
2018 was a year of continuous, significant business growth during which the Group confirmed its world leadership and the long-standing resilience of its multinational business model with more than 90% of sales made abroad, showing it is an anti-cyclical business with stable margins and of absolute importance of around 20%.

EVENTS OF 2018
- 8 November 2018: incorporation of a new company in Kenya, named Guala Closures East Africa Limited. The newco will initially market the products manufactured by other group companies and, in the future, it may set up a production unit.
- On 12 December 2018: purchase of United Closures and Plastics (“UCP”). This transaction allows Guala Closures Group to expand its presence on the Scottish market, extending its commercial activities and innovation and production processes, consolidating its collaboration with the spirits multinationals operating in Scotland and, in particular, with those of whisky, one of the most important segments in the spirits sector.

MAIN ACTIVITIES OF GUALA CLOSURES
The “Closures” division represents the Group’s core business (99.5% of net revenue), specialized in the following product lines: safety closures, customized closures (luxury), wine closures (wines), roll-on (standard) closures, pharma closures and other revenue. The remaining 0.5% is with PET division and mainly produces preforms and bottles for carbonated soft drinks and preforms, bottles, molds, jars, flasks and miniature drink bottles and containers for cosmetics, beauty products and pharmaceutical and foodstuffs. This division is no longer considered as a core business.

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

INVESTMENTS
During 2018, the Group invested € 36.0 million (capital expenditure, net of disposal)€ 28.6 million in 2017, in order to support future growth. The main investments in 2018 were made in Italy, Ukraine, Poland, Mexico, India, Chile and Spain.

REVENUES PER TYPE OF PRODUCT 2018

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Revenue (M€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAFETY CLOSURES</td>
<td>229.2</td>
</tr>
<tr>
<td>ROLL-ON CLOSURES</td>
<td>159.4</td>
</tr>
<tr>
<td>WINE CLOSURES</td>
<td>101.7</td>
</tr>
<tr>
<td>LUXURY CLOSURES</td>
<td>22.8</td>
</tr>
<tr>
<td>OTHER REVENUES</td>
<td>18.6</td>
</tr>
<tr>
<td>PHARMA CLOSURES</td>
<td>8.7</td>
</tr>
<tr>
<td>PET</td>
<td>2.8</td>
</tr>
</tbody>
</table>

REVENUES PER MARKET SECTOR IN 2018

- Spirits: 63.4% (€ 303.7 M) 55.9%
- Wine: 18.7% (€ 103.7 M) 18.5%
- Water and beverages: 10.0% (€ 54.3 M) 10.0%
- Other revenues: 3.4% (€ 20.0 M) 3.4%
- Oil & vinegar: 2.3% (€ 9.0 M) 2.3%
- Pharma: 1.6% (€ 6.0 M) 1.6%
- Pet: 0.5% (€ 2.0 M) 0.5%

REVENUES PER GEOGRAPHIC AREA 2018

- Europe: 55.9% (€ 303.7 M)
- Asia: 14.8% (€ 80.3 M)
- Latin America and North America: 18.5% (€ 100.5 M)
- Africa: 3.3% (€ 17.7 M)
- Oceania: 7.5% (€ 40.9 M)

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

INVESTMENTS

During 2018, the Group invested € 36.0 million (capital expenditure, net of disposal)€ 28.6 million in 2017, in order to support future growth. The main investments in 2018 were made in Italy, Ukraine, Poland, Mexico, India, Chile and Spain.

FINANCIAL STATEMENT CERTIFICATION
The Group is not exposed to significant geographical risks other than normal business risks.
Guala Closures Group has always been aware of the fact that all its employees, men and women, are the key to success and business development. As an industrial group, the first challenge is to ensure the safety of all employees and workers working at Guala Closures sites by ensuring a safe working environment and promoting a culture based on promoting health and safety.

At the same time, to support its own development and meet customer expectations, the Group needs to take into account the skills and growth potential of its employees, which is the reason why it invests time and resources as a matter of priority in training and continuous improvement programmes.

As far as workers and local communities are concerned, Guala Closures’ commitment is aimed at guaranteeing full respect for social and ethical aspects in all the countries in which it operates, through:

> The promotion of corporate values and continuous improvement at all levels to promote participation and a sense of belonging.
> The promotion of professional growth through continuous training.
> The increasingly scrupulous protection of labour law, respecting workers’ rights and adopting strict policies for safety at work, with particular attention to the developing countries in which the Group operates, aiming above all at the choice of a supply chain that is also attentive to the problem of child labour.
Guala Closures Group’s CSR governance is essentially based on the Green Board. This CSR body was set up in 2015 to define and ensure effective implementation of the agreed sustainability strategy and to monitor progress. The Green Board is composed of senior executives at both the Corporate and Country/Factory levels, thus including a mix of geographical areas. All Country Managers and the continuous improvement team collect and transmit to the Green Board the environmental, social, and economic KPIs for the monitoring of the Sustainability Programme and greenhouse gas emissions. The body meets 2 to 4 times a year to discuss progress, listen to top management feedback, identify challenges and suggest strategic solutions, under the guidance of COO Franco Bove.

The organisation of CSR at local level is voluntarily left to the free choice of the Country Managers, who implement it according to the resources and needs of local conditions. In all the Business Units, the Country Managers have appointed a CSR manager who has the task of implementing the Group’s strategy, implementing the planned actions and achieving the collective objectives of the Programme. Local CSR managers support, pilot and coordinate actions within their Business Units. They are responsible for reporting group indicators. The Corporate CSR team brings its expertise and support in the use of tools to the Business Units, giving life to the entire CSR Programme, facilitating the exchange of good practices between the Business Units and supporting innovative projects.

Based on commitments we designed in 2011, our sustainability strategy focuses on three pillars (Planet / People / Business) and 12 indicators.

1. **ENERGY CONSUMPTION**
2. **CO2 EMISSIONS**
3. **WASTE**
4. **RAW MATERIALS**
5. **WATER**
6. **ENVIRONMENTAL MANAGEMENT**
7. **HEALTH AND SAFETY**
8. **TRAINING**
9. **DIVERSITY**
10. **PRODUCTION EFFICIENCY**
11. **INNOVATION**
12. **CUSTOMER SATISFACTION**

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

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

**THE DEVELOPMENT OF HUMAN RESOURCES**
- Ensure full compliance with ethical-social aspects within the areas of the group
- Promote our corporate values with employees at all levels
- Fostering professional growth
- Ensuring safety in the working environment

**INVESTOR SATISFACTION**
- Commit to controlling costs and eliminating inefficiencies and waste
- Generate added value at all stages of business processes
CSR VISION AND ACTION

OUR MAIN ISSUES & CHALLENGES

The materiality analysis realized in 2016, confirmed that Guala Closures’ perception of material issues is in line with stakeholders’ expectations. It also pointed out that most of these issues are covered by the 2011-2015 CSR programme, the new 2016-2022 roadmap (initially 2016-2020) and the 12 key indicators (staff safety, diversity, training and skills, customer satisfaction, economic performance, water and energy management, energy efficiency, greenhouse gas emissions, raw material recycling, innovation, etc.).

Other issues (employee satisfaction and responsibility, child labour, support for local communities, ethical business practices, ethics and integrity, prevention of polluting activities and the use of harmful substances) are addressed by the 5 company policies at management and operational level. A new materiality analysis will be carried out by the beginning of 2020 to examine the Group’s development and, in particular, its entry on the stock exchange.

Dialogue with stakeholders is increasingly part of the culture of Guala Closures Group, which works with all stakeholders to jointly develop its commitments and contribute to sustainable and inclusive growth.

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

In 2016, the Group shared its main priorities with its main stakeholders, creating the “CSR 2016-2020” programme (extended to 2022). As a global player, the Group sees through the eyes of its main stakeholders how the environment in which we operate is constantly evolving. Therefore, a regular and meaningful dialogue with stakeholders is essential to conduct activities responsibly, enabling us to:

- understand the interests of stakeholders;
- be prepared for the potential impacts that future global trends or regulations may have on our business;
- minimise risks and identify business opportunities at an early stage;
- share information on sustainability priorities and performance, identify opportunities for collaboration towards common goals and mutual commitment;
- explain the position on sensitive topics.

The results of this stakeholder dialogue feed into materiality analysis, sustainability management and annual sustainability reporting. The Group is aware that the interests of shareholders, customers, employees, etc. may sometimes be in conflict, but is committed to finding the best solution for all stakeholders.

The Group interacts regularly with its stakeholders. This dialogue may take place once or more per year, depending on the type of stakeholder and their needs. The company encourages its Business Units to strengthen relations and collaboration with local stakeholders. In particular, in terms of customer relations. In 2018, a meeting was organised at the Spinetta Marengo plant with representatives of various Pernod Ricard group brands to exchange experiences on the themes of Innovation, Sustainability and Logistics. Exchanges of experience combined with visits by workers, both on bottling lines and closed production lines, have also been carried out with the Nestlé / San Pellegrino Group. In addition, the Spinetta Marengo plant has actively participated in a working group on the sustainability of the supply chain organised by Ollari Carli.

In the various countries in which it operates, the Group is in contact with other economic players in the sector and is a member of professional associations; for example, the European Aluminium Foil Association (EAFA) or some local packaging associations, industrial associations or sector associations - see more details in the Plants Overview pages.

Dialogue with stakeholders can take different forms and frequencies in each branch depending on local contexts and needs. The company encourages its Business Units to strengthen relations and collaboration with local stakeholders. In particular, in terms of customer relations. In 2018, a meeting was organised at the Spinetta Marengo plant with representatives of various Pernod Ricard group brands to exchange experiences on the themes of Innovation, Sustainability and Logistics. Exchanges of experience combined with visits by workers, both on bottling lines and closed production lines, have also been carried out with the Nestlé / San Pellegrino Group. In addition, the Spinetta Marengo plant has actively participated in a working group on the sustainability of the supply chain organised by Ollari Carli.

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<th>ISSUES</th>
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<tr>
<td>1</td>
<td>Very important</td>
<td>Child labour prevention, Prevent pollution, Ethical purchasing, Harmful substances, Customer satisfaction, Employees’ Safety at work, Ethical business, Ethics &amp; Integrity, Governance &amp; Compliance, Innovation, Economic performance</td>
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<tr>
<td>2</td>
<td>Important</td>
<td>Renewable energy, Mining practices (workers), Waste, Training, Employees’ satisfaction, Energy efficiency, GHS Emissions, Raw materials, Data Privacy &amp; security, Employees’ empowerment</td>
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<tr>
<td>3</td>
<td>Some kind of importance</td>
<td>Local community, Employees’ psycho-social risks, Biodiversity, Socially responsible investing, Scarcity, Transport</td>
</tr>
<tr>
<td>4</td>
<td>Important</td>
<td>Mixing practices (environmental), Employees’ diversity, Water management, Eco-friendly products, Ethical marketing, Engage suppliers in CSR, Recycling</td>
</tr>
<tr>
<td>5</td>
<td>Non-important</td>
<td>Support charities, Employees’ volunteering</td>
</tr>
</tbody>
</table>

Priority environmental topic / priority social topic / Priority economic topic / Non priority topic

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CSR VISION AND ACTION

OUR POLICIES AND FRAMEWORK

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

QUALITY POLICY
• Satisfy customer: surpass their expectations, support their needs, ensure and improve an efficient use of products.
• Invest in people: training, communication, development of specific expertise, pride to belong to the group, recognition and celebration of results.
• Continuous check and update of processes, products, and models and checked that they were respected at all production sites. All policies have in common an unceasing commitment to sustainable development.

FOOD SAFETY POLICY
• Make safe products: hygienically suitable for contact with food, respect of legislative and regulatory requirements; communication with all members of the supply chain.
• Ensure hygiene and food safety standards in product development and process.
• Believe in people to guarantee food safety: effective methods of internal communication, implementing, assessing and improving good manufacturing practices.

ENVIRONMENTAL POLICY
• Develop or improve products and processes with a view to safeguarding the environment and saving energy, reducing pollution and cutting CO2 emission.
• Act to involve all stakeholders in the product supply chain to be aware of environmental aspects.
• Respect for the environment is one of our priorities.

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

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

PROFESSIONALISM
• We are committed to providing clarity, completeness and fairness in relation to information, activities and interpersonal relationships.

PROTECTION AND WELL-BEING OF THE ENVIRONMENT
• We aim to ensure safety and health, in the workplace, in our products and in the impact on communities outside of production sites.

RECOGNISE AND REWARD RESULTS:
We share objective objectives and evaluation criteria to enhance and reward all human resources.

Our values are promoted by top management and shared by all the staff of the Group companies also through the Group’s corporate policies. To guide the development of its business, between 2017 and 2018 Guala Closures Group revised and completed its corporate management policies and models and checked that they were respected at all sites. All policies have in common an unceasing commitment to sustainable development, which makes it possible to strengthen market leadership in the production of closures in full compliance with ethical and social issues, product safety and workplace safety, all while safeguarding the environment.

Ethical and social policy is based on three pillars:
• Our people: we want our employees to be our added value and we are committed to managing our human resources in a fair and transparent manner.
• Our suppliers, the external community and other stakeholders: we want everyone involved in the supply chain to be aware of the aspects of business integrity and sustainable development.
• Safety in the workplace and the environment: Ensuring safety in the workplace and respect for the environment is one of our priorities.

Within the Modern Slavery Act, the Group also affirms its commitment to the respect and protection of human rights. Guala Closures Group is against the use of any form of child labour or practices that inhibit child development. It believes that all work should be freely chosen and is committed to refraining from any form of forced or involuntary work. It is committed to respecting and protecting the rights of all employees, those working in its supply chain and those involved in its business. It provides a safe and sustainable working environment, without discrimination. Every employee has a legitimate employment contract that guarantees a minimum wage appropriate to the country in which he or she works.

With regard to Internet and Privacy, Guala Closures Spa, in its capacity as Data Controller of personal data, has prepared internal rules to regulate the use of the Internet and e-mail as provided for by the Provision by the Office for Data Protection on 1 March 2007.
CSR VISION AND ACTION

KNOW OUR RISKS TO BETTER CONTROL THEM

The Board of Directors is responsible for adopting an adequate internal control and risk management system and, with the assistance of the Director in charge of the Internal Control and Risk Management System and the Control and Risk Committee, carries out the tasks assigned to it by the Code of Conduct.

EXTERNAL RISKS whose occurrence is outside the sphere of influence of the Group. This category includes risks related to macroeconomic and socio-political changes in countries, as well as events related to climate change, natural disasters or arson.

COmpany continuously monitors the political and economic situation in any country in which it operates. It adopts a “local for local” strategy, creating production facilities in developing countries to meet local demand and competitive industrial and logistical costs. This strategy is to increase the Group’s competitiveness as well as overcoming potential protectionist measures (customs barriers, technical prerequisites, product certification, etc.). Economies of some emerging countries in which the Group intends to expand, sometimes present higher-than-average risk profiles, particularly with regard to export and import restrictions, investment restrictions and constraints and restrictions on the repatriation of dividends.

The company has allocated significant resources in this area to guarantee the maintenance of its competitive advantage.

MARKET RISKS and COMPETITION DYNAMICS: Social and technological trends could have a significant impact in the alcoholic beverages sector, leading to a reduction in the demand for closures (particularly younger generations).

The risk of not being able to grasp in advance the preferences and/or needs of customers in terms of technological development or the late launch of new products, requires major investments to be monitored. Product and process/plant innovation requires a high financial and organisational commitment in the research and development sector, as well as in the monitoring of evolutionary trends; in recent years, the Group has allocated significant financial resources in this area to guarantee the maintenance of its competitive advantage.

OPERATIONAL RISKS generated by the organization, includes risks related to Governance & Organisations, human resources, processes of purchasing and selling goods and services, production processes and logistics, information technology, and reporting and communication.

The entire production process is subject to specific control procedures in order to guarantee quality, conformity and safety, also in terms of the healthiness of the products manufactured in the Group’s plants, in accordance with the requirements of the law in force, as well as voluntary certification standards with constantly raised safety and performance objectives.

BUSINESS INTERRUPTION RISKS: Natural or accidental events, arson, malfunctioning of auxiliary plants or interruption of utilities supplies, can cause significant property damage, reductions and/or interruptions of production.

Guala Closures monitors vulnerability to catastrophic natural events and estimates potential damage for all Group production sites. The group’s insurance coverage may not be sufficient to cover all potential losses and liabilities in the event of catastrophic events.

RISKS CONNECTED TO TECHNOLOGICAL CHANGE and the LAUNCH of NEW PRODUCTS: Innovation is one of the main growth factors for the Group. Success in the future depends on the ability to introduce new and innovative products that are both aesthetic and sophisticated.

The Group’s main objective is to prevent and mitigate the risks associated with possible systems malfunctions through highly reliable data management solutions.

FINANCIAL RISKS reference should be made to the 2018 Annual Report.

With regard to financial risks, reference should be made to the 2018 Annual Report.

In relation to the interest rate risk and stock price change, the currency and liquidity risk, the risk of fluctuation in raw material prices and the credit risk, refer to the 2018 Annual Report (available on www.closures.com, Investor relations).

CROSS-SECTIONAL RISKS associated with the introduction of new local and international regulations (Health, Safety & Environment, Privacy, Antitrust, Food Safety, local regulations) and the Legal & Compliance and Company Policy supervision of existing ones.

The Group regularly reviews its business strategy and tax policy in the light of regulatory changes and assesses the likelihood of any negative outcomes resulting from audits in order to determine the adequacy of tax provisions.

With regard to financial risks, reference should be made to the 2018 Annual Report.

RISKS RELATED TO ENVIRONMENTAL ASPECTS: Environmental regulations, more and more restrictive, because of international attention to environment and sustainability.

Guala Closures acts to limit environmental impacts (emissions into the atmosphere, generation of waste, impacts on the soil, use of water, etc.). The Group has adopted environmental procedures and a dedicated Health & Safety department which monitors and updates the Group’s industrial activities on the basis of the regulations in countries in which it operates.

RISKS RELATED TO OCCUPATIONAL HEALTH and SAFETY

The Group regularly reviews its business strategy and tax policy in the light of regulatory changes and assesses the likelihood of any negative outcomes resulting from audits in order to determine the adequacy of tax provisions.

TAX RISKS: Significant changes in the international tax environment could suddenly increase overall business costs and lead to uncertain and/or unforeseen tax exposures.

The Group has been listed on the stock exchange that, the Group adopted an Integrated Risk Management process to identify, assess the company’s priority risks with potential negative effects and define appropriate actions to mitigate them.

The Guala Closures’ Risk Model examines 5 risk areas that may lead to reputational risks linked to actions or events that may cause a negative perception of the Company by its main stakeholders.

The Group regularly reviews its business strategy and tax policy in the light of regulatory changes and assesses the likelihood of any negative outcomes resulting from audits in order to determine the adequacy of tax provisions.

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CSR VISION AND ACTION

MANAGEMENT SYSTEMS AND TOOLS

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

> For quality: ISO 9001:2015  "Quality management systems - Requirements"
> For hygiene: ISO 22000:2005  "Management systems for food safety"
> For the environment: ISO 14001:2015  "Environmental management systems - Requirements and guidance for use."
> Continuous improvement: ISO 9004:2009  "Managing for the sustained success of an organisation - A quality management approach"

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 for 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.

- **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.

- **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).

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

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<td>CHILE</td>
<td>Santiago de Chile</td>
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Currently, almost all indicators’ data retrieval is done monthly. Each business unit sends its data to the Sustainability team which checks and compiles the information into a master document. Also, the central team annually retrieves all actions and initiatives done on a local level, and uses this information to update the current report.

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

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

- **GLASS SPHERES** - Most glass spheres are sourced from China, but a small segment is imported from Germany.
- **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 are independently managed by the different business units, particularly packaging, transport and office furniture.
- **CONTROL OF SUPPLIERS** - 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.

<table>
<thead>
<tr>
<th>PLANTS AND EQUIPMENT</th>
<th>SUPPLIERS RAW MATERIALS</th>
<th>CUSTOMERS FINAL PRODUCT ASSEMBLY</th>
<th>CONSUMER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guala closures group</td>
<td></td>
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</tbody>
</table>
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. On the other hand, The Group regularly informs the external stakeholders (Customers, suppliers, …) about its commitment, actions and results.

**Main Communication Tools**

**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, as Guala Closures in August 2018 entered in the Milan Stock Exchange, we rely on KPMG-certified financial and non-financial data from the “Annual report and consolidated non-financial statement” published in March 2019 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. It addresses both to its internal and external stakeholders.

Since the first edition in 2011 and till 2016, the Sustainability Reports have been published in three languages: Italian, English and Spanish while distributed across the globe. Since the 2017 edition, the report is taking on a broader global scope, available in English (printed and digital version).

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).

**Newsletter**
The internal newsletter [ECHO] serves as the main tool to share information about projects, initiatives and key findings regarding the sustainability Programme. They include an editorial, a focus on one or more specific plants 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. Since 2017 the newsletter has 2 versions: one for Italy and one for the Group. In 2018, we published 2 newsletters for Italy (May and December) and 1 for the Group (May).

**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 publicise and illustrate its business.

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**Sustainability Report** *(between 2011 and 2018)*
- More than 14,000 copies printed.
- A digital version sent to managers, clients and suppliers.

**Posters & Totem**
- Material provided to each business unit around the world for display.

**Newsletters Echo** *(between 2011 and 2018)*
- 21 newsletters
- More than 10,500 copies printed (Italian)
- A digital English version sent to managers, clients and suppliers.

**Video:**
- Yucatan reforestation project
  - https://www.up2green.com/nos-videos/
The programme Working Together for Sustainable Growth has been extended to 2022. What are the major challenges for the coming years?

The programme extension to 2022 is regarding some of our objectives, mainly for emissions, energy, raw materials and efficiency. It is explained by two major points: the change in the company due to the entering in the stock exchange list and the integration of new companies and new plants in the programme.

In 2018 we are proud to announce that, thanks to our BU’s actions, the environmental KPIs improved significantly. For the next years we need to maintain this trend to reach our goals. We will improve our measurement tool to quantify and follow our actions and extend it to the new plants (Scotland, India and Chile). We have to reinforce the communication among the plants to feed continuously the Sustainability awareness.

The programme is now deployed in 29 plants. What organization is setting up to animate operational teams? We need to work at local and corporate level. At local level, business units are empowered with local sustainable KPIs. To support them, the corporate sustainability team has to improve its capacity to identify and share best practices between plants. The corporate team must focus to help CSR referent in each business units to define which sustainability projects they could carry out.

After 2 years of CSR programme, how do you do to empower each one of the 4,367 employees and how about their commitment on CSR topics?

Last year, with our CSR training programme, we reached all Guala Closures’ employees. Now we want to set these progresses in the long term in all business units. This means we have to make a better use of our communication tools (posters, totems, newsletters…). Each year, we also edit the CSR report’s abstracts translated in local languages. Each year, we also edit the CSR report’s abstracts translated in local languages. We are convinced that CSR referents in business units can communicate to all Guala’s people commitments, successes, and maintain alive the Working Together for Sustainable Growth programme.

Today, we start to reap the benefits of our work. I hope that 2018 is the first step of a continuous improvement.

AN AMBITIOUS SEVEN-YEAR AGENDA HAS BEEN DEVELOPED, CONSISTING OF 12 INDICATORS AND 21 TARGETS.

<table>
<thead>
<tr>
<th>12 INDICATORS</th>
<th>21 OBJECTIVES</th>
<th>TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENERGY CONSUMPTION</td>
<td>Reduce energy consumption per finished product (GJ/tanne FPI) by 25%</td>
<td>2022</td>
</tr>
<tr>
<td>CO₂ EMISSIONS</td>
<td>Reduce GHG emissions( scope 1 and 2) in CO2eq by 25%</td>
<td>2022</td>
</tr>
<tr>
<td>CO₂ EMISSIONS</td>
<td>Certify indirect CO₂ emissions (scope3)</td>
<td>2017</td>
</tr>
<tr>
<td>CO₂ EMISSIONS</td>
<td>Develop partnership projects with suppliers to reduce the usage of raw materials and transport</td>
<td>2020</td>
</tr>
<tr>
<td>WASTE</td>
<td>Reduce waste generated per finished product by 20%</td>
<td>2020</td>
</tr>
<tr>
<td>WASTE</td>
<td>Reduce hazardous waste with respect to total waste produced &lt;5%</td>
<td>2020</td>
</tr>
<tr>
<td>WASTE</td>
<td>Zero waste in landfills</td>
<td>2022</td>
</tr>
<tr>
<td>RAW MATERIALS</td>
<td>Decrease the percentage of scrap below 2%</td>
<td>2022</td>
</tr>
<tr>
<td>RAW MATERIALS</td>
<td>Increase the quantity of recycled and/or low environmental impact aluminium with respect to the total employed</td>
<td>2020</td>
</tr>
<tr>
<td>WASTE</td>
<td>Reduce the water drawn per finished product (m³/AFP) by 20%</td>
<td>2020</td>
</tr>
<tr>
<td>ENVIRONMENTAL MANAGEMENT</td>
<td>Environmental management systems: to obtain ISO 14001 certification for all group plants</td>
<td>2020</td>
</tr>
<tr>
<td>HEALTH AND SAFETY</td>
<td>Zero accident - Reduce the accident frequency indicator by 50%</td>
<td>2020</td>
</tr>
<tr>
<td>TRAINING</td>
<td>100% of employees with 2 hours of sustainable program training</td>
<td>2018</td>
</tr>
<tr>
<td>TRAINING</td>
<td>Strengthen the development program for internal resources</td>
<td>2020</td>
</tr>
<tr>
<td>DIVERSITY</td>
<td>Promote awareness campaigns to facilitate the integration of diverse groups</td>
<td>2020</td>
</tr>
<tr>
<td>PRODUCTION EFFICIENCY</td>
<td>Efficiency of production system: Overall Equipment Efficiency (OEE) &gt; 85%</td>
<td>2022</td>
</tr>
<tr>
<td>INNOVATION</td>
<td>Innovative capacity: to develop at least 26 patternable ideas</td>
<td>2020</td>
</tr>
<tr>
<td>CUSTOMER SATISFACTION</td>
<td>On Time In Full delivery (OTIF) &gt;95%</td>
<td>2022</td>
</tr>
<tr>
<td>CUSTOMER SATISFACTION</td>
<td>All plants SEDEX accredited</td>
<td>2017</td>
</tr>
<tr>
<td>CUSTOMER SATISFACTION</td>
<td>ISO 22000 for all group plants</td>
<td>2020</td>
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</tbody>
</table>
After two years (2016 and 2017) without any significant improvement in productivity, Guala Closures Group has increased its production by optimizing operations such as in Australia, Italy (Termoli), UK... and gained its primary result, which is particularly due to investments in process actions carried out in 2018.

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 the ISO 14001 certification – is currently under deployment in our 27 plants and will be fully implemented by 2020. This year we adopted a new methodology to collect the amounts of generated waste. We are more exhaustive and more precise now, and more homogeneous in the way of collecting and reporting the data across the various categories of waste in all our facilities, and our objectives for 2020, whilst maintaining an ambitious outlook towards improvement.

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

After two years (2016 and 2017) without any significant improvement, 2018 shows positive results: 16.21 GJ/t of Finished Product, 9.2% less than last year.

In the coming years, the plants will continue their efforts to invest in new equipment in order to reduce their consumption per finished product versus 2017. This good result is partially due to investments in process optimization, such as in Australia, Italy (Termoli), UK... and gain of productivity. Guala Closures Group has increased its production and its energy efficiency.

The fight against climate change is one of the key themes of the Guala Closures Sustainability Programme. Activities of the Group generate greenhouse gas emissions and therefore contribute to climate change: direct emissions (Scope 1) from the combustion of fossil fuels; indirect emissions (Scope 2), resulting from the production of electricity consumed by plants and through products (raw materials, packaging, etc.) and services purchased such as transport. (Scope 3).

The objective is to reduce greenhouse gas emissions under Scope 1 and 2, but to further extend its environmental responsibility. The Group is committed to working with suppliers and partners to reduce greenhouse gas emissions under Scope 3 as much as possible.

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Renewable energy
Facilitate the supply of renewable energy
3 main plants as renewable energy pilots in 2020

In the coming years, the plants will continue their efforts to invest in new equipment in order to reduce their consumption per finished product versus 2017. This good result is partially due to investments in process optimization, such as in Australia, Italy (Termoli), UK... and gain of productivity. Guala Closures Group has increased its production and its energy efficiency.

In 2018, the Group’s emissions for Scope 1 and 2 were estimated at 160,167 tonnes of CO₂ equivalent. The intensity of greenhouse gas emissions was 1.98 tCO₂ eq/t of Finished product, and represents a reduction of 8.3% compared to 2017 and 9.6% compared to the reference of 2016.

The Group is also committed to increasing the percentage of renewable energy in the mix of energy in plant and production of electricity consumed by plants and through products (raw materials, packaging, etc.) and services purchased such as transport.

The Group is committed to working with suppliers and partners to reduce greenhouse gas emissions under Scope 3 as much as possible.

Our strategy
We work with all Supply Chain members – raw material, machinery, transport, clients, and suppliers – to see how we can optimize loads and logistics. Every year, we aim to invest in new equipment for our plants, taking into consideration energy consumption and greenhouse gas emissions.

Our progress
In 2018, the Group’s emissions for Scope 1 and 2 were estimated at 160,167 tonnes of CO₂ equivalent. The intensity of greenhouse gas emissions was 1.98 tCO₂ eq/t of Finished product, and represents a reduction of 8.3% compared to 2017 and 9.6% compared to the reference of 2016.

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Our commitments
-25% energy consumption per finished product compared with 2015

Renewable energy
Facilitate the supply of renewable energy
3 main plants as renewable energy pilots in 2020

OUR AXES OF WORK
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Our axes of work
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16 plants have succeeded in reducing their greenhouse gas emissions, and the reduction of greenhouse gas emissions was achieved mainly thanks to:

- energy-saving programmes, such as the replacement of indoor and outdoor lamps with LED lamps in most factories and, in Colombia, new electric forklifts to replace motorised ones
- new equipment, such as new variable speed air compressors in Australia, Ukraine and the United Kingdom, new chillers in the United Kingdom and Italy (Termoli), new injection moulding press in Brazil and modification on the mould cooling circuit in Italy (Termoli)
- increased productivity due to process changes such as the width of the aluminium reel in Argentina and the increase in the size of aluminum foil in Poland following the installation of a new press (see more projects p81 and following in Plants overview pages).

In addition to its commitment to reducing greenhouse gas emissions, the Group wants to offset most of its indirect CO₂ emissions through the purchase of carbon credits, but also through a direct commitment to reforestation programmes that actively involve the local communities, preferably in the countries where the Group operates. In 2018 a new three-year project was launched in Yucatan (Mexico): conceived and coordinated by Up2green Reforestation, a French non-governmental organization (NGO), this programme will allow Mayan communities to plant 100,000 trees. In 2018, 35,000 trees were planted, involving 152 families and offsetting more than 5,800 tonnes of carbon dioxide (program monitored and certified by Ecccert Environnement).

Our axes of work
To reach our goal (-25%), Guala Closures Group has set up a “Green CAP Group” which will support the Business Units in identifying and implementing projects with a significant impact on reducing greenhouse gas emissions. Project selection criteria include volumes of greenhouse gas emissions avoided, innovative character, financing and ROI. The greatest efforts and investments will be concentrated on the Business Units with the highest impact of greenhouse gas emissions.
In 2018, the quantity of hazardous waste in Guala Closures’ plants was 1,873 tonnes, representing 8.8% of its total waste. 2,389 tonnes of waste were placed in landfill, which represents 12.6% of the total waste produced.

In Argentina and Poland, the increase in the sizes of aluminium coil and sheet (for a press) has also had the effect of reducing the technical scrap and the amount of aluminium used in production. In order to reduce packaging consumption and pollution, some Guala Closures plants have developed interesting initiatives. For example, New Zealand uses stronger pallets that can be reused several times, and repair of damaged pallets has been activated. In the UK, reusable plastic containers are used to replace cardboard boxes and wooden pallets for semi-finished products.

Since 2011 in Italy and 2016 in the Group, Guala Closures has been committed to protecting the environment, conserving natural resources and reducing waste with the aim of reducing its production of waste per tonne of finished product. In parallel with the effort to reduce the total amount of waste, work is also being done to reduce its hazardousness and to seek viable alternatives to landfilling.

### OUR PROGRESS

In 2018, the average rate of scrap was 2.67% compared to 2.87% in 2017 (reference value 2016: 2.56%).

Plants are increasingly being supplied with recycled aluminium materials. In 2018, recycled aluminium accounted for 57%, compared to 46.4% in 2017.

Once again, in Argentina and Poland, the increase in the sizes of the aluminium coil and sheet (for a press) has reduced technical scrap and the consumption of aluminium itself.

In Italy, with a small investment and a maintenance intervention, the disposal of capsules into physiological waste has been avoided, reducing waste by about 30 tonnes per year. At the same time, the innovative idea of moving from waste to art was launched, recycling it through simple but meticulous manual work, to transform certain pieces of aluminium into exclusive earrings, necklaces, bracelets, frames, bags and candle holders.

Thanks to the ecological commitment and artistic talent of the Italian Managing Director, an association will soon be producing and selling these artistic objects, which is a good way to raise public awareness of waste reduction and the circular economy.

### 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 lowest possible amount.

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 reduce their dangerousness, and seek better alternatives to landfill disposal.

### OUR AXES OF WORK

We will continue to better monitor quantities of waste produced and their treatment solutions.

Plastic processing generates less waste than aluminium. Consequently, in order to significantly reduce the amount of waste produced, the Group will pay more attention to plants that use aluminium. It will adopt the same approach with plants using lithographic processes, which produce more hazardous waste, looking for new solutions to combine customer expectations and environmental protection.

All plants will continue their efforts to improve waste sorting and will develop partnerships with professionals to adapt viable alternatives to landfill.

<table>
<thead>
<tr>
<th>QUANTITY OF WASTE (in kg/t of finished product)</th>
<th>2017</th>
<th>2018</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>HAZARDOUS WASTE (%)</td>
<td>9.17</td>
<td>8.8</td>
<td>&lt;5</td>
</tr>
<tr>
<td>LANDFILL (%)</td>
<td>11.6</td>
<td>12.6</td>
<td>0</td>
</tr>
</tbody>
</table>

### OUR COMMITMENTS

- **-20% waste production per tonne of finished product, before 2020**
- **<5% hazardous waste over the total waste, before 2020**
- **ZERO waste to landfill Total elimination in 2022**
- **<2 % scrap in 2022**
- **1 supplier minimum with low impact on 2020**

### RAW MATERIALS

In the environmental footprint of Guala Closures products, the impact of raw materials is significant. Moreover, the growing demand for raw materials and the scarcity of some resources at a global level have imposed a great challenge on Guala Closures. For this reason, the Group must combine customer expectations with eco-design, two concepts that can sometimes appear to be in conflict. The Group’s products are designed and manufactured with the raw materials necessary to provide the characteristics requested by customers, in compliance with the standards and regulations required.

The main raw materials used are aluminium and plastic. These two raw materials differ in at least one important aspect: aluminium can be recycled repeatedly without losing its structural and qualitative characteristics, while it is almost impossible for plastics to maintain their original properties after repeated recycling. However, new solutions and new suppliers are being studied to address this challenge.

### OUR STRATEGY

In accordance with the standards and regulations required, the Group has always tried to optimise the use of raw materials, as much as possible and, in order to minimise the consumption of non-renewable materials, has adopted a strategy based on a three-pillar eco-design approach:

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

### OUR PROGRESS

Over the next three years, each BU will have to focus on process efficiency, reduce waste due to quality problems and combat all types of raw material waste. As regards the choice of materials and procurement, the group continues to work on the integration of recycled materials into its products, while respecting customer expectations.
In the Group’s production processes, the use of water is very limited and is mainly used for two industrial processes: 
• cooling of presses for plastic moulding (usually using a circuit), 
• degreasing of aluminium reels.

However, the Group is aware of the importance of this resource and is committed to limiting its consumption. Guala Closures Group is committed to reducing the water consumption of its plants around the world.

WATER CONSUMPTION

-20% water drawn per tonne of finished product in 2020

OUR STRATEGY
As our locations in Italy and India comprise 72% of our water consumption, our effort is focused on the plants in those two countries.

OUR PROGRESS
In 2018, the volume of water withdrawn was 263,122 m³, higher than the previous year, due to the increase in production volumes. However, water consumption per tonne of Finished Product (3.42 m³/tPF) decreased by 12.4% compared to the 2015 reference value. In 2018, 27.3% of the water in the plants was taken from the public network or 72.7% from a well.

In 2018, the Italian plant in Spinetta and the three Indian plants in Goa, Ahmadabad and Daman consumed 72% of the Group’s water. All of them have reduced their water consumption per ton of finished product. For Indian plants, this results from increased efficiency due to increased production and equipment saturation.

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• cooling of presses for plastic moulding (usually using a circuit), 
• degreasing of aluminium reels.

However, the Group is aware of the importance of this resource and is committed to limiting its consumption. Guala Closures Group is committed to reducing the water consumption of its plants around the world.

WATER CONSUMPTION (in m³/t of finished product)

-20% water drawn

OUR COMMITMENTS

3.95 3.61 3.98 3.42 3.16
2015 2016 2017 2018 2020

OUR AXES OF WORK

The Group aims to increase its focus on water. Because the performance on this KPI is very different from one plant to another, despite similar processes, the corporate environmental team must support the Business Units to share Best Practices. In Italy, the investment in the trigeneration of Spinetta will significantly reduce the use of water in the cooling circuit.

The Group supports its own plants in adopting this management system and obtaining certification. The Group has signed a global agreement with Bureau Veritas, a leading French certification company, which covers all the Group’s plants and provides for the certification. We also require a risk assessment approach and a clear perception of the product’s life cycle.

A roll-out plan is made to certify ISO 14001, to obtain certification for 8 more plants in 2019 and or 7 in 2020.

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OUR PROGRESS
During 2018, there were no significant instances of non-compliance with environmental laws and regulations in Guala Closures plants. 13 out of 28 plants (46% of the Group) are now ISO14001:2015 certified:

- Spinetta (Italy) 
- Vasto (Italy) 
- Jerez de la Frontera (Spain) 
- West Footscray (Australia) 
- Kirksiloch (UK) 
- Goa (India) 
- Cape Town (South Africa)

This deployment shows an environmental maturity growing up within the plants of the Group.

At the local level, for all Business Units, national and regional environmental laws and regulations applicable to the production site are the minimum basis for implementing the environmental impact management system. To complete this approach and confirm its environmental responsibility, in 2006 the Group adopted for the first time an organised and efficient environmental management system.

To assess, monitor, report on and guarantee the environmental quality of its products and processes, the Group has adopted the ISO14001 environmental management system.

We aim to improve our environmental performance thanks to a more rational use of the resources and the reduction of waste.
CSR VISION AND ACTION

HEALTH AND 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 across where we do business sometimes make our global approach to safety more difficult to implement.

However, we are all mobilized at group level and local level to guarantee a safe and secure work environment to our workers. We are committed to continuously improving working conditions, thus ensuring the highest safety standards in our production facilities.

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

- OUR STRATEGY

Guala Closures Group, firmly committed to providing a safe and healthy working environment for each employee, has adopted a series of measures to prevent workers’ injuries in all its plants around the world. Differences in regulations and legislation in the countries in which the Group operates do not always make it possible to develop a standardised approach to safety at a global level. Starting from the specific features of the individual countries, the Group is committed to continuously improving working conditions, thus guaranteeing the highest safety standards in all its production plants, adopting an effective system for managing the health and safety of workers. The common basis for each plant is:
- Constant updating of safety procedures to cope with the evolution of processes and new machinery;
- Periodic training of all employees in health and safety matters;
- Analysis of each accident report to improve work and safety procedures.

In 2018, Guala Closures Group recorded 78 accidents, a 43% reduction compared to 2017. The Accident Frequency Index is 7.4, still below the target, despite a 38% reduction compared to 2017. The severity index, at 0.26 for 2018, decreased by 72% compared to 2017. The results for 2018 show a clear progression compared to the previous year. No serious accidents were reported out of the 78 incidents recorded, thanks in part to the commitment shown by the plant managers in considering safety issues as a top priority and to the significant health and safety awareness and training programme developed over the last two years. In 2018, the total number of hours of environmental, health and safety training within the Group’s factories was approximately 18,276 hours.

ACCIDENT FREQUENCY
(In number of accidents / million worked hours)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>9.04</td>
<td>7.75</td>
<td>10.4</td>
<td>7.4</td>
<td>4.5</td>
</tr>
</tbody>
</table>

- OUR STRATEGIES

• Technical skills
• Environment, hygiene and safety
• Soft skills

On this basis, each Business Unit develops a specific training plan for all employees to facilitate personal and professional growth.

In addition, the Group encourages and supports continuous improvement, involving employees in research and suggesting ideas to solve problems and improve production processes.

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

CSR VISION AND ACTION

TRAINING AND CONTINUOUS IMPROVEMENT

At Guala Closures, we are convinced that men and women of the Group are the mainspring of our business success. We are committed to the development of their skills to permit them to be experts in their jobs and at the same time to have interesting careers.

An ambitious training program for our employees facilitates personal and professional growth and allows our Group to successfully achieve its strategic goals. It covers all levels of employees, from top management to plant workers.

In addition, we encourage and facilitate continuous improvement. We are convinced that employees are best placed to suggest ideas to solve problems and improve our processes.

- OUR COMMITMENTS
100% employees sustainability aware and involved in 2018, thanks to the 2 hours sustainability training module

- OUR STRATEGY

Guala Closures Group strongly believes that its success depends on human resources, both men and women. The entire Group is therefore committed to developing their skills, allowing them to become experts in their work and, at the same time, to grow professionally. Three areas of competence development have been prioritized:
- Environment, hygiene and safety
- Technical skills
- Soft skills

On this basis, each Business Unit develops a specific training plan for all employees to facilitate personal and professional growth.

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- OUR PROGRESS

In 2018, the Group provided 203,965 hours of training, equivalent to an average of 46.71 hours per employee. Training hours increased by 3,311 hours per year (+18.4% compared to 2017)

Blue-collar workers received the majority of the training, with an average of 4.4 hours/month per capita. Immediately afterwards, white-collar workers with 2.1 hours/month per capita and executives with 1.9 hours/month per capita.

Concerning sustainable training, support documentation and videos have been delivered to Business Units around the world. This specific training programme started in 2017. At the end of 2018, 95% of employees were trained. The remaining 5% received 2 hours training at the beginning of January 2019.

TRAINING HOURS / MONTH

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>1.8</td>
<td>1.9</td>
</tr>
<tr>
<td>White collars</td>
<td>1.6</td>
<td>2.7</td>
</tr>
<tr>
<td>Blue collars</td>
<td>2.3</td>
<td>4.4</td>
</tr>
<tr>
<td>Total</td>
<td>2.1</td>
<td>3.9</td>
</tr>
</tbody>
</table>

SUSTAINABILITY TRAINING MODULE DEPLOYMENT (in %)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0</td>
<td>0</td>
<td>25</td>
<td>95</td>
</tr>
</tbody>
</table>

- OUR ACHIEVEMENTS

Over the next three years, each BU will have to focus on process efficiency, reduce waste due to quality problems and tackle all types of raw material waste. As regards the choice of materials and procurement, the group continues to work on the integration of recycled materials into its products, while respecting customer expectations.
The Group operates in 22 countries worldwide, interacting and relating with customers in over 100 countries. For these reasons, the need to incorporate diversity of thought, gender and culture into business decision-making is essential for the company to continue to thrive in a multicultural world.

The Group’s commitment to this principle is reflected in its Ethical and Social Policy. This policy helps all employees understand how to value diversity and inclusion and maintain a workplace free from discrimination and harassment. In addition, the Group expects the top managers of each Business Unit to commit themselves to understanding this policy, as well as to abiding by it, disseminating it and applying it within their organisations.

The main conclusions show that practices are very diverse in the Business Units, but the analysis reveals some points in common.

The detailed Diversity Strategy will be defined in 2019 with clear objectives and indicators. The exchange of best practices between Business Units will be developed.

In 2018, the Group integrated 29 nationalities. More than 18 languages are spoken in the various plants, which means that Guala Closures is a true multicultural company that guarantees respect for everyone. As in many industrial companies, the percentage of women does not correspond to that of men. In 2018, women represented 24% of employees (+5% more than in 2017). The female presence in top management positions is 10%.

The age pyramid is very different depending on the Business Units. Mexico, India, Argentina and Ukraine are the Business Units with the highest percentage of young people. France, Australia, Bulgaria and New Zealand have the oldest. More initiatives for young workers are internships, vocational training contracts and partnerships with schools and universities. For older employees, 50% of the Divisions provide access to training and provide some support for young employees. At group level, the average number of employees under the age of 30 is around 26%, people between the ages of 30 and 50 are around 54%, and those over 50 20%.

Guala Closures is very sensitive to the issue of disability. The situation is very different from one country to another. The employment rate of disabled people is 3.5%. The Divisions of Guala Closures conduct initiatives with the support of local authorities and associations.

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In 2017, the Group reached 77.7% (+0.6 percentage points or 0.7% compared to the previous year and +3.9% percentage points or 5.3% compared to 2015). In 2018 the Group reached 77.7% (+0.6 percentage points or 0.7% compared to the previous year and +3.9% percentage points or 5.3% compared to 2015). 3 plants have already exceeded the 85% target; and 13 plants improved their score.

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 organization, maintenance, production and quality.
Fighting counterfeiting
Anticipate regulations
Concentrate their research guided by 3 main aims:

To achieve the goal of 26 new patentable ideas, our teams continue developing partnerships with customers to generate high-performing solutions in order to protect and enhance their products. We also develop exclusive partnership projects with some of our main customers by co-creating innovative ideas.

The “Design & Innovation Division” works in collaboration with all the other internal functions that support all Group entities. We also develop exclusive partnership projects with some of our main customers by co-creating innovative ideas.

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

Over the years, we have developed over 140 patents and intellectual property rights. A total of 84 of these patents are still active, among which 14 are related to utility models and 40 to design.

We have consolidated the new organisation of innovation teams, with three different areas and approaches: the “customer requests” team, the “widening and strengthening markets” team and the “thinking outside the box” team.

Guala Closures’ customers operate in ever-changing environments in terms of competition, regulation and product innovation. As a result, the company seeks to further improve the way it delivers value to its customers through innovation. To develop new products, it relies on its 5 Research and Development (R&D) centres in Great Britain, Mexico, Ukraine, Luxembourg and Italy.

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In order to satisfy and retain its customers, the Group has given itself four priorities:
- Ensuring the health and safety of consumers,
- Being a reliable and responsible player in the supply chain,
- Ensuring that orders arrive complete and on time,
- Respect the privacy of customers.

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

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These efforts are undertaken to constantly improve and achieve a score over the years, training and monitoring will continue to be the key elements. To support plants in implementing their ISO 22000 management system, the Group aims to help them monitor action plans and support those preparing for ISO 22000 certification. An ambitious certification programme is planned with seven plants in 2019 and the last ones in 2020.

As for the new plant in India integrated into the Group in 2018, it will be Sedex-accredited in 2019 as well as Kenya and UCP (UK). For all Sedex accreditations, the Group will ensure that the data of the sites included to Sedex are updated and will work on new “Smeta” audits.
LOCAL ENGAGEMENT
Besides our commitment towards reducing carbon dioxide emissions, Guala Closures funds reforestation projects and/or converts energy produced from renewable sources. Concerning the reforestation Programme we support, we focus preferably in developing countries where the Group operates (India, Colombia, Mexico) and actively involve local communities who get social and economic benefits from our Programmes. We also involve the employees of our local subsidiaries.

From 2011 to 2018, more than 180,000 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. At the end of 2018, we had planted over 300,000 trees, offsetting more than 50,000 tonnes of carbon dioxide and got more than 6,000 people involved in the various projects (Peru, India, Colombia and Mexico).

### LOCAL ENGAGEMENT

#### INVEST IN LOCAL PROJECTS

<table>
<thead>
<tr>
<th>Year</th>
<th>Country</th>
<th>Project Description</th>
<th>Trees Planted</th>
<th>Carbon Credits</th>
<th>Tonne of CO₂ Offset</th>
<th>Certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>COSTA RICA</td>
<td>Reforestation project implemented in Manuel Antonio National Park, involving and enhancing awareness of the local community.</td>
<td>13,000 trees planted</td>
<td>1,310 tonnes of CO₂ offset</td>
<td>FOUNDATION GOOD PLANET (NGO)</td>
<td>ECOCERT</td>
</tr>
<tr>
<td>2012</td>
<td>PERU</td>
<td>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.</td>
<td>30,000 trees planted</td>
<td>6,000 tonnes of CO₂ offset</td>
<td>BIODIVERSITÉ AMAZONIENNE (NGO)</td>
<td>ECOCERT</td>
</tr>
<tr>
<td>2013</td>
<td>INDIA</td>
<td>Participation in a reforestation project undertaken by the Government of Bihar, which involved 1,600 local families in conjunction with an initiative to educate on environmental awareness ‘My class, my forest’ at the Takshila school in Gaya.</td>
<td>80,000 trees planted</td>
<td>20,000 tonnes of CO₂ offset</td>
<td>(NGO)</td>
<td>ECOCERT</td>
</tr>
<tr>
<td>2014</td>
<td>INDIA</td>
<td>Co-funding by purchasing 26,000 intermediary VCS carbon credits (Verified Carbon Standard) from a wind energy production project, purchase.</td>
<td>26,000 VCU</td>
<td>26,000 tonnes of CO₂ offset</td>
<td></td>
<td>ECOWAY</td>
</tr>
<tr>
<td>2015</td>
<td>COLOMBIA AND BRAZIL</td>
<td>Co-funding by purchasing carbon credits - VCS - from a project in Brazil and the starting phase of a Reforestation Project in Colombia (2015-2017).</td>
<td>10,000 trees planted</td>
<td>21,000 VCU</td>
<td>22,500 tonnes of CO₂ offset</td>
<td>ECOCERT</td>
</tr>
<tr>
<td>2016</td>
<td>COLOMBIA, INDIA AND BRAZIL</td>
<td>Co-funding by purchasing carbon credits - VCS - from a project in Brazil and the second year of the Reforestation Project in Colombia (2015-2017) along with a reforestation Programme in India funded by Guala Closures India.</td>
<td>65,000 trees planted</td>
<td>50,000 VCU in Colombia</td>
<td>15,000 in India</td>
<td>ECOCERT</td>
</tr>
<tr>
<td>2017</td>
<td>COLOMBIA, INDIA AND BRAZIL</td>
<td>Co-funding by purchasing carbon credits - VCS - , and the last year of the Reforestation Project in Colombia (2015-2017) along with a reforestation Programme in India funded by Guala Closures India.</td>
<td>60,000 trees planted</td>
<td>50,000 VCU in Colombia</td>
<td>10,000 in India</td>
<td>ECOCERT</td>
</tr>
<tr>
<td>2018</td>
<td>MEXICO, INDIA AND URUGUAY</td>
<td>Co-funding by purchasing carbon credits - VCS - the starting phase of Reforestation Project in Mexico (2018-2020) and a reforestation Programme in India funded by Guala Closures India</td>
<td>45,000 trees planted</td>
<td>35,000 VCU in Mexico</td>
<td>10,000 in India</td>
<td>ECOCERT</td>
</tr>
</tbody>
</table>

*Voluntary Carbon Unit Credits
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 was 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 Río and San Martín de Amacayacu.

The second phase took place in 2016 and 2017 near Ipiales in the Andes where 100,000 trees (more than expected) have been planted. This area was chosen because at an altitude of 3,000 meters, 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 have been involved in working on the project during the three-year period.
In 2016, the ‘From School to the Fields’ project was 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 took place in the Indian States of Gujarat and Goa, where Guala Closures India has 2 production plants.

Our main objectives with this project are to:

1. Educate 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.

In 2016, 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.

In 2017 and 2018, other 20,000 trees have been planted in the same area.

My class my forest
https://india.myclassmyforest.org/
Guala Closures Group is involved in a three-year sustainable development project, from 2018 to 2020, in Yucatan, Mexico. This reforestation project is designed and managed by Up2green Reforestation whose goal is to partially offset the company’s CO₂ emissions.

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

1. Plant 100,000 trees in the Yucatan department, from 2018 to 2020 to compensate 15,000 tonnes of carbon dioxide.
2. Support indigenous Mayan populations to protect their environment. The Yucatan peninsula’s forest is one of the world biodiversity hotspots where ecological actions are needed to preserve it from degradation.
3. Improve the living conditions of communities, contributing to their food self-sufficiency, promoting complementary productive activities, diversifying agricultural production.

In 2018, we support the project launch with Up2green Reforestation and local support of NGOs. 35,000 trees of 27 different species have been planted in 5 “areas” (San Marcos, San Juan, Sipche, Tinuncah), involving over 150 families. In July, Hector Corcuera, Country Director of Guala Closures Mexico, went to visit the plantations and meet with local associations and communities. Reforestation will help maintaining the fertility of the soil providing organic matter and protect it from drying thanks to the shade of the leaves. The Yucatan forest is particularly fragmented due to population growth and to the development of infrastructures. Developing sustainable agroforestry systems will finally provide long-term resources to the participating farmers.
WORLDWIDE PLANTS OVERVIEW

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.

INDICATORS HIGHLIGHTS

- **20.8% reduction** in energy consumption (GJ/t FP)
- **18.2% reduction** in GHG emissions Scope 1&2 (t CO2 eq/t FP)
- **118% increase** in training hours (training hours/ thousands worked hours)

COUNTRY DIRECTOR
Daniel Damián García

CLOSURES
Roll-on for wines and spirits

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

MAIN LOCAL CLIENTS
Fratelli Branca, Campari Argentina, Pernod Ricard Argentina, Cepas, Peñaflor

LOCAL PROFESSIONAL MEMBERSHIP
None

TRAINING AND DEVELOPPING OUR EMPLOYEES

The Human Resources Department with our safety and hygiene responsible, in collaboration with our local entity called Civil Defense, provided a training day on CPR (CardioPulmonary Reanimation), which was attended by all heads, supervisors and administrative staff of our plant. 33 people participated to the training.

TRAINING OUR EMPLOYEES

We wrote the Manual of Environmental Management and presented it to the chiefs of sectors and supervisors, explaining the benefits of management and environmental management. In this way, we hope to raise awareness about sustainable development and increase their involvement in societal and environmental causes.

SUPPORTING LOCAL INSTITUTIONS

We provide financial support to local institutions:
- Monthly contribution to the Racing Club de Chivilcoy
- Monthly contribution to the ATIADIM, it is an association that provides integral therapy and help for mentally handicapped people
- Donation to the Municipal Police of Garelli Subcommittee

PRODUCTION EFFICIENCY

In our plant, we modified the aluminum width in order to increase our production performance and reduce our energy consumption. The increase in the coil width (from 342 mm to 424 mm) together with the modification of the press (in which one more punch cavity has been added) allowed a productive increase of 25% and a scrap reduction in the lithography process.
WORLDWIDE PLANTS OVERVIEW

AUSTRALIA / Guala Closures Australia Pty Ltd

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 WEST FOOTSCRAY.

COUNTRY DIRECTOR
Steve Ness

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

MAIN INTERNATIONAL CLIENTS
Diageo

MAIN LOCAL CLIENTS
Treasury Wines, Vinpac, Casella, Warburn, Yalumba, Berton, Brown Brothers

LOCAL PROFESSIONAL MEMBERSHIP
None

INDICATORS HIGHLIGHTS

19% reduction in total waste (in kg)

Zero accidents

54% increase in training hours per thousand worked hours

SAVING ENERGY

We continue to work in energy consumption optimization of our plant. Six air compressors accounted for approximately 50% of the electricity usage. In 2018, three of them were replaced by a new computer controlled air compressor. The new air compressor was strategically installed outside to minimize heat leading into the plant as well as maximizing cooling and operating efficiency. This installation permits us to lower our electricity usage and we saved 390 tons eqCO₂.

BRAZIL / Guala Closures do Brasil Ltda

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

COUNTRY DIRECTOR
Ivan De Nadai

CLOSURES
Safety closures

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

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

LOCAL PROFESSIONAL MEMBERSHIP
ABRABE (Brazilian Association of Beverages)

INDICATORS HIGHLIGHTS

7.24 GJ/t finished products

0.34 teqCO₂/t finished products

OTIF SCORE

Group’s Champion

PRODUCTION EFFICIENCY

We are eager to improve our plant’s equipment. We renewed the injection molds, consisting in developing and adapting of a new hot runner system for SDL pourer molds. This led to economic and environmental improvements:

- Reduction in maintenance costs
- Improvement of the Overall Equipment Effectiveness (OEE)
- Reduction of the scrap generated in the injection process
SAVING WATER

This year, we improved the injection cooling system of our plant by purchasing two chillers for industrial water cooling. This additional equipment will reduce our water consumption and improve the Overall Equipment Effectiveness (OEE).

CUSTOMER SATISFACTION

We put up a raw material dehumidifier by implementing a resin drying system. This project is aimed at increasing our customer satisfaction and reduce the scrap generated in the injection process.

COMMITTED WITH ASSOCIATIONS AND PROTECTING OUR PLANET

In 2018, we involved ourselves in local causes for children. We supplied and planted 100 trees for the Associação de Assistência à Criança Deficiente (Disabled Child Care Association), an association helping deficient children.

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

INDICATORS HIGHLIGHTS

- Zero hazardous waste
- 85.7% OEE score
- 100% OTIF score

WELLBEING AT WORK

The catering company Yogi 5 Ltd equipped a canteen with 55 seats in our administrative building and each day delivers freshly prepared meals (lunch for all staff and a dinner for the night shift). A specialized software (weekly menu planner) was created by our company’s IT specialists so that everyone can order his lunch at a terminal near the canteen’s door.

On-site canteen that offers convenience, healthy menu choices, encourage employee interaction, which can make a stronger team and better productivity.
WORLDWIDE PLANTS OVERVIEW

BULGARIA / Guala Closures Bulgaria A.D.

INVESTING IN YOUTH EDUCATION

In October 2018, we contributed with a donation for the renovation of the Technical College Kazanlak building. The renovation includes building insulation, replacing the lighting with LED lamps, a new heating system, renewed premises and sanitary units. The benefits of this renovation are:

- Energy saving and reducing CO₂ emissions of the college
- Support to higher education as a key factor for the economic, social and cultural prosperity of the society
- The college will prepare highly qualified personnel for the local machine building industry and our company, in particular

DEVELOPING STUDENTS

We participated in the Swiss Cooperation Project DOMINO, which promotes the “learning through working” principle. Dual education is a support to the local vocational education system. It is also one of the key factors for the economic success and competitiveness, and for the low rates of youth unemployment in the country.

In 2018 Guala Closures Bulgaria have welcomed 4 students from the Professional High School of Kazanlak to internship positions. They participated in the working process, learned to operate on modern equipment and had the opportunity to accumulate vocational skills and gain practical experience.

CHILE / Guala Closures Chile

GUA LA CLOSURES CHILE IS A RECENT INCORPORATION TO THE GUALA CLOSURES GROUP. WE STARTED OUR ACTIVITIES AT THE END OF 2015 AS A COMMERCIAL COMPANY IMPORTING CAPS FROM OTHER GUALA CLOSURES PLANTS, AND SELLING THEM TO THE DOMESTIC CHILEAN MARKET. AT THE END OF 2017, BY BUYING A COMPETITOR’S PLANT, WE STARTED OUR INDUSTRIAL ACTIVITIES.

INDICATORS HIGHLIGHTS

5.1% waste in landfill

COUNTRY DIRECTOR
Rodrigo Gutierrez

CLOSURES
Wine closures

MAIN INTERNATIONAL CLIENTS
Guala Closures Argentina S.A., Famiglia Zanlorenzi Ltda, PDC Vinos y Licores S.A.S, Karibbean Liquor Black River S.A.S.

MAIN LOCAL CLIENTS
Compañía Piscuera de Chile and Viña San Pedro Tarapaca (CCU Group), Viña Santa Carolina, Viña Undurraga, Viña Requingua, Viña Ventisquero, Viña Concha y Toro

LOCAL PROFESSIONAL MEMBERSHIP
None
WORLDWIDE PLANTS OVERVIEW

**CHINA / Beijing Guala Closures Ltd**

The Beijing plant produces safety and roll-on closures. The company is a registered WFOE (Wholly Foreign Owned Enterprise).

**INDICATORS HIGHLIGHTS**

- 41.6% reduction in water consumption (m³/t FP)
- Zero waste to landfill
- 43.8% increase in training hours/thousand worked hours
- 100% OTIF score

**REducing Air Pollution**

Air pollution is a severe problem in China. In July 2018, the transportation of Nestlé closures switched between 20 feet containers by truck and 40 feet containers by sea shipment. The distance from the plant to Nestlé’s Dongguan plant by truck is around 2,400 km. Thus, this shift reduced our CO₂ emission and freight. We also increased the safety stock near the customer.

**COUNTRY DIRECTOR**

Giorgio Vinciguerra

**CLOSURES**

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

**MAIN INTERNATIONAL CLIENTS**

Diageo, Pernod Ricard, APU, MCS, Heineken, Nestlé

**MAIN LOCAL CLIENTS**

Diao yutai, Guchuan

**LOCAL PROFESSIONAL MEMBERSHIP**

Chinese Packaging Association

**COLOMBIA / Guala Closures de Colombia Ltda**

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

**INDICATORS HIGHLIGHTS**

- 82.6% reduction in accident frequency (accidents / million worked hours)
- 88% OEE score
- 100% OTIF score

**SAFETY AT WORK**

As health and safety is a priority of our social policy, we did campaigns focused in accident reduction, such as:

- Award to the safer area
- Monthly award for the employee that reports unsafe conditions and unsafe acts
- Implementation of the requirements according to Colombian law for a safety and health management system at work

From 2017 to 2018, we reduced the number of accidents from 6 to 1 and absenteeism due to accidents from 2,350 hours to 56 hours.

**COUNTRY DIRECTOR**

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

**OTIF SCORE**

Group’s Champion
WORLDWIDE PLANTS OVERVIEW

COLOMBIA / Guala Closures de Colombia Ltda

REDUCING AIR POLLUTION AND PRACTICING SPORTS
To reduce the greenhouse gases emitted by transportation from home to work, and to practice physical activity, we encourage our employees to ride a bicycle to work. We installed a specific area and rack to make it easier to park the bicycle when they arrive at work.

SAVING WATER AND SAFE WORKPLACE
We created an isolated area for washing containers with water, assuring that containers for components are well washed while reducing water usage. It then reduces water consumption and prevents accidents due to electric risks as the electricity boxes are now isolated.

WORLDWIDE PLANTS OVERVIEW

FRANCE / Guala Closures France

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.

INDICATORS HIGHLIGHTS
65.1% reduction in accident frequency (accidents / million worked hours)
96.3% OTIF score

SAVING ENERGY
We work in a process of rationalization of energy consumption. This year, we put a compressor heat recovery system up in our plant. This installation allows us to heat up the production area thanks to the heat generated by the compressed air system. By recycling the energy within the plant, we reduced the amount of energy consumed, lowered our CO2 emissions and saved money. Savings are estimated at 16 MWh/year, being 368 kgCO2 eq/year.
WORLDWIDE PLANTS OVERVIEW

INDIA / Guala Closures (India) Pvt Ltd

OUR BUSINESS IN INDIA CONSISTS OF FOUR PLANTS IN GOA, DAMAN, AHMEDABAD AND DHARWAD WHICH PRODUCE SAFETY CLOSURES.

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<th>COUNTRY DIRECTOR</th>
<th>CLOSURES</th>
<th>MAIN INTERNATIONAL CLIENTS</th>
<th>MAIN LOCAL CLIENTS</th>
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<td>David Stevenson</td>
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<td>Alcobrew Distilleries India, Allied Blenders &amp; Distillers, Amrut Distilleries, Bacardi Martini India, United Spirits (Diageo), John Distilleries, Pernod Ricard India, Radico Khaitan, Tilaknagar India</td>
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CSR IN THE SUPPLY CHAIN

IOCL (Indian Oil Corporation Ltd.), supplies Guala Closures India with a large part of its raw material requirements. In 2018 we initiated a number of collaborative projects including a review of IOCL’s commitment towards sustainability. IOCL are committed to working with Guala Closures to reduce the impact on the environment. These sustainability project initiatives include renewable power, rainwater harvesting and waste management. This supplier initiative is representative of the collaborations we aim to develop with all our major stakeholders.

PROTECTING OUR PLANET

With the support of the Goa Ministry of Tourism and local communities, we developed and funded an anti-litter beach program, “Your Beach – My Beach”. The concept involves establishing a “Waste Bar” at select locations where people can purchase a drink with waste that they collect from the beach. More than 25,000 tourists have participated in this program in Goa. The program has also generated extensive media coverage promoting the importance of maintaining litter free beaches.

PROTECTING OUR PLANET AND COMMITMENT TO LOCAL COMMUNITIES

We continued our reforestation program with Up2green Reforestation working also with the local support of Vikalp. We planted 10,000 trees in the Tapi district of Gujarat, involving hundreds of families from the local community. This program allows to compensate 1,500 tons eCO2 emissions. The trees planted produce fruits and generate incomes for the owners of the local community.

SUPPORTING LOCAL COMMUNITIES

Electricity is an important economic growth accelerator for our local communities. Guala Closures India sponsored street lighting of a local village in the state of Goa providing 99 street light fixtures.

SAVING ENERGY

We have signed a 10 year Solar Power Purchasing Agreement in relation to the supply of electricity to our Dharwad facility. The agreement is aimed at supplying 3 million units of solar power per year. It will avoid annually about 2,550 tons of CO2 emissions, which represent more than 80% of our 2018 GHG Scope 2 plant emissions.

INDICATORS HIGHLIGHTS

- 6% reduction in energy consumption (GJ/t FP) in Daman and Goa
- Zero accidents in Goa
WORLDWIDE PLANTS OVERVIEW

ITALY / Guala Closures SpA

Guala Closures SpA is wholly owned by the Group, and has three plants: in Spinetta Marengo, Magenta and Termoli. In addition, Guala Closures SpA owns Guala Closures Pharma which manages a single plant in Vasto that produces packaging for medicines.

INDICATORS HIGHLIGHTS

- 4% reduction in GHG scope 1&2 (tCO₂eq/t FP)
- 17% reduction in water consumption (m³/t FP)
- 11% reduction in GHG scope 3 (tCO₂eq/t FP)
- 51% reduction in accident frequency indicator (accidents / million worked hours)
- 20% reduction in scrap (%)

PROTECTING THE PLANET

We replaced all the chemical products used to clean the production departments with natural products. This cleaning product renewal has several benefits: Reduction in the quantity of material used; Cost reduction for disposal and water treatment; Reduction on the use of chemical products in plants and offices; Increase the awareness of our suppliers to guarantee natural products also in the future.

WASTE AND TRANSPORTATION

In the assembly area, we installed two compacting presses to make tied bales of nylon waste and cardboard. This will remove cardboard boxes and reduce the transport of nylon waste.

SUSTAINABLE & EFFICIENT PRODUCTION

In 2018, we started using Iris, a software that tracks data related to production (quality, waste, resolutions, suspended…). We provided 250 hours of training to all the personnel working on the lines. Benefits are:

- Paper consumption reduction; EE consumption reduction and printer ink; Reduction of labour time in the registration process; Better product traceability; Reduction in raw materials consumption, and thus a reduction of the CO₂ produced by their use.

- We replaced octabin cardboard boxes with folding plastic boxes, used for all the internal material handling between the various production departments for the different line feeds. We reduced cardboard consumption, transportation and labour time (handling employee). In 2019, we will purchase another 600 boxes.

- We replaced all the chemical products used to clean the production departments with natural products. This cleaning product renewal has several benefits: Reduction in the quantity of material used; Cost reduction for disposal and water treatment; Reduction on the use of chemical products in plants and offices; Increase the awareness of our suppliers to guarantee natural products also in the future.

- In the assembly area, we installed two compacting presses to make tied bales of nylon waste and cardboard. This will remove cardboard boxes and reduce the transport of nylon waste.

- In 2018, we started using Iris, a software that tracks data related to production (quality, waste, resolutions, suspended…). We provided 250 hours of training to all the personnel working on the lines. Benefits are:

- An aluminum compactor eliminates the use of removable containers for virgin aluminum management, avoids dispersion in the air of aluminum powder.

- Mills for plastic grinding were added on to the machines. Thus, we can reuse the plastic for production, avoiding waste.

- Three vision cameras on an assembly machine create the possibility to discard non-compliant capsules before the insert step, and allow better waste management.

COUNTRY DIRECTOR ITALY: Gianni Ferrari
SPINETTA MARENGO & TERMOLI DIRECTOR: Lucia Grande
MAGENTA DIRECTOR: Fabrizio Venezia
VASTO DIRECTOR: Fabio Rastelli
LOCAL PROFESSIONAL MEMBERSHIP
CETIE, Instituto Italiano Imballagio, Proplast
SAVING ENERGY

We reduce energy consumption thanks to:
• Mold and ambient air conditioning circuit pumps: in collaboration with KSB Italia, we modulate the motor revolutions by controlling the circuit pressure.
• Two new moulds and revision of the overflow washer mold injection system, to allow a 5-day continuous cycle
• Automatic latching on the loading ramps to prevent dispersion of heat/cooling.
• Hot foil machine replacement with double production capacity, resulting in increased efficiency.

SAFETY AT WORK

In our plant, we revised the layout and repainted the floors according to the new destination. This makes our workplace safer, making the use of destination areas visible.

MAGENTA

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

MAIN CLIENTS
inter-company

MAIN LOCAL CLIENTS
FTT, Scatolificio, Silfa, ICM, Metalprint, Fanti, LBS

SAVING ENERGY

16% reduction in waste production (kg/t FP)
7% increase in OTIF score
11% increase in OEE score

INDICATORS HIGHLIGHTS

VASTO

CLOSURES
ROPP, Flip Off Type, Rubber stopper, pharmaceutical closures

MAIN INTERNATIONAL CLIENTS
Fresenius Kabi, GSK, ACS DOBFA, Recipharm, Sandoz, Diaco, Unither Liquid, Vetoquinol, Baxter Bieffe, Medochemie

MAIN LOCAL CLIENTS
Biologici Italia, Fisiopharma, Bioindustria, Interret, Esseti, Sm Farmaceutici, Monico, Angelini, Damor, Salf

SAVING WATER

Water for injection and purified water are considered as raw materials for rubber stopper production. It is directly proportional to the number of pieces produced. We are evaluating the reduction of water discharging in order to reduce our environmental footprint and save money.

INDICATORS HIGHLIGHTS

12% reduction in water consumption (m³/t FP)
17% reduction in waste production (kg/t FP)
Zero accidents

SAVING ENERGY

At Vasto, we are putting up a feasibility study to have a solar/thermic installation for the heating of purified water used in the rubber stopper washing process. In this way, we expect to reduce our electricity consumption.

SAVING WATER

We are eager to lower our electricity consumption. In the outdoor area, we then decided to replace the old lamps with LED lamps (10 LED lamps of 185 W). Moreover, we improved the external visibility.

INDICATORS HIGHLIGHTS

16% reduction in waste production (kg/t FP)
7% increase in OTIF score
11% increase in OEE score

VASTO

48 employees
4,500 m²

SAVING WATER

We are evaluating the reduction of water discharging in order to reduce our environmental footprint and save money.

INDICATORS HIGHLIGHTS

12% reduction in water consumption (m³/t FP)
17% reduction in waste production (kg/t FP)
Zero accidents
SUPPORTING AND DEVELOPING STUDENTS

We provide support to students through two programs:

• In partnership with the SEDES (Secretary of Sustainable Economic Development) we support job seekers who require personal training to facilitate their placement or the development of a productive activity on their own. Having this program supports students who are about to graduate to obtain knowledge of the workplace.

• Our plant put up a dual training program, consisting in training both at the company and at school. Thus, there is almost immediate application of the principle «Learn by doing» in the real environment of the profession.

DEVELOPING OUR EMPLOYEES

In collaboration with INAEBA (Institute of Literacy and Basic Education for Adults), we give the opportunity to the staff to finish their secondary school and manage to cover the profile that the company requires. At the advanced level, attention is given to young people and adults who are willing to access a higher level of high school.

This year, we took several measures to increase our plant capacity of production and optimize its energy consumption:

• The knurling process used to be performed in a different line: this generated oversaturation and dead times. A cutting machine was transformed into a knurling machine to increase production effectiveness.

• The production of L-1 caps was done in an old machine causing quality problems and low efficiency. We increased productivity and efficiency by changing cap cutting sizes. We modified line 6 of presses to improve efficiency and productivity for the second punch.

• We purchased two offset machines (O-70 and O-10), increasing our production capacity. Moreover, we modified the O-30 machine to allow decoration machines for large formats because of O-20 machine saturation.

• Our assembling machine had been modified and we installed a knurling and insertion liner machine for 30x60 caps.

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

COUNTRY DIRECTOR
Tomasz Malarczyk

CLOSURES
Roll-on for Wine

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

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

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

INDICATORS HIGHLIGHTS

- 10% reduction in energy consumption (GJ/t FP)
- 31% reduction in waste production (kg/t FP)
- 47% reduction in accident frequency (accident / million worked hours)

PRODUCTION EFFICIENCY AND WASTE MANAGEMENT

In 2018, a new Kemo feeding system was designed to improve the feeding of sheets to the Kemo Press. The current system is very wasteful if the sheets are not perfectly stacked, if they are stuck together or blocked in the stillage.

The new system will cope better with blocked sheets, re-align them before feeding into the machine and ensure only one sheet is set at a time. We also acquired a Vision System for Litho Positioning.

This technology uses both cameras and software we developed to accurately align and position the decorated litho sheets on our Kemo Press. This has reduced setup times from about 1 hour to less than 10 minutes, reduced wasted sheets used in setup and scrap at the finish lines.

OPTIMIZATION OF DELIVERY AND CUSTOMER SATISFACTION

Most of the products are shipped on pallets by road transport to our major wine producing destination in Marlborough. This is costly and there is a risk of product damage due to the additional handling when transporting by road. We decided to send more products by rail. This is more economical and products arrive in good condition. The objective is to double the number of containers by rail from 56 last year to 110 this year. This should bring improved quality to the customer, reduced transport claims and reduced costs of transport.
OUR PLANT IN CAPE TOWN PRODUCES SAFETY, ALUMINIUM AND LUXURY CLOSURES, AND IS WHOLLY OWNED BY THE GROUP.

**COUNTRY DIRECTOR**

Giuseppe Carosini

**CLOSURES**

Safety and Roll-on for spirits, wine and beverages

**MAIN INTERNATIONAL CLIENTS**

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

**MAIN LOCAL CLIENTS**

Distelle, Diageo, South African Breweries, KWV, DGB, Aspen Pharmcare, Pioneer Foods, Overhex, Robertson

**LOCAL PROFESSIONAL MEMBERSHIP**

None

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**INDICATORS HIGHLIGHTS**

- 88% reduction in accident (accident/million worked hours)
- 20% reduction in scrap (%)
- 9% increase in OTIF score

**SAVING ENERGY**

In our plant, we replaced about 65% of our conventional bulbs with LEDs. This has helped to reduce the plant’s environmental footprint. We are still replacing conventional bulbs, hoping to reach 100% LED lighting.

**REDUCING WASTE & EFFICIENT PRODUCTION**

This year, we undertook two project to optimize our aluminum consumption and the OEE of the plant:
- Purchase of a modern BK punching machine to save aluminum. Representing a decrease of 4.8% to 5%.
- We are implementing ASPROVA, a production planning system, in order to increase the plant’s OEE. This allows us to create production schedules at high speed, integrating multiple processes.

**SAVING WATER**

As the Cape region has been through a severe drought, we developed a saving water programme to reduce our water usage:
- We adjusted the amount of water to be used when flushing. We also collect the water that is formed by condensation from our air conditioners for washing of the floors.
- Re-routing our rain water pipes into three tanks for rain water storage, connected to all the toilets on our site. We installed a wellpoint in order to pump ground water out during drought periods.
- Staff awareness programme: we put up posters at all taps and toilets to encourage staff to be more aware about water saving. Water consumption is daily monitored and the results are available in our information center’s screens. This permits us to promptly repair water leaks.

The consumption of water went down by 43% thanks to this project. It also permits us to reduce our water reliance on the city. At our present rate of consumption, we stand to save the Cape region water system 3,272,000 litres each year.
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

ALCALÁ DE HENARES

PRODUCTS
PET containers 10 to 5000 ml

MAIN INTERNATIONAL CLIENTS
Diageo, La Martiniquaise, Cointreau, Disco, Opalia Pharma, Pernod Ricard

MAIN LOCAL CLIENTS
Italfarmaco, Alcalá Farma, Canooliva, Osborne, Acesur, Gonzalez Byass, Vapfip

INDICATORS HIGHLIGHTS
10% reduction in GHG scope 3 (tCO₂eq/t FP)
87% reduction in waste production (kg/t FP)
19% reduction in scrap

EMPOWERING YOUTH
We are willing to raise awareness on environmental issues. This project aims to get an ecological greenhouse in a little school made with recycled material, where students could learn different subjects, like biology and technology, getting food from ecological greenhouses and teach them to value the environmental value.

SAVING WATER
The Jerez plant decreased its water consumption by adapting the filling control systems of the water pool. During the cooling system start and stop operations, more than 40% of the total water process is lost. We reduced by 50% the process water, saving 600 m³/year.

INDICATORS HIGHLIGHTS
12% reduction in water consumption (m³/t FP)
23% reduction in GHG scope 3 (tCO₂eq/t FP)
17% reduction in waste production (kg/t FP)
Zero accidents

SAVING ENERGY
The plant launched a programme of renovation of its lightning system. The fluorescent lightbulbs were replaced with LED lamps. The replacement has an economic and environmental impact as we are reducing our total electricity consumption by 10%.

JEREZ

CLOSURES
Safety closures

MAIN INTERNATIONAL CLIENTS
Diageo, Pernod Ricard, Branca Distillerie

MAIN LOCAL CLIENTS
Torres, DZ Licores, Bodegas Fundador, Bardinet, Arehucas

INDICATORS HIGHLIGHTS
10% reduction in GHG scope 3 (tCO₂eq/t FP)
87% reduction in waste production (kg/t FP)
19% reduction in scrap

WASTE REDUCTION
Group’s Champion

SCRAP REDUCTION
Group’s Champion

SAVING ENERGY
WORLDWIDE PLANTS OVERVIEW

SPAIN / Guala Closures Iberica S.A.

OLERDOLA

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.García Carrion, Félix Solís

INDICATORS HIGHLIGHTS

- 38% reduction in GHG scope 3 (tCO₂eq/t FP)
- 53% reduction in water consumption (m³/t FP)
- 38% reduction in waste production (kg/t FP)
- 23% increase in training (hours/ thousands worked hours)

REducing emissions

In 2018, the plant of Olerdola started a collaboration with a hybrid car company. The aim is to switch to a low-carbon economy by scaling down the greenhouse gases emissions during transportation.

TRAINING AND WORKPLACE WELLNESS

In order to develop our employees' skills, we provided a sustainability training using a game design and mechanics to enhance non-game contexts. This project keeps the employees motivated by increasing participation, engagement, loyalty and competition. It is also a way to make team building and thus boosting wellness at work.
OUR PLANT IN SUMY PRODUCES SAFETY, ROLL-ON AND LUXURY CLOSURES, AND THE GROUP HAS A 70% OWNERSHIP STAKE IN THE BUSINESS.

COUNTRY DIRECTOR
Volodymyr Zayets

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

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

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

LOCAL PROFESSIONAL MEMBERSHIP
None

INDICATORS HIGHLIGHTS

Zero accidents

6% reduction in scrap (%)

SAFETY AND SECURITY AWARENESS

We provided a first aid training course to our employees, in partnership with the Ukrainian Red Cross Society. Having well trained personnel at each production area for every shift is an efficient way to ensure first aid in case of accident at the workplace. This training was certified by Global First Aid Reference of IFRC.

Our employees may be led to manipulate chemical products. In this way, we have equipped an information zone and a place to eliminate spills of paints and varnishes. The information board has detailed visual instructions which we’ve developed for working with chemical plants.
OUR PLANT IN KIRKINTILLOCH PRODUCES SAFETY, ALUMINIUM AND LUXURY CLOSURES, AND IS WHOLLY OWNED BY THE GROUP.

COUNTRY DIRECTOR
Ken Moran

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

MAIN INTERNATIONAL CLIENTS
Diageo, Baileys, Dewars/bacardi, Accolade, Encirc, Beam Suntory, Distell, Chivas, IDL

MAIN LOCAL CLIENTS

LOCAL PROFESSIONAL MEMBERSHIP
None

INDICATORS HIGHLIGHTS
- 7% reduction in energy consumption (GJ/1 FP)
- Zero accidents
- 18% reduction in scrap (%)

COMMITTED WITH SCHOOLS
We are involved with supporting local causes, we have partnered with Merkland School who educate children with learning difficulties and disability. We have supported them with an art project, whereby the children were asked to design a closure along with branding for a new Gin product. This was a great project that helped them to build confidence and give them awareness of the new product process.

PRODUCTION EFFICIENCY
We have identified an improved type of carbon which is now used in the carbon bed. The carbon granules, known as 'Environcarb 60', have a 12% greater uptake of VOC. Using the improved granules has increased the lifetime of the carbon bed and reduced the amount of times the bed needs to be replenished. Due to the quality of the carbon installed and the efficiency of the equipment, we have managed to operate the bed for a full year without needing to change the carbon. Emission testing taken during October 2017 confirmed that the levels were still considerably less than the limit values prescribed by SEPA.

SAVING ENERGY AND PRODUCTION EFFICIENCY
Gravitas is Guala Closures heavy weight filled polymer material used to manufacture luxury closures. The material requires a longer injection moulding heating and working cycle time. A project was devised using chilled water to reduce the cycle. We saved 20% of electricity consumption and increased production rate.

WASTE MANAGEMENT
We have invested in a mould tool to manufacture disposable paint stations from waste polymer and regrind. These new stations are used in our chain on edge line and we have also started producing similar stations for use on the sputtering lines. We spray around 20 million parts on the chain on edge lines each year and this project has increased product quality and reduced material waste. Moreover, implementation of the project has removed the need to clean reusable stations with high solvent cleaning materials and eliminated the production of hazardous waste.
WORLDWIDE PLANTS OVERVIEW

USA / Guala Closures North America Inc.

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

COUNTRY DIRECTOR
Simon Yudelevich

CLOSURES
Roll-on for wine and spirits

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

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

LOCAL PROFESSIONAL MEMBERSHIP
None

INDICATORS HIGHLIGHTS

- **87% reduction** in waste production (kg/t FP)
- **Zero accidents**
- **277% increase** in training (training hours / thousand worked hours)

WASTE REDUCTION

In 2018, we implemented a scrap reduction project in our plant. The initial project was to install the WA line and create key performance indicators around production and scrap rate in order to understand and create initiatives to increase. The initial target was set at 3% or less. This project results in less waste, less recycling and cost savings.

PRODUCTION EFFICIENCY

To improve the production efficiency of our plant, we focused on the Overall Equipment Effectiveness (OEE) of the WAK line. The target is set at 82% for 2018, and 85% by July 2019. The savings are estimated at 320 hours of annualized work, and thus a reduction of overtime.
WORLDWIDE PLANTS OVERVIEW

Our presence around the world

ANNEXES
## Annexes

### Table of Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
<th>Objectives</th>
<th>Deadline</th>
<th>Baseline</th>
<th>Results 2016</th>
<th>Results 2017</th>
<th>Results 2018</th>
<th>Trend</th>
<th>Final Results Expected</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CO2 Emissions</strong></td>
<td>Atmospheric emissions plants and CO2 equivalent</td>
<td>To reduce carbon dioxide equivalent emissions (Scopes 1 and 2) by 25% per tonne of finished product</td>
<td>2022</td>
<td>1.64</td>
<td>2.19</td>
<td>2.16</td>
<td>1.99</td>
<td>1.16</td>
<td>1.64 teqCO2/t FP</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To certify indirect CO2 emissions (Scope 3)</td>
<td>2017</td>
<td>-</td>
<td>-</td>
<td>✓</td>
<td>-</td>
<td>-</td>
<td>Certification of GCG Scope 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To develop partnership projects with suppliers to reduce the usage of raw materials and transport</td>
<td>2020</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>To develop several partnership projects with suppliers to reduce the usage of raw materials and transport</td>
</tr>
<tr>
<td><strong>Energy Consumption</strong></td>
<td>Consumption of all sources used</td>
<td>To reduce energy consumption per finished product (GJ/tonne FP) by 25%</td>
<td>2022</td>
<td>13.18</td>
<td>17.87</td>
<td>17.86</td>
<td>16.21</td>
<td>13.18</td>
<td>GJ/t FP</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To Facilitate the supply of renewable energy</td>
<td>2020</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Minimum 3 main BU as renewable energy pilot</td>
</tr>
<tr>
<td><strong>Waste</strong></td>
<td>Waste produced, type and final destination</td>
<td>To reduce the waste generated per finished product by 20%</td>
<td>2020</td>
<td>2.16</td>
<td>2.19</td>
<td>2.07</td>
<td>2.05</td>
<td>2.18</td>
<td>kg/t FP</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To reduce hazardous waste with respect to total waste produced &lt;5%</td>
<td>2020</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>&lt;5%</td>
<td>kg/t FP</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Zero waste in the landfill (kg)</td>
<td>2017</td>
<td>13.55</td>
<td>27.2</td>
<td>23.7</td>
<td>15</td>
<td>0 kg</td>
<td>&gt;1%</td>
</tr>
<tr>
<td><strong>Raw Materials</strong></td>
<td>Raw materials, accessory, auxiliary and packaging materials</td>
<td>To decrease the percentage of scrap &lt;2%</td>
<td>2022</td>
<td>218</td>
<td>2.56%</td>
<td>3%</td>
<td>2.87%</td>
<td>&lt;2%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>To increase the quantity of recycled and/or low environmental impact aluminum with respect to the total employed</td>
<td>2020</td>
<td>-</td>
<td>-</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>To have minimum 1 supplier low impact</td>
</tr>
<tr>
<td><strong>Water</strong></td>
<td>Water drawn</td>
<td>To reduce the water drawn per finished product (m3/t FP) by 20%</td>
<td>2020</td>
<td>3.16</td>
<td>3.98 m3/t FP</td>
<td>3.64 m3/t FP</td>
<td>3.46 m3/t FP</td>
<td>3.16</td>
<td>m3/t FP</td>
</tr>
<tr>
<td><strong>Environmental Management</strong></td>
<td>Environmental management systems</td>
<td>To obtain ISO 14001 certification for all Group Plants</td>
<td>2020</td>
<td>-</td>
<td>3 plants certified</td>
<td>4 plants certified</td>
<td>8 plants certified</td>
<td>13 plants certified</td>
<td>All plants certified</td>
</tr>
<tr>
<td><strong>Health and Safety</strong></td>
<td>Accident frequency and gravity</td>
<td>Zero accidents - To reduce the accident frequency indicator</td>
<td>2020</td>
<td>4.5</td>
<td>9.0%</td>
<td>7.7%</td>
<td>10.4%</td>
<td>7.4%</td>
<td>4.5%</td>
</tr>
<tr>
<td><strong>Training</strong></td>
<td>Type &amp; quantity of training given</td>
<td>100% of employees with 2 hours of Sustainability Program training</td>
<td>2018</td>
<td>100%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To strengthen the development program for internal resources</td>
<td>2020</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strengthen the development program for internal resources - to be defined</td>
<td>2020</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Diversity</strong></td>
<td>Gender and cultural differences</td>
<td>To promote awareness campaigns to facilitate the integration of diverse groups</td>
<td>2020</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Diversity survey</td>
</tr>
<tr>
<td><strong>Production Efficiency</strong></td>
<td>Efficiency of production systems</td>
<td>Overall Equipment Efficiency (OEE) &gt; 85%</td>
<td>2022</td>
<td>&gt;85%</td>
<td>73.8%</td>
<td>76.5%</td>
<td>77.1%</td>
<td>77.7%</td>
<td>&gt;85%</td>
</tr>
<tr>
<td><strong>Innovation</strong></td>
<td>Innovative capacity</td>
<td>To develop at least 26 patentable ideas</td>
<td>2020</td>
<td>26 patents</td>
<td>-</td>
<td>3 new patents</td>
<td>6 new patents</td>
<td>15 new patients</td>
<td>26 patents</td>
</tr>
<tr>
<td><strong>Customer Satisfaction</strong></td>
<td>Customer satisfaction</td>
<td>On Time to Full delivery (OTTF) &gt; 95%</td>
<td>2022</td>
<td>&gt;95%</td>
<td>83.9%</td>
<td>88.5%</td>
<td>86.9%</td>
<td>88.8%</td>
<td>&gt;95%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>All plants SEDEX accredited</td>
<td>2017</td>
<td>-</td>
<td>21 plants</td>
<td>27 plants</td>
<td>26 plants (fusion of 2 plants)</td>
<td>-</td>
<td>All plants</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ISO 22000 for all Group plants</td>
<td>2020</td>
<td>-</td>
<td>15 plants</td>
<td>15 plants</td>
<td>17 plants</td>
<td>-</td>
<td>All plants</td>
</tr>
</tbody>
</table>
**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.

**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 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.

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

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

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

**FINISHED PRODUCT (FP)**
All material that leaves the plant, such as finished closures, semi-processed to be sold, raw sheet metal to be sold, lithographed sheets. When calculating the finished product for the 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.

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

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

**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 (SI). A gigajoule (GJ) corresponds to 1 billion joules.

**LCA (LIFE CYCLE ASSESSMENT)**
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, geothermal, bio fuels and hydrogen generated from renewable sources.

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

**WELL-BEING**
The state of feeling good, healthy and happy. There are different aspects that include: physical, economic, social, psychological, life satisfaction and work.
In 2018, Guala Closures Group has edited a Non-Financial Declaration within the GRI framework.
You can download it on: www.gualaclosures.com

The report integrates the whole CSR programme of Guala Closures Group and its 29 plants across the world, which deploy the CSR roadmap “2016-2022” and the 12 indicators at local level.
The report’s scope covers our entire activities in 20 countries and 29 plants, except for the two new plants (in Kenya and the UK) due to their acquisition in 2018.
Exceptions are marked directly into the indicators’ pages if applicable.
The reporting period for all data takes place from January 1, 2018 to December 31, 2018.