

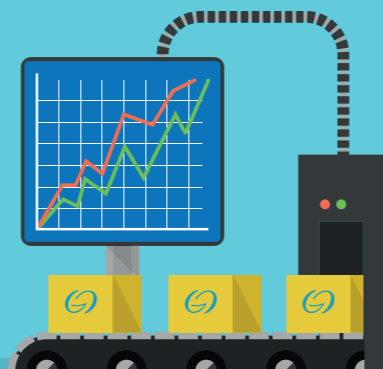
SUSTAINABLE DEVELOPMENT

Annual report 2017



Working together
for sustainable growth





PROTECT

EQUALITY

PERFORMANCE



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...Marco Giovannini

To our stakeholders:

2017 was for us a remarkable year!

It has been a transition year. We finalized three significant acquisitions in three different areas to match our growth strategy. We are confident that these acquisitions will deliver considerable results in 2018. We are preparing to enter the stock exchange. This ambitious project mobilized corporate teams and country directors and is going to be successful in 2018.



In this context, and even more than before, Guala Closures Group interprets its vocation as a multinational organization through a policy of Corporate Social Responsibility (CSR), considering this commitment to be an integral part of its mission.

Markets in which we are working are changing and we have to face some challenges. More than ever, we are convinced, that listening to all our stakeholders will guide our growth. We lead our business in a spirit of transparency and commitment towards the market and stakeholders.

We have completed the second year of our 5-year Group CSR Programme. Progress has been made in its implementation by all the company's Business Units, reinforcing and guiding our growth strategy.

To achieve our objectives over the next three years we need the involvement of our staff at all levels, guaranteeing full compliance with social and ethical aspects across the organization. Moreover, beyond our teams, we must strengthen relationships with suppliers and customers. We need to work together to facilitate all aspects of sustainability, and with our suppliers, deliver and guarantee the highest levels of product and service quality.

We are aware, at the board level as well as at management or operational level, that taking into account human and environmental factors improve economic and financial performance. In this CSR report, you will discover that the group and its businesses are embracing the full scope of sustainability. We hope you will appreciate learning about our efforts. Your questions and comments are welcome. We are convinced that an open and informed dialogue with stakeholders develops trust. A better understanding of your expectations will enrich our Programme, improve our practices and derive satisfaction for all.

Thank you all, and happy reading!

Sincerely,

Marco Giovannini
Chairman & Chief Executive Officer

...Franco Bove

Chief Operating Officer

What is the maturity of Guala Closures in terms of Corporate Social Responsibility (CSR)?

Franco Bove: Dynamicity, exclusivity and uniqueness are key features of our Group. In 2017, we have homogenized our practices, tools and reporting methods worldwide.

Every year the scope of the Group changes, making an effective comparison with the previous year's operational activities difficult. This year, the results are not completely aligned with our expectations. We have some very aggressive objectives which need to be aligned with the modified scope of the business. (new plants, different production mix from one year to the other). In 2018, we will support each Business Unit to strive for a more ambitious change and attainment of objectives.

Please tell us about the Group's actions regarding environmental impact?

FB: One of our main issues is to reduce our direct greenhouse gas (GHG) emissions. But we want to go even further in our fight against climate change. This year, we are proud to have the certification of all our emissions on Scopes 1, 2 and 3.

By gaining a deeper understanding of our emissions profile, it is easier to know where to act and to measure the efficiency of our actions. Indeed, the Group has dedicated considerable resources to the assessment of the carbon footprint of the plants through the GHG protocol. We invested in a new tool that required us to review our 2016 reporting protocol and to redefine our targets. We decided to maintain our objective to reduce our direct emissions by 25% before 2020, but the new baseline is 2016 instead of 2015. We only have 4 years instead of 5 to achieve the objective. Thus we have to accelerate our Programme!

Some local projects impacting energy consumption and the production of renewable energy are already planned. For example, in 2018 we'll use solar energy



in one of our plants in India, and we have signed a "Trigeneration" project for one of our plants in Italy.

Furthermore Guala Closures Group decided to create a "Corporate Green CAPEX Budget". It will be allocated to projects with significant medium term GHG emissions reduction.

Finally, we aim to reach 100% ISO 14001 environmental certification by the end of 2020. At the end of 2017, eight of our plants are certified.

How are social topics addressed at Guala Closures?

FB: The Programme and targets will be precisely defined in 2018.

Our priority is naturally to guarantee health and safety in all our plants and we want to go further working on the well being at work for all Guala Closures people.

Since our customers' requirements are continuously evolving, we also need to support our staff at all levels, providing appropriate training to promote the development of personal capability and new skills.

Diversity and inclusion are strategic issues and one of our 3 social key indicators. As a matter of fact, in 2018 we've planned a survey on diversity and inclusion issues in all the countries we operate in. According to the results we'll define a strategy for the Group that will have to be applied locally whilst respecting cultural sensitivities.

Key figures



€ 534.8 ML
TURNOVER 2017



14.3 BN CLOSURES
SOLD IN 2017



5 RESEARCH AND DEVELOPMENT
CENTRES



4,234 EMPLOYEES
WORLDWIDE



6 PRODUCT
CATEGORIES



SALES NETWORK IN OVER
100 COUNTRIES



29 NATIONALITIES
REPRESENTED



26 HOURS
OF TRAINING PER PERSON



27 PLANTS
3 SALES OFFICES



OVER 140 PATENTS
AND INTELLECTUAL PROPERTY
RIGHTS



151,500 TONNES OF CO₂
COMPENSATED SINCE 2011



OVER
260,000 TREES
PLANTED SINCE 2011

Updated to December 31, 2017

Guala Closures Group worldwide



GCL HOLDINGS S.C.A.

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

CLOSURES PRODUCTION

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

North America	USA	Fairfield (California)
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South America	Argentina	Chivilcoy
	Brazil	São 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	South Africa	Cape Town
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PHARMA PRODUCTION

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

PET PRODUCTION

Europe	Spain	Alcalá de Henares
---------------	-------	-------------------

SALES OFFICES

Europe	France	Tours
South America	Argentina	Buenos Aires
Asia	Japan	Tokyo

Mission and values

EXCELLENCE
INNOVATION
SUSTAINABILITY

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



“Protect your quality. Create your value”



OUR 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 with 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.



THE GROUP'S TOP MANAGEMENT IS COMMITTED TO:

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

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

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 Closures Group celebrates 15 years in the business and 60 years in the business for the Guala Group . Inauguration of the first production plant in Fairfield, California , featuring modern and avant-garde Design Studio
2015	Guala Closures Group present at EXPO Milan Opening Guala Closures DESIGN STUDIO Italia at Basaluzzo New offices and HQ in Luxembourg New plant opening in Santiago de Chile
2016	Acquisition of CAPMETAL in France in December 2016 GCL Technologies founded in Foetz (LUX)

2017 highlights

- 🌿 Acquisition of **AXIOM Propakck Pvt Ltd** in **India** – production of plastic safety closures
- 🌿 Acquisition of wooden overcaps assets of **LIMAT SA de CV** in **Mexico**
- 🌿 Acquisition of aluminium screwcap assets of **ICSA (Industria Corchera S.A.)** in **Chile**
- 🌿 Opening of **GCL Technologies**, the 1st technological innovation center of the Group based in **Foetz, Luxembourg**
- 🌿 New identity for BU France: from Capmetal to Guala Closures France
- 🌿 New identity for the pharma division: from Pharma Trade to GCL Pharma (January 2018)



Markets and brand portfolio

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

The quoted percentages derive from the Group's 2017 turnover with the named categories accounting for 97.2% with the balance of 2.8% from other revenues. All the products are sold to two types of customers: multinational and local customers (more details can be found in the Plants section).



SPIRITS

62.7%

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

www.savethespirits.com

20.3%

WINE



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

www.winedevelopers.com / www.savethewines.com



WATER AND BEVERAGES

10.2%

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

2.0%

OIL AND VINEGAR



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

www.salvalolio.com



PHARMA

1.5%

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

www.gclpharma.it

0.5%

PET



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

Technologies

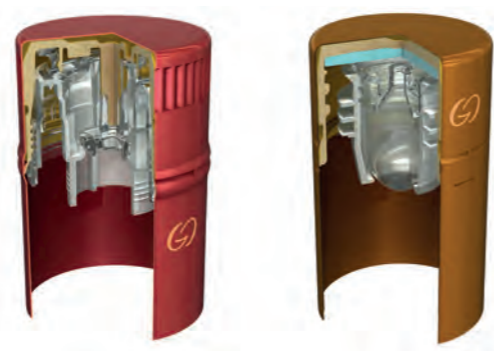
The SAFETY CLOSURES created by Guala Closures fight against counterfeiting. This illegal phenomenon affects all countries worldwide, and consists in refilling and substituting the original product. Such actions cause not only enormous economic damage to the company, but – above all – provides a serious risk to the health and safety of 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.



SMART AND SUSTAINABLE DESIGN.

When producing safety closures for customers who sell products in different areas of the world, companies like ours must consider local regulations with respect to safety and counterfeiting. Guala Closures offers a design which is easily adaptable by adding 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.

Customizing capabilities

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

ICON

Premiumization has always been part of Guala Closures. Our artisan Know How nourished by dedicated technologies, generating iconic closures:

- *Sputtering metallization matt & shiny*
- *Spray painting*
- *Top & side embossing or debossing*
- *Material effects*
- *Integration of emblems, tags and medallions*



ESSENCE

Guala Closures introduces Essence, the highest quality Wood Closure. Guala Closures seeks out the best wood materials from around the world to offer luxurious closure solutions.



GRAVITAS

Guala Closures introduces Gravitas, a unique material innovation providing greater design freedom with a wide choice of finish and weight. Our range of customised Gravitas closures bring together the versatility of plastic and the luxury feel of metal.



Water market



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

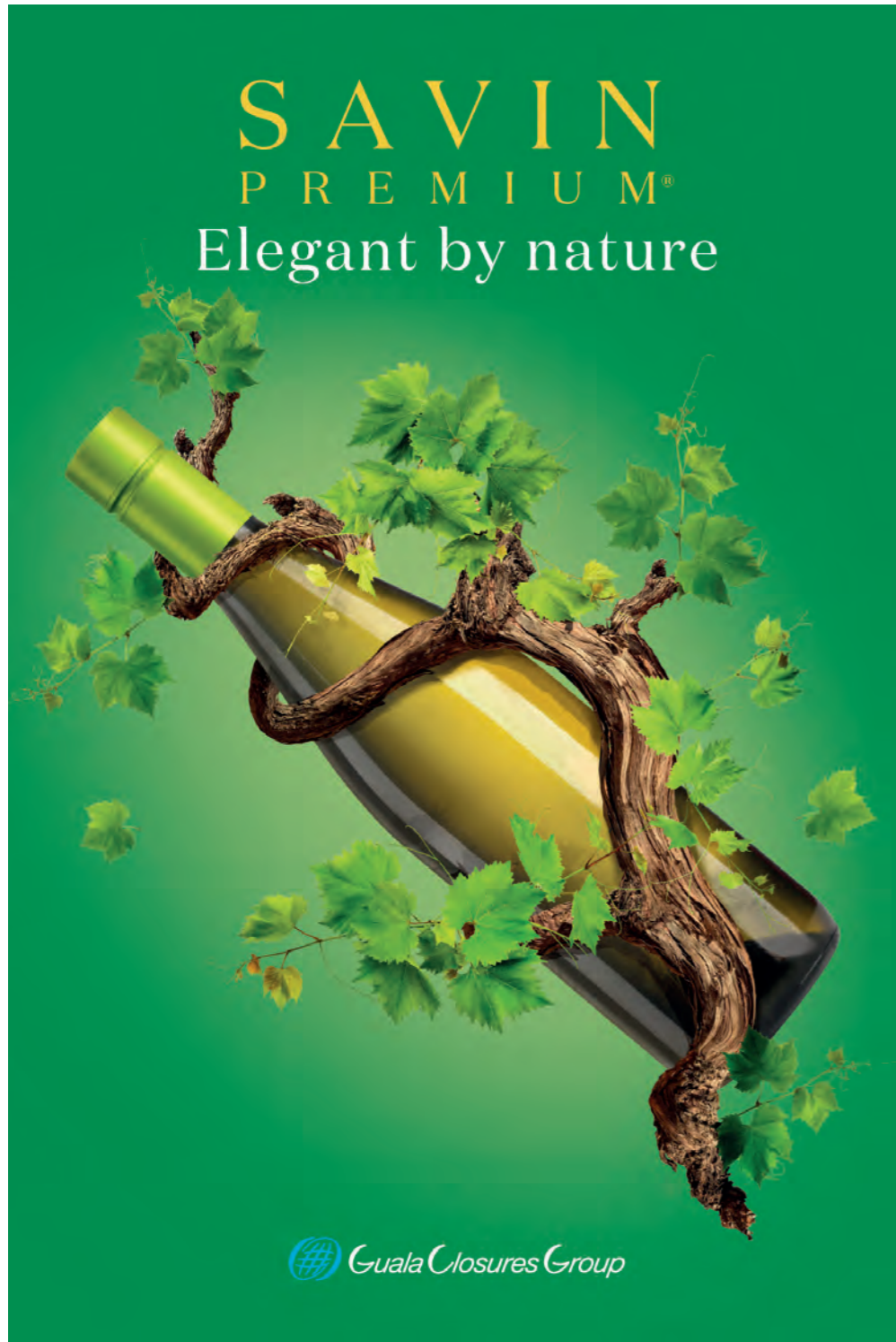


Olive oil market

Olive oil is one of the food products that is most susceptible to adulteration in the world.




For oil products, Guala Closures provides a diversified range of caps, both short and long, with pourers that have been specifically designed for the viscosity of the olive oil, enabling perfect pouring, featuring anti-drip devices to avoid drips from occurring when pouring is interrupted.



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.

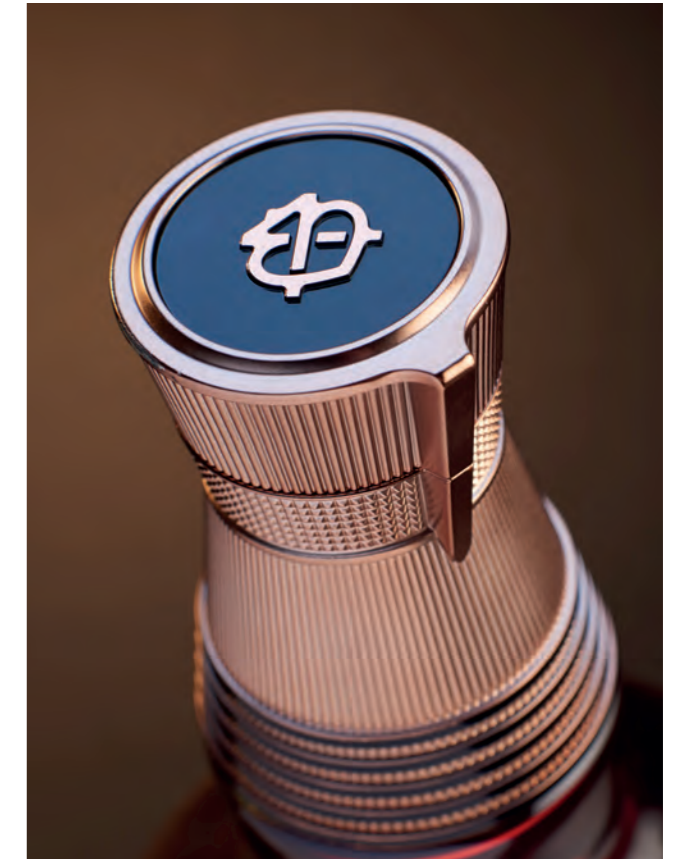
Our technological innovations provide spirit manufacturers with solutions that make the counterfeiting of packaging increasingly difficult. We proactively address strategic issues in this market, including the need of premiumization and of differentiation.

Creative Partner





Passion is the soul of Luxury. The artisans dedicates themselves to the pursuit of perfection. Luxury Closures seek to reflect both brand luxury and perfection, introducing a unique solution.



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.



New trend: IOC



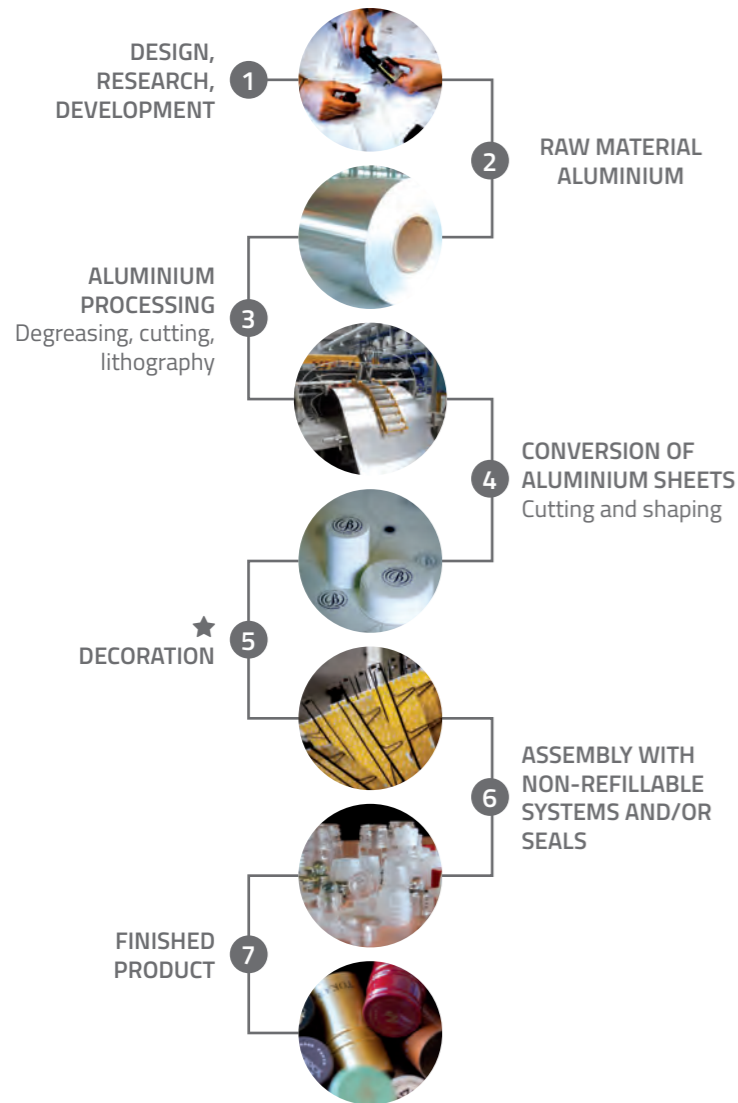
- Changing an isolated bottle to a Connected Bottle, allowing:
- Consumer engagement
 - Track & Trace
 - Product authentication
 - Marketing data acquisition

**CONNECTED
CLOSURES**

Production processes

Guala Closures is the world leader in producing closures, with **more than 14 billion units produced each year**. We rely on two main processes - 'Safety' as well as 'Roll-on and Luxury' - to create our innovative and top-quality closures. Aluminium and plastic are the key raw material components that we use which allow maximum closure safety and convenience.

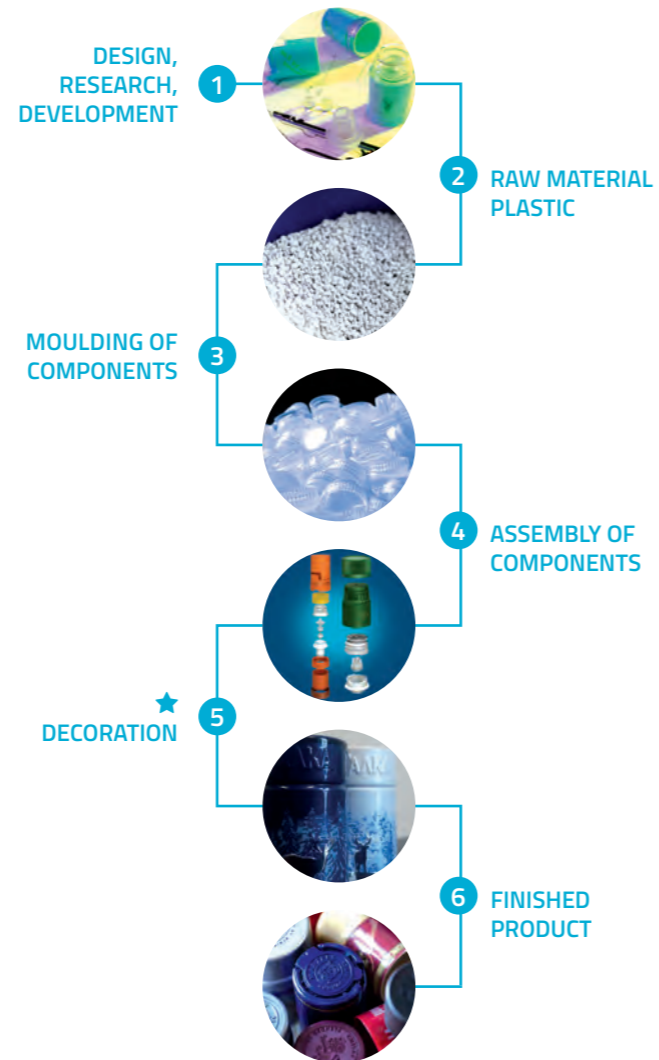
ALUMINIUM TRANSFORMATION CYCLE



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

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.

PLASTIC TRANSFORMATION PROCESS



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

Product Innovation

The markets in which we operate are constantly changing, bringing specific challenges. Customers are often looking for cost reductions for some of their products whilst also seeking to push some brands to a premium level with higher value impact packaging.

The premiumisation trend features in all of our closure categories from spirits and wine to water to olive oil.

But this is not the only major trend in our market. New generations, mainly the "millennials", are pushing to consume alcoholic beverages not made by big producers, but looking for more local, genuine, healthy and simpler products. This is related to the strong growth of craft products, which seek to transmit their origin through packaging.

Marketing, Sales and Product Innovation are, more than ever, requested to transform these trends into captivating and competitive ideas. For this reason, 2017 has seen the team of Innovation and Marketing work constantly closer. This joint work has helped the Innovation Team to recognise these new trends and also to delve deeper into their collective knowledge.

Moreover, Product Innovation is working towards more sustainable products. This is another key for our future success, and we are convinced that we are ahead of our competitors in eco-friendly products.

"The team of Product Innovation is ready for this Market challenge!"

THE PRODUCT INNOVATION TEAM

To respond more effectively to these challenges, in 2017 we reorganised the Product Innovation Team to reflect three different areas and approaches. Each area has its own projects and its own way to manage them with a focus on traditional project management for "customer requests", a creativity and brainstorming approach for "widening and strengthening our markets" and a "thinking out of the box" element to create new opportunities.



2017 Awards

2017: TWO ALUFOIL TROPHIES

During the 2017's Alufoil Trophy competition, organized by EAFA (European Aluminium Foil Association), Guala Closures was awarded 2 trophies.

Guala Closures has scooped the first trophy in the **Marketing & Design** category for "Siena" for Stolichnaya.



Stolichnaya, the world famous premium vodka brand has undergone a full pack re-design for the first time in 80 years, involving the entire range of products. The main new feature which characterizes the closure is the side embossed logo and oriented hotfoil decoration, which give to the consumer a new tactile experience. The upper part of the closure features a knurled profile to increase the grip during opening.

The second trophy awarded to Guala Closures Group is for its **state of the art decoration technology "3D embossing" for Salute Amaretto & Limoncello**, in the category **"technical innovation"**. Guala Closures Group brings to the market an aluminium closure that can be decorated using digital printing technology and then metallized using 'sputtering' technology.



2017: TROPHÉE D'ARGENT

The Deauville Green Awards offer an important opportunity for companies, institutions, NGOs and communities to showcase good deeds and practices relating to climate change, the preservation of the environment and to ensure the well-being of future generations.

Over the past five years, the aim of the festival has been to increase the spreading of information through films, commercials and documentaries on sustainability, eco-innovations and social responsibility, providing education on these vital topics. Every year the international competition includes more than 300 films from 35 different countries. The Festival is divided into 3 main competitions (SPOT, INFO, DOCU) and 14 categories.

Guala Closures participated in the «Organizations and social responsibility» category, and won the TROPHÉE D'ARGENT for its social sustainability project concerning reforestation in Colombia.

GUALA CLOSURES UK WINNERS OF THE "SCOTTISH ENGINEERING AWARD 2017"

During the Scottish Engineering Annual Awards Dinner 2017, a successful event with over 3600 guests in attendance, Guala Closures UK received an award for its management systems relating to innovation, process improvement and communication.

Each year the awards are given to the companies which, in the opinion of the judges, demonstrated their significant contribution towards raising the standard of the engineering sector.



Fight against counterfeiting



\$1 billion

THE VALUE OF COUNTERFEITED ALCOHOL PRODUCTION IN THE WORLD

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

An advertising campaign has been planned to support communication, to raise awareness not only of consumers but 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.

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

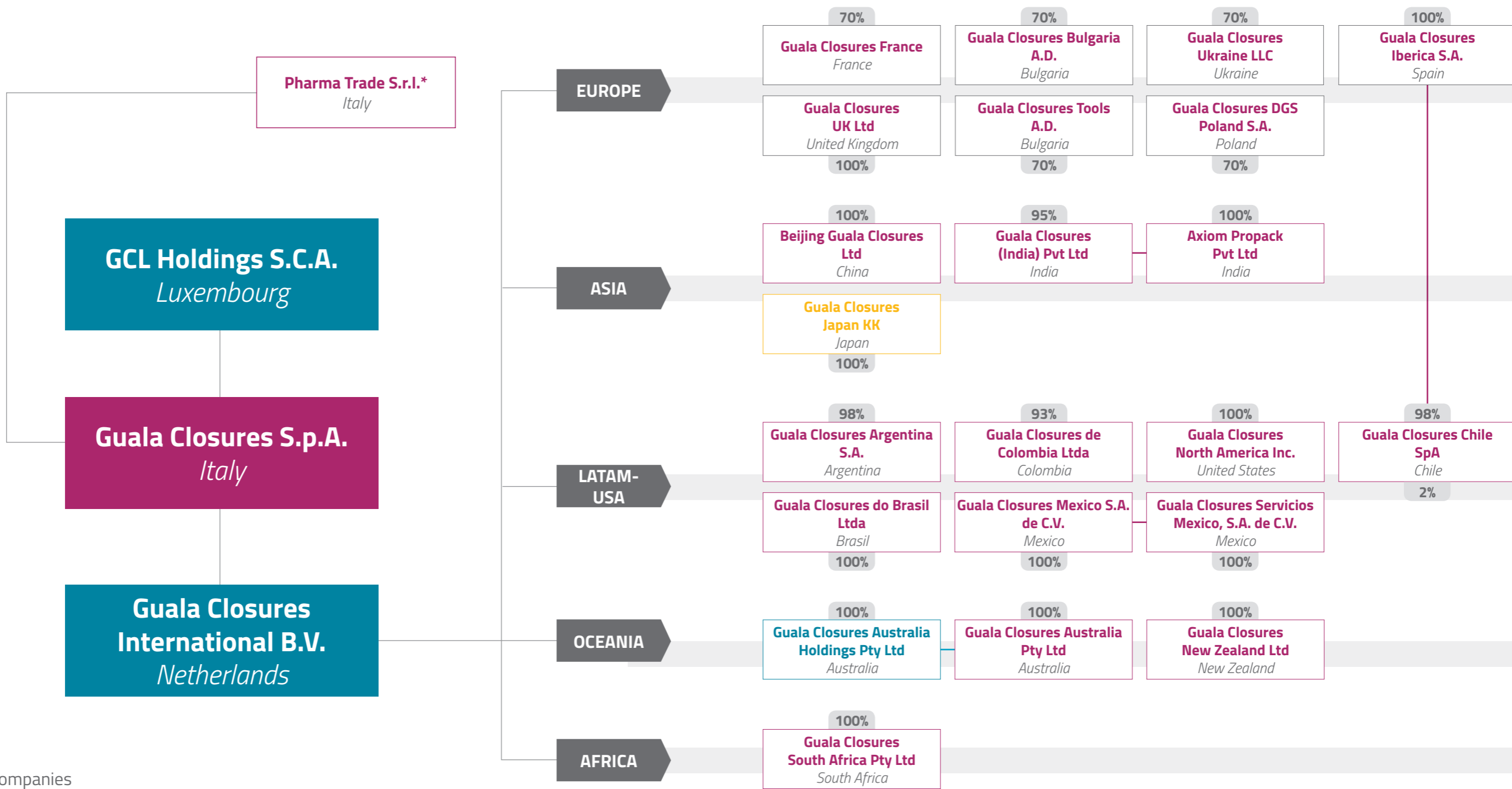
- > www.savethespirits.com
- > www.savethewines.com
- > www.salvalolio.com



12%

THE PERCENTAGE OF COUNTERFEITED OR ILLEGAL SPIRITS IN THE GLOBAL MARKET

Corporate governance



- Holding companies
- Operating companies
- Representative office

* From January 2018: Guala Closures Pharma

Corporate governance



CORPORATE STRUCTURE

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



BOARD OF DIRECTORS

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



SHAREHOLDERS' MEETING

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



REMUNERATION COMMITTEE

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



INTERNAL AUDITING COMMITTEE

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



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.



Economic figures

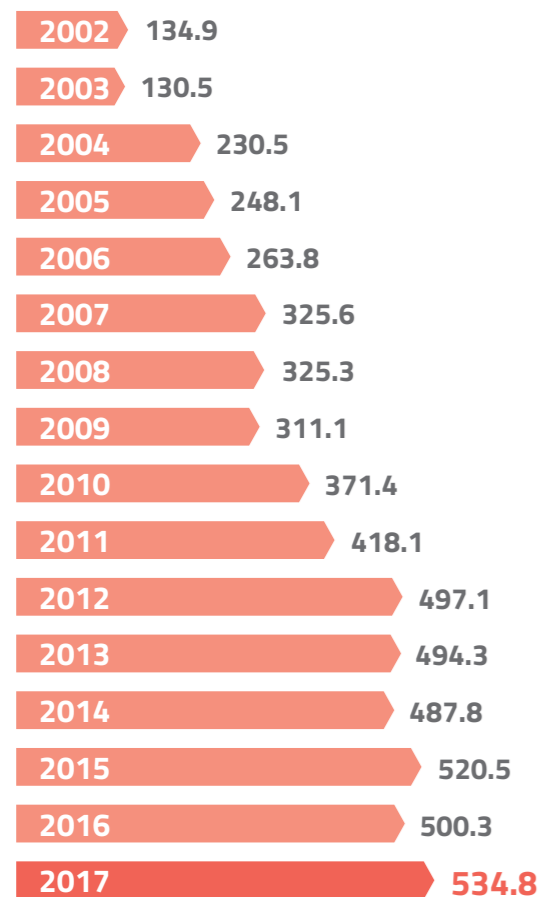
TURNOVER

In 2017, the Group recorded a net revenue of **534.8 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 **8.2% sales growth and an 8.9% increase** in adjusted gross operating profit (adjusted EBITDA).

This performance has been achieved thanks to the measures implemented to improve operating efficiency and to contain costs, the investments made to improve technology, the ability to roll out new products on the market and the ability to direct its investments to best meet customer requirements.

TURNOVER GUALA CLOSURES GROUP

(million euro, 2002-2017)



2017 : 3 NEW ACQUISITIONS

In 2017, we finalized three significant acquisitions in three different areas to match our growth strategy.

First, we fully acquired Axiom Propack Pvt Ltd, the third largest Indian safety closures manufacturer, boosting our market penetration and giving us more room to install free capacity to match a market which continues to grow strongly.

Second, we decided to buy the activities of a small company in Mexico, LIMAT S.A. de C.V., which manufactures wooden overcaps for the tequila market. This step is a significant boost to our strategy to address the luxury and premium spirits segment in a more aggressive and diversified way.

Third, we bought the activities regarding the wine business of ICSA (Industria Corchera S.A.) in Chile with the intention to merge this facility with our existing plant in Santiago and thus become a major player in the Chilean wine market.

Due to the late acquisition, all data of the new plants in India and Chile are not incorporated into this Sustainability Report. Complete data reporting will start in 2018 as it is integrated into our Sustainability 2016-2020 road map.

MAIN ACTIVITIES OF GUALA CLOSURES

The Closures division represents the Group's core business (99.5% of net revenue), specializing in the following product lines: safety closures, luxury (decorative) closures, wine closures, roll-on (standard) closures, pharmaceutical closures and other revenue.

The remaining 0.5% is with the 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 pharmaceuticals and foodstuffs. This division is no longer considered as a core business.

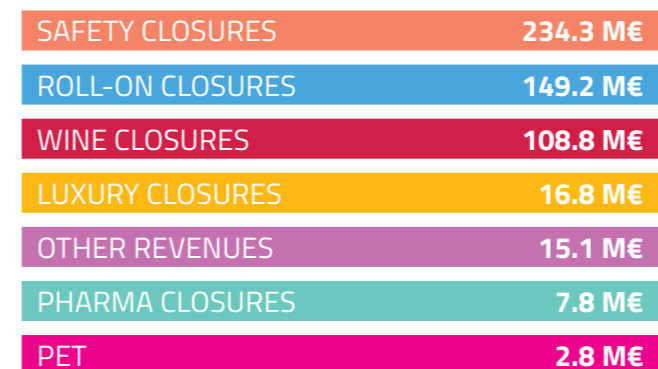
FINANCIAL STATEMENT CERTIFICATION

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

INVESTMENTS

During 2017, the Group invested € 28.6 million (capital expenditure, net of disposal) (€ 31.2 million in 2016), in order to support future growth. The main investments in 2017 were made in Italy, India, Ukraine, Poland, UK and Spain.

REVENUES PER TYPE OF PRODUCT 2017

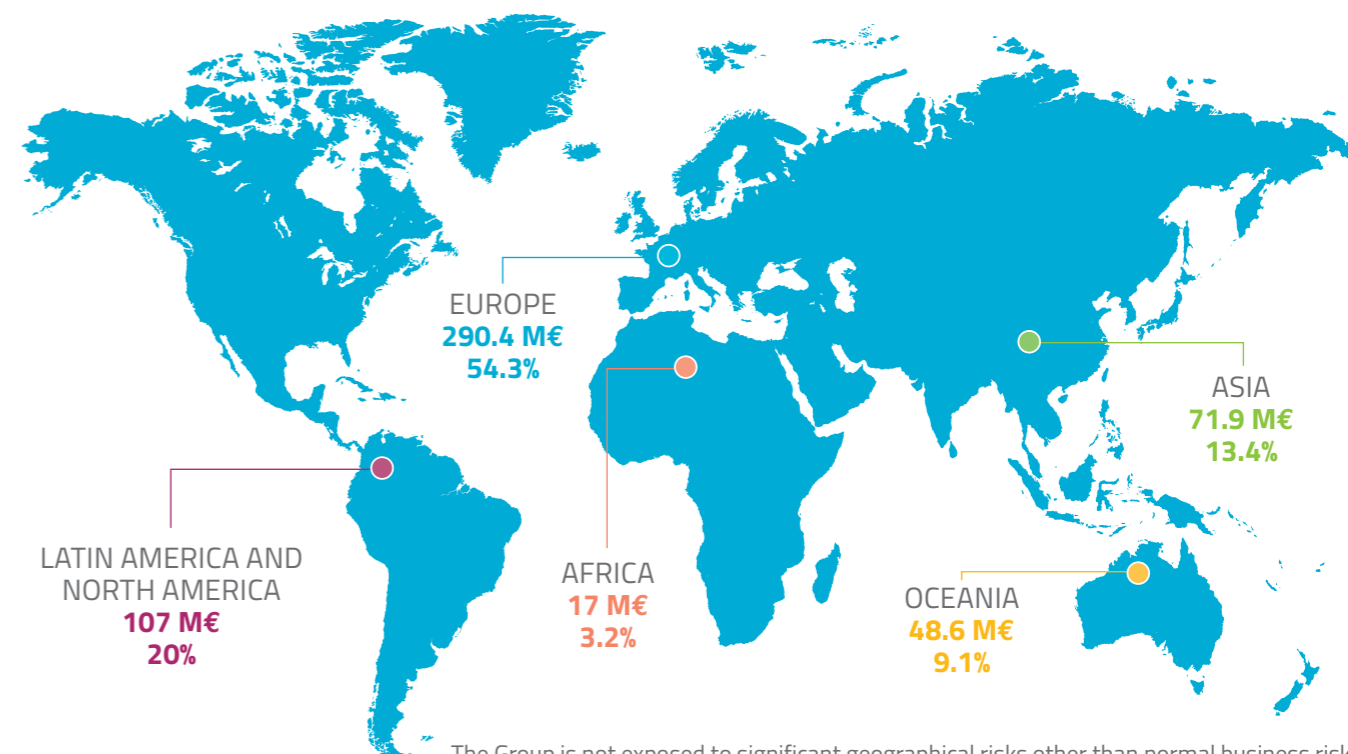


REVENUES PER MARKET SECTOR IN 2017

The spirits and wine markets continue to represent more than 83% of the Group's revenue. The Group's consolidated financial statements are accessible to the public on our website at: www.gualaclosures.com



REVENUES PER GEOGRAPHIC AREA 2017



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

Human Resources figures



4,234 Employees

RECRUITED ON PERMANENT CONTRACT WORLDWIDE



710 agency workers

WORKERS



PRESENCE IN **21 countries**



29 nationalities

REPRESENTED



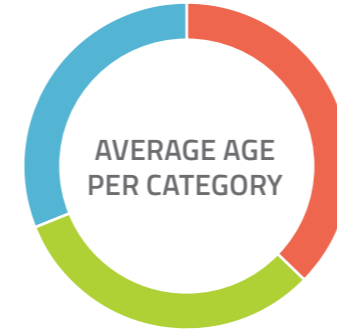
79.6% MEN
20.4% WOMEN



26 hours
OF TRAINING PER PERSON



217 Managers
905 White collar
3,112 Blue collar



47 Managers
40 White collar
39 Blue collar



85.6% Permanent employees
14.4% Agency workers



Illness: 214,750 h
Accidents: 16,344 h
Maternity leave: 24,862 h
Other: 242,961 h
Total: 498,916 h

Regarding health and safety, our sites are free to adopt the OHSAS 18001 standard. So far, we have one site certified in Poland since 2006.

DETAILS ON OHSAS 18001

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

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

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

CSR governance

THE GREEN BOARD

The Green Board was created in 2015 to define and ensure an effective implementation of the agreed sustainability strategy as well as monitoring progress. The Board is made of top executives from both the Corporation and country/ plant levels reflecting a mix of geographical regions.

All country directors and the continuous improvement team collect and transmit to the Green Board the environmental, social and economic KPIs for the Sustainability Programme and GHG scope emission monitoring. The board meets quarterly to discuss progress, hear feedback from top management, identify challenges and suggest strategic solutions, under Franco Bove's leadership.



Franco Bove
Group Chief
Operating Officer

THE GREEN BOARD

DEFINES
the Group's Sustainability Strategy, indicators and objectives.

MONITORS
the strategy's trends and results.

COORDINATES
the editorial staff for the Group's annual Sustainability Report.



Mauro Boano

Group Human Resources
Director



Fulvio Bosano

Group Product Research
and Innovation Director



Armando Finis

Country Director
Spain



José Luis Gutierrez

General Director
Americas



Maurizio Mittino

Quality, Continuous Improvement
and Sustainability Director



Ken Moran

Country Director
United Kingdom



Alessandro Pera

Group Controller



David Stevenson

Country Director
India



Andrea Tassisto

Group Technical
Director



Frédéric de Vanssay

Group Marketing
Director



Fabrizio Venezia

Group Purchasing
Director

CSR strategy

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

CUSTOMER SATISFACTION

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

FOCUSING ON THE CONSUMER

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

ENHANCING HUMAN RESOURCES

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

INVESTORS' SATISFACTION

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

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



PLANET / PEOPLE / BUSINESS



The policies of Guala Closures Group are all characterised by a common, relentless commitment to sustainable development, which enables us to strengthen our market leadership in the production of closures, giving full regard to socio-ethical concerns, product safety and workplace safety, whilst safeguarding the environment. The 5 following policies were signed in April 2017 by F.Bove, Chief Operating Officer and M. Giovannini, Chairman. These policies are common to all the Group production plants. Each policy is based on 3 pillars, the main commitments of which are listed below:

ENVIRONMENTAL POLICY

- We develop or improve our products and processes with a view to safeguarding the environment and saving energy on the basis of product lifecycle, reducing pollution and cutting CO₂ emission per product unit
- We 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.

QUALITY POLICY

- Customer satisfaction is a priority. We want to surpass their expectations, to proactively support their needs, to share technological knowhow to ensure and improve an efficient use of our products. Customer satisfaction is part of how performance is measured.
- Our people are a valued part of our quality policy, with investment in training, communication, development of specific expertises, as well as encouragement of pride in belonging to the group and recognition and celebration of results and objectives achieved.
- We continuously work to check and update products, processes and production systems, encourage strong relationships with key suppliers, respecting and meeting all applicable requirements and applying the concept of continuous improvement to all activities.

FOOD SAFETY POLICY

- To make safe products for our consumers and customers, that are hygienically suitable for contact with food, we endorse and meet legislative and regulatory requirements; we establish a communication channel with all members of the supply chain. Food safety kpi's are part of our performance.
- The development of our products and processes includes compliance with hygiene and food safety standards.
- Our people are a part of the guarantee of food safety that we provide, due to effective methods of internal communication, implementing, assessing and improving Good Manufacturing Practices; this is used for benchmarking between production plants.

WORK SAFETY POLICY

- We want our people to be involved in their own safety. We seek to ensure that our means of communication are effective and guarantee the meeting of requirements and objectives; we gather in observations, complaints and suggestions for improvement; we provide workers where relevant with the knowhow, means and tools to maintain safe conditions in working activities; we share good practices between our different plants.
- We develop or improve products and processes with a view to guaranteeing and improving safety in the workplace; we engage suppliers to optimise the best choices of raw material and to avoid potential risk situations; we work respecting the concept of continuous improvement in all activities.
- We seek to ensure safety in the workplace and respect of the environment endorsing and complying with international, national, local laws and standards, and additional requirements from stakeholders; internal representatives are in charge of training, communication and first aid procedures. We systematically analyse the cause of any accident or potential accident to avoid repeat accidents and to prevent them from happening in the first place. Workplace safety is part of our performance measurement.

ETHICS AND SOCIAL POLICY

- We want our employees to be our added value and we are committed to managing human resources in a correct and clear manner.
- We want our suppliers, the external community and other stakeholders involved in the supply chain to be aware of our integrity in business and commitment to sustainable development.
- We guarantee safety in the workplace and respect of the environment is one of our priorities.

Our policies and procedures on the health and safety of employees, ensuring an easier way for data retrieval and minimising our impact on the environment, allow Guala Closures to take positive steps to fulfilling our objectives.

MANAGEMENT SYSTEMS

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

- > **Quality: ISO 9001:2015**
'Quality management systems - Requirements'
- > **Hygiene: ISO 22000:2005**
'Food safety management systems'
- > **Environment: ISO 14001:2015**
'Environment management systems Requirements and guidelines'
- > **Safety: OHSAS 18001:2000**
'Management systems for the health and safety of workers - Requirements'
- > **Continuous Improvement: ISO 9004:2000**
'Quality management systems Guidelines to improve performance'
- > **Human Resources: SA 8000**
'Social Accountability'

DATA RETRIEVAL

Currently, almost all indicators' data retrieval is done monthly. Each business unit sends its data to the Quality team which checks and compiles the information into a master document.

Also, the central team annually retrieves all actions and initiatives done on a local level, and uses this information to update the current report.

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

LIFE CYCLE ANALYSIS (LCA)

In 2008, Guala Closures performed its first life cycle analysis (LCA), a study that focused on a specific type of closure known as the Divinum.

Additional LCA studies followed in 2014 with our wine and oil closures.

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.



FOCUS ISO CERTIFICATIONS

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

- ☑ **ISO 9001** - A standard for quality management, ISO 9001 ensures that products and services consistently meet customers' requirements, and that quality is consistently improved.
- ☑ **ISO 14001** - A standard for environmental management systems, ISO 14001 helps companies identify and minimise how their operations may affect the environment.
- ☑ **ISO 22000** - A standard for food safety management, ISO 22000 defines the requirements of a management system for safety and food hygiene. This rule applies to producers of packaging and products which come in contact with foodstuffs, as well as plants and machinery used for their production.

Stakeholder map and dialogue

In 2016, thanks to a materiality survey, we shared with our main stakeholders our most key concerns, and built our CSR 2016-2020 Programme accordingly.

As a global business, our perspective is through our main stakeholders — shareholders, investors, clients, employees, suppliers and society at large — on how the environment we operate in is continually changing. Regular and meaningful stakeholder dialogue is, therefore, fundamental to conduct our business responsibly.

It allows us to:

- understand stakeholder concerns
- prepare for potential impacts on our business caused by future global trends or regulations
- minimize risks and detect business opportunities early on
- share information on our sustainability priorities and performance, identify opportunities for collaboration towards common goals and mutual engagement
- explain our position on sensitive topics

The results of our stakeholder dialogue feed into our materiality analysis, sustainability management, and annual reporting. We are aware that the interests of shareholders, clients, employees, etc. can sometime be conflicting, but we always negotiate between all these interests.

HOW WE DO IT?

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

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

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

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

Stakeholders' dialogue may take various forms in each subsidiary and the frequency depends on local situations. The company does not centrally consolidate all the actions carried out by its subsidiaries in this area but encourages them to enhance relationship and strength cooperation with local stakeholders.



Detail of materiality analysis and main issues are available in the 2016 CSR report (www.gualaclosures.com or on demand)

Supply chain control

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).

GLASS SPHERES

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

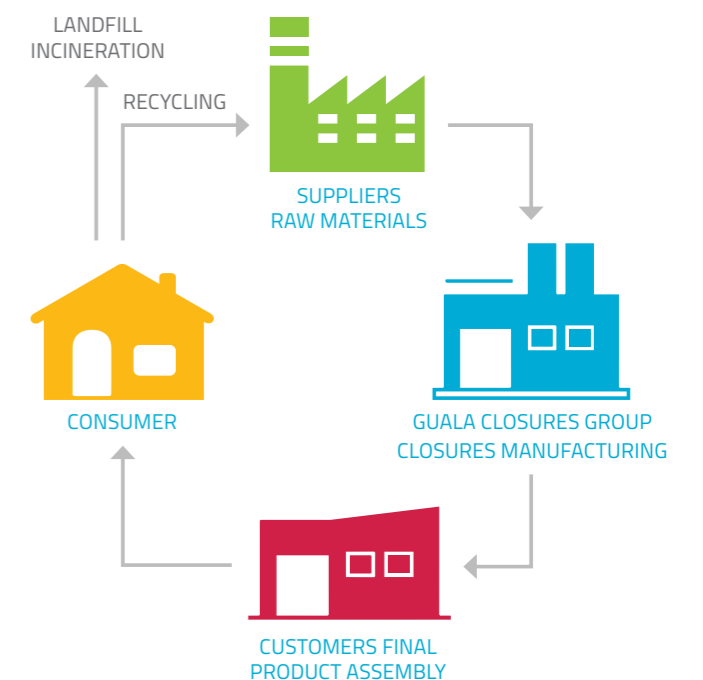
PLANTS AND EQUIPMENT

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 typically are independently managed by the different business units, particularly packaging, transport and office furniture.

CONTROL OF SUPPLIERS

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



Internal communication on Sustainability

INTERNAL INFORMATION ON SUSTAINABILITY

Guala Closures values its Human Resources division which has helped the company continue to grow, improve and promote our sustainability initiative. By informing, motivating and involving our employees, Human Resources has encouraged involvement in the Group's sustainability strategy. This has been a key factor in Guala Closures achieving our objectives which are defined within the sustainability programme.

MAIN COMMUNICATION TOOLS

Sustainability Report

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

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

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

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

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

Newsletter

The internal newsletter 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. The introduction of the sustainability Group report, however, brought changes to the newsletter and we have now 2 versions: one for Italy and one for the Group. In 2017, we published 2 newsletters for Italy (May and December) and 1 for the Group (May 2017).

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.

Your opinions and suggestions are important.

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

2017 Communication in figures

SUSTAINABILITY REPORT

(between 2011 and 2017)

- > More than 12,000 copies printed in English, Italian and Spanish.
- > A digital version sent to managers, clients and suppliers.



NEWSLETTERS ECHO

(between 2011 and 2017)

- > 18 newsletters
- > More than 9,500 copies printed (Italian)
- > A digital English version sent to managers, clients and suppliers.

POSTERS & TOTEM

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



REPORTING SCOPE

This report integrates the whole CSR programme of Guala Closures Group and its 27 plants across the world, which deploy the CSR roadmap “2016-2020” and the 12 indicators at local level.

The following pages give a vision of the performance of the group in terms of Corporate Social Responsibility. They highlight the objectives of the programme and show the progress of the Group against each of the working axes.

The report’s scope covers our entire activities in 20 countries and 27 plants, except for Axiom in India and partially Industria Corchera in Chile, due to their late acquisition in 2017. Exceptions are marked directly into the indicators’ pages if applicable.

The reporting period for all data takes place from January 1, 2017 to December 31, 2017.



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

In your opinion, what are the best practices / successes of 2017 with regards to CSR?

2017 has been an intense year. A lot of work has been done in order to integrate the new plants acquired in 2016 and 2017 into the existing group Sustainability Programme, as well as to implement the new CIS-Tool to collect and monitor all the KPIs of the programme.

Moreover, we have certified our Scope III emissions, obtained the Group’s ISO 14001 certification (this will cover all the plants of the Group within a three years timeframe), completed the insertion of all of our plants into the SEDEX framework, completed a three year reforestation programme in Colombia, whilst in India we have completed the “From school to the fields” project with meaningful student involvement in the Gujarat and the Goa State.

After 2 years of applying your CSR programme, what do you consider the main difficulties to be?

The growth of the Group has provided us with a good challenge, which could create a few difficulties. Indeed, the integration of new plants in the programme requires everyone to start using new methods, new KPIs, and to change their mentality and approach. Therefore the corporate CSR team is involved in corporate activities and has to dedicate the right amount of time to each of the 27 plants.

Besides, during the 2 years of the CSR programme, we have worked hard to put in place tools needed to monitor and analyze results. This will allow us to have more time for the implementation of the action plans in order to meet our targets.

How do you intend to roll-out and accelerate the programme?

The success of the programme is strongly dependent on the commitment of each Country Director.

In fact, they have to share the Group’s objectives and align local objectives with the Group’s strategy. Once committed to these, they must provide resources to their teams to implement the necessary actions.

Many of the objectives are very ambitious and can only be achieved with daily improvement actions. In order to accomplish these, we’re going to work on a three year plan (2018-2020) for each plant of the Group.

Another key aspect to support this programme concerns the Green Board whose mission is to ensure effective verification of the activities and definition of the guidelines for the future.

What are the main challenges for next year (2018)?

We must show that there is a real change of course and we need to set up our improvement plans with a 2020 horizon. For example, we have in the pipeline at least a couple of important projects in terms of energy that will really lead the change. We also intend to start a new reforestation programme in Mexico, again involving schools that are close to our Mexican production plant.



GROUP ENVIRONMENTAL INDICATORS



GROUP ENVIRONMENTAL INDICATORS

CO₂ emissions

ind.01
CO₂ EMISSIONS

At Guala Closures, our aim is to reduce our direct greenhouse gas (GHG) emissions. To further increase the breadth of our environmental responsibility, we have also committed to working with our suppliers and partners to reduce scope 3 emissions together.

In 2017 we implemented a new software for GHG emissions calculation (from TEA to CIS). The new one is more performant and gas emission factors have been up-dated. As a consequence, we recalculated the GHG emissions for 2016 besides those for 2017. It results from the new mode of calculation in a lower level of CO₂ emissions, for 2016, than data published in the last CSR report (Scope 1: 33,616 teqCO₂/t versus 40,834 and Scope 2: 117,937 teqCO₂/t versus 135,018). That's why we publish this year, new figures for the year 2016, in addition to 2017 results. Both of them have been certified by Bureau Veritas. The objective of reducing emissions remains the same: -25% on scope 1 & 2 (but the baseline is 2016 instead of 2015).

OUR COMMITMENTS

-25 % CO₂ emissions
on Scope 1 & 2 for each tonne of finished product, before 2020.

Certification scope 3
Obtain certification of the Group's indirect carbon dioxide emissions in 2017

Partnership projects
with suppliers to reduce the use of raw materials and transport in 2019

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.

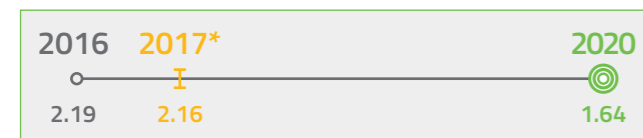
OUR PROGRESS

(based on new calculation from new software and emission factors)

Emissions of greenhouse gases from scopes 1 and 2 are stable. (2,16 tCO₂eq/t vs 2,19 in 2016).

The main reason is that the corporate financial issues faced along the year led the Board of Directors to delay the programme of processes optimization and green Capex. At the Group level, no significant activities have been implemented and it explains the absence of results. Some Business Units have implemented actions at the end of 2017 and will likely bring about significant results during 2018.

EMISSIONS SCOPES 1&2 (in tCO₂eq/t)



In 2017, we invested in reforestation programmes to offset part of the irreducible emissions. We offset 36,500 tons of CO₂ (see p68 to 77) which represent over 100% of our direct emissions (scope1).

Based on energy, raw materials consumptions and transport, Guala Closures Group GHG emissions are certified for all scopes (1, 2 and 3) by Bureau Veritas¹.

Measuring and certifying our GHG emissions on scope 3 was an objective to be reached in 2017. It's an important step of our Programme that will allow us to study and implement actions with our partners to reduce our impact on climate.

	Scope 1 tCO ₂ eq	Scope 2 tCO ₂ eq	Total tCO ₂ eq	Total tCO ₂ eq/t
2016	33,616	117,937	151,553	2.19
2017*	34,123	118,653	152,776	2.16

	Scope 3 tCO ₂ eq	Scope 3 tCO ₂ eq/t
2016	488,859	7.05
2017*	427,593	6.05

OUR AXES OF WORK

To achieve its target (-25%), Guala Closures Group decided to create a "Group Green CAPEX" available for the Business Units that will submit significant GHG emissions reduction projects. The project selection criteria will be linked not only to the volume of GHG avoided, but also to the innovative character of the programme. This will allow us to test sustainable solutions as well as to extend them to the maximum number of group structures.

¹ The calculation has been audited and certified by the international third-party entity 'Bureau Veritas', performed correctly in accordance with the criteria dictated by international standard ISO 14064, regarding the emissions encompassed by Scopes 1, 2 and 3 of the standard.

GROUP ENVIRONMENTAL INDICATORS

Energy consumption

ind.02
ENERGY CONSUMPTION

Energy consumption is a key data feature of our industry. It determines the industrial, economic and environmental performance. That's why we closely monitor our consumption per tonne of finished product.

Over a number of years, in order to increase our performance, we aim to control our consumption and to invest regularly to obtain significant reductions in our consumption.

In 2017, because of corporate financial issues, the Board of Directors had to delay the programme of investment in new technologies for energy savings. At the Group level, no significant activities have been implemented and it explains the stabilization of the consumptions and the absence of a significant reduction.

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 STRATEGY

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.

OUR PROGRESS

2017 was the year of energy consumption control. This year, the consumption per tonne of finished product stabilized at 17.86 GJ/t FP. Nevertheless, about ten factories obtained a reduction of energy consumptions by ton of finished product.

Even if the level of corporate investment was not significant, some energy saving projects were implemented across our plants to reduce the energy intensity. These will undoubtedly bring about a decrease in energy consumption (see plants overview p78 to p115).

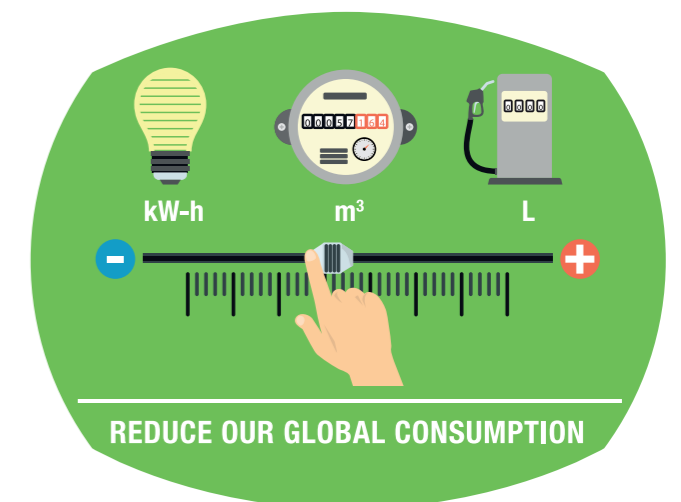
ENERGY CONSUMPTION (IN GJ/T)



OUR AXES OF WORK

Reaching the 2020 energy objective, requires investments that will be allocated during the next 3 years. Guala Closures Group's strategy consists in accelerating investment, particularly for business units that represent a large part of the energy consumption of the Group.

Over the coming years, Guala Closures Group wants to investigate clean energies and set up pilots at some of our production units. Therefore, we intend to create Corporate Green Capex that will serve all business units that want to launch a major energy saving programme or renewable energy project.



* The plant of Chile is excluded as the measurement of this indicator

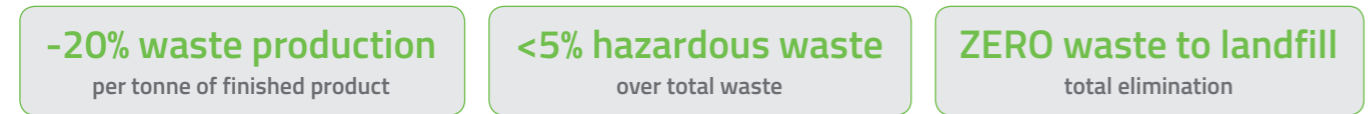
Waste



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 manner of collecting and reporting the data across of the various categories of waste in all our plants worldwide. Accordingly, we have reviewed our baseline, and our objectives for 2020, whilst maintaining an ambitious outlook to improvement.

OUR COMMITMENTS



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.

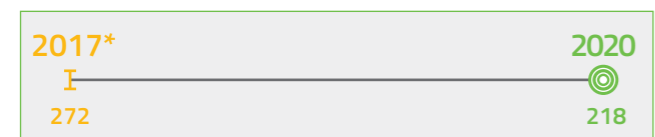
While trying to reduce the amount of waste, we also will reduce their dangerousness, and seek better alternatives to landfill disposal.

OUR PROGRESS

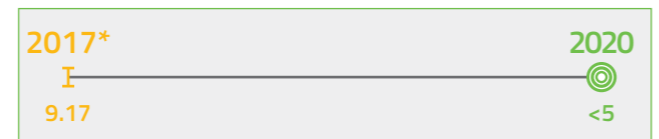
The year 2017 was dedicated to finalizing, in all Business Units, the data collection process, by identifying across country by country, the toxicity of waste and studying networks of waste treatments and searching for better alternatives to landfill disposal.

Following our decision to improve our method of waste reporting, we worked hard to implement a valid and detailed data base and finally we achieved it in 2017. Consequently, we'll use 2017 data as the new baseline of our progress. However, we noted that more than half of the plants have already developed programmes of continuous improvement to reduce the quantities of produced waste and its toxicity, as well as to improve the sorting and recycling of this waste. 14 plants are already below the objective of 218 tons of waste by ton of finished product; 13 plants have already reduced their hazardous waste to under 5%; and 4 plants have reached Zero waste to landfill.

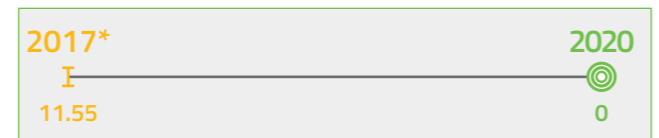
QUANTITY OF WASTE (in kg/t of finished product)



HAZARDOUS WASTE (in %)



LANDFILL (in %)



For now, our baseline for 2017-2020 will be as follows:

- > 272 kg of waste per ton of finished product
- > 9.17% of hazardous waste over total waste
- > 11.55% of waste sent to the landfill over total waste generated

OUR AXES OF WORK

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

As in general plastic processes generate less waste than aluminum ones, we will focus more on plants using aluminum in order to significantly reduce the quantities of waste produced.

By the same logic, we have to find solutions for plants using lithography processes that produce more hazardous waste. We want to find new solutions to combine customer expectations and environmental protection.

All plants will continue their efforts for better sorting waste and develop partnerships with professionals to adopt better alternatives to landfill.

* The plant of Chile is excluded as the measurement of this indicator

Raw materials



In Guala Closures' environmental products footprint, the impact of raw materials is significant. Moreover, the increasing demand for raw materials along with the scarcity of some global resources have imposed a big challenge for Guala Closures. That's why, The Group has to combine customers' expectation and ecodesign, that is sometimes "conflicting". Guala Closures products are designed and made with just what is necessary in terms of raw materials to deliver the features customers require whilst also adhering to necessary standards and regulations.

At Guala Closures, the main raw materials we use include aluminium and plastic. These two raw materials differ in at least one important aspect. Aluminium can be recycled repeatedly without losing its structural and quality characteristics, while it is almost impossible for plastic to maintain its original properties after repeated recycling. Nevertheless, we continue to investigate new solutions and new suppliers to address this challenge.

OUR COMMITMENTS



OUR STRATEGY

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

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

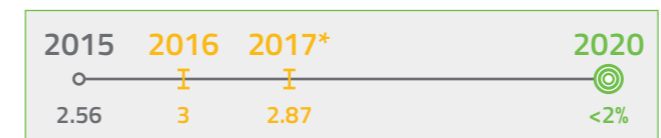
Finally, we look at finding better alternatives to the scrap we cannot recycle internally.

OUR PROGRESS

Last year, only 3 plants had overtaken the objective to be below 2 % of scrap. In 2017, 2 more plants have reached the target, bringing up to 5 the number of plants who have reached the level of performance required by the Group in 2020.

Concerning aluminium, the group has identified a supplier with low environmental impact and established a partnership with it to use more environmentally friendly aluminium.

SCRAP (in %)



OUR AXES OF WORK

For the three next years, each BU will have to focus on process efficiency, reduce scraps due to quality problems and fight against every type of raw material wastage.

Regarding material choices and sourcing, the group continues to work on the integration of recycled materials in its products, while respecting the expectations of customers.



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

*Plants from Chile and USA were excluded as the measurement of this indicator.

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

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

Nevertheless, we understand the importance of this resource. By 2030, water withdrawals are predicted to exceed renewals by 40% if no action is taken. That's why water consumption is a key performance indicator for any manufacturing company.

Guala Closures Group is committed to reduce water consumption of its plants all around the world. As three of our plants comprise 70% of our water consumption, our efforts will be particularly focused on these locations in Italy and India.

OUR COMMITMENTS

-20% water drawn
per tonne of finished product in 2018

OUR STRATEGY

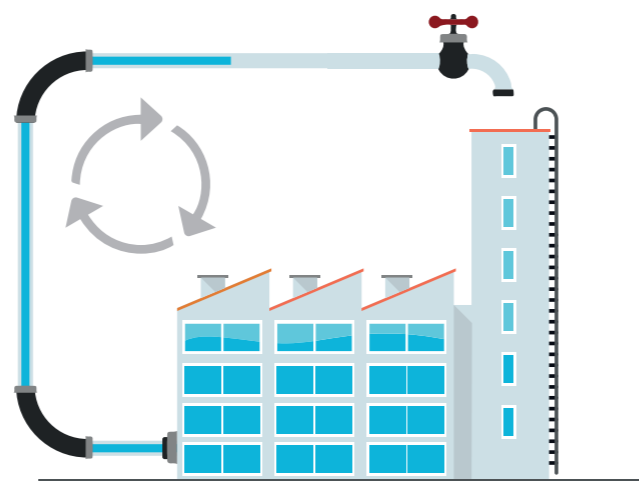
As our locations in Italy and India comprise 81.6 % of our water consumption, our efforts will be focused on the plants in those two countries.

OUR PROGRESS

Some of our plants had difficulties to master their water consumption. This result is partially understandable by an increase of water consumption of our Plant of Spinetta-Marengo, which represents more than 40% of the Group's water consumption. Its consumption has increased by 35,000 m³.

Nevertheless, 9 plants managed to reduce their consumption in a very significant way and 15 plants are already below the Group 2018 objective of 3.16 m³ of water per tonne of finished product.

WATER CONSUMPTION (in m³/t of finished product)



PRODUCTION PROCESS

OUR AXES OF WORK

As the global results of the group have been degraded on this impact of water consumption, we need to increase the awareness of water's importance in the Group. As the performance on this KPI is very different from one plant to another, even with similar processes, we have to share best practices.

In Italy, investment on the trigeneration in Spinetta will reduce significantly the use of water in the cooling circuit.

*The plants Argentina, Australia, Chile and USA were excluded as the measurement of this indicator.

To assess, monitor, report and ensure of the environmental quality of our products, we have adopted for the whole Group the ISO14001 environmental management system that helps to identify, manage, watch and master their environmental issues in a «holistic» prospect.

We support our plants, all around the world, to adopt this management system and obtain the certification. We have signed an agreement with France-based Bureau Veritas, a global leader in testing, inspection and certification. This contract covers all our plants over the world. We aim to improve our environmental performance thanks to a more rational use of the resources and the reduction of waste.

OUR COMMITMENTS

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

OUR STRATEGY

A roll-out plan is made to certify ISO 14001, to obtain certification for 5 or 6 plants per year.

OUR PROGRESS

In 2017 Guala Closures Group achieved the Corporate ISO 14001:2015 Certification. That is the certification of the environmental management system according to the new standard issued in 2015.

At the end of 2017, 8 plants are certified:

- > Spinetta (Italy)
- > Vasto (Italy)
- > Jerez de la Frontera (Spain)
- > West Footscray (Australia)
- > Termoli (Italy)
- > Olerdola (Spain)
- > S.J. Iturbide (Mexico)
- > Wloclawek (Poland)

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

NUMBER OF PLANTS ISO14001 CERTIFIED



OUR AXES OF WORK

This new standard puts in evidence the sustainability approach, with a description of the context and expectations of interested parties. It also requires a risk assessment approach and a life cycle perception.

In this way, the management of our environmental aspects and impacts are not limited to our boundaries but shall be extended to all direct and indirect processes of our business (production of the products and provision of services); the main purpose is to pursue the intended outcomes of the management system:

- > fulfillment of compliance obligations,
- > achievement of environmental objectives,
- > enhancement the environmental performance.

In 2018, we plan to support 6 new plants in their certification project.



International Organization for Standardization

ISO 14001-2015

A standard that specifies the requirements for an environmental management system that an organization can use to enhance its environmental performance.

In comparison to the previous version (ISO 14001-2004), ISO 14001-2015 new requirements have been incorporated to understand the company's context, stakeholders expectations and to define the actions to mitigate adverse risk or exploit beneficial opportunities. A new clause has been added that assigns specific responsibilities for those in leadership roles to

promote environmental management within the organization. The whole lifecycle of the product or service will be considered during aspects evaluation. Moreover, the development of a communication strategy with equal emphasis on external and internal communications has been added.





GROUP SOCIAL INDICATORS

ind.07

HEALTH and SAFETY



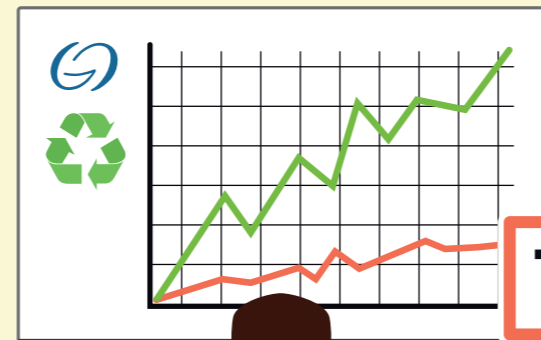
ind.09

DIVERSITY



ind.08

TRAINING



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 work conditions, thus ensuring the highest safety standards in our production facilities.

OUR COMMITMENTS

-15% accident frequency
in 2020, while our goal is to have zero injuries and work-related illnesses

OUR STRATEGY

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



OUR PROGRESS

In spite of all the efforts spread in BUs in 2017, the accident frequency indicator for the Group reached 10.4 accidents per million worked hours. This result is not good and it is due to several causes.

First of all, we regretfully had a fatal accident in the Italian plant of Magenta. 12 plants increased their number of accidents. The gravity of accidents remained quite similar as last year (0.88 in 2016 versus 0.91 in 2017), while the number of accidents increased from 76 to 102. We record more accidents with the same gravity.

Despite these disappointing results, 6 plants (Alcalá, Spain, Bulgaria, UK, Chile, Ukraine and USA) were strongly mobilized around an objective of zero accident and achieved it. 6 others have improved the accident frequency indicator during last year.

ACCIDENT FREQUENCY (in nb of accidents / million worked hours)



These disappointing results means that we have to work harder with a strong focus on the training activities. It will be one of our main priorities over the coming years.

For the fatal accident we have recertified the safety protections of the Magenta plant equipment and reviewed the safety procedures. In 2018 we will extend this measure to all the plants with lithography process.



- ▶ **THE ACCIDENT FREQUENCY INDICATOR:**
This is represented by the number of accidents per 1 million hours worked.
- ▶ **THE ACCIDENT GRAVITY INDICATOR:**
This is represented by the number of absence days per 1,000 hours worked. In the case of a fatal incident, we count a penalty of 6,000 days.

SAFETY MANAGEMENT

Adopting an effective management system for the health and safety of workers can improve safety in the workplace. SEDEX accreditation requires compliance with and the communication of several international criteria relating to workplace health and safety.

Our primary objective was to obtain SEDEX accreditation for all of our plants by 2017 and we achieved it.

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

Training and continuous improvement

At Guala Closures, we 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 and 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.

In 2017, the Group provided 108,657 hours of training. An average of 26 hours per employee.

Category	Number of Employees	Training Hours	Hours per capita
Managers	217	3,875	17,85
White collar	905	19,497	21,54
Blue collar	3,112	85,285	27,41
Total	4,234	108,657	25,66

Our CSR 2016-2020 road map is ambitious. To have success the Group needs all employees to be committed to reach CSR targets. We have developed a two hours training session dedicated to Corporate Social Responsibility awareness. This specific training program started in 2017 and will be rolled-out in all business units over the world by the end of 2018.

OUR COMMITMENTS

100% employees sustainability aware and involved

In 2018, thanks to the 2 hours sustainability learning module

OUR STRATEGY

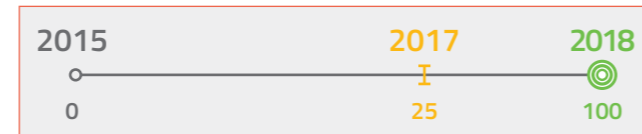
All training support activities were developed in early 2017, including a video presenting the CSR programme in nine languages, displays and documentation to allow each business unit to set-up the two hours training to all their employees by the end of 2018.

OUR PROGRESS

Training support documentation and videos have been delivered to all Business Units throughout the world to deploy the CSR training programme.

In 2017, eight plants had trained their employees to CSR: New Zealand, UK, Italy (Spinetta Marengo, Termoli, Magenta and Vasto) and India (Goa and Ahmedabad). A total of 1047 employees have already been trained to CSR topic, 25% of total employees.

SUSTAINABILITY TRAINING MODULE DEPLOYMENT (in %)



OUR AXES OF WORK

The CSR training is planned to be fully delivered by end of 2018.



Diversity

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

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



At the end of 2017, Guala Closures had 4,234 employees and 710 temporary workers.

	Breakdown by professional categories	Breakdown by gender	
		Male	Female
Managers	5%	86%	14%
White Collar	21%	70%	30%
Blue Collar	74%	82%	18%

OUR COMMITMENTS

Increase diversity

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

OUR STRATEGY

Currently under development.

OUR PROGRESS

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

OUR AXES OF WORK

Diversity is a cultural topic which varies from one country to another, it cannot be addressed in a homogeneous way. In 2018, the Group will launch a survey in each country it operates to collect data regarding diversity in each Business Unit.

The purpose of this survey is to:

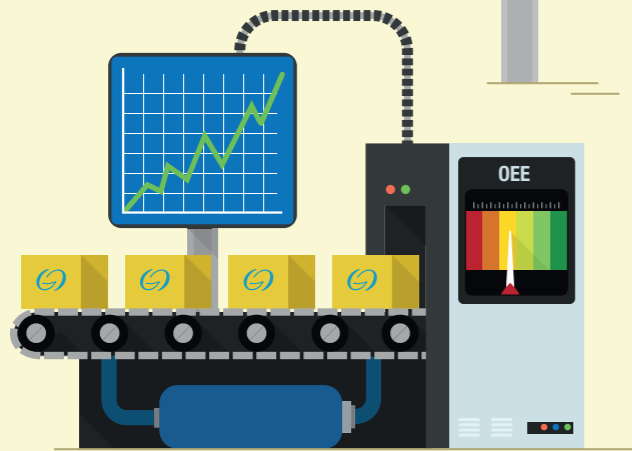
- > Give an assessment of the current state of diversity at Guala Closures Group in order to define our ambition and more precise commitments
- > Give a worldwide general orientation regarding diversity and include a customized adaptation in each country
- > Identify good practices and circulate them internally.



GROUP ECONOMIC INDICATORS

ind.10

**PRODUCTION
EFFICIENCY**



ind.12

**CUSTOMER
SATISFACTION**



ind.11

INNOVATION



Production efficiency / Innovation

ind.10
PRODUCTION EFFICIENCY

ind.11
INNOVATION

Production efficiency

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.

OUR COMMITMENTS

>85% OEE in 2018

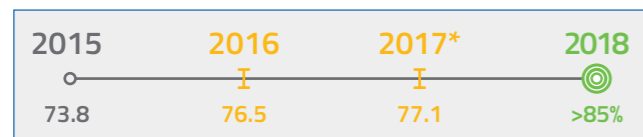
OUR STRATEGY

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

OUR PROGRESS

In 2017, our OEE score¹ reaches 77,1%, a slight improvement vs 2016. However 9 plants registered a better score, and 3 stabilized their score. Goa (India), Termoli (Italy), Mexico and UK have the biggest progress. Colombia, Termoli in Italy and Bulgaria are already over the target of 85 %.

OEE SCORE (in %)



Innovation

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

To develop new products, we lean on our 5 Research and Development (R&D) centers. There are located all over the world, in the UK, Mexico, Ukraine, Luxembourg and Italy. The Design, Innovation and Quality Division works in collaboration with all other internal departments to support all Group entities. We also develop exclusive partnership projects with some of our main customers by co-creating innovative and high-performing solutions in order to protect and enhance their products. Over the years, we have developed 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 offer a dedicated IP (Intellectual Property) service to protect our products and to defend our customers' brands, too.

OUR COMMITMENTS

26 new patents by 2020

OUR STRATEGY

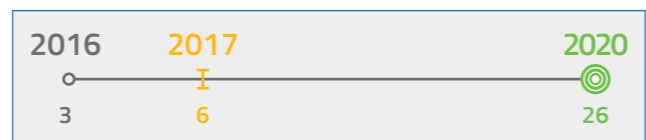
- > Continue to develop partnerships with customers to generate new solutions
- > Anticipate regulations
- > Fight counterfeiting

OUR PROGRESS

In 2017, six new patents have been registered. Two for Safety closures, two for the Pharmaceutical market, one for Luxury, and one in the Ukrainian BU.

To keep bringing innovation on markets, we set up a new organization of innovation teams, with three different areas and approaches: the "customer requests" team, the "widening and strengthening markets" team and the "thinking out of the box" team (cf. p.29 for more information).

NUMBER OF NEW PATENTS



Customer satisfaction

ind.12
CUSTOMER SATISFACTION

ON TIME IN FULL (OTIF)

Our continuous dialog with clients reminds us that delivering the right quantity of goods requested (In Full) in accordance with the Customer's deadline (On Time) is a key point for them.

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

OUR COMMITMENTS

OTIF SCORE > 95% in 2018

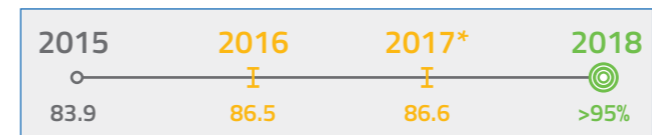
OUR STRATEGY

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

OUR PROGRESS

In 2017, the On Time In Full indicator reached 86.6% for the Group, calculated on the basis of weighted averages of the OTIF from each plant. The score improved by 2.7% compared with 2015. In 2017, nine plants had already reach or surpassed the 2018 objective to be above 95% OTIF. This year again, Alcalá (Spain) and Kazanlak (Bulgaria) maintain their performance and represent the best in class with 100% OTIF in 2017.

OTIF SCORE (in %)



SEDEX

SEDEX stands for Supplier Ethical Data Exchange. This nonprofit organization is committed to improving the ethical performance of the supply chains. SEDEX suppliers and customers members can share and manage information related to Labour Standards, Health & Safety, The Environment and Business Ethics through a collaborative platform.

OUR COMMITMENTS

100% SEDEX
All plants SEDEX accredited in 2017

ISO 22000

This international standard is applied on a voluntary basis by parties that operate in food sector. It guides companies in the adoption of management systems that seek to guarantee compliance with several minimum requirements such as risk assessment, the control of critical points (HACCP) and food safety. Having this certification represents a guarantee of the quality and safety of our products which is extremely important to Group customers.

OUR COMMITMENTS

100% ISO 22000
certification of all plants in 2020

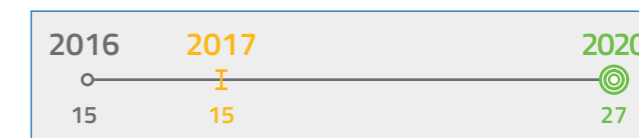
OUR STRATEGY

To monitor the action plan, supporting the plants in the progress towards the ISO 22000 (or equivalent) implementation within 2018.

OUR PROGRESS

In 2017, a total of 15 plants – around 58% of our plants – have achieved ISO 22000 certification.

NUMBER OF PLANTS ISO 22000 CERTIFIED



OUR STRATEGY

Ensure up to date data of the sites logged into Sedex and to work on "Smeta" audit.

OUR PROGRESS

In 2017, all Guala Closures plants have been logged into Sedex. Target achieved: 100% of our plants are considered SEDEX-accredited.

SEDEX ACCREDITATION (in % of plants)



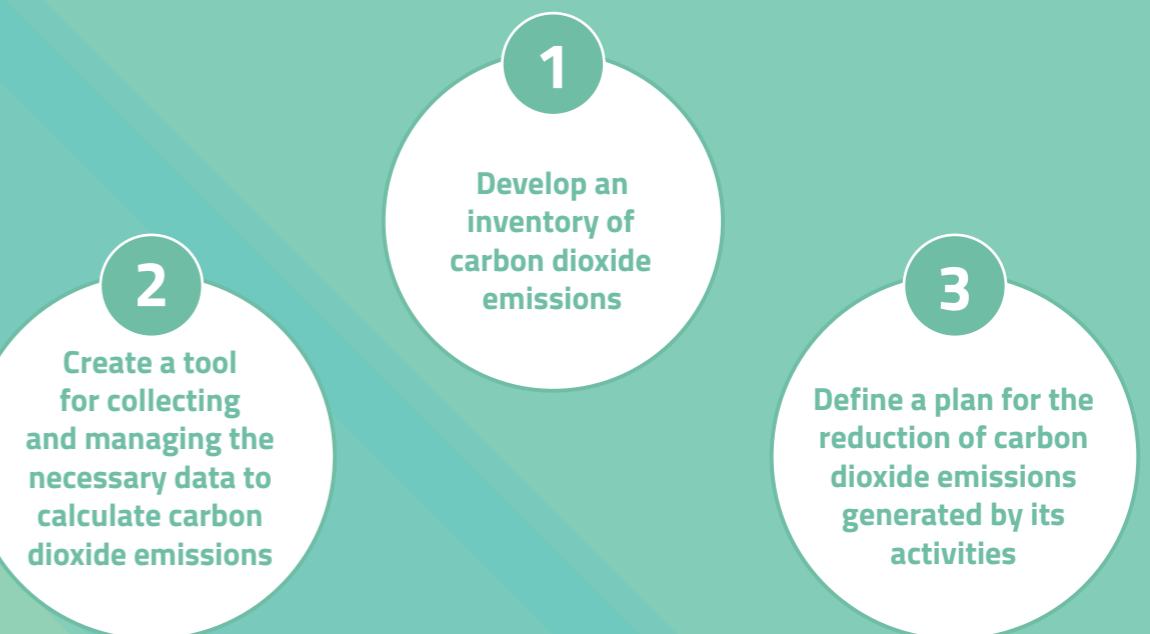
* The plants of USA, Ukraine, Chile e Alcalá (Spain) are excluded as the measurement of this indicator

* The plants of Chile, Ukraine and USA are excluded as the measurement of this indicator

Climate-changing gases

Greenhouse gas emissions and the fight against global warming has been a strategic issue for many years at Guala Closures. Even before having a sustainability programme, in 2018 the Group commissioned its first Life Cycle Assessment (LCA) study on one of its closure types known as the Divinum.

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



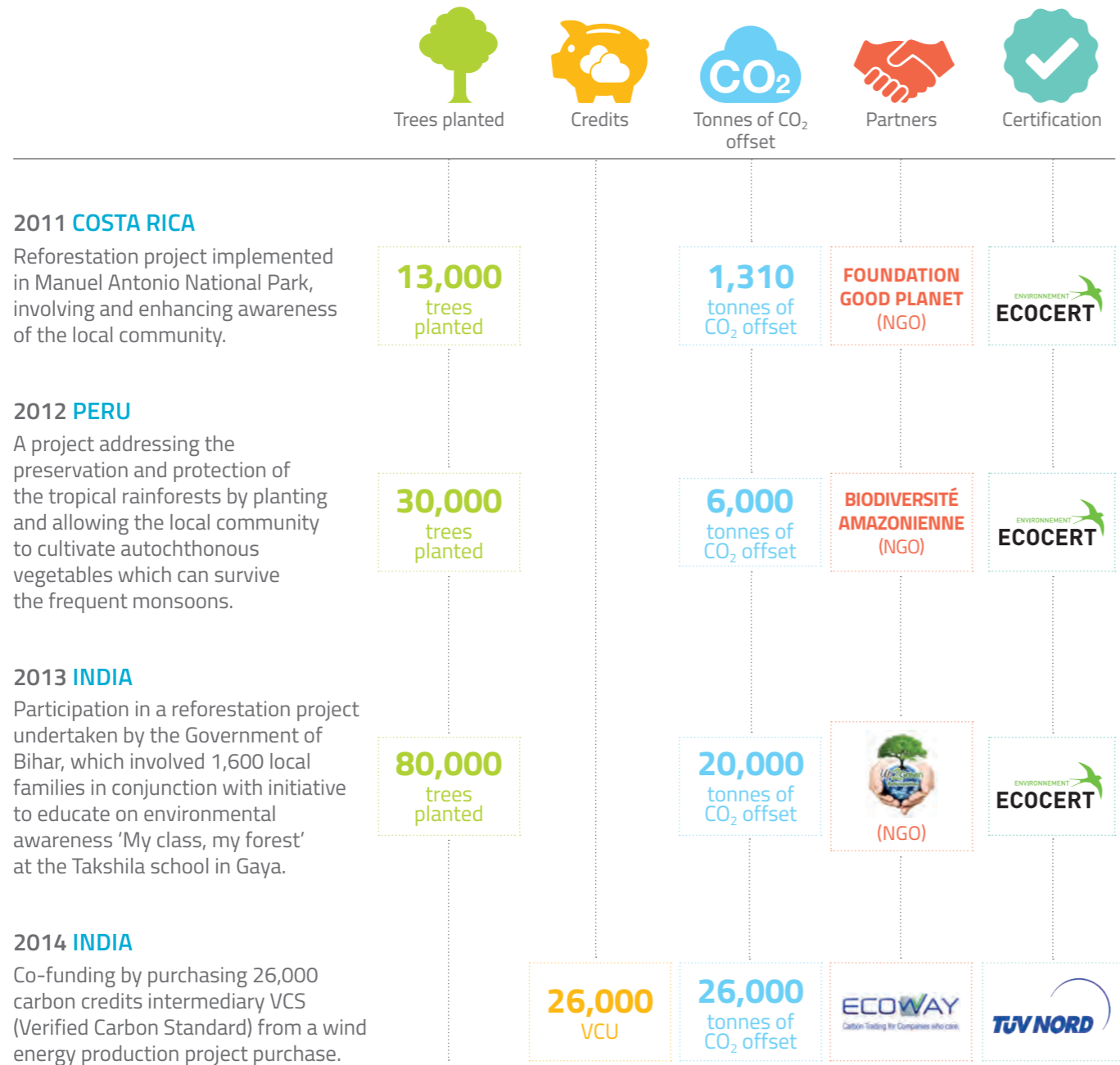
The following year in 2012, the Group began to monitor all carbon dioxide emissions generated by our Italian plants. We rapidly expanded the programme to all the Group's plants in 2014.

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

Guala Closures has compensated for more than 150,000 tonnes of carbon dioxide between 2011 and 2017. This Reduction-Compensation strategy will continue, and has been retained in the new 2016- 2020 sustainability road map.

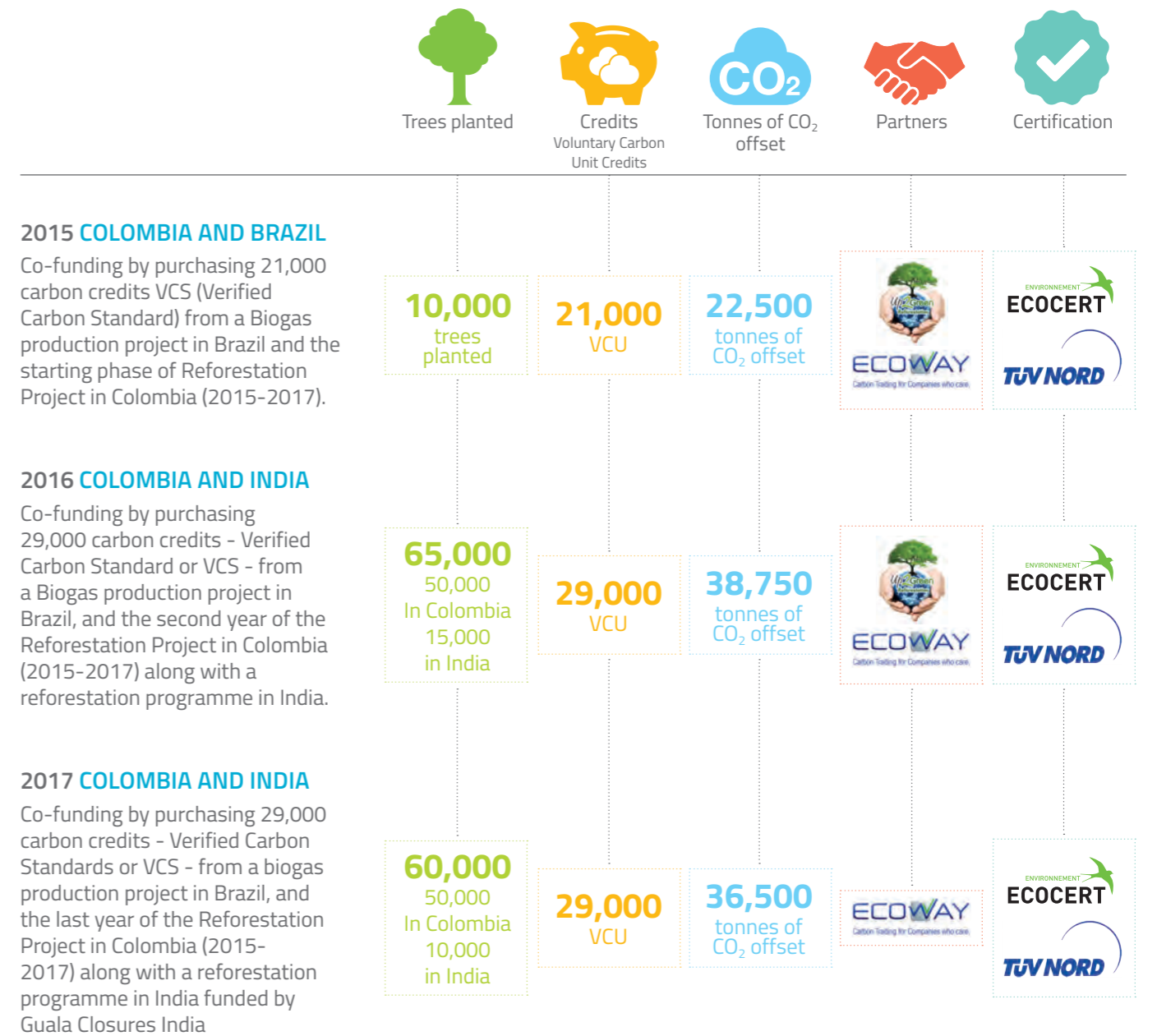
CO₂ emissions

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



From 2011 to 2017, more than 150,000 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 2017, we have planted 260,000 trees, offsetting more than 46,000 tonnes of carbon dioxide and gotten 5,500 people involved in the various projects.



2011-2014 Reforestation projects

COSTA RICA 2011

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



13,000 trees planted in Manuel Antonio National Park



1,310 tonnes of CO₂ offset



PERU 2012

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



30,000 autochthonous trees planted



6,000 tonnes of CO₂ offset



Project 100% Guala Closures Group



INDIA 2013

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

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



80,000 trees planted to regenerate 73 hectares of land



20,000 tonnes of CO₂ offset



1,600 families involved



Project coordinated by Up2green Reforestation



INDIA 2014

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



26,000 VCU credits Voluntary Carbon Unit



26,000 tonnes of CO₂ offset



2015-2017 Reforestation projects



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



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



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



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



Project funded 100%
 Guala Closures Group

COLOMBIA

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

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

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

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

The second phase 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.





15,080 students
322 sessions
110 schools



15,000 trees



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



Project coordination
Up2green Reforestation
and Local support of
3 Indian NGOs

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

Our main objectives with this project are to:

- 1** 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.

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, other 10,000 trees have been planted in the same area.



'My class my forest'

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

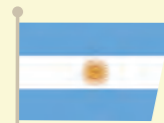


PLANT OVERVIEW 2016-2020

Argentina	80
Australia	82
Brazil	84
Bulgaria	86
Chile	88
China	89
Colombia.....	91
France	93
India	94
Italy.....	96
Mexico.....	100
New Zealand.....	102
Poland.....	103
South Africa.....	105
Spain	106
Ukraine	110
United Kingdom	112
United States of America.....	115

IN THE FOLLOWING PAGES, FOR EACH PLANT, INDICATORS HIGHLIGHTS SHOW PROGRESS BETWEEN 2016 AND 2017.

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



212
employees



5,825
m²

COUNTRY DIRECTOR

Daniel Damián García

CLOSURES

Roll-on for wines and spirits

MAIN INTERNATIONAL CLIENTS

Viña San Pedro Chile, Viña Santa Carolina Chile, Cartavio Rum Perú, Pernod Ricard Brasil, Bacardi Brasil, Campari Brasil, CCU Chile, CAPEL Chile, Viña Requingua Chile, Bacardi Uruguay

MAIN LOCAL CLIENTS

Fratelli Branca, Cepas Argentinas, Pernod Ricard, Diageo, Campari Argentina, Bodegas Peñaflor, Bodegas Bianchi, Bodegas Esmeralda, Bodegas Catena Zapata, Bodegas Argento

LOCAL PROFESSIONAL MEMBERSHIP

None

INDICATORS HIGHLIGHTS



12.7% reduction
in energy consumption (GJ/t FP)



4.4% reduction
in GHG emissions Scope 1&2 (tCO₂eq/t FP)



12% reduction
in GHG emissions Scope 3 (tCO₂eq/t FP)



22.6% reduction
scrap



INVESTING IN YOUTH EDUCATION

We worked in partnership with the Technical Secondary Education School « Mariano Moreno » in Chivilcoy. We welcomed four trainees in the maintenance department for seven months. The aims of this experience were:

- > to facilitate exchange and develop feedback, enabling trainee students to deepen and re-create capacities, knowledge and skills linked to work and production.
- > to encourage the familiarization of the students with the working environment.
- > to help their integration in human groups and in a work environment and to establish bridges that facilitate the transition from school to higher education and into the working world.



ENERGY EFFICIENCY

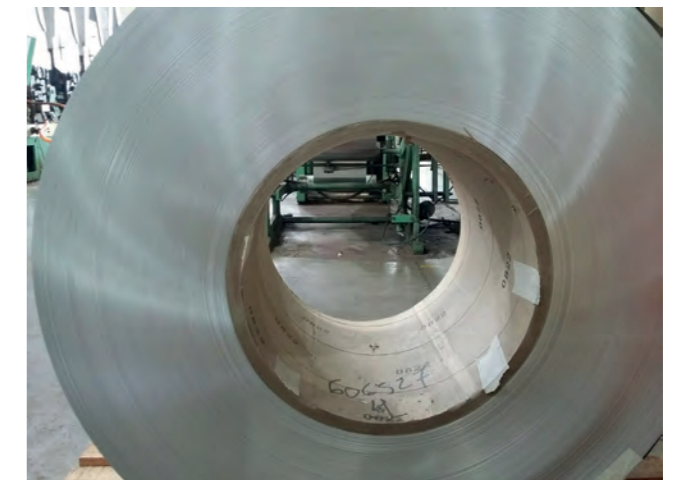
The cooling process of the lithography area has been improved. New equipment replaced two old machines, thus improving energy efficiency. The new cooling system now uses R404a gas, as a refrigerant, reducing the impact on global warming.

We launched a programme to replace all light bulbs with LED technology. The potential of this project is to save 55% of total electricity consumption.



PRODUCTION EFFICIENCY


Improvements in the silkscreen process have reduced production stops and, as a result the quantity of metal scraps. Investment in new machinery for the Side Print sector have improved the speed of production and the rate of the machines. We have also developed hot stamping within the factory. An innovation that today gives an alternative method of decoration to customers, giving us a differentiation lever on the market. These improvements in lithography and machinery have led to improved performance, productivity and quality of finished products, all increasing customer satisfaction.




COMMITTED IN LOCAL COMMUNITIES


Volunteer firefighters and the Municipal Hospital organise raffles (competitions in which people buy numbered tickets). We supported these two raffles in order to help raise funds to cover the cost of an event or purpose of the charity. For these events, we collaborated with the local sports club, "racing club".

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.





99
employees



9,179
m²

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

 **38.1% reduction**
in GHG Scope 3 (tCO₂eq/t FP)

 **2.2% hazardous waste**
/ total waste (kg/kg)

OPTIMIZATION OF DELIVERY

We worked to optimize the size of the load thanks to larger batches. We managed to reduce the number of freight shipments and the number of weekly deliveries. As a result we avoided up to 100,000 km of air pollution and fuel consumption has been substantially decreased.

ISO 14001 RENEWAL

In 2017, we ascertained our ISO 14001 Certification. This environmental management system is a good way to work on reducing our waste production decrease and also on optimizing of our energy and water consumption. We will, as a result, be able to reduce the amount of emitted pollution.

PLASTIC RECYCLING

We have installed dedicated plastic recycle bins throughout the factory. Packaging materials (LDPE) and liners (Wads) are the two main sources of plastic which are now recycled. This new initiative led to Guala Closures maintaining a regular amount of plastic recycling each week. As a result recycled plastic is not making its way into landfill and is instead being converted into other products to be offered to the market place. Guala Closures recycled approximately 2.5T in 2017, saving valuable resources. The recycling operation is free of charge for the company.



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



76
employees



6,800 m² (over
11,286 m² land size)

COUNTRY DIRECTOR
IVAN DE NADAI

CLOSURES
Safety closures

MAIN INTERNATIONAL CLIENTS
Diageo, Pernod Ricard, Campari, Capel (Chile), Cepas Argentinas, Tres Leones (Paraguay)

MAIN LOCAL CLIENTS
Cia Müller, Diageo, Pernod Ricard, Bacardi Martini, Campari, Paratudo, Asteca, Fante

LOCAL PROFESSIONAL MEMBERSHIP
ABRABE (Asociación Brasileira de Produtores de Bebidas)

INDICATORS HIGHLIGHTS

17.9% reduction
in waste production (kg/t FP)

26.9% reduction
in scrap

158.5% increase
in training (training hours /
thousand worked hours)

CSR EVALUATION

Two of our main clients required sustainable development goal audits. The first one, undertaken by Bureau Veritas at Diageo's request, was based on the Sedex Members Ethical Trade Audit (SMETA). It concerned health and safety in the workplace, checking compliance with social responsibility and general ethical principles in the areas of workers' rights, job satisfaction, safety at work, health and environmental protection, as well as with general legal requirements.

The second one concerned an online CSR Assessment through internet. Requested by Pernod Ricard and undertaken by EcoVadis, this audit evaluated the Corporate Social Responsibility principles of the company through a review of its policies, implementation measures and results.

Both have been approved.



ENERGY SAVING

- > This year, we have replaced two old injection machines with a modern hybrid injection machine. This led to both a reduction of electricity consumption as well as a reduction of the scrap generated in the injection process. We were also able to improve the Overall Equipment Efficiency (OEE). This project contributes to production efficiency, energy saving and waste reduction.
- > We have replaced all the plant's light bulbs with LED technology. This led to a reduction of our energy consumption and allowed us to meet one of the ISO 22000 requirements.
- > Guala Closures do Brasil buys 100% of its energy from renewable sources. As a result, the equivalent of 547.1 Tc CO₂ was avoided.

WELL-BEING AT WORK

We took measures to prevent health risks, to improve our employees' quality of life, and keep them in good health, to decrease absenteeism and to increase productivity.

We organized simple initiatives such as developing programs covering healthy eating, regular physical exercises, prevention of hypertension, diabetes and obesity, mental health programmes, stress relief and fatigue... We consequently noticed a reduction in absenteeism and illness and an increase in motivation and productivity.



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



185
employees





6,500 m²

COUNTRY DIRECTOR
Tancho Mihaylov

CLOSURES
Safety for spirits

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

MAIN LOCAL CLIENTS
VP Brands International, SYS Industries

LOCAL PROFESSIONAL MEMBERSHIP
None

INDICATORS HIGHLIGHTS

 **13.7% reduction**
in total production waste (kg/t FP)

 **Zero Accident**
for the second year

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

SAVING ENERGY

We isolated the roof of the Traffo to protect against high temperatures, especially during the summer months. This has had an immediate impact on energy consumption.



RECYCLING OF MATERIALS

Since the beginning of 2017, we have signed contracts with different firms to collect recyclable materials, such as electronic components, batteries and plastic materials. This has led to a reduction in waste and a cleaner plant appearance.



EFFICIENCY, HEALTH AND SAFETY IN THE WORKPLACE

Local employees and engineers designed and implemented an automatic supply system of raw materials to the moulding machines. When the level of material is low, a pump automatically adds new material. Requiring minimal investment, this process has had many positive impacts: less manual effort needed to load the machines, no dust for on-going production, less machine stoppages due to raw material interruptions and higher efficiency (less waste and higher production speed).



GUALA CLOSURES CHILE IS A RECENT ENTITY OF 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 PLANT, WE STARTED OUR INDUSTRIAL ACTIVITIES.





31
employees

2,720
m²

COUNTRY DIRECTOR
Sebastian Gardella

CLOSURES
Wine closures

MAIN INTERNATIONAL CLIENTS
N/A

MAIN LOCAL CLIENTS
Compañía Pisquera de Chile and Viña San Pedro Tarapaca (CCU Group), Viña Santa Carolina, Viña Undurraga, Viña Requiringua, Viña Ventisquero. And in the future we'll start to produce caps to Viña Concha y Toro

LOCAL PROFESSIONAL MEMBERSHIP
None

INDICATORS HIGHLIGHTS

 **Zero accidents**

 **WASTE REDUCTION**




We have opted for the purchase of reusable rags for the equipment maintenance. Therefore we have completely eliminated dangerous solid waste.

 **COMMITTED WITH FIREMEN**

When we bought a Cork Aluminium plant, we "inherited" 4 fireproof suits. These fireproof suits had never been used. Presently, due to the number of employees, the type of chemical products in use and the industrial safety measures taken, keeping a fire brigade is no longer necessary. We took the decision to donate those 4 complete suits to the fourth fire company, specializing in dealing with chemical fires in the city of Santiago, supporting and encouraging their daily activities that contribute to the national effort in the combat against chemical fires.



THE BEIJING PLANT PRODUCES SAFETY AND ROLL-ON CLOSURES. THE COMPANY IS A REGISTERED WFOE (WHOLLY FOREIGN OWNED ENTERPRISE).

66
employees

4,602
m²

COUNTRY DIRECTOR
Giorgio Vinciguerra

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

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

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

LOCAL PROFESSIONAL MEMBERSHIP
Chinese Packaging Association

GHG EMISSIONS SCOPE 3

Group's Best Progress

INDICATORS HIGHLIGHTS

 **70.5% reduction**
in GHG emissions on scope 3 (tCO₂éq/t FP)

 **Zero waste**
to landfill

 **49.2% reduction**
in accident frequency
(accidents / million worked hours)

LANDFILLED WASTE

Group's Champion

 **MEDICAL CARE**

We improved employee medical care by part funding medical expenditure for employees. The government usually covers 70% of medical expenditures. We put in place a supplementary medical insurance to cover the remaining 30%.

CO₂ AIR POLLUTION

In 2017, we continued to work on volatile organic compounds (VOC). Two more carbon filters were installed. One helped to reduce exhaust emissions at our injection moulding workshop. The second was dedicated to the punching area and to reduce the emission from the oven after the punching process. We thereby managed to reduce the release of VOC as well as to meet national emission standards.



💡 ENERGY EFFICIENCY

We replaced part of the plant's light bulbs with LED technology, which led to a saving of around 46% of the total electricity consumption. We will continue with the LED replacement programme in 2018.



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

89 employees **3,000** m²

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)

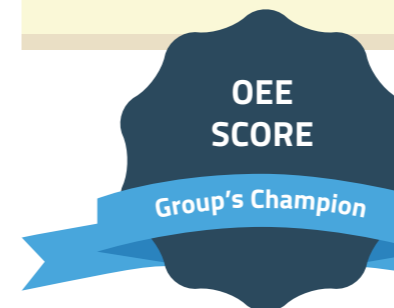
LOCAL PROFESSIONAL MEMBERSHIP
Acoplásticos, CABA

INDICATORS HIGHLIGHTS

- 25.6% reduction** in water consumption (m³/t FP)
- 87% OEE score** (Overall Equipment Efficiency)
- 100% OTIF score** (On Time In Full delivery)

🛑 IMPROVE SAFETY CONDITIONS

In relation to Health and Safety in the workplace, we have created a specific and isolated area for work involving high risk machinery and equipment. This type of equipment can generate sparks that can cause fires and work accidents.



 **SAVE ENERGY**

- > We have invested in improving the lighting of the bi-injection area. The installation of new LED lamps led to a 50% reduction in energy consumption. It also brought the business in line with lighting requirements of the law in Colombia. The LED lightning also helped to enhance the employee wellbeing and the ergonomical design of our workplace.
- > A new chiller with higher reliability and lower power consumption contributed to our energy efficiency. We invested in stainless steel plate evaporators which have two main advantages: high heat exchange capacity and lower energy consumption.
- > A new compressor has allowed the optimization of total electrical consumption. Thanks to a moderate investment, we can save 126,000 kWh annually.



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.



COUNTRY DIRECTOR
Stéphane Gondange

CLOSURES
Roll-on for wine

MAIN INTERNATIONAL CLIENTS
Pernod Ricard, Monin

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

LOCAL PROFESSIONAL MEMBERSHIP
CETIE

INDICATORS HIGHLIGHTS

 **95% OTIF score**
(On Time In Full delivery)










 **1.6 tCO₂eq/t FP**
GHG emissions scope 1&2
(under Group's target)

 **DIGITAL TOOLS**

We have installed the Zeendoc document management software to store all our documents (accounting and commercial) in order to avoid having to print them. This software uses optical character recognition for full indexing of the documents and also provides secure and protected document storing. With this software, we can also now send all invoices to customers by emails and provide secure downloading of documents with full traceability. We use less paper; we can retrieve documents more quickly and easily, thereby increasing our productivity.



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

 <p>GOA</p> <p> 251 employees</p> <p> 17,153 m²</p>
<p>DAMAN</p> <p> 98 employees</p> <p> 2,912 m²</p>
<p>AHMEDABAD</p> <p> 124 employees</p> <p> 8,964 m²</p>
<p>DHARWAD</p> <p> 148 employees</p> <p> 3,081 m²</p>



COUNTRY DIRECTOR
David Stevenson

CLOSURES
Safety for spirits

MAIN INTERNATIONAL CLIENTS
UDV Kenya, KWAL, SR Distilleries (Zambia)

MAIN LOCAL CLIENTS
Alcobrew Distilleries India, Allied Blenders and Distillers, Amrut Distilleries, Bacardi Martini India, Beam Global Spirits & Wine, John Distilleries, Pernod Ricard India, United Spirits-Diageo

LOCAL PROFESSIONAL MEMBERSHIP
None

INDICATORS HIGHLIGHTS

 **6% reduction**
in scrap (kg/t FP)

 **0.1% waste**
to landfill

CSR PROJECT-REFORESTATION

We continued our reforestation programme with Up2green Reforestation and the support of the local NGO VIKALP. We planted 10,000 trees in the Tapi district in the state of the Gujarat, involving thousands of people from the local community. This programme permitted to offset 1,500 kg eqCO₂ emissions. The trees planted produce fruit and generate incomes for the owners of the local community.



SAVING ENERGY

We pursued our efforts toward reducing energy consumption. In our Goa plant, we replaced all light bulbs with LED and the change of technology will help to save around 48% total electricity consumption.



SAVING WATER

At the Ahmedabad plant, water is used is for domestic and gardening purposes. A sewage treatment plant has now been installed, in order that domestic water can be reused for gardening. By re-utilising domestic water for gardening purposes, we will reduce the overall water consumption by approximately 5%.

SUPPORTING LOCAL COMMUNITIES

All Guala Closures plants in India are committed to improving the life and daily lives of local communities. In schools, various projects have been funded to improve student wellbeing and learning environment: construction of a stage, provision of a computer room... In a North Goa school, 3-day programmes, called "no time to waste" on the importance of waste recycling, including training on waste segregation at source and group sessions on constructing objects from waste items were held.

5,000 students were educated on the importance of waste and recycling. We helped to increase community interest in recycling and the State Government of Goa has since strengthened anti-littering laws.



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.

COUNTRY DIRECTOR

Gianni Ferrari

LOCAL PROFESSIONAL MEMBERSHIP

CETIE, Istituto Italiano Imballaggio, Proplast

SPINETTA MARENGO



CLOSURES

Safety and Roll-on for spirits and beverages

MAIN INTERNATIONAL CLIENTS

Diageo, Pernod Ricard, Bacardi, Brown-Forman, Nestlé Waters, Hennessy

MAIN LOCAL CLIENTS

San Pellegrino, Angelini Group, Smeraldina, San Benedetto, Norda, Ponti, Ramazzotti, Campari, Branca, Gancia, Caffo

INDICATORS HIGHLIGHTS



PURE AIR

We installed a variable-flow rotor adsorption system for the continuous elimination of VOC. The environmental impacts that have resulted are a better quality of rejected air and a reduction in gas and electricity consumption. It also involved lower installation costs.

SAVE ENERGY

We optimised the use of our 3 chillers, reducing the on and off times for example, or turning off one of the 3 altogether during the winter months. This has had a real impact on energy consumption.

PROTECT OUR PLANET

After conducting awareness raising campaigns, we replaced the plastic glasses in the cafeteria with a more

environmentally -friendly option. We also managed a reduction in the number of cups used thanks to better distribution and collection.

We opted to use eco-friendly and organic detergent products, resulting in a lesser impact on the environment, yet guaranteeing effective performance, a reduction in the overall quantity used and undifferentiated removal of dirt.

Using a specialised company, we put in place an adhesive paper recycling system, separating the silicone from the paper thereby ensuring the waste management is more sustainable.

TERMOLI



CLOSURES

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

MAIN INTERNATIONAL CLIENTS

Bacardi, Pernod Ricard, Deoleo, Unilever, VFI, Cogia, Casapreco, Brown Forman

MAIN LOCAL CLIENTS

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

INDICATORS HIGHLIGHTS



SAVE ENERGY

We replaced all of the plant's light bulbs with LED lights. The change of technology will help to save around 48% of our total electricity consumption. We installed new external energy-friendly lights. We adjusted the settings of cooling pumps to be used on a 'needs' basis. We replaced 2 out of 4 of our evaporative cooler towers with new, innovative and more efficient versions.



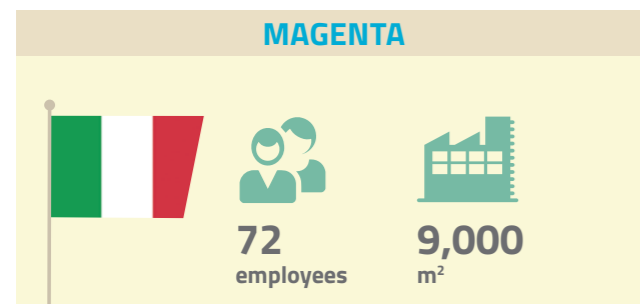


GREAT PLACE TO WORK

We replaced the roof and installed better thermal insulation in the building, effective both in summer and in winter. We installed automatic ramps for loading, thereby improving the loading / unloading process.

PRODUCTION EFFICIENCY

We installed a new kit for the casting mould, which has increased production efficiency and reduced waste.

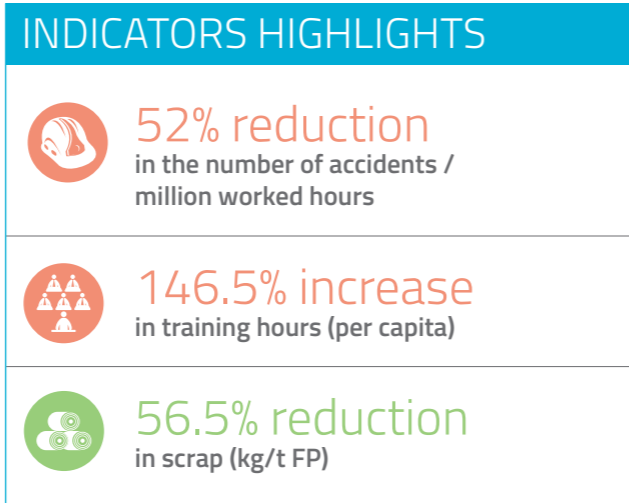


PRODUCTION

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

MAIN CLIENTS
inter-company

MAIN LOCAL CLIENTS
ICM, Metalcolor / FM, Bazzi, Metalprint, Silfa



ALUMINIUM WASTE

Thanks to a new cutting and sorting process, we are able to compact the aluminium waste. We were able to reduce the transportation of the recyclable materials, thereby reducing the environmental impact.

WORK PLACE SAFETY

We finalised the works required to obtain the fire prevention certification. We optimised the organisation of the work area to increase the overall safety. We reorganised the compression room and distribution pipes.

We put in place preventive action protocols relating to the washer to ensure the correct process was followed and that the regulations are complied with. We worked to improve the emissions by absorption process in the factory.

ISO 14001: 2015

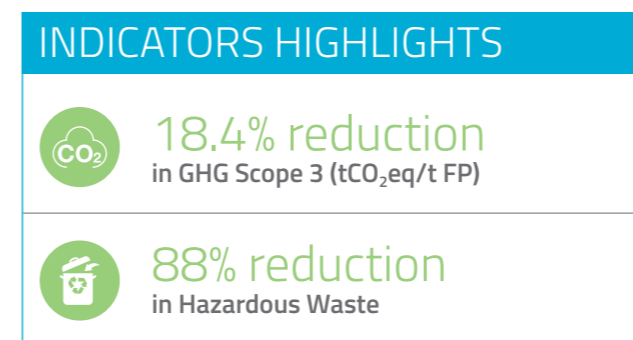
In accordance with the guidelines of the standard, we have sought to reduce our consumption of electricity.



CLOSURES
Pharmaceutical closures

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

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






SAVE ENERGY

The plant launched a complete programme of renovation of its lighting system. All devices with fluorescent lamps are going to be converted to LED technology. This technology gives more effective lighting whilst having a lower energy consumption. 120 LED devices will replace 160 fluorescent ones. At the end of the project, the plant will make an energy saving of 50% (on lighting consumption) and 32.5 kg CO₂ eq / year.



OUR PLANT IN SAN JOSE ITURBIDE PRODUCES SAFETY, ROLL-ON AND LUXURY CLOSURES. THE BUSINESS IS WHOLLY OWNED BY THE GROUP.

380
employees

15,000
m²

COUNTRY DIRECTOR
Hector de Corcuera


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

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


MAIN LOCAL CLIENTS
Cuervo, Grupo Corona

LOCAL PROFESSIONAL MEMBERSHIP
GAMISAJI

INDICATORS HIGHLIGHTS



7.1% reduction
in energy consumption (GJ/t FP)



20.8% increase
in training hours (per capita)

 **SAVING ENERGY**

The implementation of a new production line for aluminium caps led to a more efficient consumption of energy and natural gas, thereby reducing costs and energy consumed. This automated process also reduced the need of intervention by the operators as well as improving the standard of safety and the quality of the finished product.

 **WASTE MANAGEMENT**

An anti-spill system was set up in a specific area to manage waste and avoid contamination of valuable material. This implementation meant a reduction in its generation and shipments to confinement.



 **HEALTHY AND SAFE WORK ENVIRONMENT**

Thanks to a survey by an accredited firm, a work plan was created, aimed at improving and reducing the issues relating to occupational health and safety (the company considered the optimum level of lighting in work stations, the level of decibels in each work area, noise emissions and the comprehensive management of chemical substances). The survey results point to an adequate work environment for development activities and for employees involved in them.

Regarding the management of chemical substances, an authorized laboratory completed a certified study. Safety instructions have now been made available for each substance to identify the relevant risks and to avoid spills, leaks and odours. A mobile eyewash has been placed in the in working area in case of possible emergencies.



CERTIFICATIONS AND AWARDS

The Certification of Company with Labour Social Responsibility (CERSL) was achieved in 2017. This aims to promote the new Labour Culture that will help us improve employee awareness and safety.

In 2017, we were awarded the Mexican Distinction Without Child Labour. The purpose of this award is to implement working practices that contribute to the prevention of child labour and the protection of adolescent workers within a certain age bracket.

And finally, we are very proud to have received this year the «Building Our Future, Talent Guanajuato» Award, which promotes the values and development of human capital.

 **WORKING WITH THE COMMUNITY INITIATIVES**

Our 2020 goal, involves the promotion of awareness campaigns in order to facilitate the integration of diverse groups. For example, some of our employees participated in the First Rolling in Wheelchair, whilst others took part in the Walk for the World Day of Disability. This was an excellent way to raise awareness of disability issues and to act for their social inclusion.

In coordination with the Secretariat of Sustainable Economic Development (SEDES) and National College of Technical Education (CONALEP), a scholarship program known as JAT- was put in place whereby 11 students received technical training in order to specialize in our production processes.



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




48
employees



4,619
m²

COUNTRY DIRECTOR
Tomasz Malarczyk




CLOSURES
Roll-on for Wine

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

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

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

INDICATORS HIGHLIGHTS

-  **9.2% reduction** in GHG scope 1&2 (tCO₂eq/t FP)
-  **18.6% reduction** in waste production (kg/t FP)
-  **66.7% reduction** in landfill waste quantity (kg)

 **WASTE PROGRAMME**

In 2017 we continued and improved activities from 2016 which included reusing wooden pallets for multiple closures deliveries, recycling all cardboard boxes, wooden pallets and plastic products. Now, we are also recycling all flexible packaging (like shrink wrap) that is compacted on site before being collected for recycling.

 **SAVING ENERGY**

We have replaced warehouse lights with more energy efficient LED lamps and we have installed movement sensors in some frequently used rooms to ensure that lights are not left on.

 **WORKPLACE SAFETY MANAGEMENT**

We are now also meeting the Tertiary level requirements of ACC (Accident Compensation Corporation) Workplace Safety Management Practices which is the highest level and delivers 20% reduction in ACC levies.

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




691
employees



30,390
m²

COUNTRY DIRECTOR
Krzysztof Grządziel




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

MAIN INTERNATIONAL CLIENTS
Diageo, Accolade, Ohlinger (Viventionts), Kingslasnd, Pernod Ricard, G-3, Stumbras, Latvijas Balzams, Kaizer, Encirc, Bacardi

MAIN LOCAL CLIENTS
CEDC, Wyborowa (Pernod Ricard), Stock Polska, Wawrzyniak, Herbapol Lublin, Polmos Bielsko – Biała, Jantoń

LOCAL PROFESSIONAL MEMBERSHIP
None

INDICATORS HIGHLIGHTS

-  **15.2 reduction** in water consumption (m³/t FP)
-  **13.3% reduction** in GHG scope 3 (tCO₂eq/t FP)
-  **0.5% of landfill** waste

 **DEVELOPING PEOPLE**

To improve safety conditions in the workplace and to facilitate the personal and professional growth of employees, including the sharing of group objectives, we have conducted safety training for 120 people this year. We have also trained about 32 of our employees to increase their professional qualifications.

 **WELLBEING AT WORK**

We have installed air conditioning in the production departments and changed the old lights with LED lighting to improve thermal and visual comfort.

We organized a picnic for employees and their families to share great moments outside work and create and maintain relationships which contribute to good team spirit and harmonious working.

 **SAVE ENERGY AND REDUCE EMISSIONS**

We replaced all traditional lights by LED lighting. We have created the lighting zones and installed automatic switches. We replaced forklift trucks by EURO standards ones and cooperated with the companies having vehicle fleets with the highest EURO standards. We have been working on the current maintenance of our technological and energy installations in order to avoid excessive energy consumption.

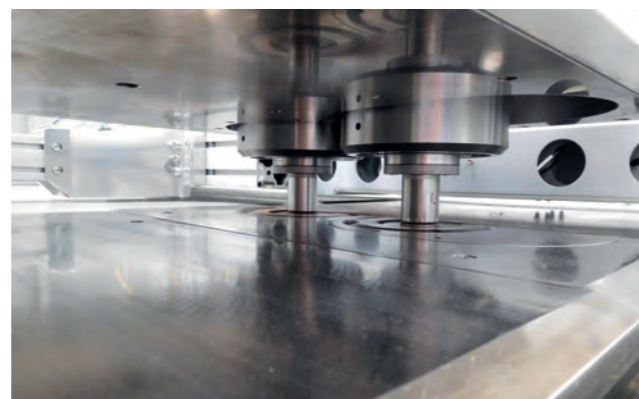
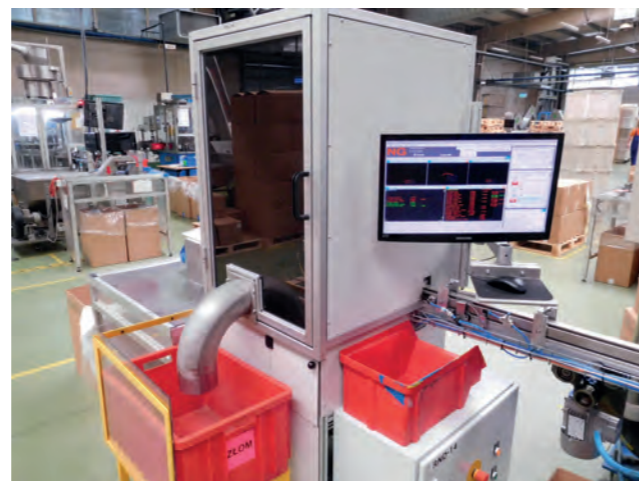
 **REDUCING WASTE AND PRODUCTION EFFICIENCY**

We launched different actions in order to reduce waste. Regarding raw materials, we installed a new press machine that allowed us to reduce aluminium consumption by 9,000kg. We have also implemented a new active control system.

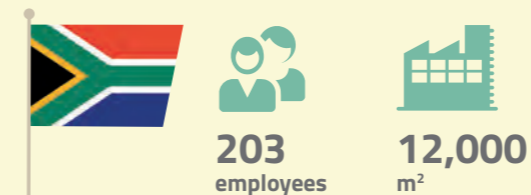
To save water, we organised water line periodic reviews to eliminate leaks and to repair if necessary. We also bought and installed closed circuit water washers to clean the containers that are transported internally.

To improve our processes, considerable efforts were made for more efficient technological alternatives, ensuring optimum use of raw materials. We now use returnable packaging for the transport of raw materials. We introduced reused cleaning materials with higher absorbency. We have been working on a constant control and evaluation of our technical processes to ensure optimum use of the raw materials and to minimize the production of waste.

We have been using materials and products guaranteed by manufacturers to have the best quality and highest service life (eg. servos, oils, paints, varnishes, sheet metal, office equipment).



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 beverage

MAIN INTERNATIONAL CLIENTS
DCSL, DIAGEO, Anheuser-Busch, Phoenix Beverages, SODEAM

MAIN LOCAL CLIENTS
Distell, KWV, DBG, Edward Snell, DIAGEO, Anheuser-Busch

LOCAL PROFESSIONAL MEMBERSHIP
None

INDICATORS HIGHLIGHTS

 **51.3% reduction** in work accident (accidents / million worked hours)

 **260.5% increase** in training hours (per capita)

 **15.1% reduction** in energy consumption (GJ/t FP)

 **SAVE ENERGY**

We replaced the old natural gas burner with the latest technology, thereby reducing gas consumption by 25%. The LED lighting programme launched in 2016 continued in 2017. The change of technology (moving from light bulbs to LED) will help save around 50% of total electricity consumption. The replacement programme will carry on into 2018.

 **TRAIN TO IMPROVE SAFETY AT WORK**

We introduced an operator self - control training course within the plant. This was rolled out both to the Nip Cap plastic division as well as to the Aluminium division. This health and safety training, aims at incident frequency reduction. Ongoing training of employees will be completed to support the new technology in the plant with the highest skillset going forward.

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

OLERDOLA



96 employees



5,000 m²

CLOSURES

Roll-on closures

MAIN INTERNATIONAL CLIENTS

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

MAIN LOCAL CLIENTS

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

WATER CONSUMPTION

Group's Champion

INDICATORS HIGHLIGHTS



-37.3% reduction in water consumption (m³/t FP)



+115.4% increase in training hours (per capita)



WORKPLACE WELLNESS

In collaboration with the the owners of the building, we changed old skylights to optimise natural light usage and installed more efficient and compliant air-conditioning in the offices. We thereby reduced energy consumption, increased natural light, and improved our employees working conditions.



JEREZ



44 employees



6,188 m²

CLOSURES

Safety closures

MAIN INTERNATIONAL CLIENTS

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

MAIN LOCAL CLIENTS

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

TRAINING HOURS

Group's Best Progress

INDICATORS HIGHLIGHTS



307.9% increase in training hours (per capita)



30.9% reduction in GHG scope 3 (tCO₂eq/t FP)

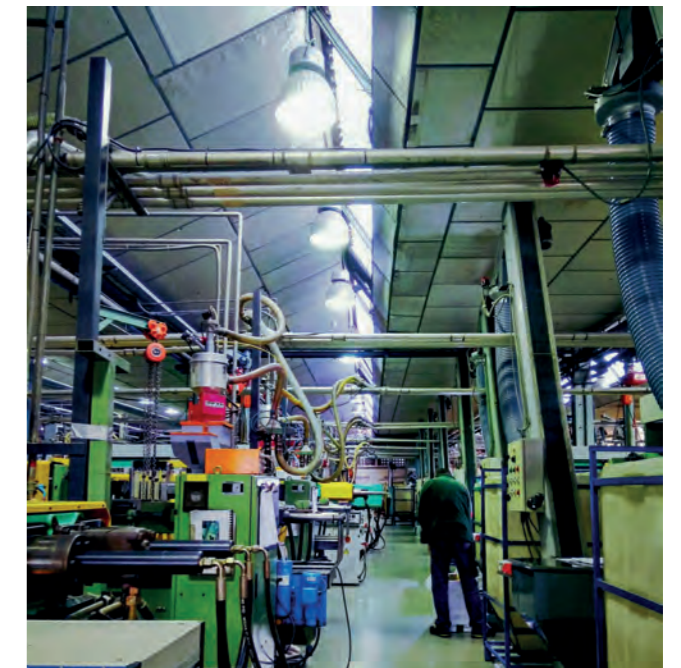


Zero waste to landfill



SAVE ENERGY

We replaced all fluorescent tubes with equivalent LED technology, and we also optimized light distribution in the office. A smart lighting system was also installed to automatically turn on/off the light depending on the optimal level at which to work, according to the outside light intensity.



WORKPLACE WELLNESS

We reused an old cooling machine to cool the plant, mainly during summer months. This was required to improve working conditions and to ensure the machines function well.

STOP DISCRIMINATION PROGRAMME

In collaboration with Upace-Sur, an established company working with the disabled, we developed a programme to help disabled people. The first step has been to outsource the plant's cleaning to the company, thus helping to develop employment opportunities for disabled people.

ALCALÁ DE HENARES



21
employees



7,150
m²

PRODUCTS

PET containers 10 to 5000 ml

MAIN INTERNATIONAL CLIENTS

Bacardi, Diageo, Remy- Cointreau, Pernod Ricard, Disco, Opalia Pharma

MAIN LOCAL CLIENTS

Italfarmaco, Boniquet, Borges, Deoleo, Acesur, Laboratorios ERN, Osborne, Gonzalez Byass

INDICATORS HIGHLIGHTS



100% OTIF score



Zero accidents



Zero hazardous waste

SAVE ENERGY

Changing the filter filling resulted in an increase in the efficiency of the injection cycle and a decrease of our water consumption.

The investment in a new cooling machine and the change of a broken high stage compressor dryer, allowed the use of green gas as well as a reduction in gas consumption.



SAFE WORKPLACE

The preform counter was moved out of the electrical control board in order to avoid having to stop machines when the parameters need changing.

This resulted in savings, through improved production and a decrease in scraps as well as helping to provide a safer working environment for our workers. This represents an improvement of the working conditions of our plant.

PRODUCTION EFFICIENCY

In order to clearly identify the production, facilitate handling and avoid non-conformities, we put in place individual coloured labels in each machine.



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

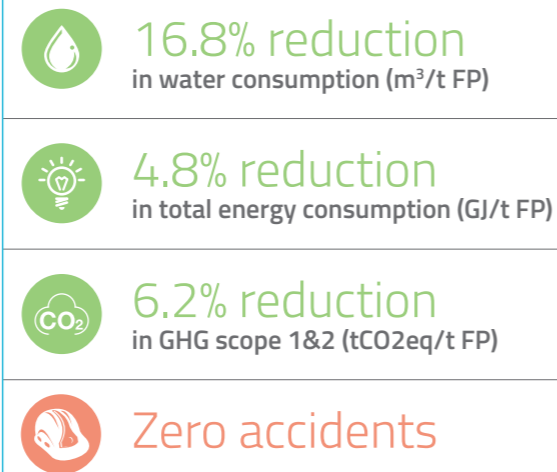
CLOSURES
Safety, Roll-on and Luxury closures for spirits, wine and beverages

MAIN INTERNATIONAL CLIENTS
S.P.I., Russian Standard Vodka, Bulbash, IDS Borjomi Georgia, Latvijas balzams, Ladoga

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

LOCAL PROFESSIONAL MEMBERSHIP
None

INDICATORS HIGHLIGHTS



TRAINING AND DEVELOPING OUR EMPLOYEES

We've provided English language courses for our staff based on their different levels of existing knowledge. Three people have already successfully passed the internal exams and are now working in areas requiring English-speaking staff.

Currently 22 people are registered on English language courses.

SAVE ENERGY AND REDUCE CO₂ EMISSIONS

In 2017, the installation of more efficient and powerful modules in the boiler, led to, with similar use, a 15% reduction in gas consumption as well as a decrease of 66% of CO₂ emissions.



IN THE COMMUNITY

In collaboration with employees' families, children from a social centre and a local charity, we planted 65 oak trees, of 4 different types, in our city park.

In 2017, Guala Closures Ukraine took part as a donor of Charity Foundation, in a complex repair of the intensive care unit premises of the regional children's hospital, as well as assisting with the acquisition of modern medical equipment for this department.

These activities helped connect and develop links with local communities, whilst improving the wellbeing of these communities.



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



COUNTRY DIRECTOR
Ken Moran

CLOSURES
Safety, premium and luxury closures and cork stoppers for spirits ; aluminium closures for spirits and wine

MAIN INTERNATIONAL CLIENTS
Chivas Brothers Ltd, Diageo, Edrington, Wm Grants, Dewar’s Irish Distillers and Accolade.

MAIN LOCAL CLIENTS
Loch Lomond, Inver House, Glen Turner, Bruichladdich, Quintessential Brands, Whyte and Mackay, Kingsland and Encirc.

INDICATORS HIGHLIGHTS

9.4% reduction in GHG scope 3 (tCO₂eq/t FP)

24.7% reduction in hazardous waste generated

Zero accidents

6.2% increase in training hours (per capita)

PRESERVING THE ENVIRONMENT

A project was investigated regarding the reduction of water used on the paint lines. It involved filtering the water from the wet back paint booths to separate out particulate matter and sludge thus allowing the “grey water” to be returned to the process for further use. Following a detailed survey sponsored by the Scottish Manufacturing Advisory Service and subsequent discussions with our waste disposal company, it was confirmed that the filtering of our waste water was already being carried out at their facility and the environmental and financial benefits to GCUK were already in place. Other projects include: modifying the configuration of the top coat spray guns on the sputtering line to reduce paint consumption, the replacement of wooden pallets with plastic re-useable pallets for the management of wip components and the routine use of plastic containers for bulk storage thus reducing the amount of cardboard used on the plant.

SAVING ENERGY

During 2017, we continued to roll out our energy-saving programme achieving the following:

- We converted to LED lighting replacing metal halide high bay, fluorescent tubes, Halogen office lighting with LED equivalents. We now have approximately 80% of the business lighting using LEDs and we will continue to exchange traditional lighting for LED equivalents throughout 2018.
- We installed three voltage optimisation units to the three transformers at the OMP site in Kirkintilloch in 2015. Two years on, we can see a clear saving of 12% on our energy consumption as well as the related cost. The investment has therefore been self-funding due to the savings achieved by the use of this new equipment. Furthermore, we have an agreement with the manufacturer who guarantees this saving.
- Electric moulding machines have been used to replace the older hydraulic machines. This led to a 40% reduction in electricity consumption and a saving on electricity costs.



COMMITMENT TO OUR COMMUNITIES

We have made a conscious effort to get more involved in local causes and provide support where possible. This has led to a variety of activities:

- We provide support periodically for the local food bank
- Regarding the Salvation Army Gift Appeal for Christmas, employees offer small gifts and toys to local school families. This has been hugely successful with our largest yet donation given in 2017.
- We continued our assistance partnership with a local to support children with learning difficulties or disabilities. We supported a number of events and they helped the children develop their social and communication skills.
- We also continue to support a local group for the elderly. We host 2 events per year with the aim of getting those who are isolated, out and socialising.





DEVELOPPING PEOPLE

We continue to conduct annual reviews with employees, which drives the development plan for the business. In addition to this regular activity during 2017, we also achieved:

- 2 Adult Apprenticeships - 1 IT and 1 Engineering – a win, win project for the employees and for the business.
- We now sponsor an apprenticeship award through our development partner EKGTA which recognises young, emerging talent in technical fields.
- In addition to the group objective of delivering 2 hours sustainability awareness training for each employee during 2017, we have also offered further learning opportunities in areas such as «Love Food, Hate Waste», Electric Cars and Energy Efficiency at home.



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

9 employees **1,200 m²**

COUNTRY DIRECTOR
Simon Yudelevich

CLOSURES
Roll-on for wine and spirits

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

MAIN LOCAL CLIENTS
The Wine Group, Constellation, Heaven Hill

LOCAL PROFESSIONAL MEMBERSHIP
None

INDICATORS HIGHLIGHTS

- 30% reduction** in energy consumption (GJ/t FP)
- 27.3% reduction** in GHG scope 1&2
- Zero accidents**

SAVE ENERGY AND IMPROVE CARBON FOOTPRINT

In 2017, we changed all internal lighting (Office & Warehouse) to L.E.D. We installed and commissioned a WAK line. This project will significantly reduce global carbon emissions by eliminating travel from our Italian and Australian plants, which have been the primary source for WAK closures produced for the North American market. This will also reduce costs greatly for container shipments as well as air freight shipments.

Table of group indicators and timelines

INDICATOR	DESCRIPTION	OBJECTIVES	DEADLINE	BASELINE	RESULTS 2015	RESULTS 2016	RESULTS 2017	Trend	FINAL RESULTS EXPECTED
CO ₂ EMISSIONS	Atmospheric emissions plants and CO ₂ equivalent	To reduce carbon dioxide equivalent emissions (Scopes 1 and 2) by 25% per tonne of finished product.	2020	NEW 2016	/	2.19* teqCO ₂ /t FP	2.16 teqCO ₂ /t FP	☹️	1.64 teqCO ₂ /t FP
		To certify indirect CO ₂ emissions (Scope 3)	2017	-	/	/	✓	😊	Certification of GCG Scope 3
		To develop partnership projects with suppliers to reduce the usage of raw materials and transport	NEW 2019	-	-	-	-	-	-
ENERGY CONSUMPTION	Consumption of all sources used	To reduce energy consumption per finished product (GJ/tonne FP) by 25%	2020	2015	17.58 GJ/t FP	17.87 GJ/t FP	17.86 GJ/t FP	☹️	13.18 GJ/t FP
		To Facilitate the supply of renewable energy	2020	-	-	-	-	-	-
WASTE	Waste produced, type and final destination	To reduce the waste generated per finished product by 20% NEW	2020	NEW 2017	/	/	272 kg/t FP	-	218 kg/t FP NEW
		To reduce hazardous waste with respect to total waste produced <5%	2020	NEW 2017	/	/	9.17%	-	<5%
		Zero waste in the landfill (kg)	2020	NEW 2017	/	/	11.55%	-	0 kg
RAW MATERIALS	Raw materials, accessory, auxiliary and packaging materials	To decrease the percentage of scrap	2020	2015	2.56%	3%	2.87%	☹️	<2% NEW
		To increase the quantity of recycled and/or low environmental impact aluminum with respect to the total employed	2020	-	/	/	✓	😊	To have minimum 1 supplier low impact NEW
WATER	Water drawn	To reduce the water drawn per finished product (m ³ /t FP) by 20%	2018	2015	3.95 m ³ /t FP	3.61m ³ /t FP	3.98 m ³ /t FP	☹️	3.16 m ³ /t FP
ENVIRONMENTAL MANAGEMENT	Environmental management systems	To obtain ISO 14001 certification for all Group Plants	2020	2015	3 plants certified	4 plants certified	8 plants certified	😊	27 plants certified
HEALTH AND SAFETY	Accident frequency and gravity	To reduce the accident frequency indicator by 15%	2020	2015	9.04	7.75	10.4	☹️	7.68
TRAINING	Type of quantity of training given	100% of employees with 2 hours of Sustainability Program training	2018	2015	-	-	25%	😊	100%
		To strengthen the development program for internal resources	2020	-	-	-	-	-	-
DIVERSITY	Gender and cultural differences	To promote awareness campaigns to facilitate the integration of diverse groups	2020	-	-	-	-	-	Promote awareness campaigns to facilitate the integration of diverse groups
PRODUCTION EFFICIENCY	Efficiency of production systems	Overall Equipment Efficiency (OEE) > 85%	2018	2015	73.8%	76.5%	77.1%	😊	>85%
INNOVATION	Innovative capacity	To develop at least 26 patentable ideas	2020	2016	-	3 new patents	6 new patents	☹️	26 patents
CUSTOMER SATISFACTION	Customer satisfaction	On Time In Full delivery (OTIF) > 95%	2018	2015	83.9%	86.5%	86.6%	😊	>95%
		All plants SEDEX accredited	2017	2016	-	21 plants	27 plants	😊	All plants
		ISO 22000 for all Group plants	NEW 2020	2016	-	15 plants	15 plants	😊	All plants

*New calculation, new certification

Reporting scope and methods chosen

This marks the seventh edition of the Guala Closures Sustainability Report. The report's scope covers our entire activities in 20 countries and 27 plants, except for Axiom in India and partially Industria Corchera in Chile, due to their late acquisition in 2017. The reporting period for all data takes place from January 1, 2017 to December 31, 2017.

This document has been drawn up according to the reporting guidelines of the Global Reporting Initiative Standards (GRI-4), Core option, as well as the principles of inclusiveness, materiality and compliance with Standard AA1000APS (2008).

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

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

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

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

CORRELATION TABLE WITH GRI-STANDARDS

Core disclosure

DISCLOSURE NUMBER	DISCLOSURE TITLE & INDIVIDUAL DISCLOSURE ITEMS	CSR REPORT SECTION - PAGE	OTHER REFERENCE OR COMMENTS
GRI 102 – GENERAL DISCLOSURES			
ORGANIZATION PROFILE			
102-01	Name of the Organisation	p.32	
102-02	Activities, brands, products, and services	p.8-9 / p.14-27	
102-03	Location of headquarters	p.8-9 / p.32	
102-04	Location of operations	p.8-9 / p.32	
102-05	Ownership and legal form	p.32	
102-06	Markets served	p.14-27 / p.78-115	
102-07	Scale of the organisation	p.6-7 / p.36-37 / p.38-39	
102-08	Information on employees and other workers	p.38-39	
102-09	Supply chain	p.45 / p.14-27	
102-10	Significant changes to the organisation and its supply chain	p.45	
102-11	Precautionary Principle or approach	p.41	Code of conduct
102-12	External initiatives	p.42	
102-13	Membership of associations	p.78-115	

STRATEGY			
102-14	Statement from senior decision-marker	p.4 / p.5	
102-15	Key impacts, risks, and opportunities	p.4 / p.5 / p.29	
ETHICS AND INTEGRITY			
102-16	Values, principles, standards, and norms of behaviour	p.10-11	Code of conduct
GOVERNANCE			
102-18	Governance structure	p.32	
102-20	Executive-level responsibility for economic, environmental, and social topics	p.40	
102-21	Consulting stakeholders on economic, environmental, and social topics	p.44	
102-22	Composition of the highest governance body and its committees	p.34-35	
102-23	Chair of the highest governance body	p.32-35	
102-26	Role of highest governance body in setting purpose, values, and strategy	p.34-35 / p.40	
102-29	Identifying and managing economic, environmental, and social impacts	p.44 / p.41	
102-31	Review of economic, environmental, and social topics	p.40 / p.41	
102-32	Highest governance body's role in sustainability reporting	p.40 / p.41	
102-35	Remuneration policies	p.34-35	
102-36	Process for determining remuneration	p.34-35	
102-37	Stakeholders' involvement in remuneration	p.34-35	
STAKEHOLDERS' ENGAGEMENT			
102-40	List of stakeholder groups	p.44	
102-42	Identifying and selecting stakeholders	p.44	
102-43	Approach to stakeholder engagement	p.44	
102-44	Key topics and concerns raised	p.44	
REPORTING PRACTICES			
102-45	Entities included in the consolidated financial statements	p.36-37	
102-46	Defining report content and topic boundaries	p.116-119	
102-47	List of material topics	p.44	
102-48	Restatements of information	p.116-117	
102-49	Changes in reporting	p.46-67 / p.116-123	
102-50	Reporting period	p.46-67 / p.116-123	

102-51	Date of most recent report	p.46 / p.116-123	
102-52	Reporting cycle	p.46-67 / p.116-123	
102-53	Contact point for questions regarding the report	p.116-123	
102-54	Claims of reporting in accordance with the GRI Standards	p.116-123	
102-55	GRI content index	p.116-123	
102-56	External assurance	p.116-123	

GRI 103 MANAGEMENT APPROACH

103-1	Explanation of the material topic and its boundary	p.44 / p.50-67	
103-2	The management approach and its components	p.44 / p.50-67	
103-3	Evaluation of the management approach	p.44 / p.50-67	

GRI 201 ECONOMIC PERFORMANCE

201-1	Direct economic value generated and distributed		2017 Annual Report and Consolidated financial statements for the year ended December 31, 2017 www.gcl-holdings.lu
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GRI 301 MATERIALS

301-1	Materials used by weight or volume	p.55	
301-2	Recycled input materials used	p.55	
301-3	Reclaimed products and their packaging materials	p.55	

GRI 302 ENERGY

302-1	Energy consumption within the organization	p.53	
302-2	Energy consumption outside of the organization		Not communicated directly but taken into account in CO ₂ emissions scope 3 calculation
302-3	Energy intensity	p.53	
302-4	Reduction of energy consumption	p.53	
302-5	Reductions in energy requirements of products and services	p.53	

GRI 303 WATER AND EFFLUENTS

303-1	Interactions with water as a shared resource	p.56	
303-2	Management of water discharge-related impacts		Cf. Environmental policy and Environmental management - ISO14001
303-3	Water withdrawal		Cf. Environmental policy and Environmental management - ISO14001
303-4	Water discharge		Cf. Environmental policy and Environmental management - ISO14001
303-5	Water consumption	p.56	

GRI 304 BIODIVERSITY

304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Materiality assessment reveals that biodiversity is not a main issue for GCG
304-2	Significant impacts of activities, products, and services on biodiversity		Materiality assessment reveals that biodiversity is not a main issue for GCG
304-3	Habitats protected or restored		Materiality assessment reveals that biodiversity is not a main issue for GCG
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		Materiality assessment reveals that biodiversity is not a main issue for GCG

GRI 305 EMISSIONS

305-1	Direct (Scope 1) GHG emissions	p.52	
305-2	Energy indirect (Scope 2) GHG emissions	p.52	
305-3	Other indirect (Scope 3) GHG emissions	p.52	
305-4	GHG emissions intensity	p.52	
305-5	Reduction of GHG emissions	p.52	
305-6	Emissions of ozone-depleting substances (ODS)		Not significant in the materiality assessment
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		Not significant in the materiality assessment

GRI 306 - EFFLUENTS AND WASTE

306-1	Water discharge by quality and destination	p.56	
306-2	Waste by type and disposal method	p.54	
306-3	Significant spills		Cf. Environmental policy and Environmental management - ISO14001
306-4	Transport of hazardous waste		Cf. Environmental policy and Environmental management - ISO14001
306-5	Water bodies affected by water discharges and/or runoff		Cf. Environmental policy and Environmental management - ISO14001

GRI 307 ENVIRONMENTAL COMPLIANCE

307-1	Non-compliance with environmental laws and regulations	p.42	
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GRI 308 SUPPLIER ENVIRONMENTAL ASSESSMENT

308-1	New suppliers that were screened using environmental criteria	p.45	
308-2	Negative environmental impacts in the supply chain and actions taken		GCG has realised Life Cycle Assessment, identified significant impacts in the supply chain, and focuses its actions in these impacts

GRI 401 EMPLOYMENT

401-1	New employee hires and employee turnover		2017 Annual Report and Consolidated financial statements for the year ended December 31, 2017 www.gcl-holdings.lu
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Managed by each local HR, according to the local rules. The Group doesn't have general guidelines
401-3	Parental leave		Total hours for Maternity leave, included in the Annual report.

GRI 402 LABELLING/MANAGEMENT RELATIONS

402-1	Minimum notice periods regarding operational changes		No policy at Group level, but the communication is managed by Group HR.
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GRI 403 OCCUPATIONAL HEALTH AND SAFETY

403-1	Occupational health and safety management system	p.60-61	
403-2	Hazard identification, risk assessment, and incident investigation	p.60-61	
403-3	Occupational health services	p.60-61	
403-4	Worker participation, consultation, and communication on occupational health and safety	p.60-61	
403-5	Worker training on occupational health and safety	p.60-61	
403-6	Promotion of worker health	p.60-61	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p.60-61	
403-8	Workers covered by an occupational health and safety management system	p.60-61	
403-9	Work-related injuries		Code of conduct
403-10	Work-related ill health	p.60-61	

GRI 404 - TRAINING EDUCATION

404-1	Average hours of training per year per employee	p.62	
404-2	programmes for upgrading employee skills and transition assistance programmes	p.62	
404-3	Percentage of employees receiving regular performance and career development reviews	p.62	

GRI 405 - DIVERSITY AND EQUAL OPPORTUNITY

405-1	Diversity of governance bodies and employees	p.63	
405-2	Ratio of basic salary and remuneration of women to men		Not available at Group level

GRI 406 - NON-DISCRIMINATION

406-1	Incidents of discrimination and corrective actions taken	p.63	
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GRI 407 - FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Code of conduct
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GRI 408 - CHILD LABOUR

408-1	Operations and suppliers at significant risk for incidents of child labour	p.42 / p.67	
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GRI 409 - FORCED OR COMPULSORY LABOUR

409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	p.42 / p.67	
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GRI 413 - LOCAL COMMUNITIES

413-1	Operations with local community engagement, impact assessments, and development programs	p.78-115	
413-2	Operations with significant actual and potential negative impacts on local communities	p.78-115	

GRI 414 - SUPPLIER SOCIAL ASSESSMENT

414-1	New suppliers that were screened using social criteria	p.42-43	
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GRI 416 - CUSTOMER HEALTH AND SAFETY

416-1	Assessment of the health and safety impacts of product and service categories	p.67	
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GRI 417 - MARKETING AND LABELLING

417-1	Requirements for product and service information and labeling	p.29 / p.42 / p.67	
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GRI 419 - SOCIOECONOMIC COMPLIANCE

419-1	Non-compliance with laws and regulations in the social and economic area		Code of conduct
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ACCIDENT FREQUENCY INDICATOR

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

ACCIDENT GRAVITY INDICATOR

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

CARBON CREDIT

A permit that allows a company to emit one tonne of CO₂. The concept was established with the ratification of the Kyoto Protocol and credits may be exchanged on the relevant markets.

CARBON FOOTPRINT

Indicates the total quantity of CO₂ emitted (directly or indirectly) by an organisation, event or product during its entire life cycle (LCA approach) or part of it. It is usually expressed in tonnes of CO₂ equivalent and represents a tool to manage, measure, assess, communicate and improve environmental performance.

CERTIFICATION

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

CO₂

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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 (IS). A gigajoule (GJ) corresponds to 1 billion joules.

LCA (LIFE CYCLE ASSESSMENT)

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

MANAGEMENT SYSTEM

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

OEE

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

RENEWABLE ENERGY

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

STAKEHOLDERS

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

WELL-BEING

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



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

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

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