

# SUSTAINABLE DEVELOPMENT

## REPORT 2014





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# Guala Closures Group 2014

## Key figures

**487.8 mln**

Turnover 2014



**14 bn**

Closures sold  
in 2014



**25** Production  
plants

**18** Countries

**5** Continents



Sales network  
in over

**100** Countries



**4,046**

Employees  
worldwide



**540**

Employees  
in Italy



**5** Research  
and development  
centres



Over  
**80** Patents



**6** Product  
categories



**26,000**

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



Figures as at 31 December 2014

## Message from the Chairman



Celebrating its sixtieth anniversary in 2014, from the “small scale” production of plastic closures, the Group now manufactures in excess of 14 billion aluminium and non-refillable closures. Our market has expanded significantly from local to global; with production plants in all five continents and over 4,000 employees worldwide, today Guala Closures is a world leader in the “technological” closures sector.

International, dynamic and also highly competitive, the technological closures market requires safety, innovation and design, three strategic dimensions in which Guala Closures invests over 6% of its turnover, renewing both the technology of its plants and its production processes.

However, in pursuing our business development objectives, we cannot ignore the fundamental need to safeguard the environment at the same time, giving it our undivided attention and by increasingly investing in the sustainability of all of our business activities.

This is what we are doing, with commitment, conviction and success.

At global level, one of the ‘hottest’ environmental issues and one of the most important to our future is that of the CO<sub>2</sub> emissions generated by mankind.

It is industry’s job to make every effort to reduce them.

We are doing just that, and from 2015, measuring and reducing our Carbon Footprint has become an international objective, no longer just an Italian one.

We will be illustrating this and all of the other activities we have undertaken in this Report.

Thank you to everyone and happy reading.

Marco Giovannini  
*Chairman & Chief Executive Officer*



# Interview with the General Manager

“Do good, create a culture”

## Mr. Bove, here we are, 4 years on...

We have reached the **fourth edition** of our Sustainability Report.

With a wealth of information, interviews and in-depth reports and above all the tangible results we have achieved, it documents and analyses the path we have taken from 2011 to date. Right from the start, we sought to be **diligent, transparent and realistic**, setting ourselves objectives which, in many cases, appeared ambitious. One year from the end of the five-year Sustainability Programme (2011-2015), 13 objectives out of 21 have been achieved or surpassed, 1 has been eliminated and 1 suspended.

These figures are already very satisfactory, however the most positive aspect regards the Group's commitment to a **virtuous irreversible** process of **development** which seeks, and must, conciliate economic growth with social welfare and environmental sustainability.

In Italy, this is now a fully **structured process**, which will be also extended to the Group's foreign operations, where the sustainability culture has already taken hold and tangible projects and activities are already in progress. From this year therefore, the Report will include an **international section**, which will expand over time.

## What are the most significant results achieved in 2014?

First of all, let's look at the overall picture. If the Euro had not appreciated against the main currencies in which the Group operates, growth would

have been 6% (sales). We have made considerable efforts on production efficiency and cost cutting, we have invested in new technologies and new products.

In terms of sustainability, the most significant results regard energy consumption (-33.3%), scrap (-37.2%), water drawn (-29.9%), waste (-60.5%), CO<sub>2</sub> emissions (-24.2%), accident frequency (-12.9%) and gravity (-41.4%), all of which within the Italian perimeter.

At Group level, innovation (19 new patents in 4 years) and Customer satisfaction (0.2% of claims). There are further details on the 2014 results from page 79 onwards.

## What are the keys to your success?

I would say there are two. The **first** is the **6 Best Practices** which we applied to forge ahead with the programme: the commitment and the involvement of everyone, the ComOp, the definition of precise and measurable objectives, the implementation of procedures and management systems, training and internal communication and lastly the publication of the Annual Report.

These **Best Practices** are a **benchmark for all Group plants** – experience, processes and methods – they can aspire to. Obviously we take specific economic circumstances and local cultures into account.

The **second key** regards **investment**, both in economic terms and in terms of human resources. They are important and necessary. Often, but not always, they have an economic return (short,

medium or long-term) or an intangible one (awareness, involvement, reputation, image).

## So everything is positive then?

Maybe we could have done more, faster.

However, we chose to focus on **quality and substance**, involving and making our staff as aware as possible and also gradually including Customers and suppliers. We have invested time and resources by working on the **reliability of figures and tools** and on the definition of **procedures and management approaches**.

In short, our motto is **“do good, create a culture”**. In terms of production, unfortunately, we were faced with the difficult, but necessary from an economic perspective, decision to close the Torre d'Isola plant. The large majority of the production lines have been transferred and reinstalled in other Group plants (Italy, Poland and the Ukraine).

## Let's talk about the future...

2015 will be a key year: it marks the end of the 2011 - 2015 Sustainability Programme and the beginning of a new phase, internationalisation.

We have shared 2 extremely important and valuable strategic objectives: calculating the **carbon footprint**, according to the GHG Protocol, of **all of Guala Closures production plants and implementing new monthly environmental and social KPIs**, such as energy consumption, waste produced, water drawn, accidents and welfare. Therefore, by the end of 2015, we will be

able to **monitor and analyse our CO<sub>2</sub> emissions** of each plant and therefore of the Group.

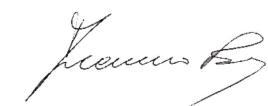
In addition, we will continue with our strategy to **offset CO<sub>2</sub> emissions** by means of an exclusive 3-year project in Columbia, where we have a plant.

Lastly, we are preparing a **five-year Group plan for 2016-2020**.

## Would you like to add anything else?

I would like, first of all, to thank everyone who has contributed to this Report, in Italy and abroad. Then I would like to invite everyone to look ahead with confidence. At all levels and in all countries, we need passion, determination and commitment; we need to do our jobs well and in the most sustainable way possible. This is the only way we can guarantee a long life to our company.

Thank you everyone.



Franco Bove  
Group Chief Operating Officer



# Guala Closures Group

## Mission, Values and Corporate Governance



We manufacture closures that are able to **protect** and **enhance** our Customers' products.

We continuously develop **Research, Innovation** and **Quality** to anticipate market expectations and those of our partners and Customers.

We have achieved **international leadership**, which we will continue to develop, thanks to our **vision**, and to our counter-feit-proof closures, which safeguard product quality, to the benefit of the final consumer.

We pursue our mission by seeking to be **accountable** to our stakeholders and by taking concrete action based on the following **values**:

TRANSPARENCY

PROFESSIONALISM

ENVIRONMENTAL PROTECTION AND WELLBEING

RECOGNITION AND REWARDING RESULTS

 *Guala Closures Group*

**Protect your brand, Create your value.**

# Corporate Governance

## The structure

Our governance structure represents the system that drives and controls all of the Group's business activities. It describes how and through which decision-making and operating bodies the Group's strategic choices are made and implemented. The management structure is organised in such a way as to be highly focused on achieving objectives.



The ordinary and extraordinary Shareholders' Meeting is usually convened by the Board of Directors. Its task is to **decide on and approve the actions of the board directors**. In any event, the ordinary shareholders' meeting meets once a year to approve the financial statements. An extraordinary shareholders' meeting is convened specifically if events arise that go beyond ordinary management.



The primary task of the Board of Directors (BoD) is to **identify the strategic and organisational direction of the Group**, as well as to ensure that the necessary controls are in place to monitor the company's performance. The BoD of Guala Closures S.p.A. has 9 members, 3 of which are internal executive members and 6 of whom are non-executives who represent the shareholders.



The Board of Statutory Auditors **ensures that the activities of managers are consistent with the purpose of the Group and that they comply with the applicable legislation**. It is therefore a supervisory body, which meets at least every quarter and issues an Annual Report on the work of the board. Guala Closures' Board of Statutory Auditors is comprised of 5 members, 3 of which are standing auditors and 2 of which are alternate auditors.



The Supervisory Committee (SC) is an integral part of the Organisational Model, developed pursuant to **Italian Legislative Decree no. 231/2011** which introduces the administrative liability of companies. Its task is to **supervise the functioning and effectiveness of the cited Model**. It meets at least four times a year to plan audits and to examine the results, which are then reported to the Board of Directors. It is comprised of 2 members, one of whom is internal and 1 independent external technical expert.



The Independent Auditing Firm **checks and verifies** that company procedures are able to correctly represent the Group's **financial, equity and economic situation** in the financial statements. Guala Closures uses KPMG to certify the financial statements and to legally audit the accounts.



The task of the Operating Committee is to **implement the Sustainability Programme in Italy**. It is coordinated by the Head of ComOp and chaired by the Chief Operating Officer, who is periodically provided with a report on the achievement of the planned objectives and activities in progress. Its members include: Plant Managers, the Head of Management Control, Human Resources, Research and Development and Marketing management.



Although the company is no longer listed on Borsa Italiana, the Board of Directors decided, with a resolution of the same, to maintain the Internal Auditing Committee and the Remuneration Committee. Its task is to **define the remuneration policy for directors and for executives** with key strategic responsibilities. It has 4 members.



This Committee **periodically analyses operating performance and the achievement of the objectives set**. It is chaired and coordinated by the Chairman and Chief Executive Officer. Its members include top management: the Chief Operating Officer, the Director of Administration, Finance and Control, the Research and Development Director and the Marketing Director. Other executives of key departments, such as the Purchasing, Administration and Finance, Human Resources, Technical departments, the Corporate General Secretary and Management Control. In addition, Country General Managers are invited where relevant.



The task of the Internal Auditing Committee is to **provide support to the Board of Directors by conducting internal checks and audits** on correct risk management. It has 5 members.



# Guala Closures Group

## Company Overview



World  
Leader




The Guala Closures' story started **60 years** ago. From a small family business, following a spin-off in 1998, it has become a multinational enterprise, a world leader in safety and aluminium closures.

Today Guala Closures Group has **25 production plants** and **4 sales offices** in all five continents. It manufactures over **14 billion** closures, which break down into 2 macro-processes – aluminium (8.4 billion closures) and plastic – and three product types – safety, aluminium and decorative closures.

Safety  
Aluminium  
Decorative  
Closures

It produces **“technological, safe and aesthetic”** closures and invests in innovative processes, materials and technologies, which are increasingly directed towards environmental sustainability.

  
14 billion  
closures



# Our story started sixty years ago ...

Guala Closures is now the world leader in the safety and aluminium closures market.



The Spinetta Marengo plant, the Group's head office



**Year of foundation of Guala** for the production of articles in plastic



From family business to multinational, the **spin-off** of the closures division takes place and Guala Closures Group is established, and sponsored by private investors



**Global Cap SpA is acquired.** Guala Closures Group now has 21 production plants worldwide

A new production plant is built in **Mexico** to replace the existing two.



Guala Closures is listed on the stock market: 22 November 2005

**The new production plant and HQ is inaugurated at Spinetta Marengo**



**The Pharma division is established, with head office in Vasto**

**New acquisitions:** Assets closures **ASA (Australia)** and Metal Closures from **MCG Industries (South Africa)**



**Guala Closures Group celebrates 15 years in the business and 60 years in the business for the Guala Group.**

1954 1960 1998 2000 2003 2004 2005 2006 2007 2008 2009 2010/11 2012 2014 →

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

**The new management team, with Marco Giovannini at the helm is in place**



After Spain, Mexico, Brazil, Columbia and India, international expansion continues into **Argentina, China and Russia**

**The Aluminium Division is established**



**Guala Closures North America Inc. is established** to sell products in the US and Canadian markets

**New sales offices** are opened in **North America and France**, and **new production plants** in **New Zealand and Australia**

**Acquisition** of the Technologica Closures plant in the **Ukraine**

Guala Closures exits the Italian stock market

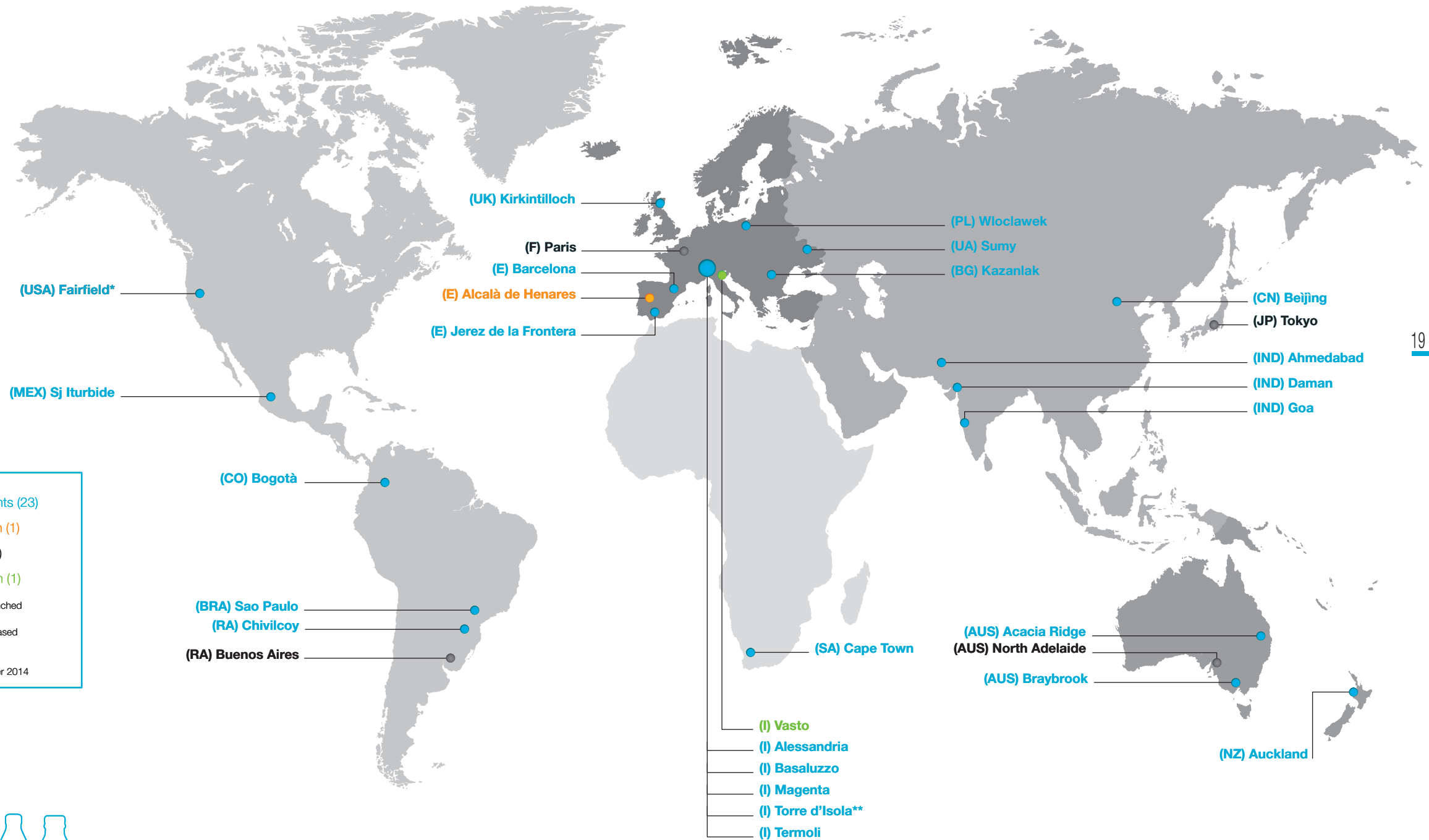
**New acquisitions:** Danik (**Bulgaria**), Metalprint (**Italy**), Plastivit (**Mexico/Spain**), DGS (**Poland**).



The **first production plant** in the United States is inaugurated in **Fairfield, California**, featuring a modern and avant-garde Design Studio



# Guala Closures Group worldwide



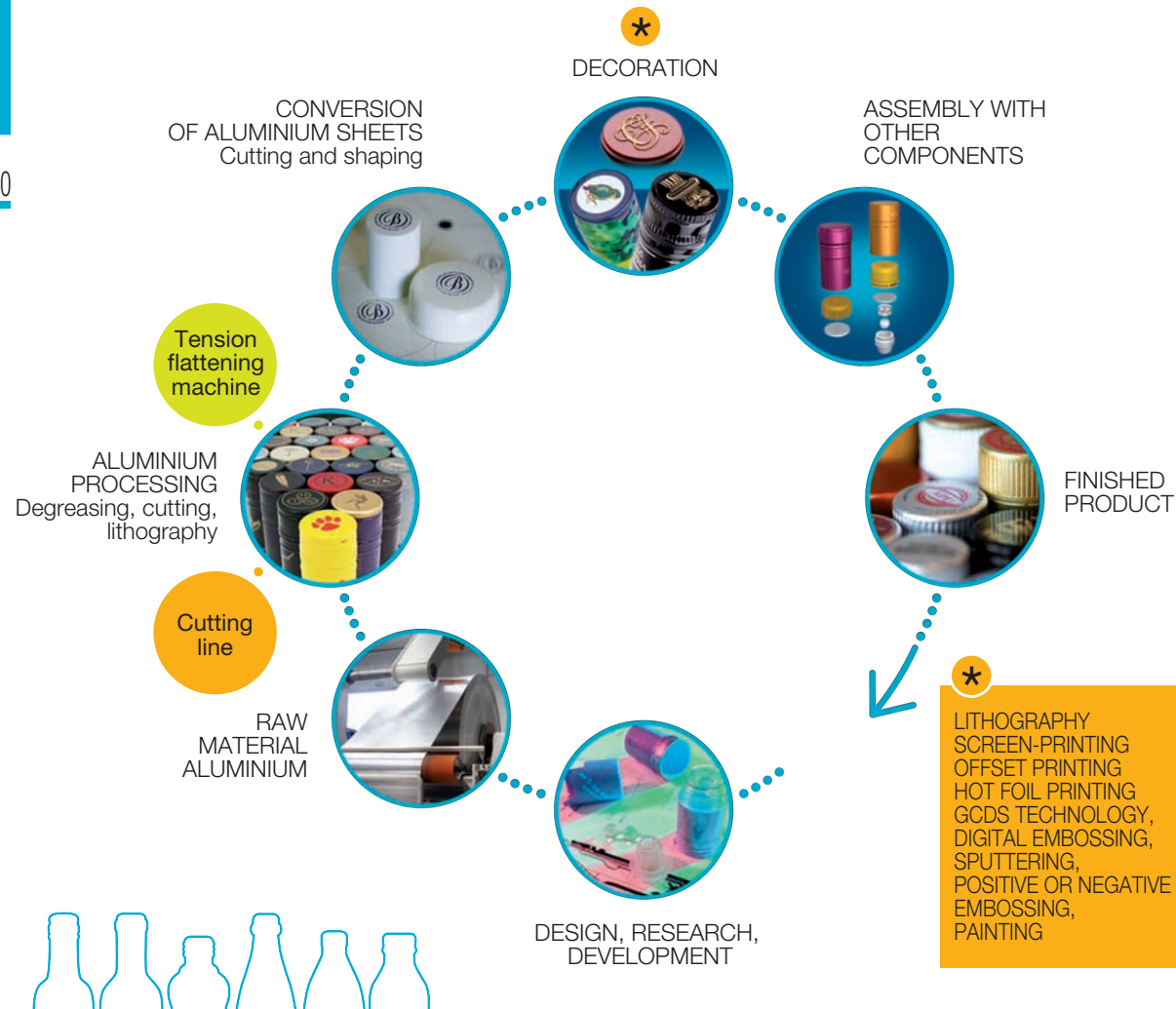
# Processes and Products

## Production processes

The production of Guala Closures breaks down into two macro-processes: that of aluminium closures and that of plastic closures.

### PRODUCTION PROCESS ALUMINIUM CLOSURES

The first production process regards several closures for spirits, wine, oil, water and vinegar.



## Cutting Line in Magenta, the first and the only chrome-free line

The cutting line in Magenta represents the most cutting-edge technology available on the market for the pre-treatment of aluminium coil.

It is a **unique system engineered for Guala Closures**, with the support and advice of Turin Polytechnic. It provides the Group's 11 plants that use aluminium with **the highest quality aluminium sheet, treated without the use of chrome**.

The system to recover and neutralise degreasing acids significantly reduces the environmental impact of this process line (waste, water and energy consumption).



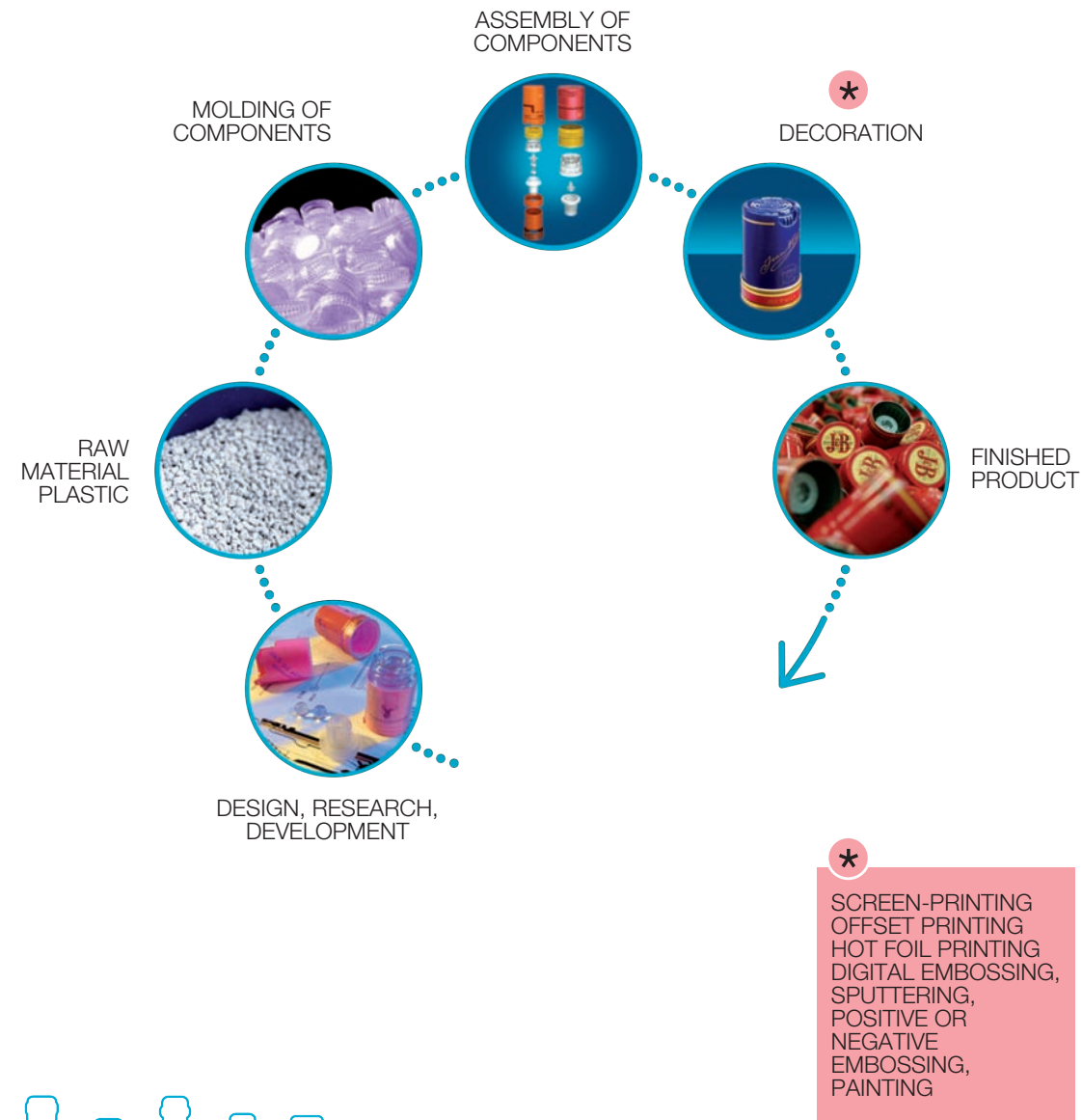
## High performance tension flattening machine in Magenta

This piece of equipment was installed in July 2014, and enables **excellent performance** to be achieved during the coil degreasing and threading stages, maintaining the high quality of the aluminium sheets.



# PRODUCTION PROCESS PLASTIC CLOSURES

The production process for plastic closures regards spirits, which require the more or less complex assembly of various components (up to 13).



## Sputtering at Spinetta, an internalised innovative technology

At the Spinetta production plant, two environmentally cutting-edge plastic closure metallisation lines have been in operation since 2014. As a result above all of vacuum technology and the very low process temperature required, sputtering is the **most innovative and the cleanest technology available on the market at the present time.**

It enables a higher quality of the film deposited to be obtained, excellent process control with a high level of repeatability, excellent adhesion of the film to the substrata, nickel and chrome-free metal deposits, and the extremely efficient use of the coating material.

The decision to internalise this process fulfils the Group's desire to have better control over its quality standards. The investment in this new production line has led to a lower environmental impact of this process.



## Opening of the first production plant in California

In 2014, the group's first "Design Studio" was inaugurated in North America. Located in Fairfield, in California, the Guala Closures Design Studio is a new concept, developed in-house by the company, to offer wine producers the opportunity of **creating art work in loco** and of producing batches of wine screwcaps from 1000 units up, thus meeting the needs of small Californian wine producers. The site boasts an exclusive rapid printing machine, fine-tuned by Guala Closures engineers, which combines digital printing techniques, plasma and UV technology for the application of colours, logos and graphics for whatever quantity of closures requested.

The presence of a **team of designers** enables all of the features requested by the Customer to be developed technically, even for small production batches, special events or limited editions, maximising options for product customisation.

Guala Closures  
**DESIGN  
STUDIO**



# Processes and Products

## SAFETY CLOSURES



## ALUMINIUM CLOSURES



## DECORATIVE CLOSURES



## SAFETY CLOSURES

# Brand protection technologies

World leader in the production of safety closures, Guala Closures boasts consolidated knowhow, because it is **constantly seeking new solutions and technologies**: from the simplest "Tamper Evident" technologies to the most complex systems designed using up to 13 components in a single closure.

Guala Closures safety closures resolve the increasingly common problem of drink counterfeiting, a phenomenon that has become worldwide.

Counterfeiting causes enormous economic damage to a company's image, not to mention a risk to consumer health.

## NON-REFILLABLE SYSTEMS

A set of internal more or less complex devices and valves, prevent the bottle from being refilled and the product from being replaced.



## CAPPING SYSTEMS

"Roll-on"

The closure is secured by rollers that bend a component of the closure under the bottle finish

"Snap-on"

The closure is secured by vertical pressure.

Guarantee that the closure is anchored to the bottle.

"Screw-on"

The closure is screwed on.

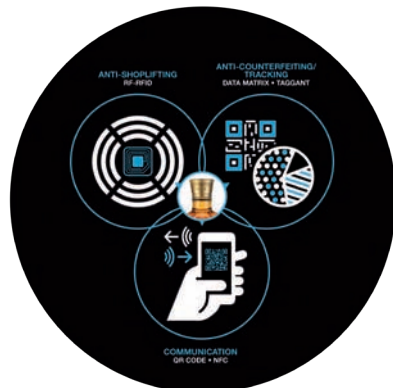


TAMPER-EVIDENT SYSTEMS

Different types of Tamper-Evident systems enable the consumer to see if the bottle has been opened.



SMART PACKAGING SYSTEMS



Highly sophisticated systems, such as laser applications, microchips, matrix data codes, RFID, NFC provide information on the product and on its traceability by interacting with the final consumer.

ALUMINIUM CLOSURES

Secure, Stylish and Recyclable

Number one in the World, Guala Closures produces around **8 billion aluminium closures a year** for the Spirits, Oil and Vinegar, Water and Beverages, Wine and Pharmaceutical markets. All of these products require different types of closures: from the simplest screwcap to the more complex versions, equipped with components in different materials and with specific aesthetic or safety features.



The company provides **products** that can be **customised** using the most **advanced decoration technologies** such as: lithography, hot-foil, relief or bas-relief punching, which bring together design, high quality and innovation.

“CORK TE” CLOSURE

NEW IN 2014



This closure has a newly conceived irreversible mechanical Tamper Evident fitment. When first used, part of the closure is lowered revealing a coloured band, as proof of opening.

“EXCELLENT” CLOSURE

NEW IN 2014



Through a dual-injection process, this closure product is equipped with an innovative anti-counterfeiting technology, which reveals the authenticity of the product by means of a code.

THE SUSTAINABILITY OF ALUMINIUM CLOSURES

Aluminium is a material that has excellent quality and sustainability features. As well as preserving and protecting the content of a bottle, with positive effects on taste, quality and ease of use, closures made in this material are totally recyclable.

The very high performance of these closures therefore avoids wasting energy, water and other materials used in production, processing and packaging of products.

In actual fact, aluminium has impressive credentials in terms of sustainability, is widely available and, through recycling, enables significant energy savings.

Around 75% of the aluminium that has ever been produced is still in use today.

At least 4 out of 10 aluminium caps used in Europe are still recycled today, separately or with the glass part of the packaging (Source: [www.aluminium-closures.org](http://www.aluminium-closures.org)).

\* Source: CiAL.

\*\* Source: Aluminium Closures Association.



NEW IN 2014

WINE DEVELOPERS



Under the Wine Developers trademark, Guala Closures presents a global offer which includes the **widest range of wine closures and a new trio of liners for better quality, performance and sustainability.**

Thanks to its partnership with MGJ, the largest manufacturer of wine liners in the world, Guala Closures is able to offer closures able to meet varying needs of oxygen permeability, therefore guaranteeing the desired development of each type of wine after bottling.

The production quality of the new range of liners is guaranteed by totally traceable raw materials, approved by the European Union and by the American Food and Drug Administration.

In the global wine market, Wine Developers promotes an **eco-responsible approach, due to the replacement of tin with aluminium, a highly recyclable material.**

To discover all of the advantages of aluminium screwcaps: [www.winedevelopers.com](http://www.winedevelopers.com)

IPSOS SURVEY: *aluminium screwcaps vs. cork*

March 2014

Consumers have chosen screwcaps. According to an in-depth survey conducted by IPSOS\* on 6000 consumers in the five main European markets and in the USA, the majority prefer an aluminium cap compared to other types of closure for a number of reasons, including practicality.

To know more:

[www.aluminium-closures.org/fileadmin/web/news/Press\\_Release\\_20140319/EAFA\\_Closures\\_Survey-English.pdf](http://www.aluminium-closures.org/fileadmin/web/news/Press_Release_20140319/EAFA_Closures_Survey-English.pdf)

Source: \*IPSOS is the third largest market research company in the world, with over 80 offices around the globe.



DECORATIVE CLOSURES

All you can imagine for your image

Guala Closures is a **global benchmark for the production of premium closures** for high range products, by virtue of innovative decoration techniques with metallic effects and continuous materials research.

Guala Closures accompanies its customers hand in hand to design solutions which, together with the bottle and the label, contribute to creating a brand identity.

NEW IN 2014

NEW MATERIAL



Guala Closures has developed a new "weighty" polymer.

This material gives the closure a certain weight and a cold-to-touch effect. It can be combined with other decoration and surface treatment processes, producing an ultra premium results in terms of quality and aesthetics.

AN AVANT-GARDE PROCESS



"The Sputtering metallisation process has been internalised".

This innovative metallisation process guarantees better quality and resistance and has been conceived with a view to environmental sustainability, limiting carbon emissions, eliminating the use of heavy materials and reducing scrap.



# Markets

Our Safety, Aluminium and Decorative products are manufactured and distributed worldwide and cover 6 product categories: spirits, wine, water and beverages, oil and vinegar, containers and pharma.



6  
product  
categories

14  
billion  
closures sold  
worldwide.

Over  
4,000  
closures  
in different colours,  
shapes and sizes.



## SPIRITS

Numerous models of customisable closures which, through sophisticated anti-counterfeiting and anti-adulteration technologies, protect brand image and consumer health.

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



## WINE

Screwcaps which guarantee the best development conditions for each type of wine over time. They can include dedicated liners, which permit different degrees of oxygen permeability (see wine developers) and infinite decoration options.

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



## WATER AND BEVERAGES

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



## PET CONTAINERS

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



## PHARMA

Products for the pharmaceutical and cosmetics sector, ranging from aluminium snap-off caps to rubber caps, single-dose phials and bottles in PET.

[www.pharma-trade.it](http://www.pharma-trade.it)



## OIL AND VINEGAR

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

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





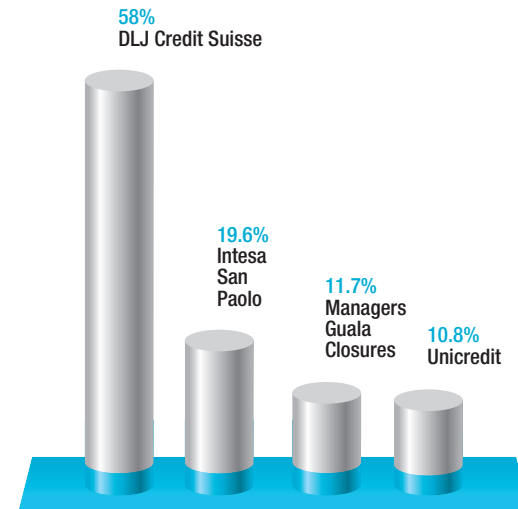
# Turnover and markets

## Ownership structure

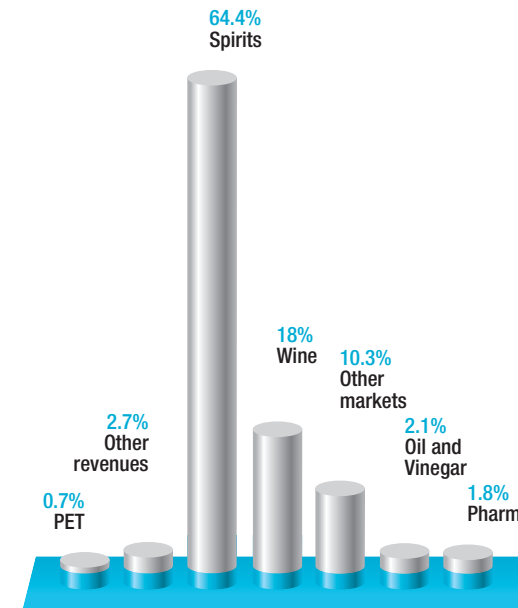
As at December 2014, 11.7% of the Group's shareholding was owned by the company's managers with the remainder in the hands of three important national and international banks.

Guala Closures S.p.A. is a **joint stock company** with a single shareholder, wholly owned by GCL Holdings SCA.

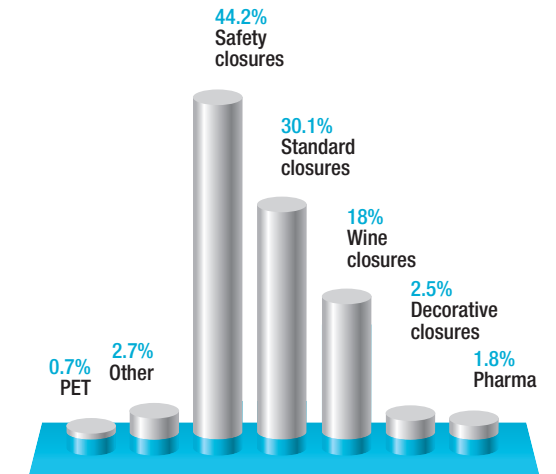
Guala Closures S.p.A. has subscribed and paid up share capital of **Euro 74,624 thousand**, represented by **74,624,491 ordinary shares** with a face value of 1 Euro each.



Shareholding structure



Turnover for the end market (2014)



Turnover by product (figures, 2014)

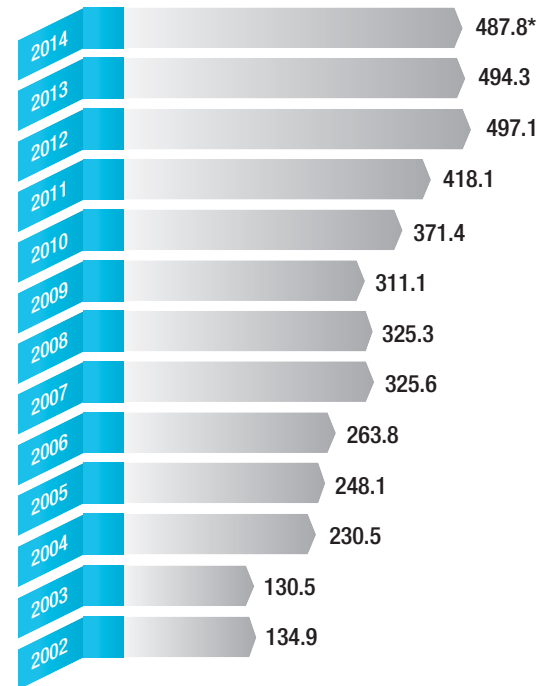
## Turnover

In 2014, the Group recorded **net revenues of Euro 487.8 million**, -1.3% compared to 2013.

The result was penalised by the appreciation of the Euro against the major currencies of its operations.

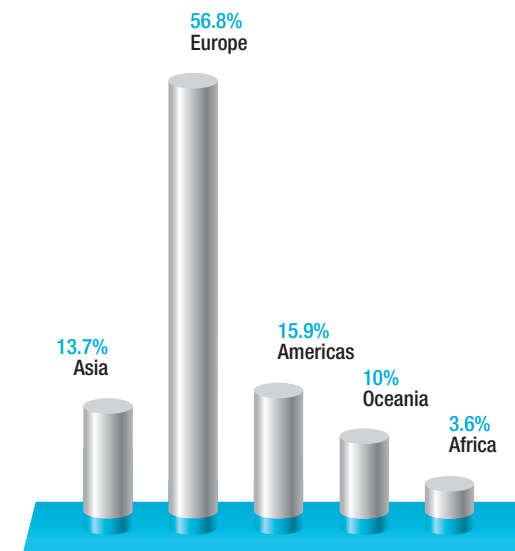
At constant exchange rates with respect to last year, the Group would have obtained a 6.0% rise in sales and a 4.7% increase in the adjusted gross operating profit (EBITDA – excluding one-off items).

This result was obtained thanks to the improvement in **operating efficiency, cost optimisation and investment** in new products.



Guala Closures Group Turnover (€ml. 2002-2014)

\* At 2013 constant exchange rates, the 2014 turnover would have been €ml. 524



Turnover by geographic area (2014)\*

\* Geographic area defined on the basis of the production plant.

## Investment

In 2014, with a view to supporting future growth, the Group made net **investments** (net of payables for investments) of **Euro 33.5 million** (around 31 million in 2013, 26 million in 2012).

More specifically, the majority of investments were addressed to extending production capacity in India, new applied technology in Italy, the United Kingdom, the Ukraine and Mexico, new products in Brazil and the production plant in Poland.

## 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 ascertains its compliance with **International Financial Reporting Standards**.



# Guala Closures Group

## Key Facts 2014

### FEBRUARY:

The new innovative anti-counterfeiting closure, **Excellent**, is presented, dedicated to the Columbian market.



### FEBRUARY:

**Guala Closures Japan** is founded, a sales company for the Group's business development in the East and Pacific Area.

### APRIL:

Alufoil Trophy 2014, Guala Closures wins **4 awards** for its **VERSO**, **SAVIN PREMIUM** and **WIT (Wine In Tube)** products.



### MAY:

Third edition of **Green Day for children at Spinetta's offices**, dedicated to the children of employees, and entitled: "E like ...Energy that moves the world".

### MAY:

For the first time, Guala Closures attends **Luxe Pack in New York**, the most important event in the US dedicated to creative packaging.

### JULY:

The production plant in Torre d'Isola (Italy) is closed and its production is reallocated to the Spinetta and Wloclawek (Poland) plants.

### SEPTEMBER:

The new Guala Closures **production plant** is inaugurated in Fairfield, California.



### SEPTEMBER:

Guala Closures Beijing signs an exclusive sales agreement with **APU Joint Stock Company**, the largest distillery in Mongolia.

### SEPTEMBER:

The 2013 Guala Closures **Sustainability Report** is published in three languages.

### OCTOBER:

The latest "premium decorative" closures and the new **Pulse Cap** technology are presented at **Luxe Pack in Monaco** (France).



### OCTOBER:

The **15th anniversary** of Guala Closures Group and the **60th** of the Guala Group are celebrated at Spinetta.



### OCTOBER:

Guala Closures South Africa attends **Propak Cape 2014**.

### NOVEMBER:

In partnership with **MGJ**, Guala Closures launches the **Wine Developers trademark**, the widest range of wine screwcaps that guarantee oxygen permeability.



### OCTOBER:

During **Prowein China**, the European Aluminium Foil Association (EAFA) launches the "turn 360°" website in Chinese.



### DECEMBER:

**Second edition** of the **Christmas contest**: the best eco-sustainable decoration.

# 15 years of Guala Closures and 60 of Guala

On **4 October 2014**, the two companies celebrated a twofold milestone: 60 years of Guala, founded in 1954 as a small business in the plastic molding sector, and 15 years of Guala Closures, established in 1998 from a spin-off of Guala's closures division. The day featured several events, including the joint opening to employees and their families of the production plants in Alessandria. An occasion to acknowledge common roots in the success stories of two important Italian Groups.



# Awards and acknowledgement in 2014



Guala Closures received **4 important awards at the annual Alufoil Trophy:**

**VERSO**, the closure for edible oils, won two awards in the **"Consumer Convenience"** and **"Technical Innovation"** categories. **VERSO** has a telescopic plastic pourer inserted into a standard aluminium closure.



The **SAVIN PREMIUM** closure won the award in the **"Marketing + Design"** category. **SAVIN PREMIUM** has a patented thread that cannot be seen from the outside, which renders it totally smooth and gives it a "premium" appearance.

The **WIT (Wine In Tube)** product won the **"Marketing + Design"** award. Developed by Guala Closures in partnership with Wit France, WIT is a glass container sealed by an aluminium screwcap, perfect as a gift and for tasting sessions. [www.witfrance.com](http://www.witfrance.com)





The **sustainability programme**, launched in 2011, has produced very important results, developed new skills and encouraged the commitment and involvement of our employees at all levels of the company.

In Italy, we have fully implemented a **sustainable development programme** based on **6 Best Practices**, which we will illustrate in the following pages.

Now that this programme is successfully up and running, we have started working on international development.

Since 2015, all Guala Closures plants have been able to monitor their performance on numerous environmental and social indicators. By the end of 2015, the **Guala Closures World Carbon Footprint** will be available and will be monitored annually.

In any event, many plants are already committed to social support projects and to reducing environmental impact and we will provide more details in this chapter (Plants Overview).

Lastly, Guala Closures' commitment to offset a part of its CO<sub>2</sub> eq. emissions continued, mostly through reforestation projects.

2015 marks the launch of an **"ad hoc" reforestation project** designed for Guala Closures, in Colombia, which will last 3 years.



6 Best Practices

Carbon Footprint



Plants Overview



Offsetting CO<sub>2</sub> emissions



# 6 Best Practices Guala Closures

This term encompasses the set of “Best Practices” that have been drawn up to promote the application of the Sustainability Programme in Italy. The Best Practices represent a benchmark for the Group’s other operations. Their practical application is illustrated in the following pages.

## BP1 Commitment and Involvement

## BP2 The ComOp

## BP3 Indicators and Objectives

## BP4 Procedures and Management Tools

## BP5 Training and Internal Communication

## BP6 Annual Report

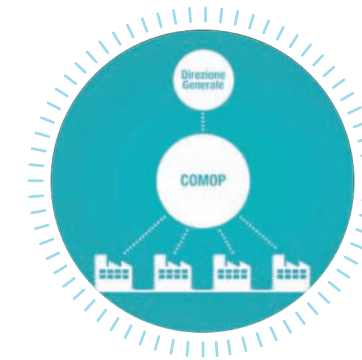
A video has been produced on GCG Best Practices, available on:  
[www.youtube.it/gualaclosuresgroup](http://www.youtube.it/gualaclosuresgroup)



**BEST PRACTICE 1**  
**Commitment and Involvement**  
Top management commitment, the company’s commitment to its stakeholders, the involvement and participation of all employees to achieve objectives.



**BEST PRACTICE 4**  
**Procedures and Management Tools**  
These are a set of internal tools and procedures essential to the functioning of the Programme.



**BEST PRACTICE 2**  
**The ComOp**  
The Operations Committee, the tool used for the governance and implementation of sustainability strategy, has representatives from all company departments and Plant management.



**BEST PRACTICE 5**  
**Training and Internal Communication**  
Essential for creating a culture, promoting employees awareness and involvement and informing them on the projects undertaken.



**BEST PRACTICE 3**  
**Indicators and Objectives**  
The cornerstone of the Best Practices is identifying indicators that are relevant to the company’s business and defining precise and measurable objectives.



**BEST PRACTICE 6**  
**Annual Report**  
The Sustainability Report is published alongside the Financial Statement and illustrates the objectives, the work undertaken and the results achieved in a transparent way to all stakeholders.



# Commitment and Involvement

## Stakeholder value chain

**Our commitment** to our stakeholders as a whole influences the company's choices, policies and strategies from a commercial, economic or sustainability perspective. The most important stakeholders are our employees.



### EMPLOYEES

We guarantee the utmost respect of ethical and social aspects to promote company values, continuous improvement and a sense of belonging to the Group. We encourage the professional growth of all our employees through continuous training. We respect workers' rights, occupational health and safety legislation in all countries Guala Closures operates in.



### CUSTOMERS

We guarantee the highest quality standards of our products and of our service, without ever ignoring the principles of correctness, honesty, transparency and lawfulness. We design and develop products that meet the expectations of our Customers by continuously investing in the quality and the innovation of production processes. We use the Sedex platform to provide information on the ethical nature of our business.



### SHAREHOLDERS AND INVESTORS

We create added value by respecting the principles of correctness, honesty, transparency and lawfulness which are the foundation of our Code of Ethics and of our mission.



### SUPPLIERS

We share a responsible approach with a view to creating added value along the entire supply chain. We respect the principles of correctness, honesty, transparency and lawfulness, which are the foundation of our Code of Ethics and of our mission.



### LOCAL COMMUNITY AND THE ENVIRONMENT

We implement tangible projects to help the local communities in the areas the Group operates in, focusing in particular on developing countries. We protect the environment by applying an Environmental Policy to all of Guala Closures activities and production processes.



### CONSUMERS

We fight against the phenomenon of product adulteration to protect and safeguard consumer health and safety, by guaranteeing the total safety of closures that come into contact with food products.



# Commitment and Involvement Human Resources

The **Human Resources department of Guala Closures Italy** periodically organises events to involve and promote the awareness of employees and their families. Many of these are now eagerly anticipated by our employees, such as the Green Day for children or the Christmas competition.

On these occasions, the company **promotes activities to make children and adults** aware of environmental sustainability and of the importance of certain behaviour, such as separate waste collection or energy saving.

## FROM GREEN DAY TO WELFARE



Giordana Ciampolini  
Human Resources  
Guala Closures Group

The events organised by the company are designed to create opportunities and situations in which the work environment can be experienced in a different way to usual, at the same time promoting the messages and values that we believe in.

More specifically, through the “Green Day for children in the office” we are able to organise games and activities that look deeper into the area of environmental sustainability, giving these children a real opportunity to learn about and develop these concepts.

The extremely positive feedback that we have received from colleagues and in terms of participation, encourages us to draw up a wider and more structured Plan.

We have better defined which **areas we intend to focus our efforts on and organise events for:**

Education

Health

Families

In this way, the framework within which we wish to work becomes clearer and more cohesive, in addition to the objectives and the requirements that we set ourselves to achieve in the upcoming events we will organise.

Our number one objective will also be to involve the Group’s other plants in a more coordinated and tangible way.

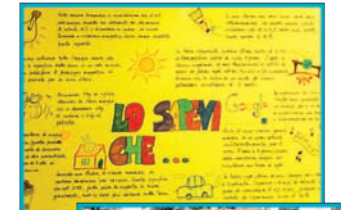
## Green day for children

2014

**E... like energy that moves the world**  
Around 70 children and their parents

2013

**Waste, the importance of recovery and recycling**  
Around 40 children and their parents



## Christmas Competition

2014

**Make a sustainable Christmas decoration**  
A voucher for the purchase of books

2013

**Draw your sustainable Christmas tree**  
A voucher for the purchase of books



## Charity lotteries

2014

**Magenta**  
The Magenta plant decided to “auction” off the Christmas gifts received from suppliers, donating the proceeds to the Magenta ONLUS “Gruppo Roberto Corneo” for the fight against Tumours

2014

**Spinetta**  
A charity lottery enables a further donation to be collected that the company gave to the Children’s Hospital in Alessandria through the Uspidalet foundation



# Commitment and Involvement Customers and Suppliers

The quality of the work of each link in the supply chain is fundamental to the overall result, that's why it's important **to involve and select suppliers**, to improve the control of company processes and **Customer service levels**.

**Guala Closures contributes to this approach through the work of several company departments**, whose testimonials are shown below.

## QUALITY ASSURANCE



Roberto Boidi  
Quality Assurance Manager  
Guala Closures Group

In 2014, we made considerable efforts in terms of **materials traceability**, an area of great interest to the entire supply chain. The aim is to succeed in sharing information on the production processes of the supply chain to guarantee that batches of materials can be promptly traced, giving us greater control over processes and improving Customer service levels. Obviously, this type of collaborative approach can be developed with companies that are willing to foster a **strategic relationship rather than one based solely on sales**.

## PURCHASING



Fabrizio Venezia  
Purchasing Manager  
Guala Closures Group

When choosing our suppliers, we already ask for details regarding the sustainability of their products or services, such as, for example, the supply of electricity or of certain materials. Of **over 1,000 suppliers of Guala Closures Italy**, a few dozen were picked that were more significant to us on the basis of a series of assessment criteria, including environmental ones. We then conduct an audit and promote the involvement of this category of stakeholder, which enables us to generate an **ethical supply chain process**.

## SALES



Gabriele Lusignani  
Sales Manager  
Guala Closures Group

As Head of the Sales department, I believe it is very important to make Customers aware of the added value our products have, thanks to the investments made to improve our environmental performance.

I am thinking of several examples such as: the **chrome-free cutting line in Magenta, sputtering technology** which enables the metallisation of closures using vacuum technology and at very low temperatures, not to mention the **production lines dedicated to BPA NIA** (Bisphenol A Not Intentionally Added) **closures**.

These are important investments, especially in economic terms, which, however, enable us to sell closures that have a lower environmental impact than those produced without these technologies.

## RESEARCH AND INNOVATION



Maurizio Mittino  
Research and Innovation Manager  
Guala Closures Group

Eco-compatible design is not a new form of design that requires special tools or equipment. Instead, it originates from knowledge, awareness, the ability to consider the product for its entire lifecycle, up to final disposal.

The **fundamental** aspects of **eco-design have been part of our design process for some time**.

For all types of closure, the approach we take is to: reduce their thickness, replace materials with other less hazardous ones, or to use mono-materials that facilitate their recovery at the end of the lifecycle.

In some cases, our Customers ask us to adopt innovative solutions also from the perspective of environmental sustainability.

This was the case of the **Wave closure** (see pag.111), where the Customer requested a fully recyclable product.





# Commitment and Involvement Entities and Associations

## EAFA and Alufoil

The manufacturing companies in the aluminium sector have joined forces within an international organisation called EAFA (European Aluminium Foil Association), which in turn is organised into groups by product sector.

**Franco Bove** has chaired the **Aluminium Closures Association** for a number of years, whose members together represent over 70% of the European production of aluminium closures.



Franco Bove as Chairman of the Association Aluminium Closures presents the "Turn 360°" website in Chinese at Prowein in China.

## "Turn 360°" campaign with aluminium closures"

One of the initiatives promoted by the Aluminium Closures Association is "Turn 360°", an awareness campaign to encourage the recovery and recycling of aluminium closures. Thanks to the improvement in collection and recycling in various European countries, the **average recycling rate of aluminium closures reached 45% in 2014**.



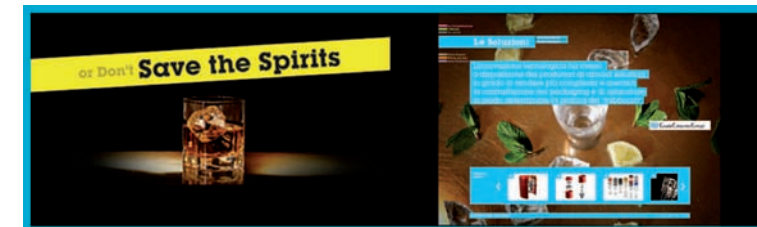
[www.aluminium-closures.org](http://www.aluminium-closures.org)

## Save the spirits, Save the wines

Guala Closures **has developed, and regularly updates, two websites to inform Customers and consumers** about issues common to the markets they are addressed to.

The "Save the Spirits" website promotes awareness on the topic of counterfeiting and on the technical solutions that the Group has developed to counter this dangerous phenomenon. Today, counterfeiting has reached worrying proportions on the global markets for spirits, wine and oil, putting the health of consumers at risk every day.

The objective of the "Save the Wines" website is to provide information on the characteristics and the benefits of aluminium closures for wine, which are increasingly being appreciated by producers and consumers of this product and the solutions that the Group offers to preserve quality.



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



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



## Structure and Governance

To manage and coordinate the implementation of a sustainable strategy in Italy, a dedicated operational committee has been established, known as ComOp. This team, which encompasses representatives of all company departments, is chaired by the Group Chief Operating Officer.

### THE MAIN TASKS OF THE ComOp

- ▶ To contribute to the implementation of a sustainable strategy
- ▶ To encourage the development of ideas and projects and to monitor their progress over time.
- ▶ To involve and coordinate the necessary resources, liaising directly with Plant managers and the heads of the various departments.
- ▶ To report to the Chief Operating Officer on the work carried out and the results obtained.



The ComOp is an entity that is today fully integrated into the company's Governance structure on a par with other company bodies, as shown on page 12.

### THE WORK OF THE ComOp



Paolo Furiani  
Continuous Improvement &  
Sustainable Development Manager  
Guiala Closures Group

"I have been fortunate in that I have followed the development of the ComOp right from the beginning, first as a team member and now as coordinator. It has been a very interesting experience, also in terms of professional growth, and has given me the opportunity to explore topics I have always been passionate about, following their application in the company"

The ComOp meets on average 3/4 times a year, with the participation of the Group Chief Operating Officer, Franco Bove. These plenary meetings are an opportunity for all department representatives to discuss the progress of projects, to what extent objectives have been met and the feasibility of new initiatives. If special technical assistance is required, resources internal or external to the company are invited to join the ComOp to work on specific aspects of the Programme's implementation.

In 2014, the Committee met 3 times, analysing and progressing with a number of projects, specifically:

- ▶ **Optimisation of energy consumption in Termoli**
- ▶ **Optimisation of waste transport and management in Termoli**
- ▶ **Stakeholder engagement**
- ▶ **LCA for oil closures**
- ▶ **Calculation of the CO<sub>2</sub> emissions of the 5 Italian plants (see pag.64)**
- ▶ **Green day in Spinetta**
- ▶ **Replacement of cement/asbestos on the roof in Magenta**
- ▶ **Implementation of the TEA (for LCA and Carbon Footprint)**
- ▶ **Installation of LED bulbs in Spinetta and Magenta**
- ▶ **Completion of the installation of end-of-line consumption meters**
- ▶ **Planet Energy Project**

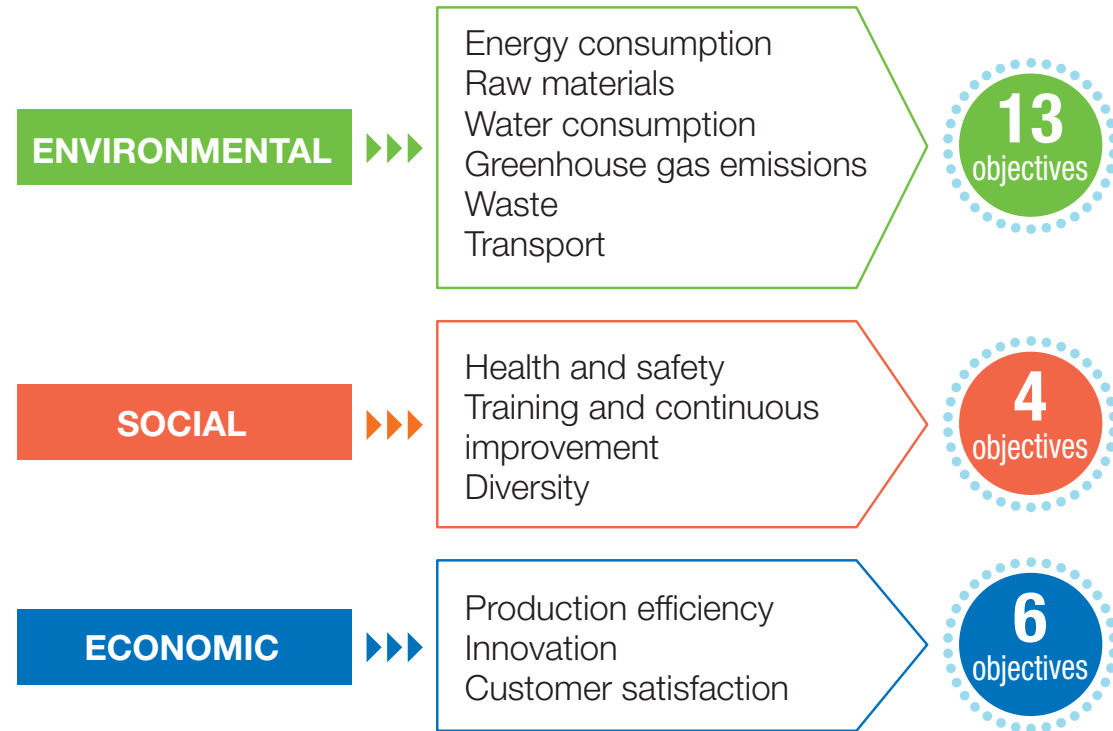


# BP3 Indicators and Objectives

Right from the beginning, the Guala Closures Sustainability Programme was focused on the principle of materiality and was structured on the basis of **12** relevant and tangible **performance indicators** in the **3 areas of sustainability**: the **environmental**, the **social** and the **economic** spheres.

These indicators represent the structure through which the Programme's progress is monitored and assessed.

Wherever possible, precise and measurable objectives are defined, with a view to making the Programme comprehensible and transparent for all internal and external Stakeholders.



## THE NEW ENVIRONMENTAL AND WELFARE INDICATORS



Matteo Iaculli  
Group Continuous Improvement Coordinator  
Guala Closures Group

The indicators are the tools that enable us to objectively measure the trend of the phenomenon considered significant. The set of Guala Closures indicators is used to monitor specific aspects on a monthly basis such as: production efficiency, quality, Customer service, etc.

Others have now been added to these regarding environmental sustainability and welfare, which are presented in this Report. Some indicators refer to the Italian sphere, however, from 2015, the following will be added to the set of international indicators:

- ▶ **The plant Carbon Footprint (annual)**
- ▶ **Energy consumption**
- ▶ **Water drawn**
- ▶ **Welfare commitments**

At Group level, we now process this information to assess the performance of each Group plant. The Continuous Improvement department conducts periodic audits at the plants to assess the consistency of the data entered and to coordinate, assist and liaise with all plant managers.

**A detailed description of the objectives and the progress over time of the indicators is reported in the third chapter of the Report on pag. 82-83.**



# Procedures and Management Tools

## Tools and systems

A standardised approach is promoted in Group plants through the sustainability programme, entailing **common procedures and management tools, which** enable performance to be better managed and assessed.

To assist data collection and analysis, both management systems and tools are used, such as the **application of the ISO standard** or **TEA software**, which enable the collection and periodic assessment of environmental impact, including the Carbon Footprint.



## DATA ANALYSIS AND MANAGEMENT



Ana Maria Ample Cosgaya.  
Continuous Improvement  
Guala Closures Group

The TEA (Tool for Environmental Analysis) enables data on the 6 environmental indicators monitored since 2011 to be collected and analysed.

This tool, designed to calculate the CO<sub>2</sub> emissions of our plants and the environmental impact of our products through Life Cycle Assessments, is evolving into a real **environmental data management tool**, available to Plant Managers and management control staff.

The TEA enables the Carbon Footprint of the Italian plants to be periodically assessed, and from 2015, the information collected through this Tool will be integrated with the Group's sustainability KPIs.

## SUSTAINABILITY AND THE BUDGET



Alessandro Pera  
Group Controller  
Guala Closures Group

“Being a “sustainable” enterprise means seeking a balance between the three fundamental dimensions: environmental, social and economic. However, it is important to acknowledge that you can't have environmental and/or social sustainability without economic sustainability”.

The economic accountability of the investments or the savings related to the implementation of our Sustainability Strategy is a particularly important and sensitive aspect. Precisely because environmental and social aspects are part of the company's overall management and governance, cost/benefit analyses must be conducted for these areas, even though some of them are intangible.

We have therefore worked to define standardised criteria for the economic accountability of the activities related to the Sustainability Programme, which respond to a series of objectives, such as:

- ▶ **Prepare a periodic report on the investments made and the costs incurred by the organisation relating to Sustainability**
- ▶ **Allow long-term assessments of the results achieved as well**
- ▶ **Assist management in deciding the allocation and use of the available resources**

The company has decided to adopt a “**restrictive**” criterion, meaning that **only costs entirely addressed to obtaining environmental and/or social benefits are recognised as Sustainability expenses**.

Based on these criteria, in 2011-2014, the company made investments of over € **1,500,000**.

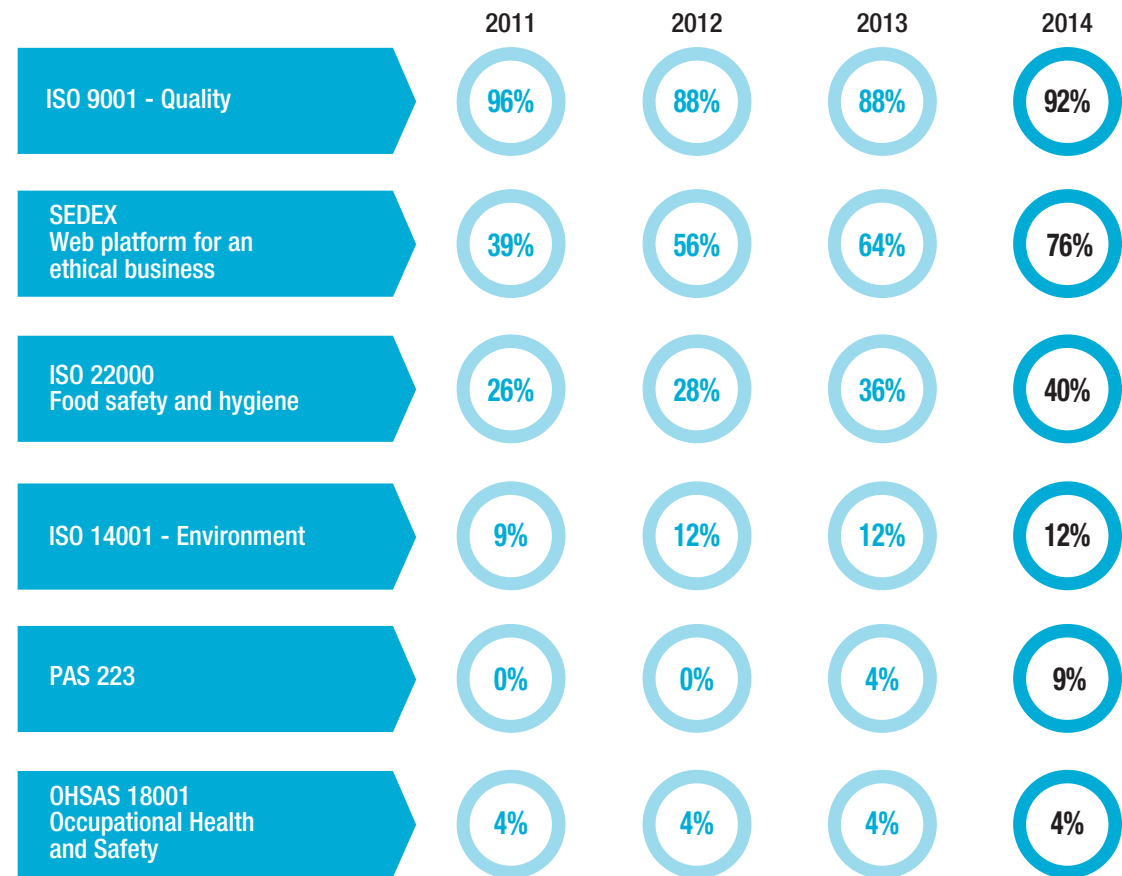


# Procedures and Management Tools

## Management systems

In 2014, we continued with the implementation of several management systems, in compliance with **international standards and guidelines** for product quality and safety.

More specifically, ISO 22000 certification was extended to the Olèrdola plant in Spain, which, together with Termoli, also obtained PAS 223 certification, which regards the safety of the food supply chain.



Base: 25 plants = 100%



## Group Policies

The following internal policies are applied at Group level; their principles and fundamental values are shown below.



- ▶ Assess, monitor and control environmental impacts.
- ▶ Increase the awareness and the involvement of everyone in safeguarding the environment.
- ▶ Develop eco-sustainable innovation for products and processes.
- ▶ Reduce consumption and optimise processes.



- ▶ Anticipate and meet the expectations of our Customers.
- ▶ Make increasingly cutting-edge products to effectively counter the phenomenon of counterfeiting.
- ▶ Pursue the continuous improvement of cost quality and efficiency.
- ▶ Guarantee strict compliance with laws and regulations, and company policies and procedures adopted.



- ▶ Minimise risk to safeguard the integrity of the health and wellbeing of our employees.
- ▶ Prevent accidents, injuries and professional illnesses.
- ▶ Promote and consolidate a safety culture for all workers.
- ▶ Encourage responsible behaviour.



- ▶ Guarantee the food safety and hygiene of products and processes.
- ▶ Involve suppliers to optimise the choice of raw materials and of production processes.
- ▶ Consolidate the management system based on ISO 22000-2005.



# Training and internal communication

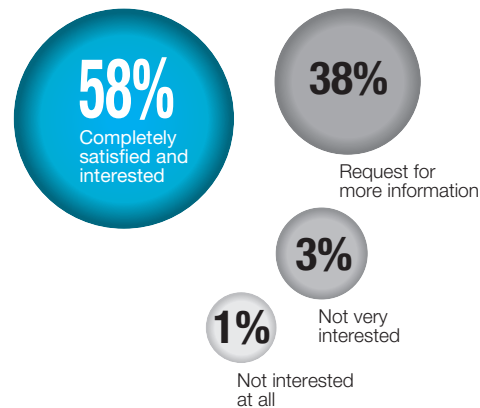
In Guala Closures, we pay special attention to training and internal communication. Making employees aware, informed, involved and motivated are fundamental levers to implementing our sustainability strategy. We allocate a lot of resources (people and budget) to developing numerous communication tools.

## Training

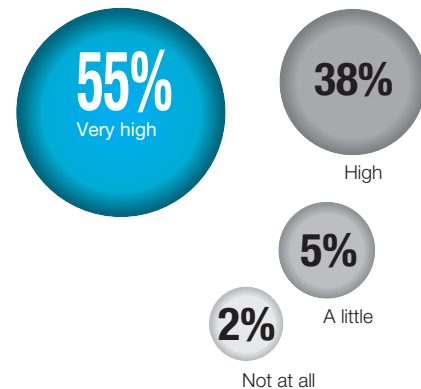
**Training on the Sustainability Programme** is all conducted internally, even though a specific exchange of information has started with certain categories of supplier with a view to sharing common business objectives.

In the first few months of 2015, the training on the Programme was completed, which had entailed dedicated meetings at the various production plants, reaching the planned objective. At the end of each session, the interest of participants was assessed by asking them for ideas and suggestions.

### SATISFACTION AND INTEREST OF PARTICIPANTS



### USEFULNESS PERCEIVED BY PARTICIPANTS



Source: internal to Guala Closures.

## GCG “Best Practices” Video

Shot in several Italian plants where the programme is underway, the “Best Practices” Video (made in Italian, English and Spanish) explains in 7 minutes how the Sustainability Programme has been implemented. Addressed primarily to Group employees, it has 5 main objectives:

- ▶ To promote and spread sustainability as a company value
- ▶ To illustrate the 6 Best Practices set in motion by the sustainability model
- ▶ To emphasise the fundamental role played by people
- ▶ To draw attention to the main results achieved
- ▶ To convey a modern, dynamic and innovative image of the Group



[www.youtube.com/gualaclosuresgroup](http://www.youtube.com/gualaclosuresgroup)



# Training and internal communication

## Communication tools and channels

Newsletter

The internal newsletter is published every three or four months and is the main tool used to periodically share the projects, initiatives and main information on the Sustainability Programme within the company. Accompanied by an editorial, the newsletter features a space dedicated to individual plants to take a closer look at specific topics and to enable information to be discussed within the Group. In addition to the copies distributed in the Italian plants, a digital version in English is also published.

Totems

For different periods of time, the totem represents a way to quickly and immediately tell everyone about the main objectives achieved. The last totem, with the most important milestones reached was installed in the common areas of the plants in August 2014.

Infocards

A printed material campaign dedicated to sustainability. This tool meets the need to be easily distributed at trade fairs or events, focusing communication on a specific theme.

Sustainability Report

This document, published annually, represents the main tool of communication on sustainability for the Group, and contains exhaustive information on how the company manages and mitigates the environmental and social impact of its business activities.

Website

A wealth of information can be found on the Group's website, ranging from products to markets, from Policies to the code of ethics as well as an area dedicated to sustainability.

Corporate video

Guala Closures YouTube channel contains numerous videos on our products, our sustainability reports and our reforestation projects.



[www.youtube.com/gualaclosuresgroup](http://www.youtube.com/gualaclosuresgroup)

1,300 paper copies in Italian Newsletter 8 and 9



600 copies infocards and posters



700 paper copies in Italian

400 paper copies in English

## Sustainable Excellence and Innovation



### Our 12 indicators

- Energy consumption
- Raw materials
- Water consumption
- Greenhouse gas emissions
- Waste
- Transport
- Health and safety
- Training and continuous improvement
- Diversity
- Production efficiency
- Innovation
- Customer satisfaction

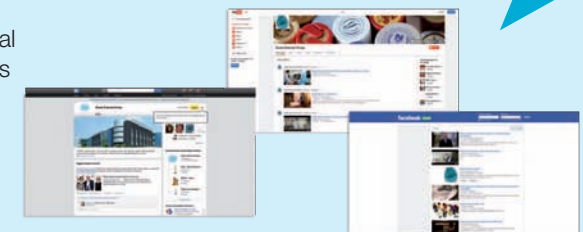
For information on the Sustainability Programme and metrics visit our website: [www.gualaclosures.com](http://www.gualaclosures.com) or send an email to: [sustainability@gualaclosures.com](mailto:sustainability@gualaclosures.com)

Guala Closures Group

## SOCIAL NETWORKS

A lot of information and filmclips are available on social networks to illustrate the Guala Closures world and its business.

YouTube LinkedIn facebook



## Sustainability Report

The desire to communicate the development of our sustainability programme in a transparent and accurate way is achieved through the annual publication of the **Sustainable Development Report**.

The Report has now reached its fourth edition and is one of the main tools we use to inform all of our stakeholders about the **projects, activities and improvement objectives** that the company has achieved or expects to achieve.

To enable it to be widely distributed, the Report is available in three languages (Italian, English and Spanish) and is distributed both as a paper copies (Italian and English) and in a digital format, which can be downloaded from our website: [www.gualaclosures.com](http://www.gualaclosures.com).



## GRI - Global Reporting Initiative

The Report is prepared according to the international guidelines of the (Global Reporting Initiative) version 3.1. The GRI is a non-profit organisation that seeks to promote a sustainable economy and has introduced a method to draw up a sustainability report that is today internationally recognised.

The guidelines created by the GRI represent a **shared, credible and reliable sustainability reporting system** than can be used by organisations of any size, in any sector or country. Page 118 includes a table which provides details as to where the information requested was taken from.



## THE IMPORTANCE OF COMMUNICATING

The company made the decision to publish an Annual Report at the same time as it decided to adopt a Sustainability Programme. We wanted to commit to the **transparency** mentioned in the Global Reporting Initiative right from the start, as a **fundamental element in the relationship between the company and its stakeholders**, who wish to access clear information on the environmental and social aspects of our operations. We draw up our Reports always seeking to provide a transparent and balanced description of the environmental and social impacts of our business activities as well as the objectives that are the focus of improvement measures.

**Each year, we seek to make the Report clearer, more effective and comprehensible. Your opinion and your suggestions are important.** Write to us at any time to the following e-mail address: [sustainability@gualaclosures.com](mailto:sustainability@gualaclosures.com)

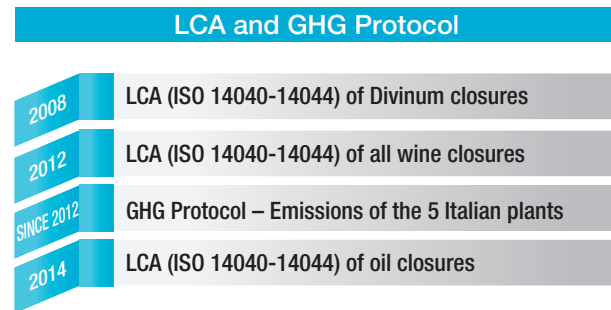


Focus on the QR code to access the page from where you can download the PDF version of the Guala Closures Sustainability reports.



# Compensation strategy

Right from the start of its programme, Guala Closures **has paid special attention to the issue of greenhouse gases**, launching numerous activities and initiatives. In keeping with this solid and rigorous approach, we started back in 2008 to **measure** the emissions generated by our activities **according to the highest accredited international standards**, allocating increasing economic investment over time.

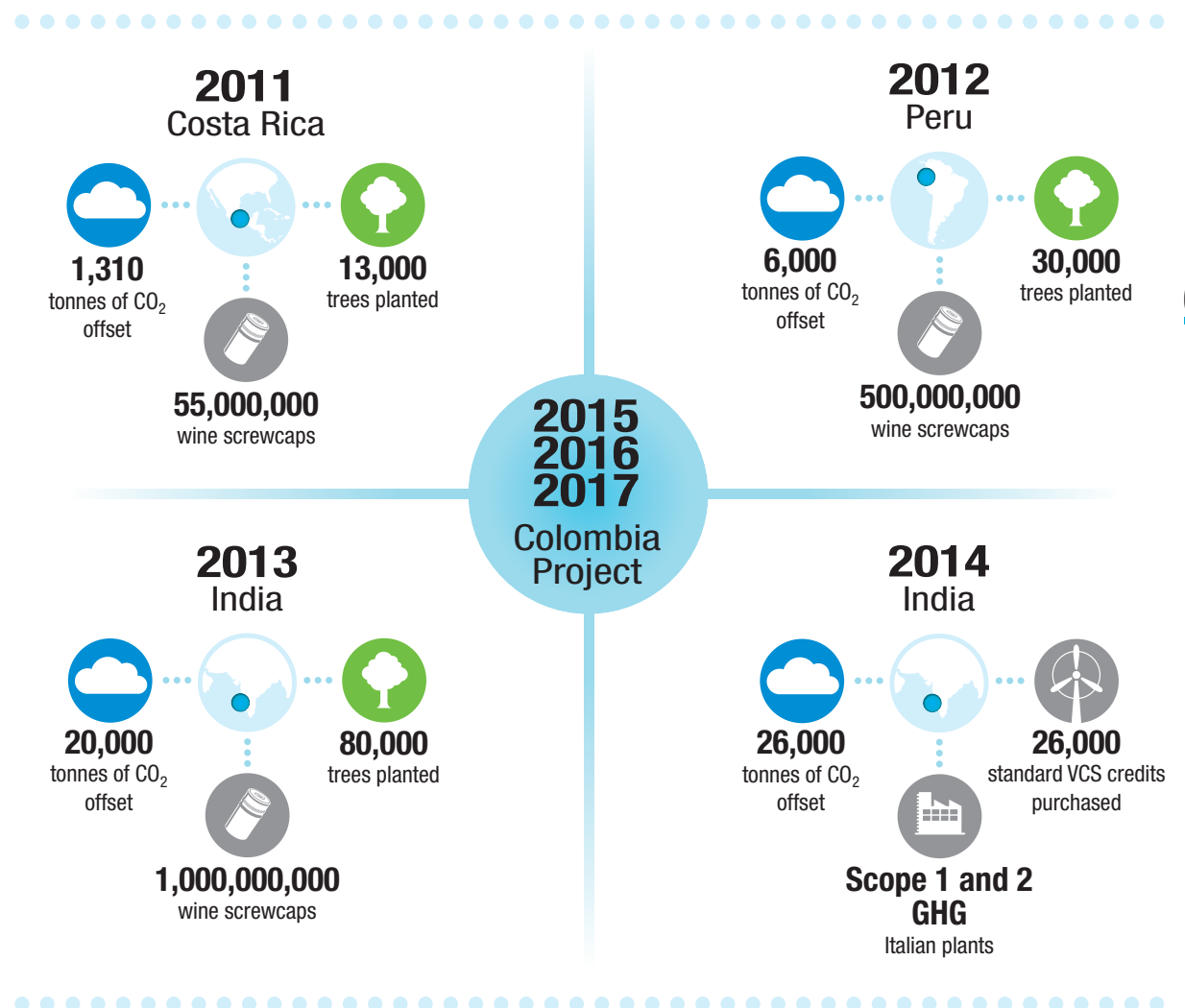


Anne Seznec  
Group Marketing Manager  
Guala Closures Group

I have been involved with the Group's **Offsetting Strategy** since 2011. All of the offsetting projects we have sponsored have always encompassed significant attention to social and human aspects and have been selected also on the basis of their **ability to involve the local communities**.

The Peru and India projects required the direct commitment of Guala Closures. More specifically, I personally oversaw in loco the reforestation project in Bihar (India). I was able to help with the tree planting operations in close contact with the local community involved. Several videos of the projects we have implemented can be seen on:  
[www.youtube.com/Gualaclosuresgroup](http://www.youtube.com/Gualaclosuresgroup)

These assessment activities enable the Group to **quantify** the environmental impact of its production processes. This data has been used each year to establish, in a scientific way, the scope of CO<sub>2</sub> emissions that we have offset. Between 2011 and 2013 we offset the CO<sub>2</sub> emissions related to the production of wine closures, from 2014 and in future years, we will offset the CO<sub>2</sub> emissions generated by our production plants.



# The projects implemented

The Group has decided to offset part of its emissions by sponsoring and co-funding reforestation projects or initiatives to support the production of energy from renewable sources.

From 2011 to 2013, the programmes were implemented in **agroforestry areas in developing countries**, triggering a series of positive social and economic impacts that involved communities in conditions of poverty and need.

The validity and seriousness of the individual projects were guaranteed by the support of NGOs and local institutions and by the audit of an independent certification body. In 2011, the NGO was Good Planet, in 2012 Biodiversité Amazonienne, and in 2013 Up2green, overseen and certified by Ecocert Environnement.



In 2014, for economic reasons alone, we decided to offset CO<sub>2</sub> emissions by purchasing carbon credits through the prominent carbon trading company Ecoway. The credits purchased belong to the VCS (Verified Carbon Standard) and are certified by TÜV NORD.



## Costa Rica 2011

Reforestation project implemented in the south of the natural park of Manuel San Antonio, involving and enhancing the awareness of the local community.

13,000  
trees  
planted

1,310  
tonnes of  
CO<sub>2</sub>  
offset



## Peru 2012

A project addressed to the preservation and protection of the tropical rainforests by planting and allowing the local community to cultivate autochthonous vegetables that are able to survive the frequent monsoons.

30,000  
trees  
planted

6,000  
tonnes of  
CO<sub>2</sub>  
offset

Over  
100  
people  
involved





**India 2013**

As part of a wider reforestation project undertaken by the **Government of Bihar**, Guala Closures funded the purchase and the planting of 80,000 trees, to recover 73 hectares of non-productive land. Over 1,600 local families were involved. What's more, Guala Closures sponsored an educational initiative promoted by Up2green Reforestation **"My class, my forest"** at the **Takshila school in Gaya**, where a lesson was conducted that sought to increase the awareness and the involvement of young people in respecting and protecting the environment.



Takshila Gaya School



**80,000**  
trees  
planted

**20,000**  
tonnes of  
CO<sub>2</sub>  
offset

**3,200**  
people  
involved



Anne Seznec (Guala Closures) and Yoga (Up2Green)



The benefits of the projects sponsored by GCG



Offsetting the CO<sub>2</sub>, planting and recovering abandoned and non-productive land, recovery of natural ecosystems or support for the production of renewable energy.



Improvement of the quality of life of the local communities involved through work and education in safeguarding the environment and the related benefits.



Support to the local economy: the families involved are paid to plant and safeguard the trees, which will also produce fruit, the sale of which could lead to further income in future years.



**India 2014**

By purchasing carbon credits, a project to reduce greenhouse gases through the production of wind power has been co-funded.

**26,000**  
VCU  
(Voluntary  
Carbon Unit)  
credits

**26,000**  
tonnes of  
CO<sub>2</sub>  
offset



The videos of the reforestation projects are available on our youtube channel:  
[www.youtube.com/gualaclosuresgroup](http://www.youtube.com/gualaclosuresgroup)

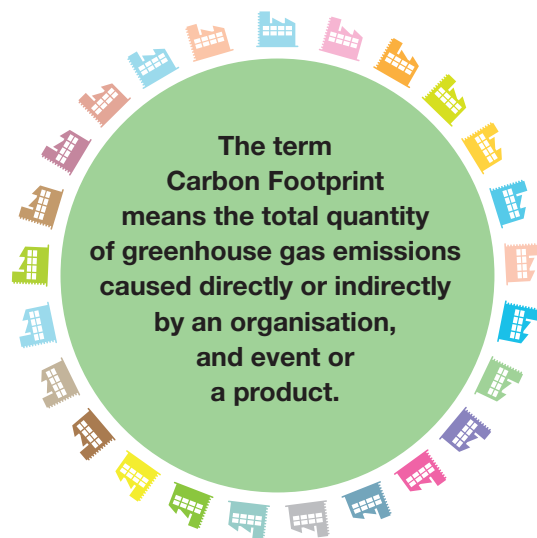


# International Carbon Footprint

In this 2014 edition, we open a chapter dedicated to Guala Closures worldwide, which will be embellished over time in terms of content and direct reports from the **Group's foreign plants**.

Although the Group's international production plants have not yet been formally included in the reporting scope of the Sustainability Programme, they are already **involved in a number of environmental and social projects**.

For 2015, Guala Closures has set itself an important objective, which involves all of its plants: **the assessment of the Group's Carbon Footprint**.



## “From 2015, all Guala Closures production plants will measure their Carbon Footprint”

The objective of **assessing the Carbon Footprint of all Group plants** represents the completion of a process that specifically focuses on CO<sub>2</sub> emissions, which the Group set in place at the beginning of the Sustainability programme.

The Carbon Footprint is a fundamental performance indicator that reflects the effectiveness of our environmental policy in terms of energy consumption. We have been measuring it in our Italian plants since 2012 (see results on pag. 92) and from 2015 it has become a Group KPI.

Extending the scope from Italy to the world also regards the other sustainability KPIs: water drawn, accident frequency and gravity indicators, welfare and waste produced.

The decision to include these new sustainability indicators (KPIs) at Group level stems from the consideration that **many production plants have already taken action in this direction**, and from the desire to have a **global representation** of our activities also from a Sustainability perspective (see following pages).



# Plants Overview



## Argentina

The Chivilcoy plant is currently monitoring the energy consumption of its machinery and equipment and is taking measures to improve their efficiency. Efforts have also started to reduce the amount of waste generated, as well as a number of projects to provide economic and social support to employees.



**Medical assistance guaranteed to employees and vaccinations provided to children who are not covered by the National Vaccination Plan**



**85% of aluminium scrap (55 tonnes/month) and 100% of liner waste are re-used in production processes**



## Australia

In the Australian Central West and Acacia Ridge plants, several projects were launched in 2014 to improve efficiency, reduce energy consumption and the polluting emissions of production plants. Considerable efforts have also been focused on reducing scrap and waste, also thanks to the involvement of employees.



**- 30% of aluminium scrap generated compared to 2013**

**Optimisation and reduction of the use of varnishes**



## Brazil

The Guala Closures plant in San Paolo has certified the quantity of greenhouse gas emissions avoided through the use of electrical energy generated by renewable sources. It produces a safety closure for an important national brand, which is completely recyclable and is decorated without the use of inks or varnishes.



**335.63 tonnes of CO<sub>2</sub> equivalent avoided in 2013**

**Production of low environmental impact closure Wave**



## Bulgaria

The Kazanlak plant has undertaken projects mostly in the social sphere, to safeguard the health and safety of its workers, their families and the community in which it operates.



**Free annual medical check-ups for all employees**

**Donations to local charity associations**



## California, USA

Guala Closures has inaugurated its first production plant in North America, in Fairfield, which includes an advanced consulting and design department. Its production technologies enable it to produce even small batches of just 1,000 units in a highly efficient way, with infinite choices of design, created and developed with the customer.



**The special technology used for decoration, developed by Guala Closures, enables the emissions associated with this process to be reduced to almost zero**

**In addition, the efficient process has greatly reduced the level of scrap normally generated with the manufacturing process**





## China

In 2014, the Peking plant launched projects to optimise the energy performance of its production plants and to reuse production scrap. The plant has also undertaken a number of activities and services for the benefit of its employees.



**Team building activities for the 12th anniversary of Beijing Guala Closures in September 2014**



**85% of employees are covered by supplementary medical insurance**



## Colombia

Guala Closures Colombia, awarded as a district of environmental excellence, is a member of the Environmentally Sustainable Business Network, an association whose objective is to improve the environmental quality of the city.

It undertook a project with the Ministry for the Environment to calculate the carbon footprint of the plant's activities, which led to several other projects.



**Offsetting of CO<sub>2</sub> by planting one tree per employee**

**Installation of air conditioners in compressor areas, to lower the temperature and to improve energy efficiency**



## India

In 2014, the Indian plant of Ahmedabad focused on optimising energy consumption in production.



**New automatic voltage regulator, which reduces drops in power and the consequent consumption of diesel**



## Mexico

The Mexican plant of Iturbide has been monitoring and managing its environmental impact for a number of years.

The Carbon Footprint has been calculated since 2012 and the monthly consumption of all energy sources used is recorded. Several renewal projects had led to excellent environmental results shown below in absolute terms.

In 2014, in particular, the conversion from LPG to natural gas in the molding department has led to a significant reduction in atmospheric emissions and energy consumption.

The plant is also involved in several solidarity projects for its employees, who are offered supplementary health assistance plans and study grants for their children.

The plant has also made considerable commitment to the external community. The company sustains initiatives addressed to young people and to protected categories of workers who are periodically offered the opportunity to attend training courses.

This commitment has also been formally recognised by the Mexican Labour Ministry, which has certified Guala Closures Mexico as "Empresa Incluyente"

The facility has been certificated as "Green Plant" since 2010, renewable each two years with government audits.



**- 20.21% consumption of natural gas compared to 2013**

**- 33.48% polluting atmospheric emissions compared to 2013**

**- 6.7% CO<sub>2</sub> emissions compared to 2013**

**96% of waste produced recovered**

**Support to the Government Programme "Training program without frontiers" addressed to young professionals**





## New Zealand

The Auckland plant has set up projects both to save energy resources and to more effectively recycle end-of-life materials. It is also involved with local no-profit associations to support children and families in difficulty.



**Recycling of Customer pallets, currently around 18%**

**Local collection and recycling of around 2 tonnes of aluminium per year**

**Recovery and sale of cardboard boxes, around 12 thousand per year**

**New more efficient machines have been installed (compressors, offset printers)**



## Scotland, UK

The Scottish plant in Kirkintilloch has implemented numerous schemes relating to the environmental sustainability of its activities. More specifically, electricity consumption has been reduced following the installation of LED lights and the use of efficient variable-speed compressors and electrical molding equipment.

Excellent results have been achieved in terms of waste management, due to a medium-term project that enabled them to bring the amount of waste disposed of in landfill to only 4%.

Another objective was also achieved relating to the use of water-based and high solid UV paints, which today represent almost 90% of the total used. In this way, the plant has drastically reduced emissions of volatile organic compounds (VOC) by 60% and has significantly reduced hazardous waste. The company has also involved several important whisky sector Customers in a project to reuse pallets. In addition, thanks to a specific programme implemented jointly with the logistics operator, shipments of small batches are now optimised by applying a full-truck approach. The company also participates in a Government Programme to improve the health and wellbeing of its employees and has set up an Employee Forum, at which employees and managers can share, exchange and discuss ideas on the plant's projects and schemes.



**- 66% of waste in landfill (2008-2014)**

**Plant recognised as an "Excellent Operator" and "High Performance Plant" by the Scottish Environmental Protection Agency (SEPA)**

**Awarded in 2014 as part of the "Healthy working lives" Government Programme for the improvement of the health and wellbeing of employees**



## Spain

In 2014, our plants in Spain focused on projects to reduce consumption and to reuse raw materials, summarised below in absolute values. Considerable efforts were also made in terms of optimising transport to customers.



**- 69,600 m<sup>3</sup> of gas compared to 2013**

**- 258,618 Kwh compared to 2013**

**- 38 tonnes of aluminium compared to 2013**



## South Africa

Guala Closures South Africa has undertaken a number of sustainability projects, including a project to recover and recycle various types of waste in the plant, including recycling solvents and all of the paper used in the offices; the reduction of the volatile polluting emissions of the molding process by installing an incinerator. Participation in a project to restore the environment and offset the CO<sub>2</sub> emissions of its wine closures.



**50.4 tonnes of paper recycled in 2014**

**15,200 litres of solvents recycled in 2014**

**2,791 tonnes of CO<sub>2</sub> offset (2009-2014)**



## Ukraine

The production plant in Sumy is very involved in solidarity projects for its employees and the local community. In particular, it provides support to educational institutions for children and associations committed to improving children's health.

In terms of improving the environmental impact of its activities, it is setting up arrangements with customers for the reuse of packaging.



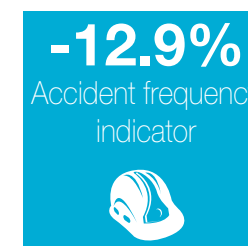
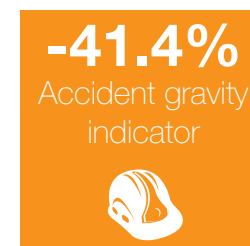
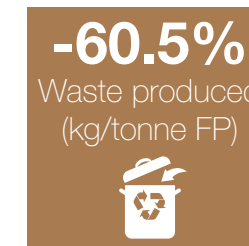
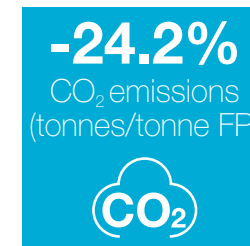
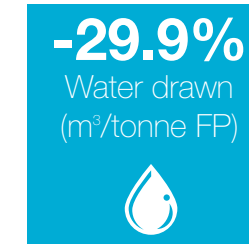
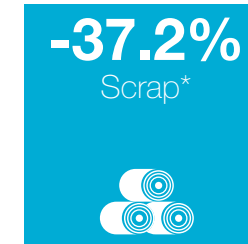
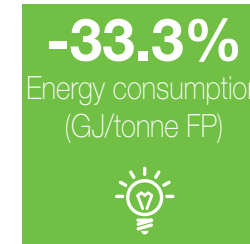
**Provision of medical equipment to institutions involved in treating children**

**Support to the education centre for children in Sumy**



# Guala Closures Group

## Indicators, Objectives, Results



Italian perimeter, with the exception of patents, Sedex and Claims (Group) 2011-2014, with the exception of CO<sub>2</sub> emissions and OEE (2012-2014)  
\* Excluding Basaluzzo and, for 2014 Torre d'Isola  
\*\* Excluding plants in Bulgaria, Ukraine, Poland, South Africa, Basaluzzo and, for 2014 Torre d'Isola





# Overview

## 12 measurable indicators and objectives

In this chapter, we summarise the **overall quantitative results of the 12 indicators**. Ten of them refer to the five Italian plants (Spinetta, Termoli, Magenta, Basaluzzo and Torre d'Isola), two refer to the Guala Closures Group. All of them, as a whole, illustrate the trend of sustainability performance in 2011-2014, globally and indicator by indicator.

### ITALIAN PERIMETER INDICATORS\*

1. ENERGY CONSUMPTION
  2. RAW MATERIALS
  3. WATER CONSUMPTION
  4. GREENHOUSE GAS EMISSIONS
  5. WASTE
  6. TRANSPORT
  7. HEALTH AND SAFETY
  8. TRAINING AND CONTINUOUS IMPROVEMENT
  9. DIVERSITY
  10. PRODUCTION EFFICIENCY
- 

### GROUP INDICATORS\*

11. INNOVATION
  12. CUSTOMER SATISFACTION
- 

\* Excluding some plants detailed on pag. 83

## Changes with respect to the last edition

- ▶ The denominator to which results refer is no longer **Processed Product (PP)** but **Finished Product (FP)**. This change enables a more accurate analysis of the overall performance of the five plants to be made, insofar as it considers the transfer of semi-finished products between the Italian plants.
- ▶ All of the results, absolute and performance have been recalculated on the basis of this change for **entire timeframe of the Programme** (2011-2014).
- ▶ The objective relating to **intermodal transport has been suspended** as it is correlated to outbound shipments from Torre d'Isola which stopped operating in July 2014 (see following page).
- ▶ In indicator 2, the objective for raw materials has been eliminated as no longer relevant.

## Reporting scope and method adopted

The Guala Closures Sustainability Report has reached its fourth edition.

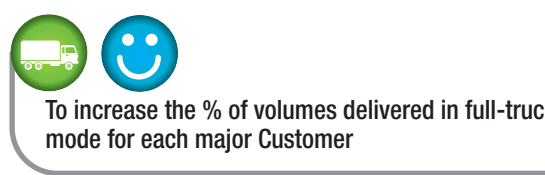
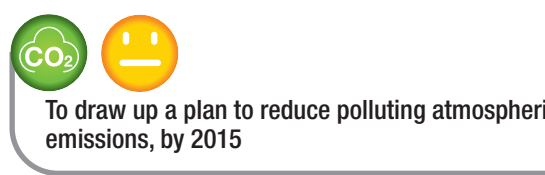
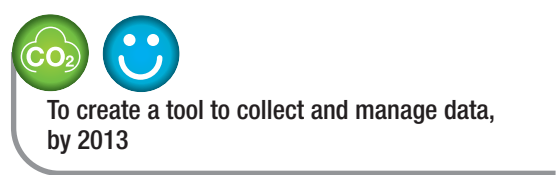
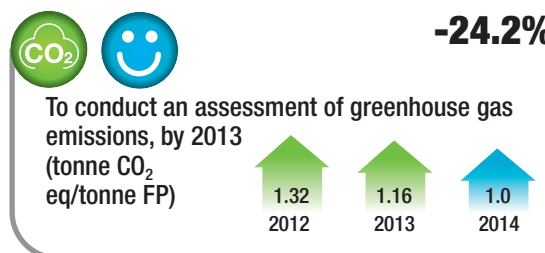
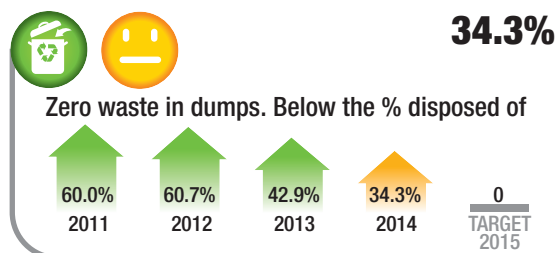
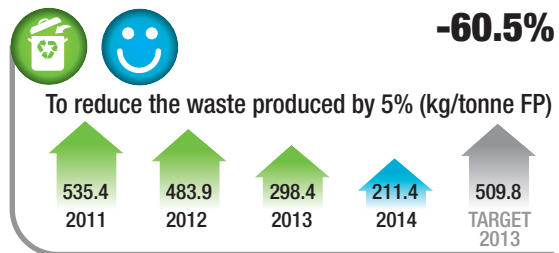
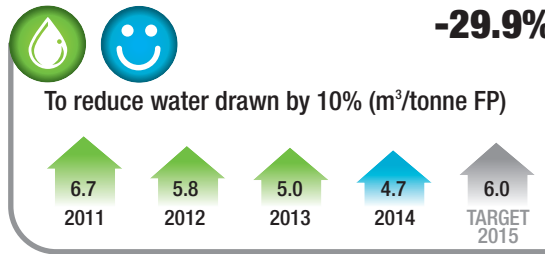
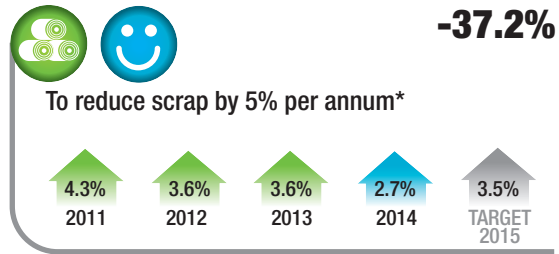
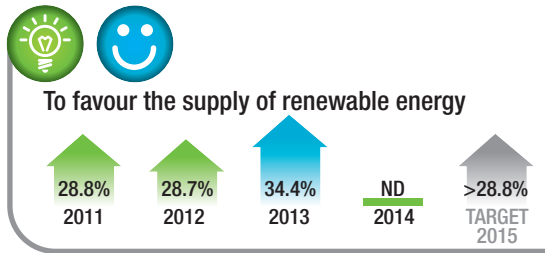
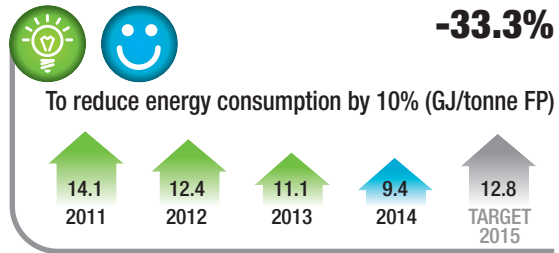
- ▶ The reporting **scope** of this report is the same as that of 2013. The **Vasto plant** continues to be excluded as it does not belong to Guala Closures Spa but Pharma Trade S.r.l.
- ▶ For 2014, the **Torre d'Isola** plant has only been considered for the seven months it was operational for.
- ▶ This document has been drawn up according to the Sustainability Reporting Guidelines of the Global Reporting Initiative (**GRI**), as well as according to the principles of inclusiveness, materiality and compliance with **Standard AA1000**.
- ▶ The analysis of sustainable performance is based on a set of performance indicators (KPIs), developed in compliance with **GRI-version G3.1 level of application C** indicators and on the principles of materiality stated in the same.
- ▶ The summary table (**GRI content index**), which can be found at the end of the report, relates the topics discussed in the report to specific GRI-G3.1 performance indicators.
- ▶ The Report is published in Italian, English and Spanish, it is also available in a digital format on the Guala Closures website [www.gualaclosures.com](http://www.gualaclosures.com)

### Your opinion

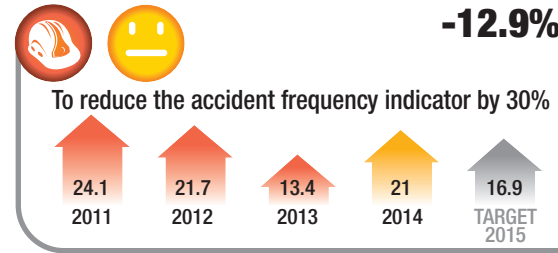
With a view to continuous improvement, **any comment or suggestion we receive from readers on the content of this report will be particularly appreciated**. The e-mail address [sustainability@gualaclosures.com](mailto:sustainability@gualaclosures.com) is always active and represents a **tool for exchange and discussion with anyone who would like to give us their opinion**. In this regard, please also refer to the contact details published on the website, who are available for any further clarification and explanation.



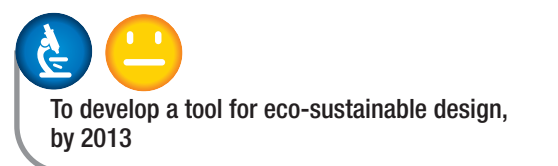
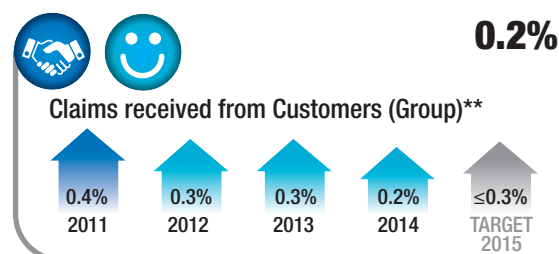
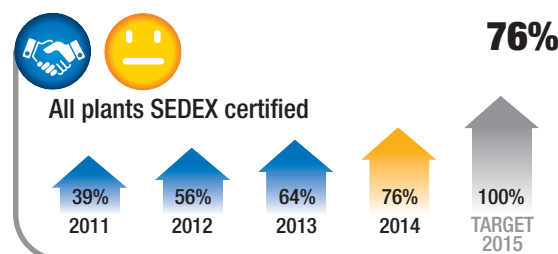
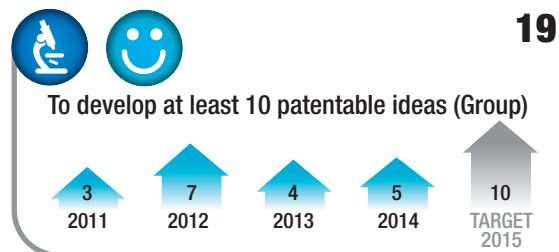
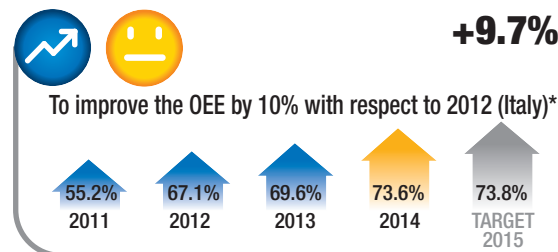
ENVIRONMENTAL INDICATORS AND OBJECTIVES



SOCIAL INDICATORS AND OBJECTIVES



ECONOMIC INDICATORS AND OBJECTIVES



The figures shown, unless otherwise indicated, regard the Italian perimeter for 2011-2014, with the exception of CO<sub>2</sub> emissions (2012-2014)  
 \* Excluding Basaluzzo and, for 2014 Torre d'Isola \*\* Excluding plants in Bulgaria, Ukraine, Poland, South Africa, Basaluzzo and, for 2014 Torre d'Isola  
 NA: figure not available



## Environmental Indicators



ENERGY CONSUMPTION

RAW MATERIALS

WATER CONSUMPTION

GREENHOUSE GAS EMISSIONS

WASTE

TRANSPORT



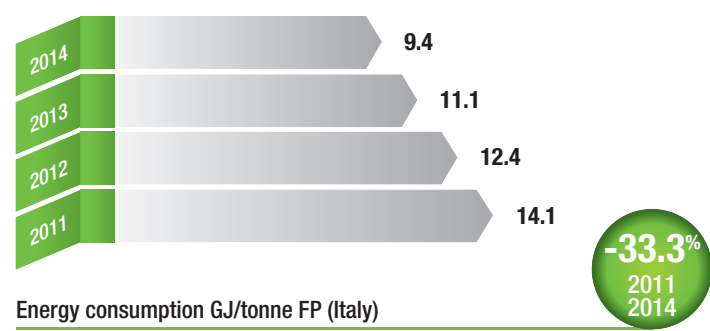


# Energy consumption

The total reduction in energy consumption (expressed in GJ/tonne FP) has **reached -33.3% compared to 2011**. This result, which is considerably higher than the initial objective (-10% by 2015), is the outcome of **four related factors**: an improvement in productivity, the reconversion of a production unit (Termoli), energy optimisation measures and investment in new production line machinery. The closure of Torre d'Isola did not affect 2014 performance in terms of energy consumption per tonne/FP.

## Energy consumption

The reduction in energy consumption is highly significant. The largest contribution came from three particularly efficient plants: Magenta, Termoli and Spinetta.



Energy consumption GJ/tonne FP (Italy)

In Magenta, the **new cutting line** has been fully operational since 2013, gradually replacing the production of the Basaluzzo plant, which is less efficient from an energy perspective. The Spinetta plant also made an important contribution, succeeding in cutting its consumption by 19% compared to 2011, specifically by developing a project to replace the hydraulic plastic molding presses with electric presses.

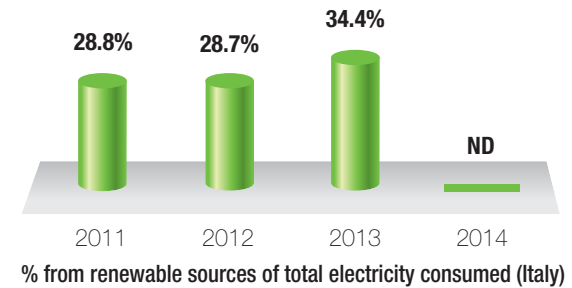
### Termoli

The Termoli plant has completely eliminated its consumption of methane gas and has significantly reduced electrical energy consumption (-43.8% Kwh compared to 2011), as a result of the change in production (from plastic to aluminium only) and of radical interventions made to the conditioning and compressed air systems.

## Renewable energy

Through its Purchasing department, Guala Closures seeks to favour suppliers of electrical energy that produce guaranteed quotas of renewable energy, naturally taking into consideration the cost of the energy.

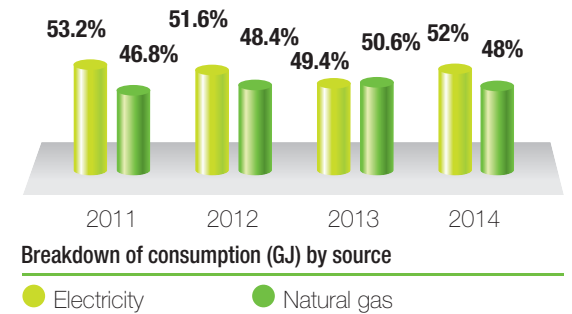
From the annual certification that they provide, the percentage quota in 2013 rose by almost two points (34.4%). The figure for 2014 was not available at the time of publication of this report.



% from renewable sources of total electricity consumed (Italy)

## Consumption by source

The **breakdown of consumption** by source of supply was substantially stable between electricity and natural gas.



Breakdown of consumption (GJ) by source

● Electricity ● Natural gas

## Energy manager

Since 2013, Guala Closures Italy has appointed an Energy manager, who helps the Group reach its objectives to optimise costs and energy consumption. The Energy manager liaises with and assists Plant Managers to implement a series of activities in the plants, which can be summarised as follows:

- ▶ **Diligent maintenance**
- ▶ **Analysis of energy bills and optimisation of duties and costs**
- ▶ **Targeted purchase of electricity**
- ▶ **Supervision of the project for the non-interruption of the service at the Spinetta plant**
- ▶ **Energy audits**

### The Guala Closures Group objectives

- ▶ To reduce energy consumption by 10% (GJ/tonne FP), by 2015 **ACHIEVED**
- ▶ To favour the supply of renewable energy, by 2015 **ACHIEVED**





# Raw materials

Guala Closures has decided that the objective set in 2011, to reduce the quantity of raw materials in terms of Kg/tonne of FP by 15% is not the most appropriate indicator, insofar as all of the measures are addressed to reducing scrap.

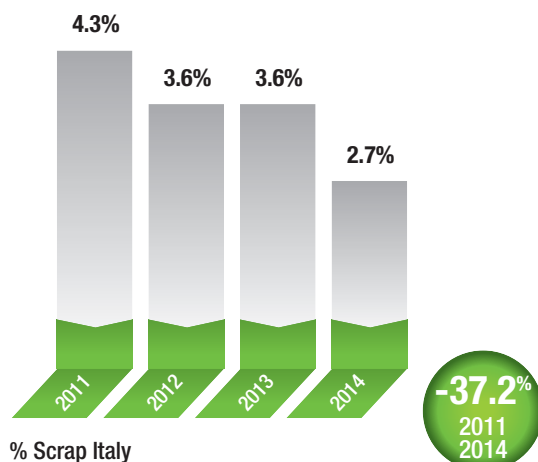
The **reduction of scrap** has therefore become the correct **benchmark indicator** to monitor the reduction in raw materials consumption.

In 2014, this indicator reported an overall reduction of 37.2% compared to 2011. This performance is due the high level of focus of all the Italian Plants on this area and to the transfer of several of Torre d'Isola's production lines to Spinetta and some foreign plants.

## Waste

This parameter is important if you consider that the term scrap encompasses all semi-worked, semi-finished and finished products which, during production, process changes, adjustments, fine-tuning of machinery and quality controls, are assessed as not compliant with the characteristics required and are therefore scrapped.

Any scrap generated by claims, laboratory testing and obsolete warehouse stock is also included. These materials represent, as a whole, everything that the Group, for multiple reasons, was not able to use efficiently.

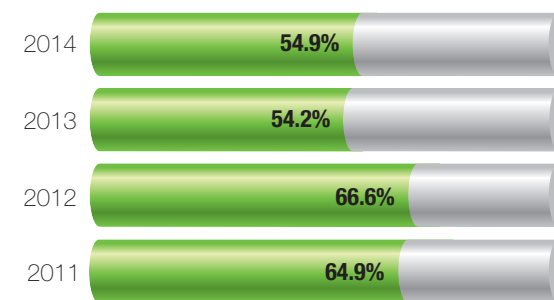


% Scrap Italy

NB: In 2014, the % scrap of the Torre d'Isola plant was not considered.

## Recycled raw materials

Aluminium is a material that can be recycled without losing its structural and quality characteristics. On the other hand, plastic is extremely sensitive and loses its original characteristics, altering the quality of the finished product. Over half of the aluminium processes in Italy by Guala Closures comes from recycled material. The graph shows a 10% reduction in the recycled aluminium processed by Guala Closures. This reduction is substantially due to a more rigorous certification of the quota of recycled aluminium issued by the manufacturers of raw materials.



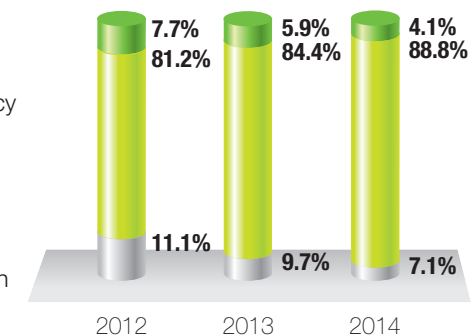
% of recycled aluminium processed in Italy from 2011 to 2014

● From recycled material ● From raw materials

## Packaging materials

The increase in raw materials is related to the increase in the quantities produced, which, in relation to a reduction in packaging means a higher level of efficiency in their use, therefore minimising waste.

The fall in accessory materials is linked to a different production mix and to the internal recovery of spheres (spheres measuring over 11.1mm are scrapped, as those below this threshold are recovered for production that uses spheres with a diameter of 10.3 mm).



% of material used by Guala Closures Italian plants

● Total raw materials  
● Total packaging  
● Total semi-processed and accessory materials

The Guala Closures Group objectives

To reduce scrap by 5% per annum

ACHIEVED





# Water consumption

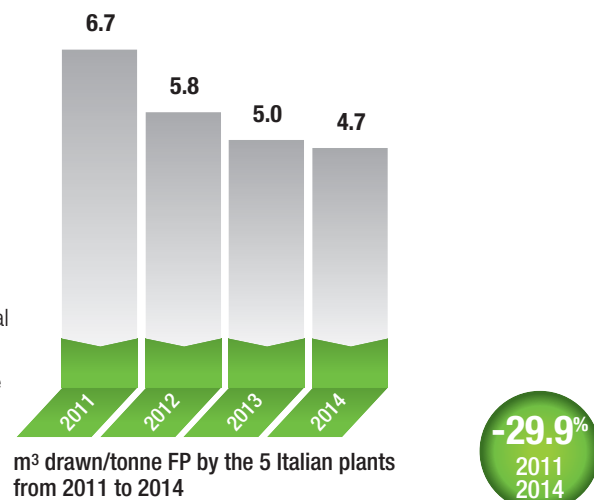
Although the use of water in its production processes is limited, from 2011, Guala Closures included water consumption as a strategic indicator. The objective to reduce water drawn by 10% has been surpassed by a large margin, with a constant decrease over the years, **reaching a figure of -29.9% m<sup>3</sup> of water drawn (m<sup>3</sup>/tonne FP) compared to 2011.**

## Drawing water

The industrial process of closure production envisages the use of water substantially in two stages of the process:

- ▶ Cooling plastic molding presses
- ▶ Degreasing coils

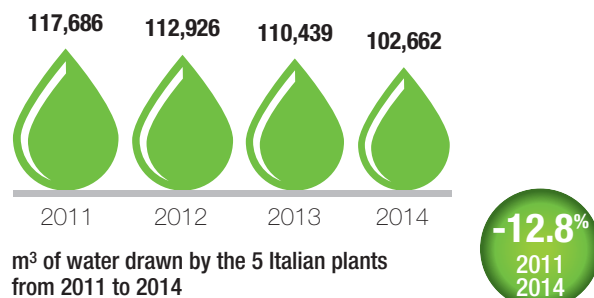
For degreasing activities, technical solutions have been adopted that enable the environmental impact to be optimised, such as the cycle of the new aluminium degreasing and cutting line in Magenta.



m<sup>3</sup> drawn/tonne FP by the 5 Italian plants from 2011 to 2014

In absolute terms, the overall water drawn (m<sup>3</sup>) has fallen by **12.8% compared to 2011.**

The reduction is due to the excellent level of efficiency of the cutting line in Magenta and the termination of activities in Torre d'Isola, where consumption was calculated until July 2014.

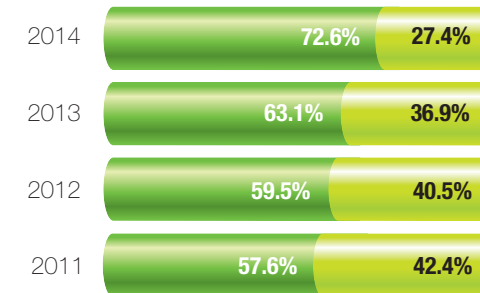


m<sup>3</sup> of water drawn by the 5 Italian plants from 2011 to 2014

## Sources of supply

From an environmental perspective, the **continuous increase** in the share of water drawn from a well rather than from an aqueduct is extremely significant. Between 2011 and 2014, this percentage rose from **57.6% to 72.6%** of the total.

Well-drawn water is a less valuable resource than that of an aqueduct, and the opportunity to use it in production processes is beneficial to the environment.



Breakdown % of drawing sources

● From well ● From aqueduct

## Magenta



Marinella Vercellone  
Magenta Plant Manager  
Guala Closures Group

In December 2014, the water well in Magenta became operational, from which the plant will draw the water it needed for its production processes. From 2015, as is the case of Spinetta, almost all of the water used in Magenta will be drawn from an internal well and not from the public water supply.

## The Water footprint

To confirm the growing attention that governments and institutions are placing on the topic of the availability and the protection of drinking water resources, the number of tools to measure and manage the impact that activities have in terms of quantity and quality of the water used has multiplied. The Water footprint is based on the Life Cycle Assessment (LCA) method and, just like the Carbon footprint for CO<sub>2</sub>, it is a tool that enables all (direct and indirect) consumption of fresh water associated with products, processes and organisations to be measured. Further information is available on: [www.waterfootprint.org](http://www.waterfootprint.org)

▶ The Guala Closures Group objectives

▶ To reduce water drawn by 10% (m<sup>3</sup>/tonne FP), by 2015

ACHIEVED



# Greenhouse gas emissions

Thanks to the TEA tool, Guala Closures can calculate the emissions of carbon dioxide equivalent (CO<sub>2</sub> eq) associated with its production plants, according to standard of the GHG Protocol.

Since 2012, the quantity of CO<sub>2</sub> emitted by the five Italian plants (Scope 1 and 2) has fallen by 3,768 tonnes in absolute terms (-14.6%) and by **24.2%** per (tonne FP).

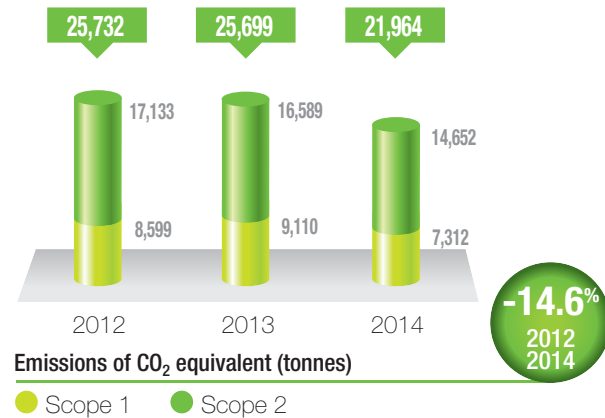
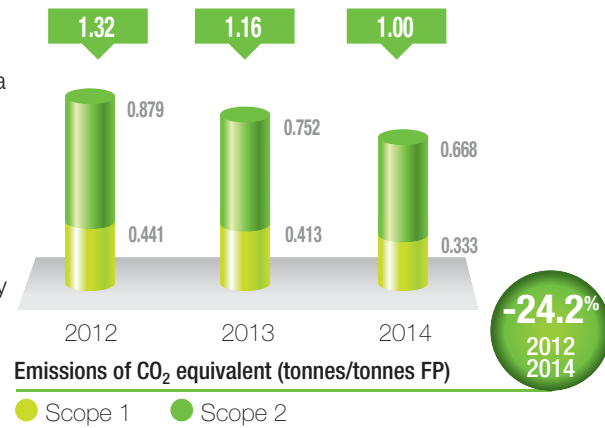
## Greenhouse Gases

The reduction of CO<sub>2</sub> equivalent emissions is mainly due to the performance of the Magenta plant.

An increase in production did not result in an increase in gas consumption as all furnaces are equipped with integrated post combustion devices, which compared to Basaluzzo has enabled the consumption of gas to be drastically reduced.

The Termoli plant has significantly reduced its emissions of CO<sub>2</sub> equivalent thanks to the elimination of natural gas consumption and the reduction of electricity consumption (see pag. 86).

The CO<sub>2</sub> emissions in 2014 for all of the Italian plants (21,974 tonnes) will be fully offset in 2015 (see pag. 65).



## The three Scopes envisaged by GHG Protocol

### Scope 1 – direct emissions

These are greenhouse gas emissions that originate from installations present within an organisations; for example those from the direct combustion of fossil fuels use to refuel vehicles or the leakages of greenhouse gases from air-conditioning systems.

### Scope 2 – indirect emissions from energy consumption

These are indirect emissions of greenhouse gases resulting from the generation of electricity, heat and steam imported and consumed by the organisation.

### Scope - 3 other indirect emissions

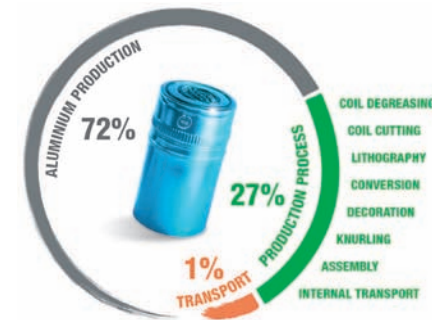
These are emissions resulting from products and services used by the organisation, such as for example the extraction of raw materials, the transport of products and materials, etc.

Unlike Scope 1 and Scope 2, which must mandatorily be included, for Scope 3, the organisation is free to decide whether to include it or not.

## Life Cycle Assessment (LCA) wine and oil

Guala Closures conducts a Life Cycle Assessment on its closures for wine and oil. The last wine LCA was conducted in 2013, the first one for oil in 2014.

As both of the graphs show, the greatest environmental impact is correlated to the material procurement stage (aluminium), while that relating to final transport is substantially insignificant.



2013 Diagram depicting the % CO<sub>2</sub> equivalent contribution of a wine range closure (Source: LCEngineering 2013)



2014 Diagram depicting the % CO<sub>2</sub> equivalent contribution of an oil closure (Source: LCEngineering 2014)

## Other emissions

The objective relating to drawing up a plan to reduce other polluting emissions will be reviewed in the light of the next Sustainability Strategy update and of new environmental permits issued to Italian plants.

### The Guala Closures Group objectives

- ◆ To conduct an assessment of greenhouse gas emissions, by 2013
- ◆ To draw up a plan to reduce polluting atmospheric emissions, by 2015
- ◆ To create a tool to collect and manage data, for international use, by 2015

ACHIEVED

ACHIEVED





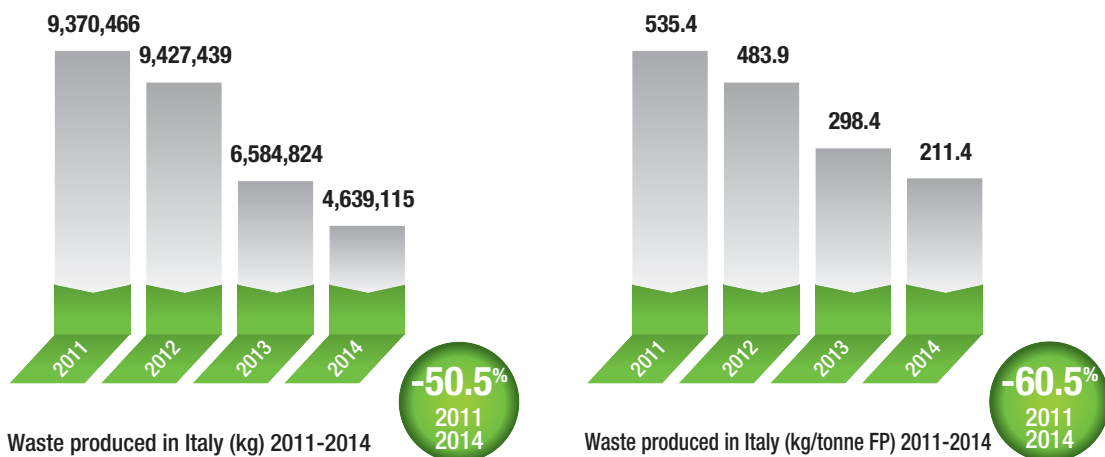
# Waste

In four years, the production of waste in absolute terms has halved (-50.5%). If related to the finished product, **it reaches 60.5%**.

The **reduction of hazardous waste** is also progressing very well (from 58.3% to 35%), while 2/3 of the waste produced (65.7%) is currently sent for recovery. The **objective of 0%** in dumps by 2015 continues to be our priority.

INDICATOR 5

94



The result should be read and interpreted with relation to various company events and activities that have affected the final result, including:

- ▶ **The transfer of production from Basaluzzo to Magenta, which is much more efficient from a waste generation perspective (see inset on pag. 95)**
- ▶ **The reduction of scrap**
- ▶ **The recovery of packaging materials**
- ▶ **The closure of the Torre d'Isola plant in July 2014 (which impacts the total quantity of waste, not that per tonne of finished product)**

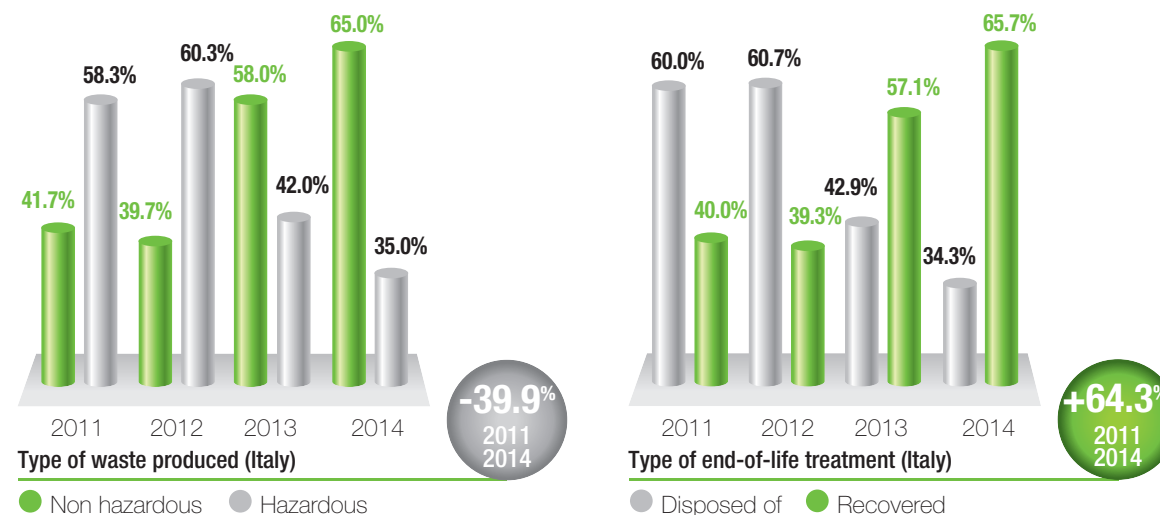
## Magenta

With its new degreasing line, the Magenta plant has significantly reduced the quantity of waste produced and the percentage of hazardous material with respect to that produced by the Basaluzzo plant. Waste production has fallen from 530 to 98 kg/tonne/FP (-82%) and that of hazardous waste from 417 to 14 kg/tonne/FP (-97%).

## Type and treatment

The **objective to reduce the percentage of hazardous waste** was also achieved, falling from representing 58.3% of total waste produced to 35% in 2014, marking a net **decrease of 39.9%**.

With regard to end-of-life treatment, **over 65% of the waste produced is sent for recovery**, while the remaining 34% is disposed of.



To achieve its **objective of zero waste in dumps**, the company is working to collect reliable and complete data on the final disposal operations for the percentage of waste disposed of. This activity entails the involvement and the direct assistance of the disposal firms and could require a longer time to implement than envisaged.

### The Guala Closures Group objectives

- ▶ **To reduce the quantity of waste produced by 5% (kg/tonne FP), in 2013** **ACHIEVED**
- ▶ **To reduce the % of hazardous waste with respect to total waste produced, in 2013** **ACHIEVED**
- ▶ **Zero waste in dumps, by 2015**



95





# Transport

In 2014, all intermodal transport was directed to Scotland and Northern Europe and departed from Spinetta and Torre d'Isola.

With the closure of Torre d'Isola, the use of this form of transport has fallen considerably.

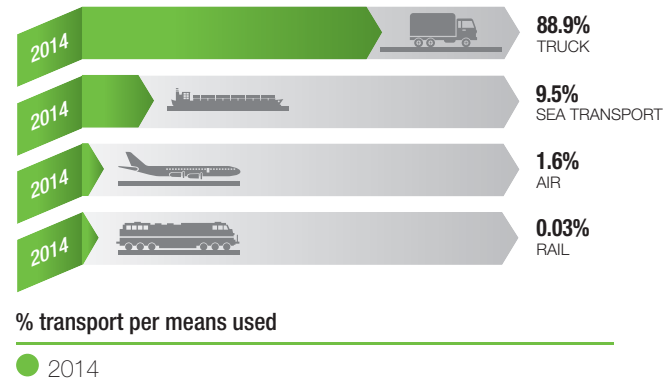
The objective to increase it was therefore suspended.

Instead, the use of "full truck" shipments continues to enjoy very good results, the aim of which is to optimise the truck's load.

## Intermodal and full truck transport

The shipments of products and semi-processed parts from the Italian plants can be managed both by Guala Closures and directly by the Customer.

For the transport organised by the Group, the objective is to increase the percentage of full trucks, i.e. optimise the truck's load. This objective has been achieved by more complex logistics planning, with specific regard to shipments of medium-small batches.



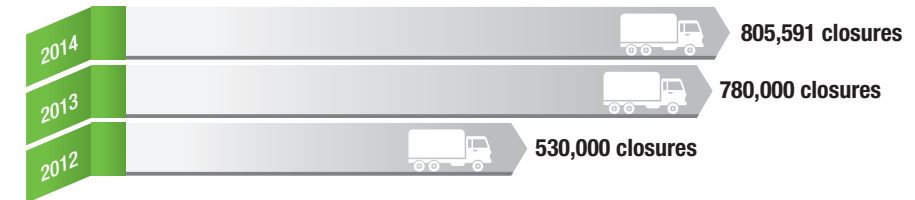
Given the importance of road transport, Guala Closures makes considerable efforts to optimise it.

## Termoli and the full truck project

Between 2012 and today, the transport of finished products managed directly by Guala Closures, has risen from **an average of 530,000 closures transported per truck, to 805,950 in 2014 (+52%)**.

This result was obtained thanks to meticulous logistics planning, which led to the optimisation of deliveries to Customers, by implementing a system that guarantees the full load of the vehicle.

This type of activity can only be implemented for deliveries managed directly by the plant and not those organised independently by the Customer.



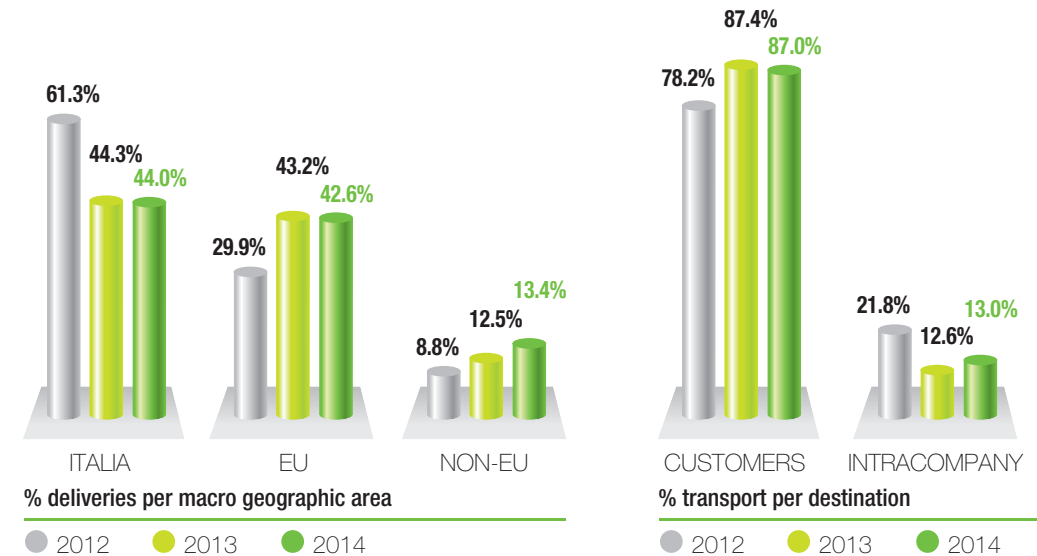
**+52%**  
2012  
2014

Increase in the average number of closures per truck outbound from Termoli 2012-2014

## The destinations

With regard to the geographic delivery and shipment areas, between 2012 and 2014, the bias changed slightly towards countries out of the European Union.

The percentage of direct trips to Customers also increased slightly, in percentage terms, compared to deliveries to the Group's "Intracompany" locations.



### The Guala Closures Group objectives

To increase the use of intermodal transport by 10%, by 2015

**ACHIEVED**

To increase the % of volumes delivered in full truck mode

**SUSPENDED**



# GUALA CLOSURES GROUP

## **SOCIAL** INDICATORS



HEALTH AND SAFETY

TRAINING AND CONTINUOUS  
IMPROVEMENT

DIVERSITY

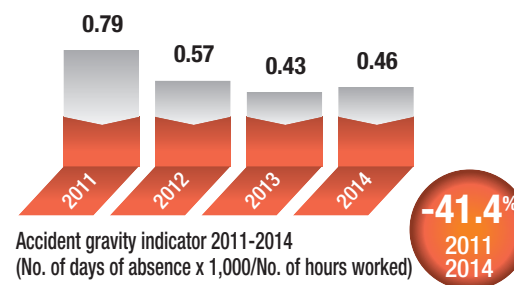
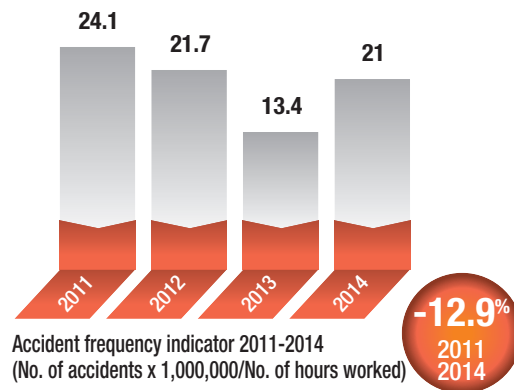


# Health and safety

At the end of 2014, the accident frequency indicator was 21, down 12.9% compared to 2011. It has risen against 2013, but the objective of -30% by 2015 remains the same. The accident gravity indicator is 0.46, down 41.4% compared to 2011.

## Accident trend

The accident frequency indicator that was recorded in 2014 was not related to or due to technical or structural shortcomings. It relates to specific personal situations of an exceptional nature that are not indicative of the effective policy implemented by Guala Closures for occupational safety.



## Termoli – Ergonomic aspects of packing with Octabins

The introduction of Octabins instead of traditional boxes leads to important **benefits** both from an environmental perspective and also in **terms of ergonomics, safety and work organisation**. The project involved the finished product assembly department (end of line) at the Termoli plant, which assessed and quantified all aspects.

The adoption of this packaging **means that we can pass from 152 traditional boxes per work shift to 8, with a considerable fall in the handling performed by the operator**.

Guala Closures promotes this packaging to its Customers and can also be supplied with a **specific tipper for its handling**.

It is particularly suitable for light closures that are not damaged by large packing volumes.



## Magenta – Removal and disposal of Eternit roofing



Over one year early with respect to the Lombardy Asbestos Plan (PRAL) approved by a Resolution of the Regional Council – Regional Authority of Lombardy - no. VIII/1526/2005), **Magenta has removed and disposed of the plant's entire roofing in Eternit**.

Plant management took advantage of the removal of the roofing in asbestos cement to create **new windows**, considerably improving the natural light in the production department.

In addition to removing a potential external environmental risk linked to the dispersion of fibres into the atmosphere, this intervention also enabled the workplace to be optimised.

**The Guala Closures Group objectives**

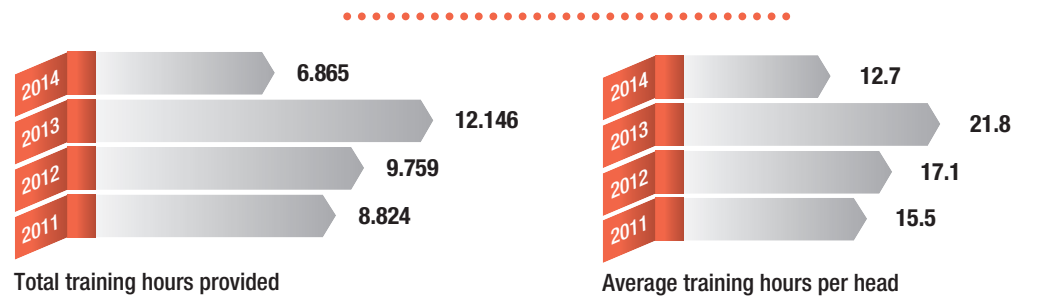
**To reduce the accident frequency indicator by 30%, by 2015**





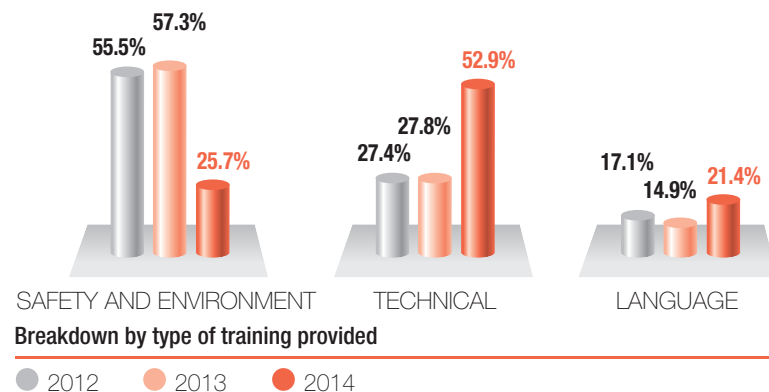
# Training and continuous improvement

**Training** is a key element for **innovation and continuous improvement**. It is also a tool to develop skills and knowhow which transmit the modus operandi and the values that the Group has made its own. The planned objective to **provide two hours of training** to all personnel on **“green” issues** has been achieved.



## Training

In 2014, a fall in the amount of training imparted was recorded with respect to the previous year. This figure needs to be considered in light of the fact that in 2013, extraordinary efforts were made to complete the planned health and safety training, which was given and completed for all Guala Closures Italy resources. This had entailed significant organisational resources, therefore once completed, in 2014, the training given was substantially aimed at “maintaining” and periodically updating competences. In terms of the **type of training imparted, in 2014 the majority of hours regarded technical training**. This stems from the investment that the company has made to insource part of the production processes transferred following the closure of the Torre d’Isola Plant. Around 40 people from the Torre d’Isola plant were transferred to other Italian plants, however the transfer of several complex process lines nevertheless required an integration and updating of specific technical skills.



## Sustainability: two hours of training for all employees in Italy

The training sessions at Group plants which had the objective of providing **two hours of training on the Sustainability Programme** to all Italian personnel have been completed. The sessions were coordinated by Plant Managers and entrusted to two internal resources who are both involved with the sustainability programme, Paolo Furiani and Ana Maria Ample, both from Human Resources - Continuous Improvement. The main purpose of the sessions was to inform and involve personnel in the Sustainability Programme in general and in the activities in progress in each plant, and represented an opportunity for exchange and participation between employees. These meetings also represent an opportunity for **more direct and effective communication, which speeds up the identification of new projects and areas for improvement**. As always, at the end of each session, attendees are asked to fill out a questionnaire, which enables us to assess to what extent the training session was appreciated and to gather new ideas and comments. Three main aspects emerged from an analysis of the questionnaires collected:

- ▶ **A request to plan more frequent sessions on these topics**
- ▶ **An expectation of increased involvement**
- ▶ **The appreciation for the activities performed by the Programme**

When the Sustainability Programme was updated, these aspects were taken into consideration to identify new objectives and to plan future training and involvement initiatives.

## Apprenticeships

Again in 2014, Guala Closures continued with its apprenticeship scheme, as a way to offer young people the opportunity to integrate their studies with work experience which completes and enhances their CV. The formula proposed by the company differs according to the level of qualification of the young people selected:

- ▶ Professional apprenticeships, for young people from high school
  - ▶ Higher apprenticeships for those that have already graduated or are close to graduating.
- All resources who have participated in this project have then been hired permanently by the company.

The Guala Closures Group objectives

ACHIEVED

- ▶ To provide 2 hours of training to 100% of Italian employees on the Sustainability Programme
- ▶ To boost the development programme for internal resources, by 2015





# Diversity

The figures reported in this chapter illustrate the breakdown by age and gender of the Group's resources in Italy, and are **substantially unchanged with respect to previous years**.

## Review of the diversity indicator

The diversity indicator was identified in a very "natural" way as one of the social sustainability indicators, when the Guala Closures Programme was first set in place. **In actual fact, diversity is one of the indicators proposed by the Global Reporting Initiative (GRI)**, and in any event represents a topic that has triggered considerable debate in Italy, particularly as regards gender diversity, i.e. equal opportunities for men and women. This is why we decided to adopt it as a performance indicator, seeking to express it through activities and action that are coherent and applicable to our company situation.



Mauro Boano  
Group HR Director  
Guala Closures Group

Four years from its adoption, and in view of the update of the Sustainability Strategy, which will take place in 2015, we have sought to weigh up the initiatives relating to this indicator that we have been able to implement. In the end, they are not sufficiently tangible to be able to measure or perceive with any degree of accuracy, both within and out of the company.

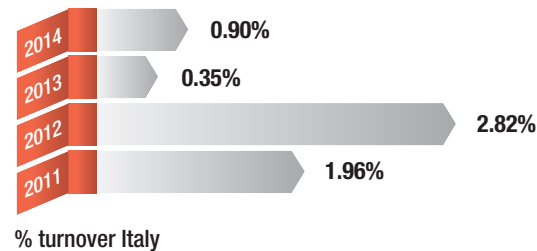
We have therefore decided that from 2015, **we will be replacing this indicator with one that is more relevant to us, namely "welfare"** (see pag. 44).

This decision also stems from the desire to identify the areas in which action should be taken that we believe can have **a greater impact on aspects that interest Guala Closures employees**. This indicator will be also used by our colleagues of other Group plants.

## Personnel turnover

The % turnover is increasingly lower. This figure, which indicates the flow of people into and out of the company, is usually lower at times of economic and labour crisis.

It has always been low for us, which means that we can effectively invest in training and the internal development of our employees with continuity.

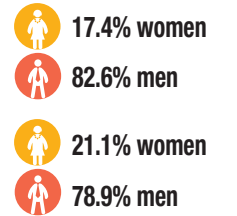


## Gender diversity

17.4% of Guala Closures Italy's workforce are women. This figure is perfectly in line with the Italian average for the industrial engineering and plastics sector (corresponding to 17.3% - Source ISTAT).

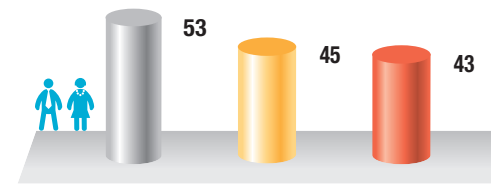


540 employees in Italy, of which 94 are women



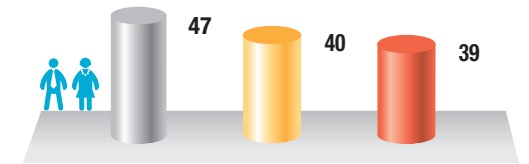
4,046 employees worldwide, of which 853 are women

Guala Closures employees 2014



Average age by professional category (GC Italy 2014)

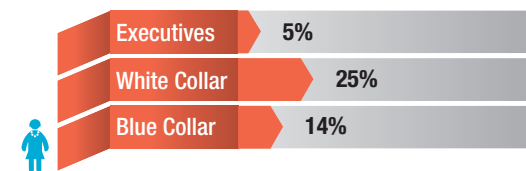
● Executives ● White Collar ● Blue Collar



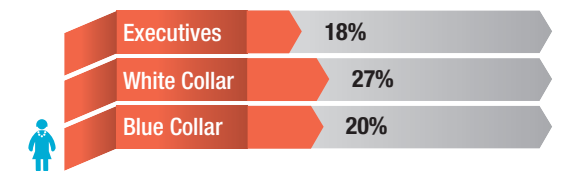
Average age by professional category (GC world 2014)

● Executives ● White Collar ● Blue Collar

The average age of Guala Closures workforce is considerably higher in Italy than in the rest of the world. The presence of women is also lower in all professional categories in Italy.



% of women per professional category (GC Italy 2014)



% of women per professional category (GC world 2014)

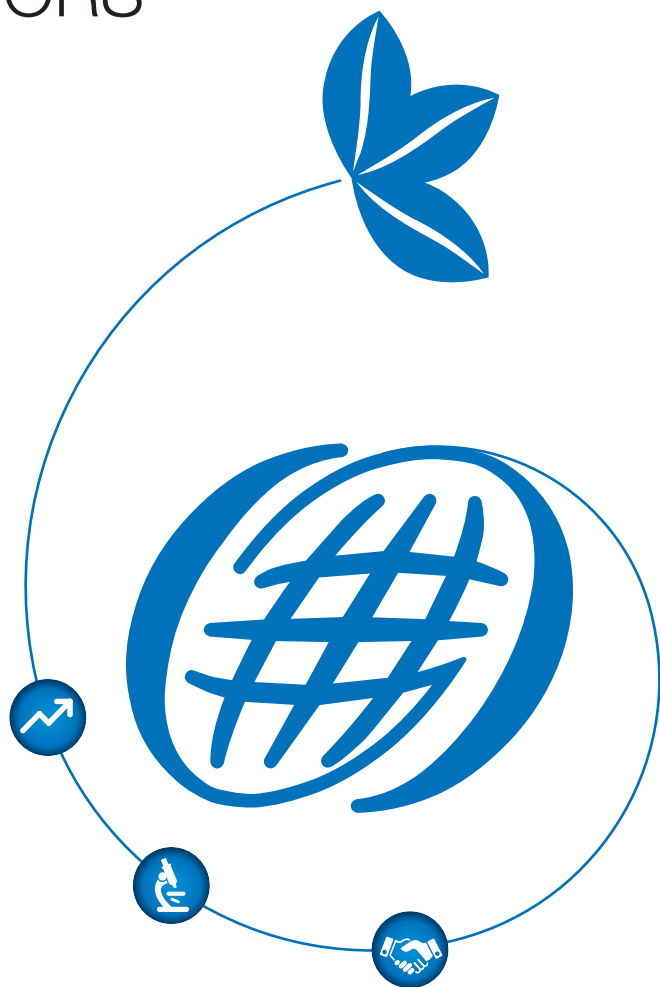
## The Guala Closures Group objectives

To implement a strategy to integrate diversity, with specific regard to gender, age and cultural diversity, by 2015.



GUALA  
CLOSURES  
GROUP

**ECONOMIC**  
INDICATORS



PRODUCTION EFFICIENCY

INNOVATION

CUSTOMER SATISFACTION



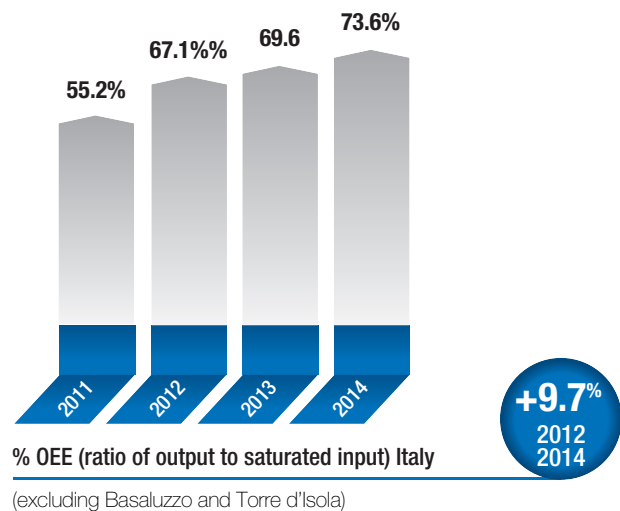


# Production Efficiency

**Overall Equipment Efficiency (OEE)** is the indicator that Guala Closures uses to monitor its efficiency and its performance (machines, production areas and plants). Between 2012 and 2014, this indicator improved by **9.7%**. The objective to improve it by 10% by 2015 will be achieved.



This indicator measures to what extent machine downtime related to tests, sampling, ordinary and extraordinary maintenance, cleaning and quality assurance or reworking (to cite just a few) influences the efficiency of a machine or a production line. It is calculated as a ratio between output and saturated input and considers efficiency shortcomings relating to:



The five means to increase production efficiency have been confirmed up to 2015:

- ▶ **Installation of new machinery**
- ▶ **Investment in preventive maintenance**
- ▶ **Training and information targeted to production managers**
- ▶ **Productivity monitoring and control procedures**
- ▶ **Production process audits**
- ▶ **SMED and 5S activities**

## Spinetta - Installation of new machinery

The **work performed in 2014 in Spinetta in terms of installing new machinery is particularly significant**. In July 2014, 30% of the production of Torre d'Isola was reallocated to Spinetta, while the remainder was transferred to several of the group's foreign plants (Poland and the Ukraine).

This important reallocation took place in parallel with the completion of the insourcing of another production process previously performed by external suppliers, namely the plastic closure metallisation line.

The introduction of new process lines entailed **significant technical and operational investment** such as preparing the areas, changing the layout and auxiliary production systems, reorganising work and updating the technical skills of managers and workers.

## Spinetta - OEE and aluminium press department

In the aluminium press department, action has been taken to increase production efficiency while at the same time maintaining a high number of workable closure models. Through several interventions on the process line, such as the installation of cyclones on the press feeders, scrap was reduced and man-machine combinations were optimised, enabling control activities to be focused on the final quality of the production process.

▶ **The Guala Closures Group objectives**

▶ **To improve the OEE for Italy by 10% with respect to 2012, by 2015.**





# Innovation

Together with the Kirkintilloch plant in the UK, the head office in Spinetta Marengo houses to the largest number of resources dedicated to the research and development of new products, materials and processes.

The Division works in synergy with the other company departments and provides project-related support to all of the Group's locations.

Guala Closures has numerous important Customers with which it has forged exclusive partnerships, with a view to researching and developing innovative and high performing solutions.

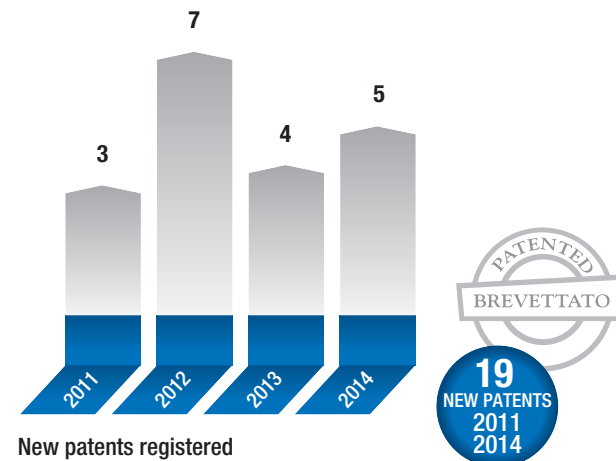
This is the case, for example, of the "Wave" closure, or the BPA free project, developed specifically to meet the requirements of French Customers.

## Patents

The **Research and Development Department**, headed by Maurizio Mittino, continues to be very active.

In 2014, 5 new patents were registered, bringing **the total number of patents registered since 2011 to 19** (against an objective of 10 new patents by 2015).

The Group's overall assets in this area amount to over 80 patents.



## Green Cap

The characteristics of the "Green Cap" closure are of interest to several markets that are particularly sensitive to area of recovering and recycling end-of-life materials (Germany and Japan).

In fact, the aluminium strip can be easily and safely removed from the neck of the bottle, guaranteeing to complete separation of the materials and their recovery.

Thanks to the collaboration of several important bottle manufacturers, validation and production tests are underway.

## The new "eco" closure produced by Guala Closures Brazil



It's called "Wave". It's a new innovative closure **designed in Italy and produced exclusively by Guala Closures Brazil** for the **Cachaça 51**, brand, the flagship product of Companhia Müller de Bebidas, the largest producer of cachaça in Brazil.

"Wave" minimises environmental impact thanks to its decoration, which is applied directly during the injection molding stage of the component, through a specifically designed geometry, rather than depositing inks and/or varnishes on the surface of the closure.

On the specific request of the Customer, the closure is made entirely in polyethylene so that the material can be fully recovered, shredded and then re-used for other purposes.



**Less energy used with respect to the previous closure**

**No inks or varnishes**

**Fully recyclable**

## Biomaterials and alternatives to plastic

Theories about using organic material to effectively replace plastic or be used jointly with it are still at a very early stage and entail a series of unknowns, even in environmental terms.

Various international associations and institutions have raised important questions as to the real overall environmental advantage of using the soil to cultivate plants for industrial rather than alimentary use.

In any event, it's up to research to explore and investigate all of the possibilities and opportunities that new production technologies for materials can make available to manufacturers.

Guala Closures is particularly interested in this aspect, and with internal resources specialised in these areas of research, it participates in Working Group which verify the effective applicability and safety of using alternative materials.

**The Guala Closures Group objectives**

**ACHIEVED**

**To develop at least 10 innovative and patentable ideas, by 2015**

**ACHIEVED**

**To develop a tool for eco-sustainable design to research and develop new products, by 2013**

**To develop all new products BPA NIA (Not Intentionally Added Bisphenol), by 2013**





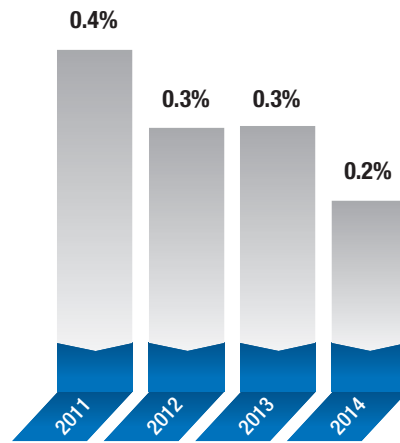


# Customer Satisfaction

Guala Closures obtain good results for both of the objectives of this indicator; claims and the percentage of SEDEX certified plants.

## Claims

Claims express the ability to deliver products that meet the specifications and the expectations of Customers. Therefore, all reports of batches, or parts of them, sent to Customers that did not meet the product specifications requested are considered claims. These batches are then isolated and follow a "suspended material" procedure, through which the reasons for the non-conformity are identified and the way to resolve them. The average percentage of claims is very low, in line with the objective ( $\leq 0.3\%$ ).



Claims received from Customers

Excluding plants in Bulgaria, Ukraine, Poland, South Africa, Basaluzzo and, in 2014 also Torre d'Isola.

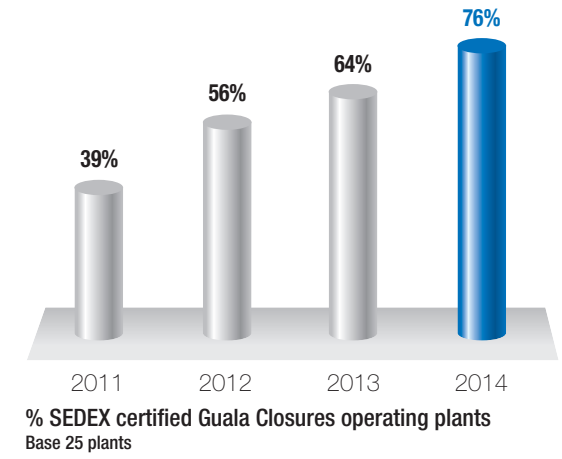
## Sedex

In 2014, the percentage of SEDEX certified Guala Closures plants rose to 76% (19 out of 25). SEDEX is a non-profit organisation, which manages an on-line database in which members make available and share information with each other on 4 key areas:

- ▶ Working standards
- ▶ Health and Safety
- ▶ Environment
- ▶ Work ethics

The purpose of this organisation is to design a navigable platform that is simple and effective, to enable the supply chain to make information available relating to its ethical and responsible practices.

The electronic system for the collection and analysis of the information, provided by Sedex, enables companies to store and visualise data, facilitating access to this information along the entire supply chain.



## Bisphenol A

In recent years, there have been various episodes of alarmism on presumed health risks, related to the presence of bisphenol A (BPA) in plastics for food.

In January 2015, the **European Food Safety Authority** (EFSA) established that exposure to bisphenol, through food and other non-alimentary sources (dust, cosmetics and thermal-based paper) can be considered under the tolerable daily dosage, therefore excluding any risk to consumer health.

The matter of the presumed danger of Bisphenol A has been the centre of debate for many years and several countries, such as **France** and **Columbia** have banned it from their products.

Guala Closures has made considerable investment to be able to guarantee to Customers that request it, the opportunity to have dedicated process lines, **by making, in 2014, three BPA free products:**

- ▶ **2615 & 2610 Closure - Martell**  
Produced in a BPA-free version since 15/10/2014  
Approved by the Customer
- ▶ **Alusnap H59 Closure - Hennessy**  
Produced in a BPA-free version since 15/12/2014  
Approved by the Customer
- ▶ **Polka - Grey Goose**  
Produced in a BPA-free version since 18/12/2014  
Approved by the Customer



A further four will be added to these three in 2015, bringing the BPA-free products available to seven.

### The Guala Closures Group objectives

▶ All plants SEDEX certified, by 2015

▶ Claims  $\leq 0.3\%$  for the entire Group, by 2015

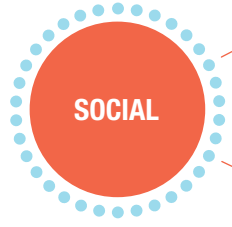
ACHIEVED



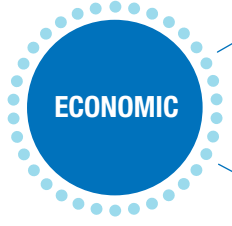
# Indicators and objectives



Aspect	Indicator	Description	Objectives	Status	Scope	By
Resources	Energy consumption	Consumption of all sources used	To reduce energy consumption (GJ/tonne FP) by 10%	😊	Italy	2015
			To favour the supply of renewable energy	😊	Italy	2015
	Raw materials	Raw materials, accessory, auxiliary and packaging materials	To reduce the consumption of raw materials by 15% (kg/tonne FP)	Eliminated***	Italy	2015
			To reduce scrap by 5% per annum*	😊	Italy	2015
Water	Water drawn	To reduce water drawn by 10% (m <sup>3</sup> /tonne FP)	😊	Italy	2015	
Emissions	Emissions	Atmospheric emissions from plants and CO <sub>2</sub> equivalent	To conduct an assessment of greenhouse emissions	😊	Italy	2013
			To create a tool to collect and manage data	😊	Group	2015
	Waste	Product waste, type and final destination	To draw up a plan to reduce polluting atmospheric emissions	😞	Italy	2015
			To reduce the waste produced by 5% (kg/tonne FP)	😊	Italy	2013
Transport	Transport	Means and distances for intercompany transport and transport to Customers	To reduce the % of hazardous waste with respect to total waste produced	😊	Italy	2013
			Zero waste in dumps (kg)	😞	Italy	2015
			To increase the use of intermodal transport by 10%	Suspended***	Italy	2015
			To increase the % of volumes delivered in full-truck mode with respect to the total volumes of products delivered for each major Customer	😊	Italy	2013



Aspect	Indicator	Description	Objectives	Status	Scope	By
Health and Safety	Health and Safety	Frequency and gravity of accidents	To reduce the accident frequency indicator by 30%	😞	Italy	2015
Training	Training	Type and quantity of training provided	2 hours of awareness training on the Sustainability Programme to 100% of employees in Italy	😊	Italy	2013
			To boost the development programme for internal resources	😞	Italy	2015
Diversity	Diversity	Gender and cultural differences	To implement a strategy to integrate diversity, with specific regard to gender, age and cultural diversity	😞	Italy	2015



Aspect	Indicator	Description	Objectives	Status	Scope	By
Economic effectiveness	Production efficiency	Efficiency of production systems	To improve the OEE for Italy* by 10% with respect to 2012	😞	Italy	2015
Product responsibility	Innovation	Innovative capacity	To develop at least 10 patentable ideas	😊	Group	2015
			To develop all new products BPA NIA for parts in direct contact	😊	Group	2015
	Customer satisfaction	Customer satisfaction	To develop a tool for eco-sustainable design	😞	Group	2013
			All plants SEDEX certified	😞	Group	2015
			CLAIMS received from customers ≤0.3%**	😊	Group	2015

Figures updated to 31 December 2014  
 \* Excluding Basaluzzo and, for 2014 Torre d'Isola  
 \*\* Excluding plants in Bulgaria, Ukraine, Poland, South Africa, Basaluzzo and, for 2014 Torre d'Isola  
 \*\*\* See details pag. 80

KEY FOR TABLES OF INDICATORS

😊 OBJECTIVE ACHIEVED    😞 OBJECTIVE IN PROGRESS    😞 OBJECTIVE NOT ACHIEVED



# Glossary

## Accident Frequency Indicator

The statistical frequency indicator represents the numbers of accidents per million working hours.

## Accident Gravity Indicator

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

## Audit

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

## Bioplastic

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

## Bisphenol A (BPA)

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

## Carbon credit

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

## Carbon Footprint

Indicates the total quantity of CO<sub>2</sub> emitted (directly or indirectly)

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

## Certification

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

## CO<sub>2</sub>

Carbon dioxide. It is a so-called greenhouse gas.

## CO<sub>2</sub> equivalent

Expresses the contribution of the various greenhouse gases to global warming in terms of CO<sub>2</sub>, according to set conversion factors.

## Corporate Social Responsibility (CSR)

This is a voluntary approach adopted by companies to properly manage the environmental and social impact of their business activities.

## Emission

Any solid, liquid or gaseous substance discharged into the atmosphere that can cause atmospheric pollution.

## Environmental aspect

An aspect of an organisation's business activities, products

business activities, products or services that may interact with the environment.

## Environmental impact

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

## Environmental indicators

Qualitative or 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 is 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 manmade origin, responsible for the greenhouse effect, namely the fact that the earth's temperature is rising due to the failure to disperse solar radiation. The main greenhouse gases are: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide

(N<sub>2</sub>O), hydrofluorocarbons (HFC), perfluorocarbons (PFC) and sulphur hexafluoride (SF<sub>6</sub>).

## GRI (Global Reporting Initiative)

An international not for profit 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 1,000,000,000 joules.

## LCA (Life Cycle Assessment)

Is a method to assess energy consumption and the environmental impact associated to 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.

## Octabin

A large cardboard container, which permits a high quantity of storage, as a replacement for traditional boxes.

## OEE

A dynamic measurement that indicates the efficiency of a facility as a percentage. OEE = 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, geothermics, 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, suppliers etc.

## Sustainability/ Sustainable development

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

## UNI EN ISO 14001 standard

See Management system.

## Watt-hour (Wh) kiloWatt (kW) MegaWatt (MW)

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



# GRI indicators

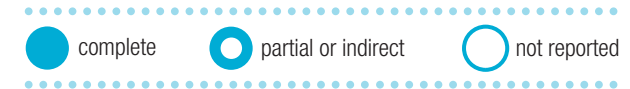
GRI indicators	Where	Status	Page
<b>1 Strategy and Analysis</b>			
1.1 Statement by the highest ranking figure of the decision-making process	Message from the Chairman Interview with the General Manager	●	pag 6,8
<b>2 Organisational profile</b>			
2.1 Name of the organisation	Background	●	pag 16
2.2 Primary brands, products and /or services	Processes and products	●	pag 20
2.3 Operational structure of the organisation	Background, Corporate Governance	○	pag 16, 12
2.4 Location of the organisation's headquarters	Background	●	pag 16
2.5 Number of countries in which the organisation operates	GCG in the world	●	pag 18
2.6 Ownership structure and legal form	Turnover and markets	●	pag 32
2.7 Markets served	Turnover and markets	●	pag 32
2.8 Scale of the organisation	Key figures, Processes and products Turnover and markets	○	pag 5, 20, 32
2.9 Significant changes during the reporting period	Key facts 2014, Summary	●	pag 34, 80
2.10 Awards received during the reporting period	Processes and products	●	pag 20
<b>3 Report parameters</b>			
3.1 Reporting period	Summary	●	pag 80
3.2 Dates of publication of most recent sustainability report	Summary	●	pag 80
3.3 Reporting frequency	Summary	●	pag 80
3.4 Contacts and addresses to be used to request information on the sustainability report and its content	Summary	●	pag 80
3.5 Process for defining report content	Stakeholder value chain, Summary	●	pag 42, 80
3.6 Scope of the report	Summary	●	pag 80
3.7 Any limitations of the objective or scope of the report	Summary	●	pag 80
3.8 Information on joint ventures, subsidiaries, leased facilities, outsourced operations, etc.	Summary	●	pag 80
3.10 Explanation of the effect of any restatements of information provided in earlier reports, etc.	Summary	●	pag 80
3.11 Significant changes from previous reporting periods	Summary	●	pag 80
3.12 Table illustrating the content of the report	GRI index	●	pag 118
<b>4 Governance, commitments, stakeholder involvement</b>			
4.1 Governance structure of the organisation	Corporate Governance	●	pag 12
4.2 Indicate whether the Chairman of the highest governance body also has an executive role	Corporate Governance	●	pag 12
4.3 Indicate the number of members that are independent and/or non-executive	Corporate Governance	○	pag 12
4.4 Mechanism for shareholders and employees to provide recommendations or direction to the highest governance body	Corporate Governance	○	pag 12
4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Corporate Governance	○	pag 12
4.13 Memberships in national/international industry associations	Entities and Associations	○	pag 48

GRI indicators	Where	Status	Page
<b>4 Governance, commitments, stakeholder involvement</b>			
4.14 List of stakeholder groups engaged by the organisation	Stakeholder value chain	●	pag 42
4.15 Basis for identification and selection of main stakeholders with whom to engage	Stakeholder value chain	●	pag 42
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Stakeholder value chain	○	pag 42
4.17 Key topics and concerns that have been raised through stakeholder engagement	Stakeholder value chain	○	pag 42

Environmental indicators			
EN1 - Raw materials	Raw materials	●	pag 88
EN2 - Percentage of materials used that originate from recycled material	Raw materials	●	pag 88
EN3 - Direct energy consumption by primary energy source	Energy consumption	●	pag 86
EN5 - Energy saved due to conservation and efficiency improvements	Energy consumption	●	pag 86
EN7 - Initiatives to reduce indirect energy consumption and reductions achieved	Energy consumption, Raw materials Waste, transport	●	pag 86, 88, 94, 96
EN8 - Total water withdrawal by source	Water consumption	●	pag 90
EN9 - Water sources significantly affected by withdrawal of water	Water consumption	●	pag 90
EN16 - Total direct and indirect greenhouse gas emissions by weight	Greenhouse gas emissions	●	pag 92
EN18 - Initiatives to reduce greenhouse gas emissions and reductions achieved	Greenhouse gas emissions	○	pag 92
EN22 - Total weight of waste by type and by disposal method	Waste	●	pag 94
EN24 - Weight of waste classified as hazardous	Waste	○	pag 94
EN29 - Significant environmental impacts of the organisation's transport	Transport	○	pag 96

Economic indicators			
EC1 - Economic value directly generated and distributed, including revenues, operating costs, etc.	Turnover and markets	○	pag 32

Social indicators			
LA1 - Total workforce by type, employment contract, etc.	Training and continuous improvement, Diversity	○	pag 102, 104
LA2 - Total number and rate of new employees and employee turnover by age group, gender, and geographic area	Diversity	○	pag 104
LA7 - Rates of injury in the workplace, illness, lost days, etc.	Health and safety	○	pag 100
LA10 - Average hours of training per employee, by gender and by employee category	Training and continuous improvement	○	pag 102
LA11 - Programmes for skills management and to promote training/updates etc.	Training and continuous improvement	○	pag 102
LA13 - Composition of governance bodies and breakdown of employees per category according to gender, age group, etc.	Diversity	○	pag 104



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 *Guala Closures Group*

Via Rana, 10-12 • Zona Industriale D6  
Spinetta Marengo • 15122 Alessandria - Italia  
T +39 0131 7531 • [sustainability@gualaclosures.com](mailto:sustainability@gualaclosures.com)

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