

# SUSTAINABLE DEVELOPMENT REPORT 2013



# Guala Closures Group

## Key figures



**494.3 mln**

Turnover  
2013



**14 mld**

Closures sold  
in 2013



**25**

Production  
plants



**5** Continents

Over **100** Countries



**3.957**

Employees  
worldwide



**557**

Employees  
in Italy



**5**

Research and  
development centres



**80**

Patents



**6**

Product  
categories



**60 Years**

in the business



Figures as at 2013

## Letter from the Chairman

Marco Giovannini

I have had the responsibility, and pleasure, of leading Guala Closures since 1998. I am convinced that our greatest strength is represented by the **quality** of our products, the result of our continuous investment in **research and design**. We are the world leaders in the production of safety and aluminium closures and this **leadership** position means that we can guarantee our Customers the **integrity of our products**, protecting our brand and safeguarding the health and **safety of the final consumer**.

In **2014**, Guala Closures Group celebrates **sixty years in the business**, however, the greatest changes have taken place over the past decade.

Our turnover has risen from 130 to 494 million, we have 25 production plants, we have consolidated our **global leadership** by acquiring new market share, we have developed our portfolio of **patents** and we have provided new job opportunities.

I believe that the competitiveness of a family, of a business, of a Country can be defined as the ability to adapt and interpret **change** in an innovative and creative way, and the results that we have achieved over the years confirm our ability to be competitive and reward us for the choices we have made.

We have to continue in this direction, pursuing a way of operating, producing and living that is responsible and aware of the impact that it has on the global system.

This is what we have chosen to do by establishing a **Sustainability Programme that has become an integral part of our strategic decisions**, not to mention those relating to projects and sales.

This is what we have chosen to do by deciding to publish an Annual Report so that all of our stakeholders can be aware of and evaluate how Guala Closures is tackling this challenge.

Enjoy your read!

Marco Giovannini  
Chairman & Chief Executive Officer



# Interview with the General Manager

Franco Bove

**Dr. Bove, can we discuss the main results achieved in 2013?**

*It was a demanding year, but our efforts were rewarded on many different levels. If the exchange rates had not worked against us, our bottom line would have improved even further.*

*In terms of **sustainability** I would say that 2013 was a particularly important year.*

*We have reached the objective set back in 2011 to build an **"Italy model"** and we are now ready to gradually extend this to the Group's foreign plants.*

*We have fine-tuned several internal **processes and tools**, which enable us to manage and share information on environmental data to all levels of the organisation.*

*The implementation and development of the TEA (Tool for Environmental Analysis) has enabled us to assess our Carbon Footprint and the LCA of our products as well as to periodically process a series of data which allows Management and other interested parties to plan and provide support to specific strategic decisions by monitoring their progress.*

*We have also heavily invested in the process of **involving** and **sharing** the Programme internally through the Newsletter, training sessions and dedicated meetings.*

*Our aim is to raise awareness and to motivate our employees, making them proud to work*

*for a group that cares about these topics and to encourage them to make their own contribution by coming up with ideas and suggestions that could become actual projects.*

*The person that best knows how to improve a specific process is someone that is involved in it every day.*

*The **internal survey** addressed to employees in Italy, which we conducted again this year, confirmed that the Programme is going in the right direction and showed that appreciation has increased.*

*Our employees feel that they are a part of an ambitious project and gave us very positive feedback as to the company's commitment.*

**Let's move on to the actual results.**

*Providing tangible results is fundamental to our approach.*

*We want to be judged for what we actually do not for what we say.*

*Let's start with the **Carbon Footprint**.*

*Between 2012 and 2013, it fell by **7%** in Italy. Again in Italy, between 2011 and 2013, overall we cut **energy consumption by 12.6%, waste production by 38.1% and water usage by 18%**.*

*These results are not expressed in absolute terms, but as a ratio to tonnes of product processed, therefore an even more satisfying and tangible result.*

*In 2013, we successfully completed our third project to **offset the CO<sub>2</sub> emissions** of*

**Almost all of the sustainability objectives set for 2013 have been achieved. Some of them, which were to be achieved by 2015, have already been reached.**

**1 billion aluminium** wine screwcaps.

*Developed in collaboration with local institutions of the Indian state of Bihar, this project enabled us to reclaim around 73 hectares of land by planting 80,000 trees and will provide income to 1,600 families for the next 5 years.*

*In terms of social indicators, I would like to draw attention to the significant reduction of both the accident frequency indicator (-44.5%) and the gravity indicator (-45.6%).*

*Safety in the workplace is a daily and priority objective for improvement that is extremely important to us.*

**What do you think about the development of sustainability in other companies?**

*Sustainability is the economic development model of our times. In Italy, companies like ours, which believe in and therefore invest in sustainability do it voluntarily, considering it a responsible strategic decision.*

*In other countries, such as Germany, the UK or Scandinavian nations, just to remain in Europe, the approach is also voluntary, but it is part of a more structured and shared endeavour, involving the local area and institutions. Our approach therefore has greater significance.*

**What sustainability projects will GCG undertake in 2014?**

*We want sustainability to be a more integral part of all business areas.*

*Each area must become even more economically, socially and environmentally responsible for their operations by setting objectives, timeframes and specific targets. We are all part of a production and distribution process that involves many different parties, therefore we intend to increase the involvement of our stakeholders, especially Customers and suppliers, in joint projects throughout the entire supply chain. Lastly, we have developed **6 "Best Practices"** for sustainability, which have been successfully launched in Italy and which represent the benchmark to be applied to all Group branches.*

Franco Bove  
Group Chief Operating Officer



# Summary

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GUALA  
CLOSURES  
GROUP

COMPANY  
OVERVIEW



# Background

Being a world leader in the market of safety and aluminium closures means creating value, profit and growth to meet the expectations of stakeholders. This objective has to be achieved in a responsible way, by integrating the environmental and social dimension into the company's mission.

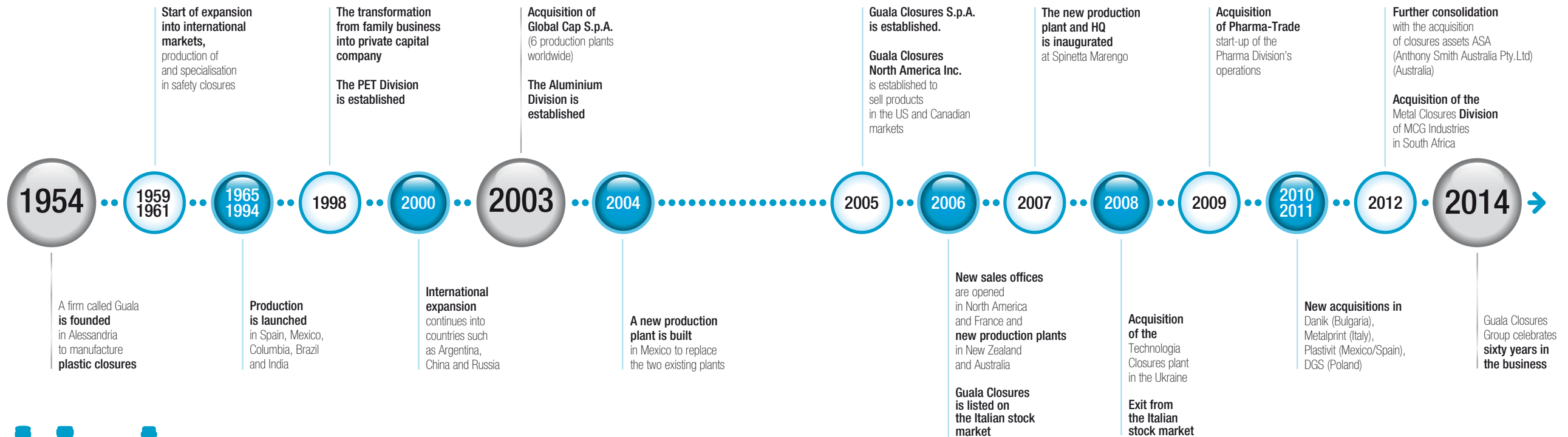
Founded in **1954** in Alessandria, the company has built up its reputation over the years in the international scenario and is recognised worldwide as a synonym for **excellence** and **innovation**.

Number one in anti-counterfeiting closures for spirits and leader in Europe, Latin America and Australia in the production of aluminium closures, Guala Closures is today a large Italian multinational, with a sales structure which operates in **100 countries** and is continually expanding into new markets.

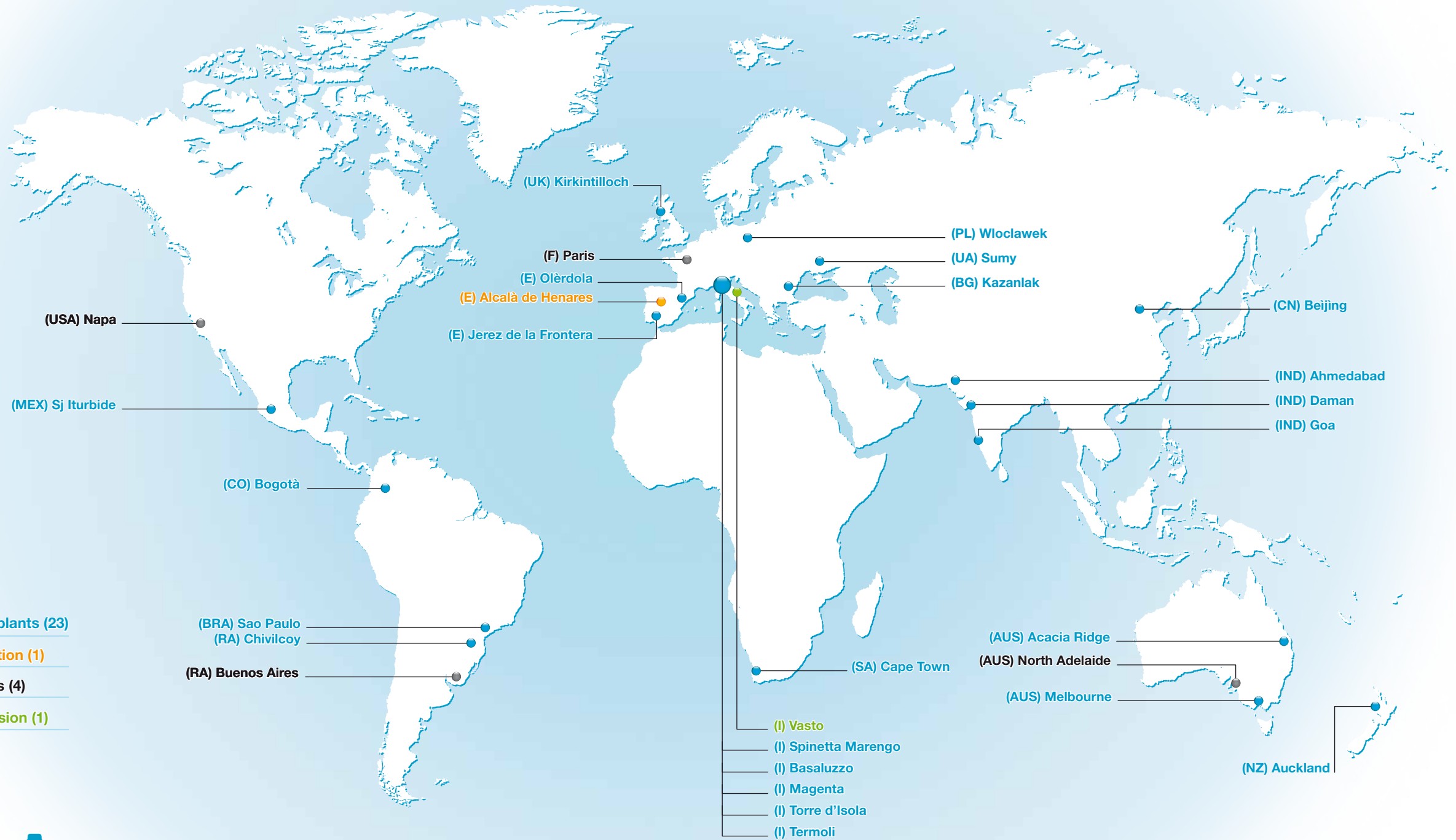


The Spinetta Marengo plant, the Group's head office

In 2014, the Group will celebrate sixty years in the business. An important milestone which confirms the quality of our products and the value of our work.



# GCG worldwide



# GCG in Italy

## Dr. Stevenson, you are the General Manager of the Italian Business Unit, what is the main purpose of this unit?

The Italian Business Unit was established in 2011 with a view to organising and establishing ways of working and objectives that could be shared by all production plants, at the same time developing a model that could be exported within the Group.

The Sustainability Programme is an integral part of a larger-scale project, characterised by a high level of synergy between the efficiency of the production, quality and communication processes.

We are committed to creating an "Italian model" for sustainable excellence, which can be exported to the Group's other operations abroad.

## What are the strengths of this Business Unit?

I believe that **effective communication and involvement** between the various plants is key to the success of this organisational model.

**Plant Managers** play a fundamental role in this process.

Their ability to motivate and involve internal human resources in achieving results, just as the specific knowledge of the process and of the production site, are essential to successfully conveying the Group's projects and objectives to each production plant and organisational unit. Swapping and

sharing these experiences, which are presented and discussed at meetings of the Sustainable Operating Committee, enhance the wealth of knowledge both at individual and company level.

## What will your next steps be?

We will continue to move in the direction we have been going for the past three years.

**Identifying and working towards clear and measurable objectives**, involving everyone in their achievement.

**Communication**, especially internal communication, plays a key role.

A great deal of appreciation has been shown, for example for our Newsletter and for this Report. These are fundamental tools to let everyone know about the projects in progress at the various plants and the results obtained. They enable us to share and communicate our objectives and the projects set in place to achieve them, spread our company culture and values, which are the foundation of our operations.

David Stevenson  
General Manager  
Guala Closures Italy



### Spinetta Marengo

Covered surface area:  
**20,315 sqm**  
Main products:  
**Safety closures**  
**Standard closures**



### Magenta

Covered surface area:  
**9,500 sqm**  
Main products:  
**Lithographed aluminium sheets**



### Torre d'Isola

Covered surface area:  
**7,500 sqm**  
Main products:  
**Standard closures**



### Basaluzzo

Covered surface area:  
**2,600 sqm**  
Main products:  
**Lithographed aluminium sheets**



### Termoli

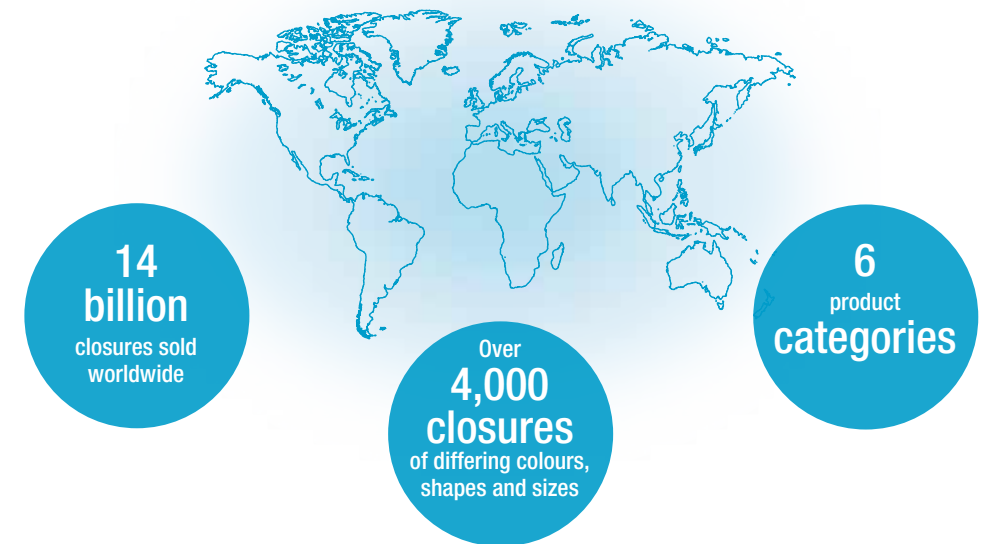
Covered surface area:  
**6,200 sqm**  
Main products:  
**Safety closures**  
**Standard closures**



# Products and technologies

Market leader in the production of **aluminium** and “**non-refillable**” (anti-counterfeiting) closures, Guala Closures Group is committed to enhancing the image of the most important international brands in the alcoholic beverages, soft drinks, wine, oil and pharmaceutical sectors, by offering its Customers a wide range of innovative technological solutions to safeguard the quality of their products.

By continuously investing in **research, innovation and quality**, Guala Closures uses the most advanced technological solutions. Over the past 3 years, **20 new products** have been developed, bringing the number of **international patents** registered to over **80**.



## Our market



**Spirits**  
Anti-counterfeiting and anti-tampering closures for alcoholic beverages, with **non-refillable valve** and **tamper-evident** systems for bottles. A wide range of customisable closures, in different colours, shapes, sizes and materials to meet the needs of our Customers.



**Wine**  
Extensive portfolio of **aluminium screwcaps**, which enable the wine's qualities to be maintained for longer, avoiding the formation of **TCA**, the fungus that causes “cork taint”. These screwcaps are available in different sizes and can be personalised using different decoration techniques to meet the requirements of each brand.



**Water and soft drinks**  
**aluminium closures** for water, soft drinks and beer, in glass bottles, with standard closure systems or “**tamper evident**” systems, which enable the consumer to tell if the bottle has been opened. They can be personalised with high quality graphics to enhance brand image to the full.



**Oil and vinegar**  
Wide range of **plastic and/or aluminium caps**, both long and short, with **pourers** that have been specifically designed for the viscosity of the oil, with a view to enabling perfect pouring, and with **anti-drip** devices to avoid the formation of drips and spills on the bottle.



**PET**  
Plastic containers, such as **bottles, jars, flasks and miniatures** with varying volume capacities, for different markets: spirits, beverages, oil and vinegar, food, personal hygiene and pharmaceutical. Available in a standard transparent colour and in an array of different colours, with varying degrees of opacity, depending on the needs of the Customer.



**Pharma**  
**Plastic and aluminium closures, rubber caps, single-dose vials and PET containers** in an infinite range of colours, sizes, shapes and materials to meet the needs of the pharmaceutical and cosmetic packaging industry (drinkable, stoppers, screw-neck PET, ring-neck PET, injectable and infusion).





## Safety closures

**World leader**  
in the production  
of "non-refillable"  
closures



Safety closures are produced for the spirits, oil and soft drinks markets, reducing the **risk of counterfeiting** to a minimum, **preventing the refilling or replacement of the product**, by showing that the bottle has already been opened. Guala Closures designs personalised solutions in plastic and/or aluminium, to meet the requests of its Customers and market needs.

Every year, worldwide, hundreds of millions of bottles of the most prestigious brands of spirits are counterfeited, also putting the health of the consumer in danger. Guala Closures Group is continuously committed to developing innovative systems to safeguard product quality and to fight against the phenomenon of adulteration, to the benefit of consumers and manufacturers.

### Tamper evident systems

To protect packaging



### Non-refillable systems

To protect the content



## Aluminium closures

**World leader**  
in the production  
of aluminium  
closures



A wide range of **long and short closures** in aluminium for spirits, oil and vinegar, soft drinks and pharmaceutical products, all of which can be customised through the use of the most advanced decoration techniques. The quality and the properties of the Customer's products are also guaranteed and safeguarded over time, thanks to the **features of aluminium**.

In an increasingly competitive market, Guala Closures is the leading manufacturer of aluminium closures, offering its Customers innovative solutions. The company has been making closures using the most sophisticated technologies for over 10 years, also focusing on product aesthetics.



## Decorative closures

A  
Guarantee  
of the Customer's  
brand and image



A range of products to “dress” closures in a totally personalised way, developed and designed with the Customer, from the most prestigious international brands to smaller, specialised organisations that produce spirits, soft drinks, water and wine, using the most advanced decoration techniques.

The company’s objective is to anticipate market trends and to form partnerships with its Customers to design new solutions, not just to protect their products, but also to enhance the Customer’s brand identity.

We believe that creating a unique and distinctive brand identity means achieving a winning market strategy.



## Prizes and awards in 2013

The aluminium “Viiva™” screwcap won **two awards at the Alufoil Trophy 2013** in the “Product protection” and “Ease of use” categories.

The high-pressure screwcap for sparkling wine “Viiva™”, as well as being easy to open, also guarantees that the pressure and the right level of carbonation are maintained, even weeks after opening, therefore making it easier to sell by the glass. In addition, “Viiva™” eliminates the waste

caused by contamination from TCA, and means that one single product can be used instead of the 3 needed to make traditional cork closures: cork, muselet and cap.

alufoil  
Trophy 2013



## “Top” label

As part of its sustainability strategy, Guala Closures has developed the first **eco-responsible label** on the wine closures market. With its “top” label, Guala Closures guarantees the eco-responsible quality and safety of its closures.

One of the criteria of the specifications, audited by an independent certification body, envisages offsetting **CO<sub>2</sub> emissions**.

Between 2012 and 2013, the CO<sub>2</sub> emissions generated by the production of **1,500,000,000** wine closures\* were offset.



\*To find out more, go to page 25 or visit our website [www.gualaclosures.com](http://www.gualaclosures.com)

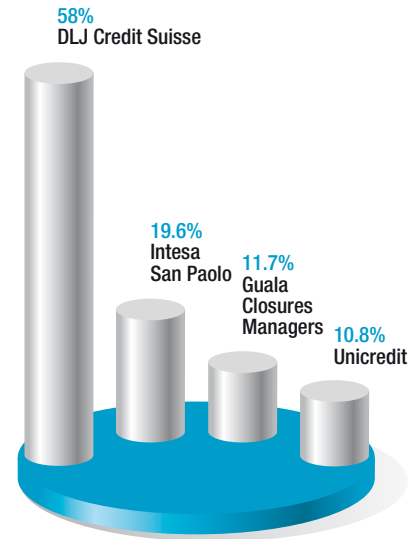
# Revenues and markets

## Ownership structure

As at December 2013, 11.7% of the Group's shares were held by the company's managers, while the remainder is held by three important national and international credit institutions.

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

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



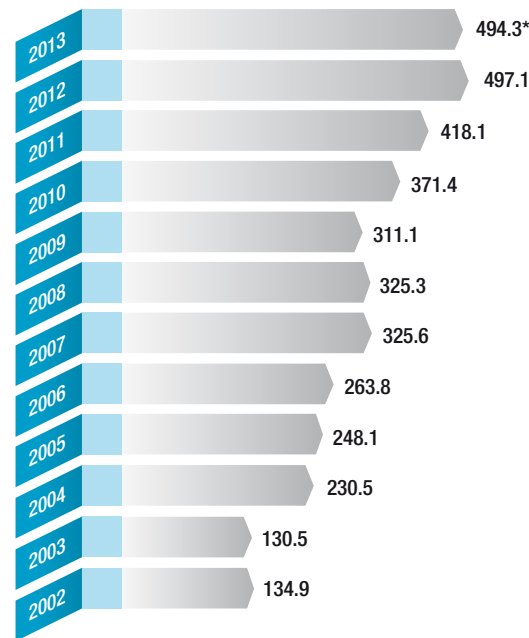
Share structure

## Revenues

In financial year 2013, the Group recorded **net revenues of Euro 494.3 million**, -0.6% compared with 2012.

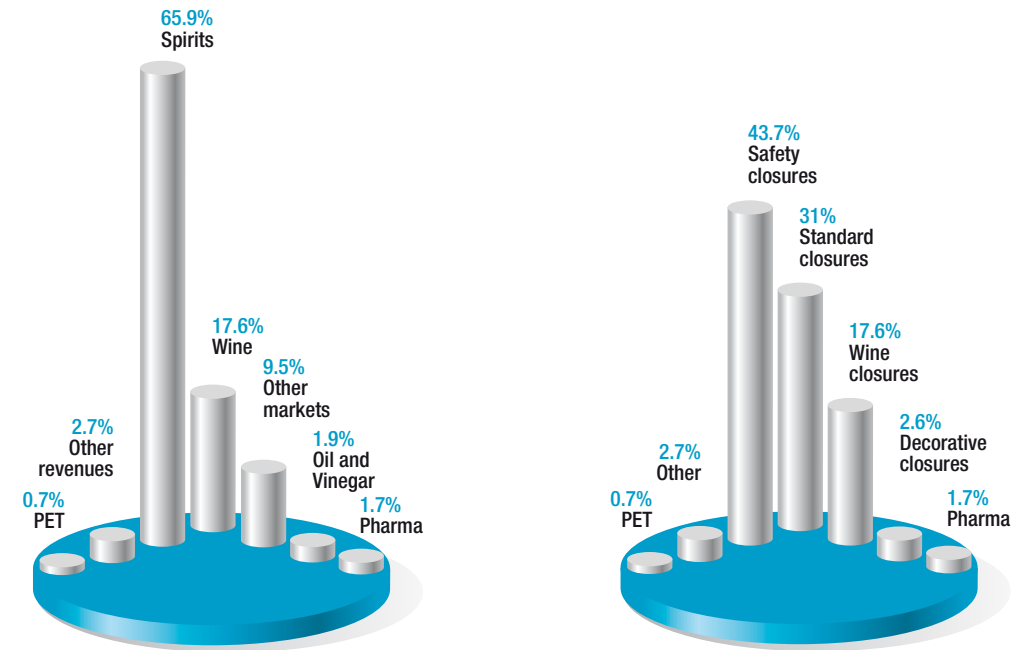
If the same exchange rates as the previous year are applied, the Group would have obtained a 4.5% rise in sales and a 4.3% increase of the gross operating margin (EBITDA), excluding non-recurring items.

These figures were obtained as a result of the measures set in place to **increase operational efficiency and to optimise costs**.



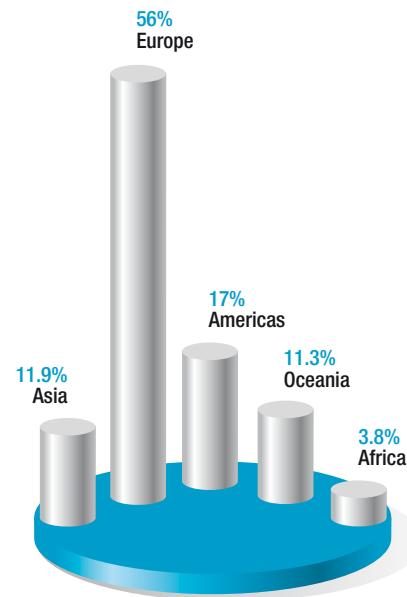
Guala Closures Group Revenues (€ml, 2002-2013)

\*At 2012 exchange rates, revenues in 2013 would have been € 519.5 million



Revenues by end market (2013)

Revenues by product (values, 2013)



Revenues by geographic area (2013)\*

\*Geographic area based on production site

## Investment

In 2013, the Group made net investments (net of borrowing for investment) of around **Euro 31 million** (around Euro 26 million in 2012). The main objective of these investments was to achieve **technological improvement**, to **better position products in the market** and to be able to better plan its activities, meeting the needs of its Customers to an even greater extent.

## Financial statement certification

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



# Governance

## The structure

The governance structure regulates how, and **through which decision-making and operational bodies**, the **Group's strategic decisions** are made and implemented.

The paragraphs below provide a brief description of the duties and the reporting structures of each of the company's governance bodies. The management structure of Guala Closures is organised in such a way as to be highly focused on **achieving the objectives** that are set and checked within very short timeframes, communicated and shared up to the highest echelons of the company.

This organisation is the guidance and control system of the Group's activities as a whole.

## Shareholders' Meeting

The ordinary and extraordinary Shareholders' Meeting is usually convened by the Board of Directors. Its task is to **decide and approve the work of the board directors**.

In any event, the Shareholders' Meeting meets annually to approve the financial statements. An extraordinary Shareholders' Meeting is convened specifically in the case of events that are not part of ordinary operations.

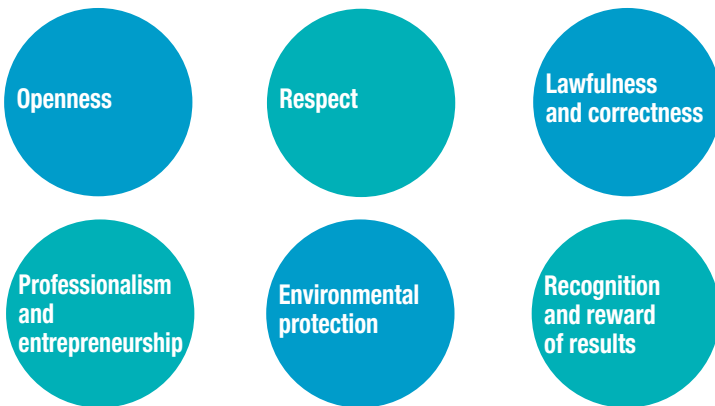


## The mission

- **To consolidate and develop** its leadership position at international level in the sector of closures for alcoholic beverages, soft drinks, wine, oil, pharmaceutical, cosmetics and PET, with a business model focused exclusively on the core business.
- To constantly develop **research, innovation and quality**, to anticipate market trends and **to form partnerships with Customers**, to design new solutions to protect their products and to create an image in line with the most advanced marketing techniques.
- To contribute to creating an **international culture** to safeguard **product quality and to fight against the phenomenon of adulteration**, to the benefit of consumers and producers.
- To develop a policy of **accountability** towards our stakeholders (investors, Customers, consumers, employees, suppliers, local communities) and towards the environment, but taking concrete action.
- To pursue a strategy of continuous **growth** through the acquisition and creation of new production plants and by developing sales networks in new countries, to guarantee the creation of value for the market and investors.

## Values

The **Code of Ethics** adopted by Guala Closures in December 2009 states the Group's principles and values. These represent the context in which the company intends to operate and all employees and external workers are expected to adopt and apply them.



## Group policies

Over the years, Guala Closures has developed several **policies**, shared at Group level; The principles and fundamental values of each policy are summarised below.

### Environmental Policy

- To assess, **monitor** and **control** environmental impact.
- To increase the **awareness** and the **involvement** of everyone in safeguarding the environment.
- To develop the **eco-sustainable innovation** of our products and processes.
- To reduce consumption and **optimise** processes.

### Quality Policy

- To anticipate and meet the **expectations** of our **Customers**.
- To make products that are at the forefront of the **fight** against **counterfeiting**.
- To pursue the continuous improvement of the **quality of costs** and of efficiency.
- To guarantee strict **compliance with laws and regulations**, procedures and company policies adopted.

### Safety Policy

- To minimise risks safeguarding the **integrity** of the **health** and **wellbeing** of its employees.
- **To prevent** accidents, injuries and professional illnesses.
- To spread and promote a **safety culture** with all employees.
- To encourage **responsible behaviour**.



# Key facts 2013

## March

### Alufoil Trophy 2013, double victory for “Viiva™” screwcap

The aluminium high-pressure screwcap for sparkling wine “Viiva™” won two awards at the Alufoil Trophy 2013 in the “Product protection” and “Ease of use” categories.

## April

### Expansion of the plant in San José Iturbide, Mexico

The Guala Closures Mexico plant has been expanded to host a warehouse, with a view to guaranteeing deliveries to the North American market, which has grown in terms of sales volumes by over 60% over the past three years.

### Launch of two new oil closures “Alusnap Olio” and “Verso”

Two new patented products for olive oil were presented at Vinitaly in Verona: “Alusnap Olio”, the new anti-counterfeiting plastic and aluminium closure, which safeguards oil producers and consumers from re-filling, and “Verso”, a cap designed for even and smooth pouring.

## May

### Participation in the London International Wine Fair

Again this year, Guala Closures participated in the most important international wine fair in the industry, held in London from May 20 to 22. We took advantage of the event to present our reforestation project in India, thanks to which the CO<sub>2</sub> emissions generated by the production of one billion wine closures have been offset.

### Launch of new wine screwcap “Savin Premium”

The single-material closure “Savin Premium” has been officially launched. This new product for wine features the interior and exterior parts of the cap made entirely in aluminium. “Savin Premium” is manufactured at the Cape Town plant in South Africa, acquired by the Group in 2012.

## October

### New Decorative closures in France

Luxe Pack, a range of Decorative closures for innovative high end products has been presented in Monaco.

### Acquisition of Closures division in South Africa

As envisaged by the contract of sale, the final instalment for the acquisition of the Metal Closures Division of the South African company MCG Industries was paid in October 2012.

## November

### Guala Closures testimonial at the Milan Trade Fair

Guala Closures participated in the conference entitled “From container to cap: the sustainable evolution of bottling in the drinks sector”, as part of the SIMEI.

### Guala Closures sponsor at the Triennale

Guala Closures is sponsoring a photographic exhibition called “INDUSTRY”, showing at the Milan Triennale, entirely dedicated to Italian industry, by the renowned photographer Niccolò Biddau.



# GUALA CLOSURES

## SUSTAINABILITY



## Guala Closures Key results\*



**-12.6%**

Energy consumption  
(GJ/tonne PP)



**-15.1%**

Scrap



**-18%**

Water drawn  
(m<sup>3</sup>/tonne PP)



**-7%**

CO<sub>2</sub> emissions  
(tonnes/tonne PP)



**-38.1%**

Waste produced  
(kg/tonne PP)



**-27.9%**

Hazardous waste  
vs. total



**-44.5%**

Accident frequency  
indicator



**-45.6%**

Accident gravity  
indicator



**14**

New patents  
registered



**64%**

Sedex certified  
sites

\*Italian perimeter, with the exception of patents and Sedex (Group)  
2011-2013, with the exception of CO<sub>2</sub> emissions (2012-2013)

# Sustainability

## The strategy

Based right from the start on the principle of materiality and of stakeholder engagement, the Guala Closures strategy is structured around **12 performance indicators**, for each of which concrete and measurable objectives and improvement targets have been defined and are updated.



As envisaged by the **International Guidelines of the Global Reporting Initiative**, the indicators meet the materiality criteria, i.e. they focus on the most important impacts generated by the company. They were first established following a multi-stakeholder consultation launched in 2010, the results of which have since been periodically updated based on knowledge and input from within and outside of the company.

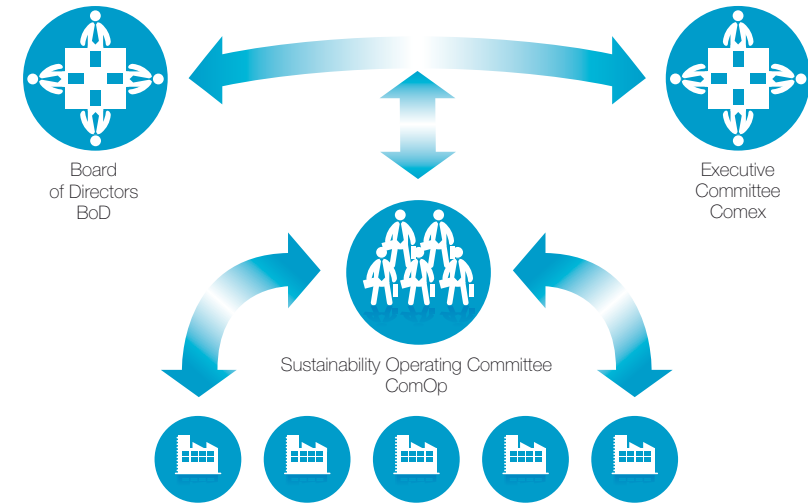
The implementation of the **strategy** is **periodically analysed** at meetings of the **ComOp**, which monitors their application to operations and updates the content.

### The 5 principles of sustainability in Guala Closures:

- Internal **involvement** and participation.
- Cross-functional **team** dedicated to sustainability.
- Concrete and measurable **indicators** and **objectives**.
- Accurate management and monitoring **tools**.
- **Creation and spread** of a company-wide sustainability culture.

## The organisational structure

No objective can be achieved in a truly effective way if it is not broken down into concrete actions and projects, ideally shared across the various company departments and locations. This simple and fundamental assumption is the foundation for the organisational structure that Guala Closures has set in place to manage the **implementation of the Sustainability Programme in Italy**. The **Sustainability Operating Committee (ComOp)** is an internal working group, which identifies and coordinates many of the improvement actions. The presence within the ComOp of the **Group General Manager**, the **Director of the Italian Business Unit** and of **Plant Managers** guarantees the full and total integration of the ComOp in the corporate governance structure, the integration of sustainability in overall company strategy and is proof of how important the implementation of this programme is to Management.



The **ComOp** is **coordinated by the Sustainable Development Manager**, and in addition to the Plant Managers, always includes representatives of the main company departments (Human Resources, Research and Development, Sales, Purchasing, Administration and Control, Marketing and Communication). The task of the Operating Committee is to put the principles of the **Sustainability Programme** into practice, defining the areas on which to focus, the **Action plans** and the achievement of objectives for each company site.

2013 was an extremely important year for the consolidation of the Sustainability Programme. In addition to achieving our objectives, we also set ourselves the goal of improving certain particularly important aspects:

- **To standardise the data received from the sites and make it more reliable**
- **To continue to involve personnel**

As regards the first aspect, we adapted the TEA used to assess the Carbon Footprint to create a data management tool; as regards the second, we have organised awareness sessions which involved all Guala Closures Italy personnel, which will be concluded by the end of 2014.

A significant investment in terms of time and resources, which will enable us to improve further.



Paolo Furiani  
Continuous Improvement &  
Sustainable Development  
Manager



## The tools

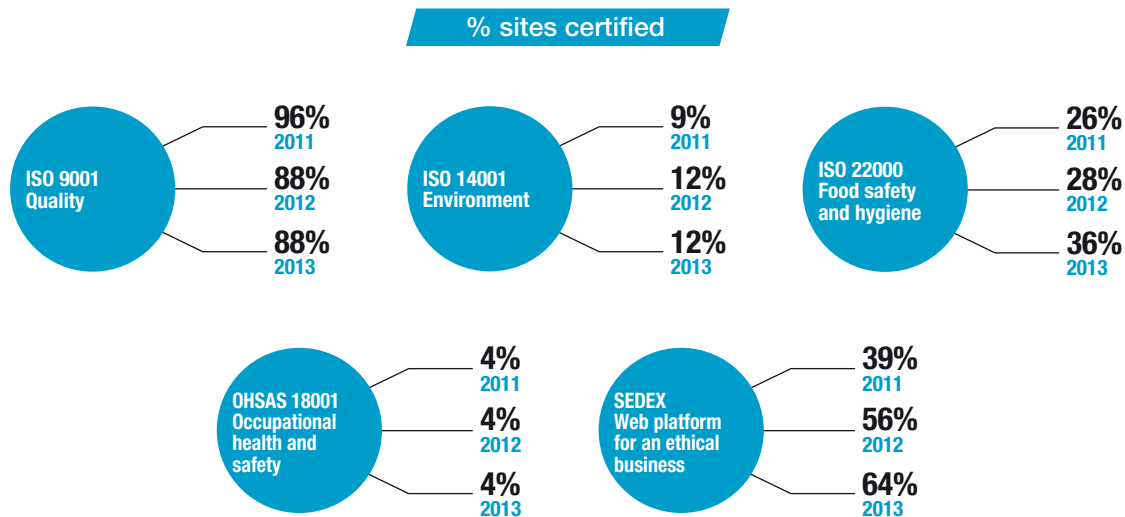
To correctly implement the improvement plan and to make the principles underlying the Sustainability programme a reality, Guala Closures has implemented and uses various tools. The main investment in 2013 most certainly regards the creation of a management tool, which is already operational and used in the 5 Italian plants: the **TEA (Tool for Environmental Analysis)**. Its main purpose is to standardise the collection and periodic monitoring of the environmental data received from the various plants. TEA enables this data to be analysed in a shorter

timeframe, standardising the calculation and assessment methods. Furthermore, this tool enables us to calculate the Life Cycle Assessment of our products and the Carbon Footprint of our sites, in accordance with International Guidelines (ISO 14040, 14044 and 14067).



## Management systems

With a view to standardising practices and procedures, at Group level Guala Closures adopts management systems which comply with International Guidelines and Standards. The table below shows the % of sites certified with respect to the Group's total sites. In 2013, we focused in particular on the implementation of the **ISO 22000** and on **Sedex** accreditation. The number of ISO 14001 certified sites is unchanged, however the Best Practices manual relating to this standard has been distributed in all Italian plants.



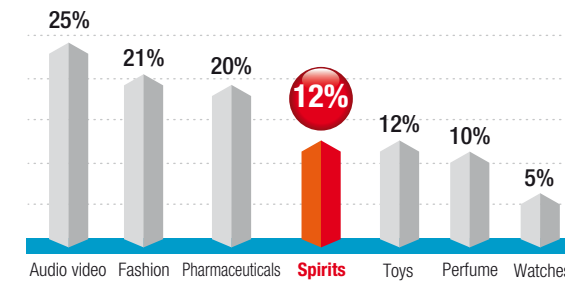
## Counterfeiting



### Guala Closures doubles its social commitment

The problem of counterfeiting products is of enormous proportions and has negative consequences in many perspectives. In particular, as regards the market sector in which Guala Closures operates, this issue is very important due to the potential repercussions in terms of the health and safety of consumers.

For this reason, Guala Closures is continuing, or rather doubling, its social commitment, by maintaining 2 active websites **www.savethespirits.com** and **www.savethewines.com**. These websites contain information on the phenomenon of counterfeiting, as well as suggestions to help fight it and to act responsibly.



For each product made, a % is counterfeited

Source: Indicam/WCO

It is estimated that counterfeit products generate an annual economic loss in excess of **300 million dollars** to major spirits producers, not to mention the damage caused to their reputation.



**Save the Spirits**

**SAVE THE WINES** | choose aluminium screwcaps

## OIL COUNTERFEITING

The olive oil market, a highly prestigious market of great importance to Italy, is also affected by the issue of counterfeiting.

To bear witness to its awareness of this problem, a "save oil" law (Italian law no. 9 of 14-01-2013), in force from February 2013, imposes stricter obligations on producers and bottlers, regulating communication to the consumer and requiring the use of non-refillable closures that prevent the contents from being diluted with less prestigious, or even harmful products.

Thanks to its leadership position in the anti-counterfeiting sector, Guala Closures already markets **specific dedicated products for the oil industry** and by the end of 2014 intends to develop a website called "**Save the oil**".



**OLIO 1031 closure 01**  
Oil quality protection



## GC commitment to organisations and associations

### Sedex

Almost 65% of Guala Closures production plants now meet the requirements of **Sedex**, a not for profit association which, with around 30,000 members, is the world leader in the **shared management of ethical business practices** across the entire supply chain.

The idea behind Sedex is simple and effective: to develop an online platform where members can enter, share and document their ethical practices, focusing on 4 key areas:

- Labour Standards
- The Environment
- Health & Safety
- Business Ethics

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



### EAFA and Alufoil.org

Guala Closures continues to make a valuable contribution to the **EAFA** (European Aluminium Foil Association), through **Franco Bove, Chairman of the Aluminium Closures Association**.

Established in 1974, the EAFA is a European Organisation that represents companies in the aluminium sector, from the production of aluminium sheet to closures and containers.

There are over 100 members, representing 75% of the global market. The aluminium closures market continues to grow, as does consumer appreciation, in all areas of application, and in parallel, the association is making greater efforts to inform consumers and promote the advantages of these closures and their correct disposal. In this regard, the EAFA has promoted and sustained an information campaign called **TURN 360°**, to optimise the disposal of end-of-life aluminium closures.

According to the latest data gathered by the EAFA, the percentage of aluminium caps recycled in **Europe** on average has reached **40%**, while individual figures obviously differ from country to country.

Separate collection exceeds 80% in Germany,

while it is around 40-50% in countries such as Great Britain and Italy.

Everyone knows that **aluminium** can be **recycled to infinity** and its re-use **enables up to 95% of energy to be saved** with respect to that needed for its original production.

Alongside the fact that valuable products can be obtained from recycled aluminium, this is why its recycled value is very high.



[www.alufoil.org](http://www.alufoil.org)  
[aluminium-closures.org/it/turn-360](http://aluminium-closures.org/it/turn-360)

### Italian Packaging Institute and Food Packaging Technical Commission

Guala Closures is a **member** of the **Italian Packaging Institute**, an association that brings together operators of the packaging supply chain, from production to use, forming an international network. The association's objective is to promote Best Practices along the entire supply chain, by guaranteeing dialogue and continuously updating its members on areas of key interest to the industry. This objective is also achieved through the work of **Technical Commissions**, which are given the task of developing and elaborating technical content of specific interest to members, by drawing up Guidelines, which are often recognised as benchmarks for the entire market.

In 2013, Guala Closures was invited to be a part of the Food Packaging Technical Commission and in particular, made an active contribution to the Working Group focusing on the use of **bio-plastics in food packaging**.

The Commission concluded its work by drawing up

Guidelines for its members, which examine topics such as the classification and the functions of bio-plastics, used or that could potentially be used, to package food products, as well as the technical aspects that regulate and define the processes of compostability and renewability.

The aim of the Working Group was to **stimulate and develop a greater understanding of new materials among its members**, both in terms of constraints and development potential.



*The scarcity of natural resources, climatic change, air, water and soil contamination are topics that regard and require the contribution of us all, as individuals and as society. Promoting and supporting initiatives that transform sustainability into operating practices that can be shared by other companies as well is part of our way of interpreting this topic. This is the reason why Guala Closures has joined associations and working groups that support the development and the spread of **ethical and sustainable practices**.*

*Choosing to make sustainability an integral part of a Group's business activities is a tough and demanding **voluntary decision**.*

*We have made this decision because we believe in it, no-one is forcing it upon us, apart from our sense of responsibility and the conviction that sustainability is the future, not only in terms of business, but also because no-one can distance themselves from the topics that sustainability brings to the table.*

*I am convinced that **we will be rewarded** for our choice, both internally, because through our work we all share the objective of contributing to a **more modern and fairer** approach to business, and externally, because we are and we will be ready to meet the needs of a market that expects and will expect performance that is **increasingly integrated** with the topics of sustainability.*

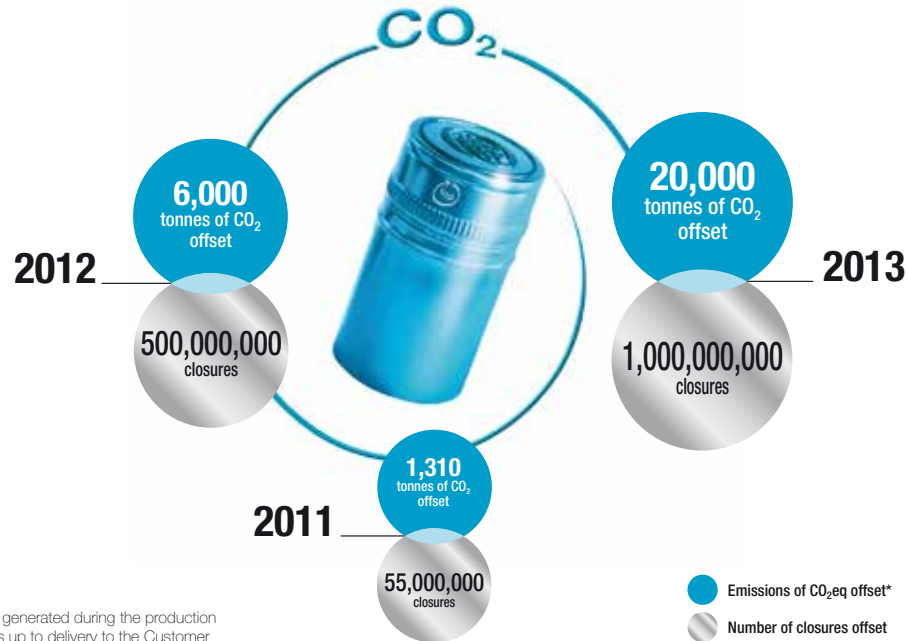


Anne Sez nec  
Group Marketing  
Manager



# Offsetting projects

Since 2011, Guala Closures has been offsetting the CO<sub>2</sub> emissions generated by the production of part of its wine screwcaps, and it achieves this through reforestation projects.



\*Emissions generated during the production of closures up to delivery to the Customer

## The "top" label

In 2011, Guala Closures developed **top**, the first and only eco-responsible label for aluminium wine screwcaps.

The **top** label is assigned by an independent certification body and entails meeting 11 precise, objective and measurable sustainability criteria which regard: **quality and security, eco-responsible behaviour and actual offsetting** of the CO<sub>2</sub> emissions generated by the production of closures up to delivery to the Customer.

Updated in 2012, the Carbon Footprint of the products of the Guala Closures wine range was conducted in compliance with the requirements envisaged by ISO 14040 and 14044, following a **LCA study** conducted in all plants that produce wine screwcaps.



## The Projects

Offsetting CO<sub>2</sub> emissions is part of Guala Closures corporate strategy.

It is achieved by supporting and jointly funding reforestation projects worldwide: **Costa Rica in 2011, Peru in 2012 and India in 2013.**

All of the projects were accomplished by means of agro-forestry systems with a high naturalistic value, which enabled ecosystems to be recovered and local biodiversity to be preserved.

In addition to their impact on the environment, these projects also bring social and economic benefits to the local communities involved.

Trees are planted in developing areas, involving communities in conditions of poverty.

In this way, **reforestation** triggers a series of very positive social and economic impacts in the areas chosen, providing work, education, a source of income and lasting development over time.

The validity and seriousness of each project are guaranteed by the support of **NGOs and local institutions.**

Furthermore, the actual planting and offsetting is audited by an independent certification body, **Ecocert Environnement.**

### COSTA RICA 2011

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

13,000 trees planted



### PERÙ 2012

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

30,000 trees planted

Over 100 people involved



● Reforestation projects which cover the three dimensions of sustainability: **environmental, social, economic**

## India 2013

In 2013, Guala Closures took part in a large-scale **reforestation project in India**, designed and launched several years earlier by the local Government of Bihar, India's poorest state.

Between June and July, **80,000 trees** were planted. Guala Closures funded the purchase, while the state of Bihar subsidised the planting.

The project covered all **three dimensions of sustainability** with environmental, social and economic benefits for the local communities.

### Environmental benefits:

**20,000 tonnes of CO<sub>2</sub>** offset, planting and reclamation of around 73 hectares of abandoned, unproductive land, restoring the natural ecosystem.

### 17 varieties of fruit tree

were planted (40% mango, and the remainder: bael, jackfruit, guava, lemon, pomegranate, Jamun and gooseberry) thus increasing biodiversity.

### Social benefits:

Improvement in the **quality of life** of the local communities that are involved in the work of environmental preservation and are made aware of the benefits related to its protection.

**1,600 families** participated in the project, for a total of around **3,200 people**.

Each family was given the task of planting 50 trees and of taking care of them for the next 5 years.

### Economic benefits:

**Development of a local economy** due to the payment made for the work of safeguarding the plantations.

The fruit produced is used to **feed** the families involved or may be sold, thus generating further **income**.

The "Guala Closures" project was accomplished in collaboration with the NGO **Up2Green Reforestation**, with the local support of **Green Leaf Energy** and under the supervision of the certification body **Ecocert Environnement**.

The choice of India was not random: Guala Closures actually has three production plants in India.



Watch the project videos on our youtube channel:

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

## INDIA 2013

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

**80,000**  
trees planted

**3,200**  
people  
involved



Anne Seznec (Guala Closures) and Yoga (Up2Green)

### Programma "My class, my forest"

Guala Closures also sponsors an educational programme promoted by Up2green Reforestation called **"My class, my forest"**.

At the Takshila school in Gaya, a town in Bihar, a special lesson was held to raise awareness and to involve young people in respecting and protecting the environment.

At the end of the lesson, the 100 children involved made drawings on the theme of **"Go green"**, published on Up2Green's website.



Takshila School Gaya

For further information: [sustainability@gualaclosures.com](mailto:sustainability@gualaclosures.com)

# Stakeholder engagement

In recent years, the role of enterprise in society has changed dramatically. Market globalisation, the emergence of global challenges, climatic change, the involvement and the participation of citizens and associations on these topics are only some of the reasons that have led to this change.

This new scenario envisages **a more important role for enterprise in society** and calls for new alliances. In this context, companies can play an active and important role by choosing if and how to communicate with its stakeholders.

## Our stakeholders and our commitment to them

### Employees

**To guarantee** that ethical and social aspects are observed to the full, to promote company values, continuous improvement and a sense of belonging to the Group.

**To encourage** the professional growth of each employee through continuous training.

**To respect** the rights of workers and of occupational health and safety regulations in all countries in which Guala Closures operates.

### Shareholders and investors

**To create** added value, observing principles of correctness, honesty, openness and lawfulness, which are the foundation of our Code of Ethics and our mission.

### Customers

**To guarantee** the highest standards of product and service quality, without ever foregoing the principles of correctness, honesty, openness and lawfulness, which are the foundation of our Code of Ethics and our mission.

**To develop** products that meet the expectations of our Customers.

**To continuously improve** the efficiency and the quality of production processes.

**To protect** brands and the confidential nature of Customer relations.

**To make** information on the ethical nature of our business available and accessible through Sedex.

### Suppliers

**To share** a responsible approach to optimise the creation of added value along the entire supply chain.

**To respect** the principles of correctness, honesty, openness and lawfulness, which are the foundation of our Code of Ethics and our mission.

### Local communities

**To accomplish** tangible projects to benefit local communities where the Group operates, particularly in developing countries.

### Environment

**To safeguard** the environment in terms of the activities and production processes of Guala Closures, applying our Environmental Policy in all countries we operate in.

### Final consumer

**To fight** the phenomenon of product adulteration to protect and safeguard the health and safety of consumers.

**To guarantee** the total safety of closures that come into contact with food products.

## Internal stakeholders

To meet this requirement, **numerous companies now consider the involvement of their stakeholders an important aspect of their operations** and design tools and projects to promote their involvement.

**In the knowledge that a cooperative approach to stakeholders generates added value** and improves the satisfaction and expectations of each of them, Guala Closures has undertaken a process of involvement and consideration that regards three main categories of stakeholder: **employees, Customers and suppliers.**

**Internal stakeholders** are obviously the company's first and most important interlocutors: it's us, and we work to generate added value and to reach our objectives mainly for our internal community.

**Increasing dialogue and the involvement** of internal stakeholders is one of the main objectives that the CompOp team is working on.

We are aware that at all levels, our aims and objectives are a fundamental aspect to building a real company culture for sustainability and to establish corporate values that are shared and accepted by everyone.

A dedicated mailbox **comop@gualaclosures.com** and the **echo-boxes** located in all of our plants represent a continuous channel of communication between Guala Closures personnel and the ComOp.

**Numerous schemes for employees** were set in place in Italy in 2013, all of which sought to share commitments, objectives and milestones achieved.

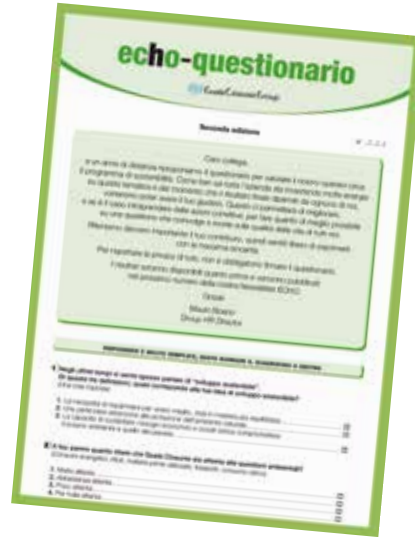
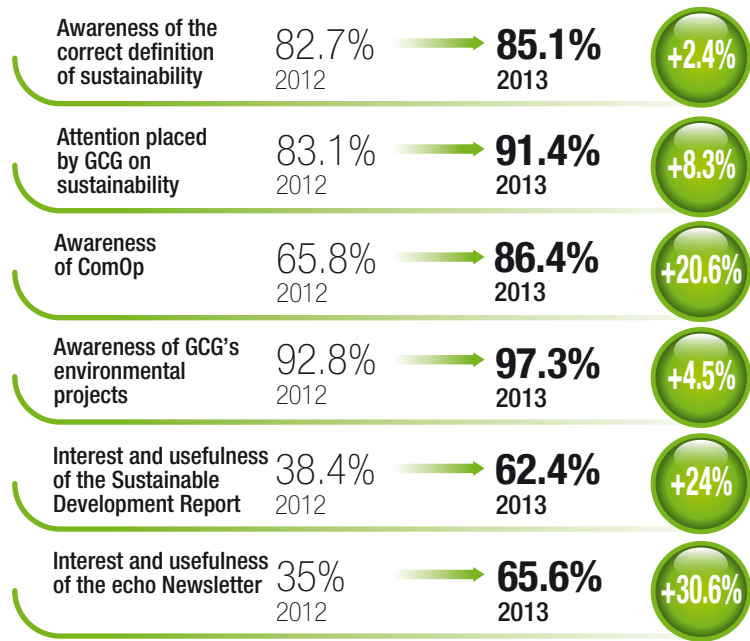
- **Meetings** in all plants, extended to all personnel.
- Publication of 4 **newsletters** dedicated to sustainability.
- Creation of **totems** displayed in each plant.
- **Green Day** in Spinetta.
- **Competition** for children of employees "Draw your Sustainable Christmas Tree".
- **Echo-questionnaire** an internal survey on sustainability.

## The internal survey

Knowing what employees think about sustainability and about the Guala Closures Sustainability Programme is very important. To all intents and purposes, it is a **performance indicator** that we measure each year through the **echo-questionnaire**. One year on from the first edition of this internal survey, the **results of the second edition** portray a **very positive** overall situation.

The Report and the internal newsletters ("echo") are appreciated in particular. Almost all of those that took part perceive the company's real commitment.

Awareness of the CompOp is growing as well as the sustainability projects developed in Italy as a whole or in individual plants.



## Green Day at Spinetta Marengo

Enhancing the sense of belonging to the company and to the Sustainability Programme, contributing to creating a sustainability culture, and lastly promoting involvement.

These were the objectives of the **Green Day** that was held at the Spinetta Marengo plant on 24 May 2013. The guests which included adults and children, were involved in activities organised especially for the occasion.

The creative workshops, which focused on the recycling and reuse of materials, were the most popular.



## "Draw your Sustainable Christmas tree competition"

Addressed to the children of employees from the Italian plants, the draw your Christmas tree competition attracted a high number of children aged between 3 and 13, who portrayed their idea of an eco-sustainable tree in very creative ways.

The **winner's drawing** was chosen for Guala Closures 2013 electronic Christmas card.

## Green Training

In 2013, a plan to promote **awareness and information** on the Sustainability Programme was launched, addressed to all Guala Closures employees in Italy (see pag. 74).

At the meetings, coordinated and conducted by Plant Managers and by the Sustainable Development Manager, the Programme's progress was presented to attendees, focusing in particular on the improvement objectives identified for each plant.

The main aim was to **inform and involve personnel by developing** increasingly effective internal communication, stimulating participation and the interest of everyone.

The appreciation demonstrated by employees fully confirmed the importance and the effectiveness of these events in terms of enhancing participation and involvement.



All of the initiatives addressed to internal stakeholders meet very specific objectives.

- The **internal survey** is a fundamental tool to have feedback on what has been done and on how it is perceived. It is a **direct line to employees** who are asked to be an active part of the Sustainability Programme, and the results are used to understand how to go forward, to boost staff motivation and commitment.
- The **Green Day** events and the **Christmas competition** instead gave us the opportunity to bring the families of our employees into the Company and to look together at topics of environmental sustainability. It's a different way of seeing the workplace, making families part of the place you work in. All of these initiatives are therefore fundamental to sharing the Sustainability Programme and to rekindling interest and participation.
- The purpose of the **internal newsletters** (pag 46) is to provide all employees with a regular and constant update on projects underway. What's more it enables the different plants in Italy to share their experiences, creating a common vision and a **shared awareness** of how they work in the other Group plants.



Mauro Boano  
Group HR Director

## External stakeholders

**Relations between supplier and Customers** could be represented as a chain of links, in which, to effectively generate final added value, each link has to successfully hook up with the next one.

The actions and the performance of each component of the chain can generate a “waterfall” effect, which impacts the overall efficiency of the process.

Working on this chain in terms of efficiency and sustainability means enriching the final product with **shared added value**: this is why Guala Closures talks to its Customers and suppliers and asks them to share its values.



### Suppliers

The **role** of the supplier is essential to guarantee and improve the company's overall competitiveness.

They represent a fundamental link in the production chain, which has to work perfectly to guarantee the requirements and the performance of the final product.

To this end, Guala Closures has started to focus on this category of **stakeholder** with a view to **improving strategic collaboration** with its key suppliers, sharing principles and objectives.

The supplier involvement project started in 2013 and will continue on into 2014, identifying specific areas for **collaboration and improvement**.

### STAKEHOLDER WORKING GROUPS

In 2013, Guala Closures launched a **working group** focused on two categories of particularly important external stakeholders: **suppliers** and **Customers**.

The group's objective is to **define and develop a standardised method** to assess the importance and significance of each stakeholder. The aim is to design a company procedure that can be replicated and used to select representatives of each of these two groups, who will be involved in specific initiatives and projects.

The method developed by Guala Closures encompasses **economic, environmental and social aspects** in the assessment process, awarding an overall significance rating that enables the representatives of each category to be chosen.

The efforts of the group have enabled us to define standard assessment parameters, which will be used as control and verification tools, as a basis to assess new **opportunities** from a **commercial** perspective and in terms of **innovation**, and to introduce specific communication and involvement initiatives addressed to each stakeholder.

### Customers

The work that Guala Closures does on a daily basis seeks to maintain a **high level of excellence** of its products and services to satisfy and strengthen Customer relations.

In recent years, we have seen a rise in the demand for **product and process solutions and performance** that encompass aspects of sustainability.

Guala Closures' objective is to listen and pay attention to requests and suggestions made by our Customers to guide our choices, becoming a partner and designing products and processes that meet their expectations, also in terms of sustainability.

Numerous **projects** and **activities** have been set in place over the past three years to meet these new expectations, which has also entailed investing in production processes with a **lower environmental impact**.

### Projects and activities



#### Full truck and intermodal transport

Guala Closures sponsors several logistics solutions with its Customers that seek to **reduce the environmental impact of transport**.

It works with Italian Customers to optimise and agree on lead times which mean that vehicles can always travel with full loads.

As regards its foreign customers, it encourages intermodal transport which enables vehicles with a lower environmental impact to be used with respect to road vehicles (see pag. 68).



#### Shipments using Octabins

For certain types of closure, Guala Closures encourages **shipments using Octabins**.

To make this solution attractive to the highest possible number of Customers, Guala Closures has also designed and constructed an **Octabin “handler”**, which is provided for use free of charge to Customers who choose this form of shipment.

Octabins enable the quantity of cardboard packaging to be reduced and also means that there is less manual handling of loads required by operators, thus leading to benefits in terms of organisation and occupational safety.

**Customer relations** are becoming increasingly **personalised**. **Guala Closures** focuses on **dialogue** and seeks to **meet the requests and the expectations of its Customers**.

*Over the years we have seen an increasing amount of attention and interest in sustainability, not just in general terms, but also as regards product and service solutions. Obviously, a Customer's approach will depend on the size and characteristics of its organisation. The large multinational groups have been involved in this area for many years now, and often have internal dedicated resources, specific improvement objectives and standardised procedures to assess suppliers also in this regard.*

*Nevertheless, we have noticed that even small and medium sized Customers, above all as a **response to stimuli or specific requirements**, are starting to request information or to be interested or aware of this topic. This increased interest confirms that Guala Closures' decision to **invest in sustainability** is **perceived and appreciated by its Customers**.*

*We have made it something that **sets us apart** and makes us **competitive**, especially as Business Unit Italy, and the content of the Report bears witness to the work and the total commitment made by the Group.*



Gabriele Lusignani  
Commercial Director



Your company has decided to take the road towards sustainability, involving your suppliers in a project called “Fratelli Carli District Laboratory”. What were your reasons for launching this project?

After setting out on the road towards sustainable innovation over 3 years ago, it became clear that, to correctly assess the impact of your activities on the environment and to plan action for improvement, a company can't restrict its scope to internal matters alone, it is absolutely necessary to involve all of the parties you interact with.

This means that the excellence that Fratelli Carli has been striving towards for almost 100 years also depends on that of all of the companies we are involved with.

This “Laboratory” is part of a wider project to boost supplier involvement in terms of the environmental sustainability of products?

The Laboratory is part of a wide project to promote involvement, which had already started with an initial “remote” stage during which each party worked on a self-assessment questionnaire based on 8 subject areas: efficiency and removal of waste, waste, energy, products and processes, transport and mobility, sustainable construction, internal social impact and external social impact.

The project, which began last year, represented a launching pad for a team effort, which will continue to produce results in the future.

What will the outcome of the work conducted with suppliers be?

The solutions developed as part of the Laboratory project are currently being tested. Based on the results, the company will decide how to proceed.

Are the topics of sustainability considered and assessed when you choose and select your suppliers?

No, but we expect our suppliers, who are now aware of sustainability, to continue to seek to offer us increasingly innovative and sustainable solutions.

Are the topics of sustainability considered and assessed when you choose and select your suppliers?

Yes, the assessments made by the company of existing suppliers and of potential new suppliers are now part of a specific area dedicated to sustainable innovation.

For Fratelli Carli, the latter is considered on an equal basis to the other assessment parameters and we no longer only focus on the supplier's awareness of the topic, but on their real ability to propose innovative solutions.

How do you evaluate Guala Closures' contribution to your “Laboratory”?

We believe that Guala Closures has the ability to make an important contribution to our expectations. It is precisely for this reason that we expect to receive innovative proposals for the products you supply us and for the relative materials used in the near future.

How do you rate your experience and what have you learned from it?

When you gather the various players around a table, with a view to improvement and innovation, we believe that the result can only be positive. By sharing the requirements of one of the players, synergies can be developed that were previously underestimated.

Sustainability Committee Fratelli Carli



# Communication

Communication plays an extremely important role within the Sustainability programme. It is the channel through which the content, the values and the objectives of the Programme are communicated and consolidated, in a solid and open way. The communication tools developed by Guala Closures are addressed both internally and externally to the company, or both (for example the Annual Report), and meet several fundamental **objectives** identified by the company:

- To encourage stakeholder involvement.
- To confirm our commitment to openness.
- To inform all stakeholders, internal and external, on the commitments made by the Group.
- To share the targets set and the programmes to achieve them.
- To inform and share the results obtained.

## Internal communication

### “Echo” newsletter and totems

In 2013, **4 issues of the “echo” newsletter** were published. Launched in 2011, it now represents an established means to inform all Italian employees and share Guala Closures eco-responsible commitment internally.

A digital version in English is also distributed internally to the whole Group.

Installed in Italian plants, the **“totems”** display the current objectives of the Sustainability Programme.





## External communication

The **2013 Sustainability Report**, now in its third edition, together with the previous editions represents the main tool of periodic communication for all of the Group's stakeholders.

This tool enables us to make **our commitments, our activities, the results we have achieved and the objectives for the future** public and open. 800 copies of the 2012 Report were distributed in Italy, and 400 copies in English were distributed worldwide.

A digital version of these publications is also available in three languages: Italian, English and Spanish, and can be downloaded from our website or obtained by writing to [sustainability@gualaclosures.com](mailto:sustainability@gualaclosures.com).



In addition to the Report, in recent years, we have developed other **channels and awareness campaigns** designed to communicate Guala Closures' commitment in terms of sustainability to **the outside world**.

One example is the **press campaign** which has accompanied communication on the **project to offset wine screwcaps**.

The objective of the campaign was to inform the public on the **Group's long-term sustainability strategy**, focusing in particular on the reforestation project.



## Digital communication

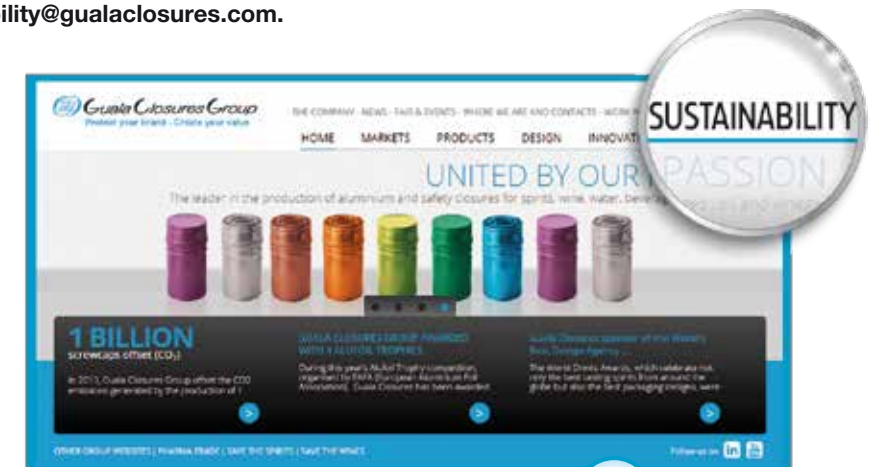
In parallel to traditional communication, Guala Closures has improved and implemented several web-based communication channels.

In 2013, the Group's website [www.gualaclosures.com](http://www.gualaclosures.com) was redesigned, which included the creation of an area dedicated to sustainability.

A dedicated youtube channel, [www.youtube.com/gualaclosuresgroup](http://www.youtube.com/gualaclosuresgroup) has also been created.

Aware of the potential and the increasing reach of these communication media, Guala Closures intends to use them to extend and enhance communication with its external stakeholders.

In addition, the [www.savethespirits.com](http://www.savethespirits.com) and [www.savethewines.com](http://www.savethewines.com) websites dedicated to awareness of spirits counterfeiting, as well as the dedicated mailbox for comments and suggestions on sustainability topics [sustainability@gualaclosures.com](mailto:sustainability@gualaclosures.com).



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



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



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



# GUALA CLOSURES

INDICATORS,  
OBJECTIVES,  
RESULTS



“ This section marks the beginning of the more quantitative part of the Report in which we analyse sustainability performance.

The following pages show the results for the 12 indicators and 23 objectives of the 2011-2015 strategic plan.

The figures are examined in more detail on the pages specific to each indicator.

All of the figures refers to our operations in Italy, with the exception of the “innovation” and Customer satisfaction” indicators, which refer to the Group.

# Introduction

## Geographic scope and timeframe, changes with respect to the previous edition

- Compared to last year, the scope of the Report now includes the Basaluzzo site, which contrary to expectations, continued as a production facility for the whole of 2013.
- All of the figures contained in the report therefore cover the three-year period 2011-2013 for all 5 of Guala Closures S.p.A.'s Italian sites (Spinetta, Termoli, Magenta, Basaluzzo and Torre d'Isola). In this regard, note that the inclusion of Basaluzzo has obviously changed the figures for 2013, but also those of 2011 and 2012, making the figures contained in the previous Report incomparable.
- The Vasto plant continues to be excluded from the scope of this report, insofar as it is not part of Guala Closures S.p.A. but belongs to Pharma Trade S.r.l. and as such it has not yet been included in the implementation of the Sustainability Programme.
- Note that the abbreviation indicating the denominator has been changed from FP (Finished Product) to PP (Processed Product). This is to provide more clarity and openness, given that not all plants actually produce closures, some produce semi-finished parts that are used by other Group sites. Furthermore, compared to the last edition, the objective OTIF - "on time in full" – related to the "Customer satisfaction" indicator, has been eliminated, as not considered to be sufficiently reliable or useful as a performance indicator.
- The table below shows the scope associated with each indicator.

INDICATORS AND SCOPE	
Energy consumption	Italy
Raw materials	Italy*
Water consumption	Italy
Greenhouse gas emissions	Italy
Waste	Italy
Transport	Italy
Health & Safety	Italy
Training and continuous improvement	Italy
Diversity	Italy
Production efficiency	Italy*
Innovation	Group
Customer satisfaction	Group*

\*Excluding some sites, detailed on pag. 54

## Methodology

- The third edition of the Guala Closures S.p.A. Sustainability Report has been drawn up according to the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) version 3.1, level of application C, and the indicators (KPIs) have been developed in compliance with this version and with that identified by Guala Closures after the first consultation in 2010 with its own main stakeholders.
- The GRI content index is illustrated on pag. 89 of the Report, which indicates where the information required by the Guidelines is located, therefore also acting as a guide for readers.
- Again this year, the Report has been published in Italian, English and Spanish, is also available in digital format and can be downloaded directly from our website.
- The publication is annual and the timeframe covered goes from January to December.
- The Sustainability report is the primary tool through which Guala Closures informs its stakeholders on its economic, environmental and social performance.

In this regard, we invite all of our readers to send us comments, suggestions or criticisms to the following e-mail address:

**sustainability@gualaclosures.com.**

This address is always active and represents a tool for continuous exchange and dialogue with anyone who is interested in letting us have his/her opinion.

## Introduction to performance in 2011-2013

- The Indicators and Objectives tables on the following pages provide an overview of sustainability performance over the past three years (2011-2013). We have used graphs to portray the state of progress of the objectives in a clear and open way. Taken as a whole, these objectives provide an exhaustive and overall picture of the Guala Closures Sustainability Programme.
- For each objective, where available, the results of the three-year period, the quantitative target and the year established for the same to be met are indicated.
- The reference year is the year in which the main objectives were identified and established, and in the majority of cases, it is 2011, unless otherwise specified.
- The state of progress is indicated as: "achieved", "in progress", "not achieved", based on the performance recorded. For some it has not been possible to indicate a trend over time because they are objectives that cannot be described in quantitative terms.



Objective achieved



Objective in progress

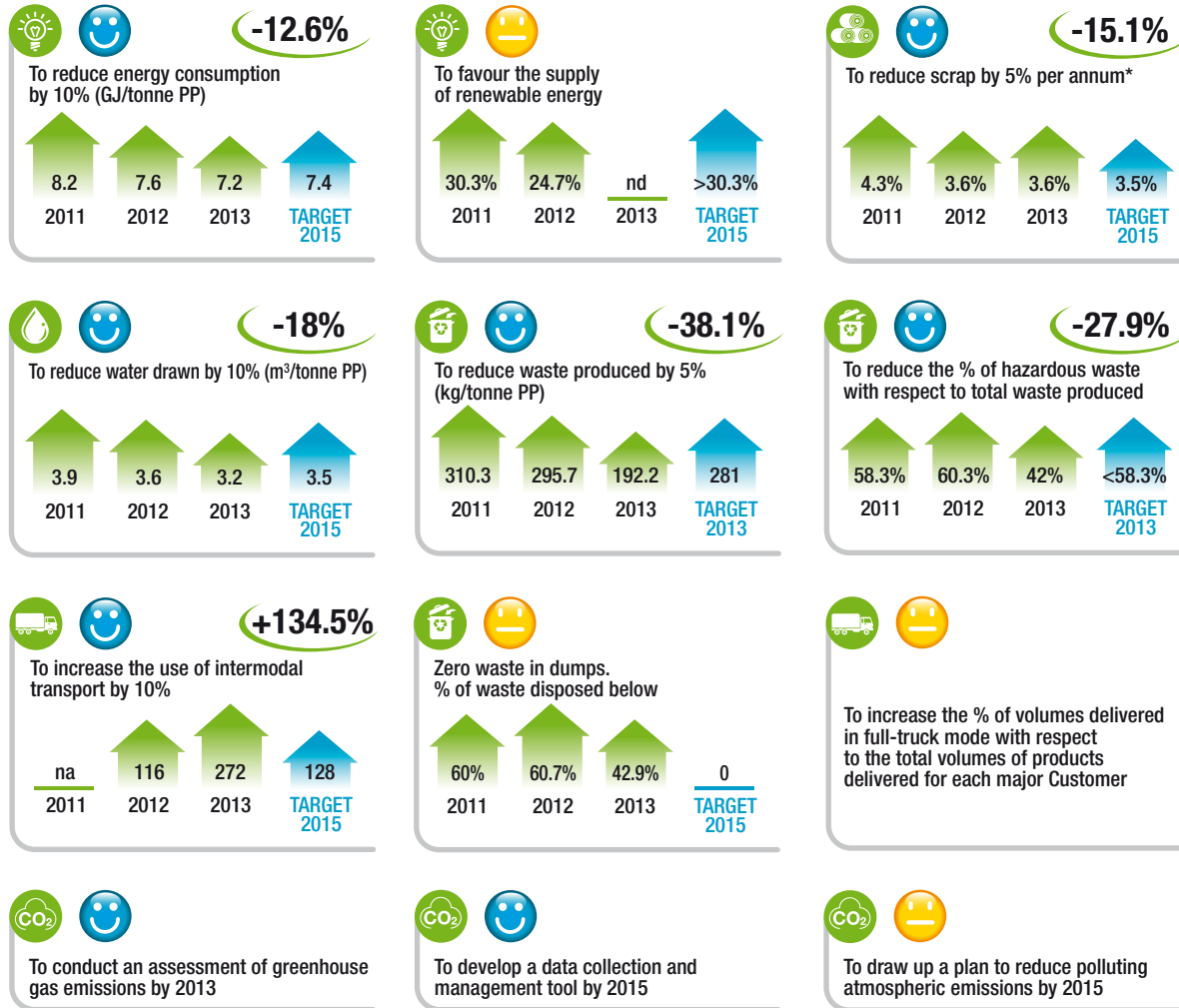


Objective not achieved

- A detailed analysis of the results is then contained in the pages specific to each indicator.



## ENVIRONMENTAL INDICATORS AND OBJECTIVES



The overall result of the environmental objectives is very positive, with a number of targets reached before the envisaged deadlines. In particular, two important indicators such as "energy consumption" and "waste" have achieved results beyond our expectations. The TEA is now also operational, which permits us to collect and manage the data of environmental indicators in an easier and continuous way, and to update the calculation of CO<sub>2</sub> emissions.

### Key for Tables of Indicators

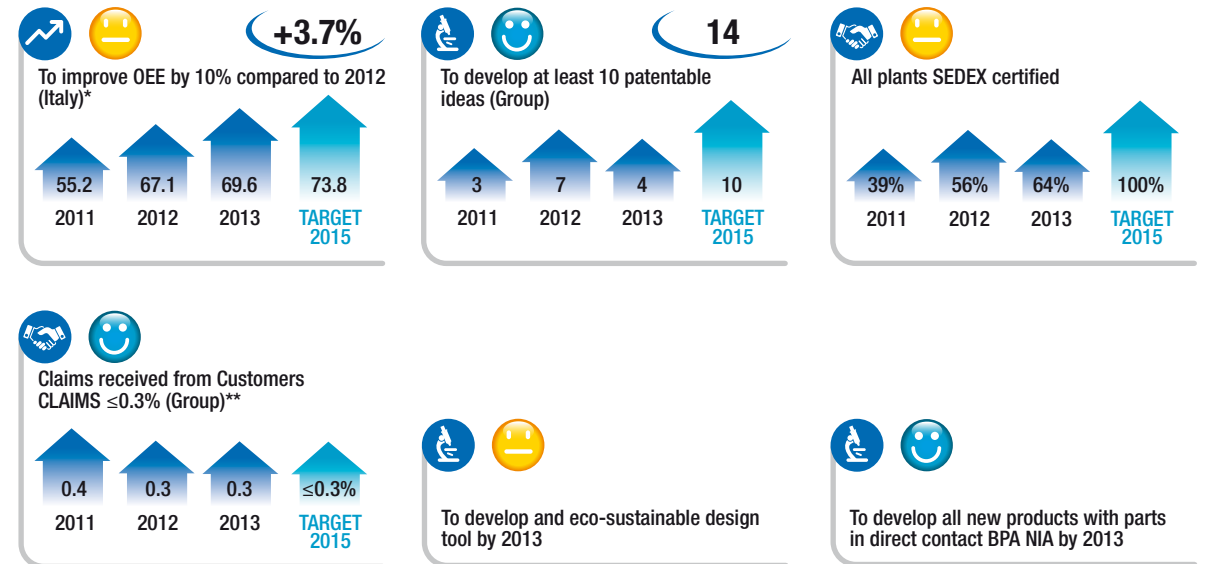
Objective achieved Objective in progress Objective not achieved

## SOCIAL INDICATORS AND OBJECTIVES



With regard to the social indicators, the objective to reduce accident frequency has been achieved, while specific activities are underway to achieve the others.

## ECONOMIC INDICATORS AND OBJECTIVES



The results of the economic indicators are good; they incorporate the social dimension, in particular the "innovation" indicator, which with the new patents registered in 2013, has already surpassed the objective for 2015.

The Italian perimeter, unless otherwise specified  
 \*Excluding the Basaluzzo plant  
 \*\*Excluding the sites in Bulgaria, the Ukraine, Poland, South Africa, Basaluzzo  
 na: figure not available insofar as not sufficiently consolidated to be used as a benchmark target or not communicated by third parties  
 (e.g. % of renewable energy supplied)

# ENVIRONMENTAL INDICATORS





# Energy consumption

As far as Guala Closures is concerned, energy consumption is the most important factor, in terms of efficiency and sustainability.

## Consumption

The **objective to reduce** consumption by 10% in terms of GJ/tonne of processed product **has already been surpassed**, recording **-12.6%** compared to 2011. Numerous different activities have contributed to achieving this important target, the outcome of a shared effort by all of the plants:

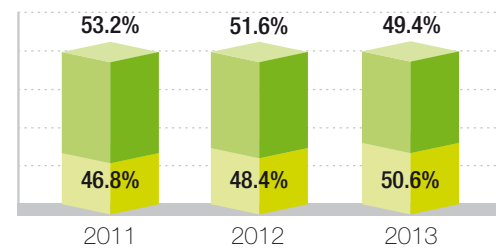
- Investment for the **installation** of automatic **management and control systems** for auxiliary production equipment.
- **Investment** in new plant and machinery.
- **Work carried out to reduce consumption** related to the air conditioning system.
- Management and reduction of machine downtime.



Total energy consumption GJ/tonne PP

**-12.6%**

2011  
2013



Breakdown of consumption by source in GJ

■ Methane ■ Electrical energy

## Energy manager

Even though in 2013, Guala Closures did not exceed the annual energy consumption envisaged by National law 10/1991, it decided to establish the figure of Group **Energy Manager**.

The energy issue has an important impact on at least two of the main dimensions of business sustainability: the **environment** – measuring energy consumption is fundamental to calculate greenhouse gas emissions – and **economic sustainability**, due, above all, to the very high costs of energy in Italy.

The objective of this new resource, who is totally dedicated to the area of energy, is to identify further **areas of improvement** and **optimisation** in terms of energy consumption.

The preliminary stage and the audit were completed in 2013; specific Action plans are now being drawn up, which will enable each plant to work on projects focused on reducing consumption.

## Work in progress

### Magenta

In 2013, the Magenta plant launched a project addressed to energy saving through the **optimisation of the air-conditioning system**.

Following the installation of a lubricated screw compressor, the heat from the cooling circuit can be recovered, channelled and therefore re-used for ambient heating. We will be able to quantify the results of this initiative in 2014.

### Termoli

The Termoli plant has continued to make efforts to reduce energy consumption. Due to the use of adiabatic conditioning systems, the project to **air condition production areas** will be completed.

The evaporation coolers cool the air by exploiting a natural principle: as the air passes through special humid filters, it releases part of its heat during the water evaporation process, lowering its temperature.

The absence of cooling equipment reduces energy consumption, without need for cooling gases.

### Torre d'Isola

The projects set in place by Torre d'Isola in 2013 to reduce energy consumption regard production lines. The first project entailed **centralising the vacuum pump system**, which enabled various systems installed directly on the machines to be uninstalled.

Instead, the second project regarded the installation of a **compressor management system for the production of compressed air**, which, by automatically modulating production requests, minimises the waste related above all to machine downtime and low production loads.

### Spinetta Marengo

Much of the efforts made in terms of energy at the Spinetta Marengo plant were focused on lighting efficiency.

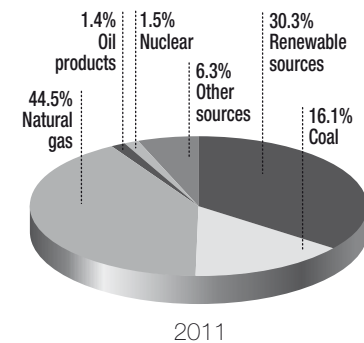
In actual fact, the project to **replace existing light bulbs** with lower consumption **LED ones** is already at an advanced stage.

## The sources of supply

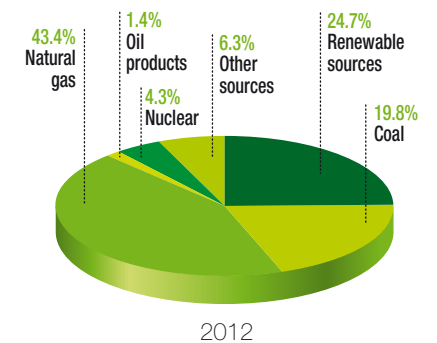
In 2012, a decrease in the % of energy originating from renewable sources was recorded.

This result is directly related to the sources used by the supplier, it depends on the prompt availability of energy and is therefore difficult for Guala Closures to control.

The fact that the amount actually provided by the supplier is certified at a later date did not enable us to include the 2013 figure in this publication.



2011



2012

Sources of electrical energy production used (2013 na)

## Guala Closures Group OBJECTIVES

To reduce energy consumption (GJ/tonne PP) by 10%, by 2015

To favour the supply of renewable energy, by 2015

ACHIEVED!



# Raw materials

This indicator shows the organisation's contribution to the rational and efficient use of resources and for this reason, Guala Closures believes it is important to monitor its performance.

The type of products made by Guala Closures entail using raw materials in its production processes, in particular aluminium and plastic.

The Group's objectives, set in 2011, have not changed and seek to reduce the consumption of raw materials by 15% by 2015 and to reduce the % of scrap by 5% each year.

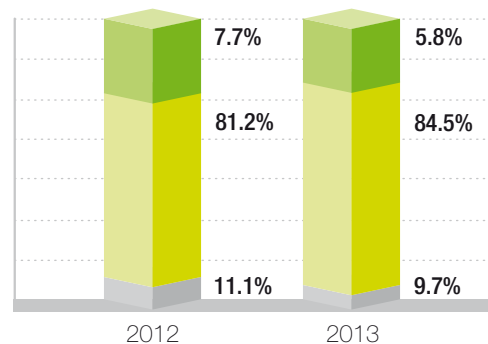
The **commitment to the better use of raw materials** goes hand in hand with the commitment to **monitor and optimise the use of all other accessory and packaging materials**.

## The materials

The figures highlight the high percentage of raw materials (aluminium and plastic) with respect to the total of materials used. The graph to the side shows figures relating to three macro-types, as indicated by the GRI Guidelines:

- packaging;
- raw materials;
- semi-finished products and accessory materials.

The efficient use of materials is also correlated to the objectives to reduce the use of packaging and scrap.



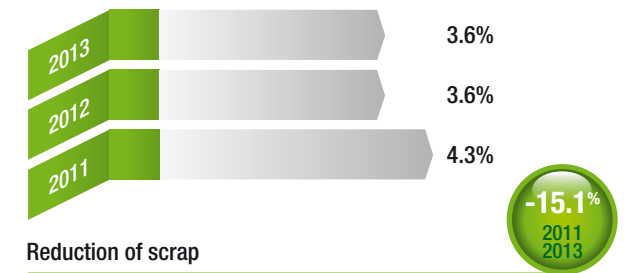
% materials used

- Total packaging
- Total raw materials
- Total semi-finished products and accessory materials

## Scrap

In 2013, the level of scrap was the same as 2012, a year in which we recorded a significant reduction with respect to the previous year.

Between 2011 and 2013, total scrap has been reduced by around **15%**, an extremely positive result that Guala Closures will continue to work on.

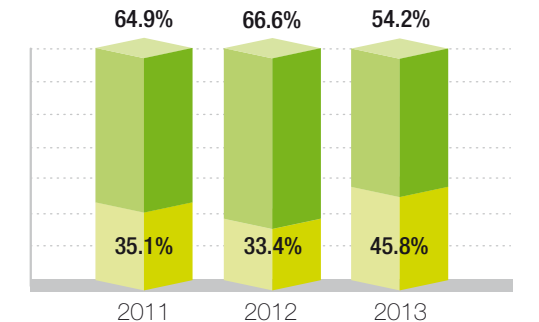


Reduction of scrap

## Recycled aluminium

Over half, to be precise, **54.2%** of the aluminium used by Guala Closures Italy **comes from recycled material**. This figure is comprised by 100% scrap internal to the Italian Group and by a certified amount from external suppliers.

Compared to last year, the % decrease of recycled aluminium (-18.7%) relates to the fact that it is no longer possible to re-use the scrap produced by the Group's foreign operations in Italy, due to international market conditions.



% aluminium recycled/total aluminium processed

- From raw material
- From recycled material

## Aluminium recycling

The recycling of aluminium packaging is increasing in Italy. According to a study entitled "Recycling in Italy 2013", conducted by the Foundation for sustainable development, the **recycling of aluminium packaging reached 59% in 2012**, 10% higher than in 2011 and 30% compared to 2010.

There is still considerable room for improvement, as demonstrated by the performance recorded in other European nations. In Germany, for example, 89% of aluminium packaging on the market was recycled in 2012. Using recycled aluminium can lead to savings of almost 95% in terms of the energy needed to produce new aluminium.

## Guala Closures Group OBJECTIVES

To reduce the consumption of raw materials (kg/tonne PP) by 15%, by 2015

To reduce scrap by 5% per annum

**ACHIEVED!**



# Water consumption

Guala Closures has decided to consider this indicator as significant, even though it makes limited use of this resource in its production processes. In reality, water is a precious natural resource, especially from an environmental perspective, and we will continue to report its consumption every year and to set new savings objectives.

## Drawing water

The figures shown in the first graph represent the total volume of water drawn both directly and through a water services management company and also include the amount drawn and used for cooling.



In 2013, we recorded a decrease in consumption in absolute terms of 7% compared to 2011. This decrease is 18% if considered per tonne of processed product. The increased efficiency of the cutting line in Magenta made a large contribution to obtaining this result.



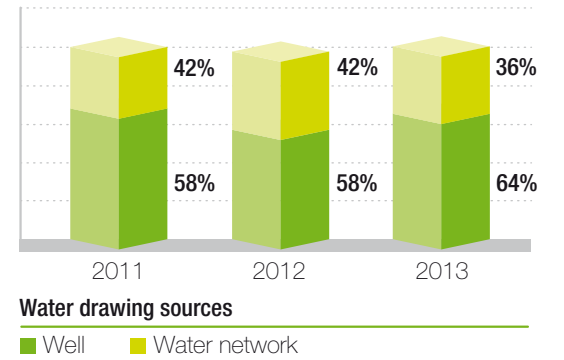
NB. The 2011 figure for the Basaluzzo plant has been estimated, and assumed to be the same as 2012. Slight differences may arise when the bills containing the balance of drawn water in 2013 are received from the water services operator.

## The sources of supply

The quantity of water drawn from the aqueduct fell further, while the amount drawn from the well rose.

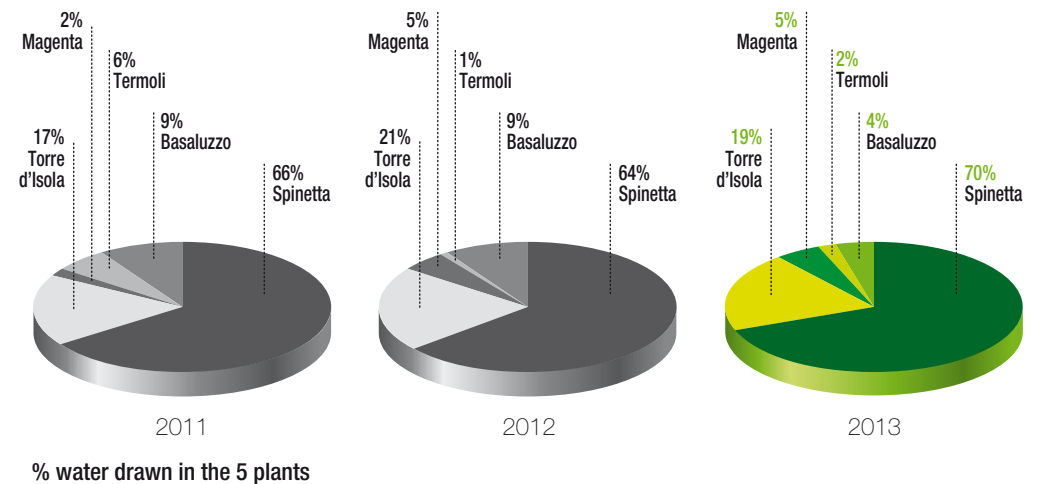
- Well: 64% of total drawn
- Water network: 36% of total drawn

In 2013, the quantity of water drawn from the well represented 64% of the total. This % is set to rise further from 2014, as the Magenta plant has filed the application with the relevant authorities to build a well on site.



## Water drawn per plant

Spinetta is the plant that makes the largest contribution in this area, with 70% of the total drawn by the Group in 2013. Of this 70%, over 90% comes from the internal well and not from the public water network. A significant result, which safeguards a precious water resource such as drinking water. The main use of water in Spinetta regards the presence of evaporation towers that guarantee the cooling needed in the press department.



Guala Closures Group OBJECTIVES

To reduce the water drawn (m3/tonne PP) by 10%, by 2015

ACHIEVED!





# Greenhouse gas emissions

Having achieved the objectives set for 2013, Guala Closures continues to be committed to **monitoring, controlling and reducing greenhouse gas emissions**. Work to identify and classify other polluting emissions for which the company intends to undertake further actions for improvement is still underway. As envisaged, a detailed Plan will be drawn up by 2014.

## Emissions in Italy

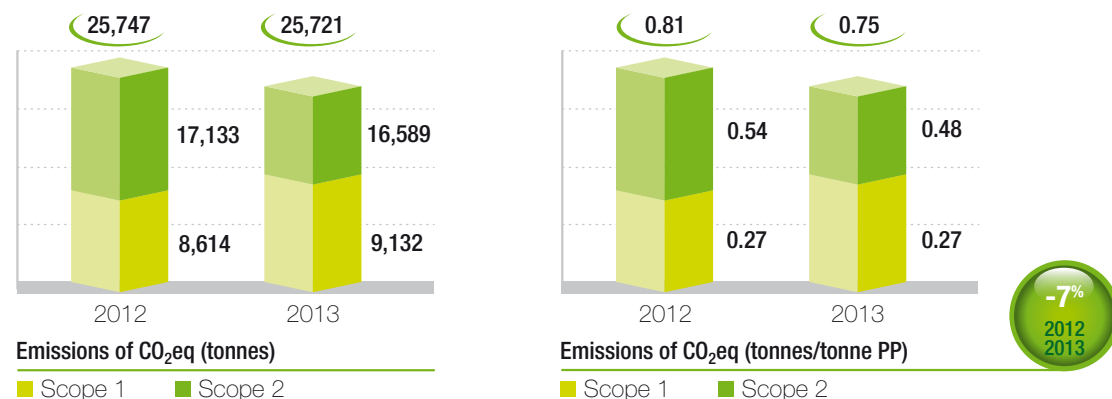
In 2013, Guala Closures conducted a full assessment of the greenhouse gas emissions (Carbon Footprint) of all of its Italian plants.

The standard used is the Greenhouse Gas Protocol, which is the most widely used international greenhouse gas reporting tool.

The environmental impact of Guala Closures' activities was calculated, in accordance with that envisaged by the standard, in terms of direct emissions resulting from the use of fossil fuels (scope 1), and indirect emissions resulting from the purchase of electrical energy (scope 2).

The CO<sub>2</sub>eq emissions **were overall stable**, in absolute terms, falling by only **0.1% compared to 2012**. Going into even more detail, the reductions per scope were then analysed, also related to tonnes of product processed, and showed a **-1.3% in emissions of CO<sub>2</sub>eq relating to scope 1 and -10% relating to scope 2**.

These results substantially relate to the reduction of electrical energy consumption, illustrated previously in the relative paragraph.



## IPCC and new awareness for greenhouse gases

In 2013, the Intergovernmental Panel on Climate Change (IPCC), the most prominent international institution for the study of climatic change, published **the fifth report on the state of the climate**, updating the previous edition published in 2007.

This document, drawn up with the contribution of **859 scientists** from all over the world, confirmed the increase in the earth's temperature and developed possible future scenarios based on complex mathematical models.

"The IPCC report provides scientific evidence that human activities are causing unprecedented changes to the Earth's climate" – commented Achim Steiner, UN undersecretary and Executive Director of UNEP – **"it's time to act, quickly and on a grand scale to mitigate the impacts of climatic change by limiting emissions of CO<sub>2</sub> and of other greenhouse gases..."**.

This is the most striking result of the study, which contains scientific evidence of the relationship between climatic change and human activities. It has led to a warning launched by the international scientific community to governments and institutions to set common objectives to reduce atmospheric CO<sub>2</sub> emissions.

## Europe's contribution to global emissions

The EU produces **around 11% of the world's greenhouse gas emissions**.

Over 80% of these come from the production and use of energy, including transport.

**From 1990 to date, the EU has managed to cut its greenhouse gas emissions by over 18%**, interrupting the link between emissions and the rate of economic growth, which has risen by over 40% over the same period.

**The EU has committed to reducing emissions by 80-95% with respect to 1990 levels by 2050.**

To cut emissions so drastically, the EU has to become an economy with low carbon emissions.

Source: Action for the climate European Commission July 2013

## The TEA tool

As already illustrated in the 2012 Report, Guala Closures has developed a tool to manage and analyse environmental data called **"TEA"** (Tool for Environmental Analysis). In addition to calculating the CO<sub>2</sub> emissions of a plant, this tool is also able to conduct the LCA (Life Cycle Assessment), namely the analysis of the environmental impact of the various stages of production of a product. A LCA has already been conducted for aluminium closures; the same approach was also adopted to assess the oil sector and from 2014 a complete life cycle assessment of screwcaps for oil and the relative impact in terms of CO<sub>2</sub> equivalent will be available.



## Guala Closures Group OBJECTIVES

To conduct an assessment of greenhouse gas emissions by 2013

ACHIEVED!

To create a tool to collect and manage data by 2015

ACHIEVED!

To draw up a plan to reduce polluting atmospheric emissions by 2015



# Waste

In this section we provide evidence of how “waste” is managed, an area in which Guala Closures has adopted the standards promoted by the European Union.

The primary objective is to prevent the production of waste by optimising end-of-life treatment and encouraging their complete or partial recovery.

INDICATOR 5



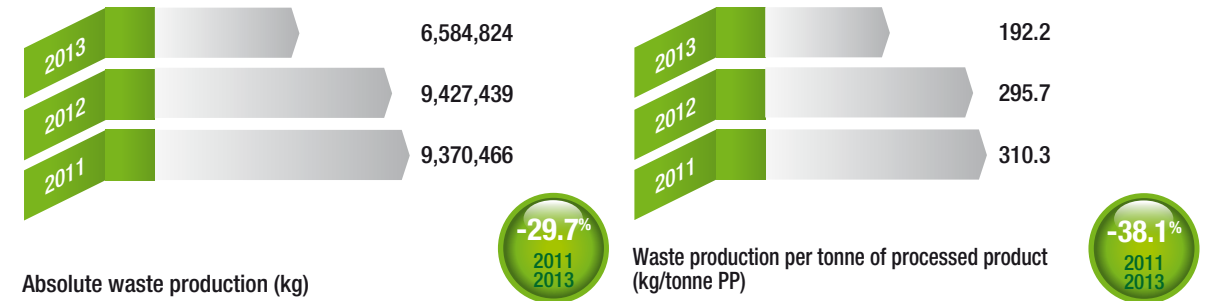
Our Group pursues Community objectives through:

- The **innovation of production processes**, with the objective to prevent the production of waste at the source by increasingly reducing production scrap (cutting line Magenta, interception and re-use of defective caps in Torre d’Isola).
- The **operating management of the waste produced**, with a view to identifying and ensuring the use of end-of-life treatment channels to maximise recovery and re-use, progressively eliminating the percentage sent to dumps to achieve the company objective of “zero waste in dumps”.
- The **optimisation of packaging management**, both as regards purchased materials, and materials used to pack products (re-use of packaging coming from suppliers, use and re-use of octabins).

## Production

Total waste production, both in absolute terms and related to tonnes of processed product, recorded a net decrease of **29.7%** and **38.1%** respectively compared to 2011.

Both of these indicators confirm that we have achieved, or rather surpassed, the set objective of reducing the amount of waste produced per tonne of processed product by 5%.

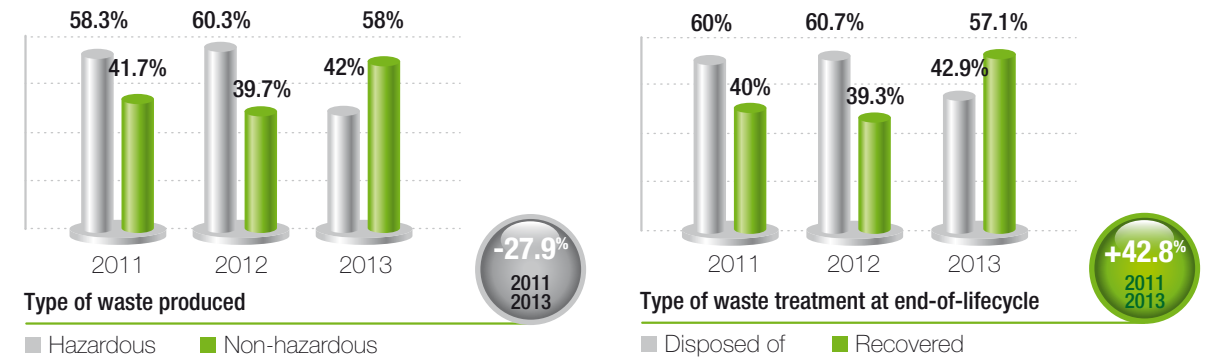


## Type and treatment

The objective **to reduce the % of hazardous waste** has also been achieved, which has fallen from 58.3% of total waste produced in 2011 to 42% in 2013, a **decrease of 27.9%**.

What’s more, the increase in the percentage of waste sent for recovery is very positive and has risen from **40%** in 2011 to **57.1%** in 2013.

The objective of “zero waste in dumps” is still valid, we aim to achieve it by 2015.



Guala Closures Group OBJECTIVES

ACHIEVED!

To reduce quantity of waste produced (kg/tonne PP) by 5%, in 2013

To reduce the % of hazardous waste with respect to total waste produced, in 2013

Zero waste in dumps by 2015

ACHIEVED!





# Transport

From an environmental perspective, the importance of transport is related, above all, to greenhouse gas emissions. In addition to the efforts already illustrated in the chapter relating to this specific indicator, Guala Closures has adopted a series of measures to **reduce the environmental impact of its logistics and internal transport**. The graphs below show the performance of transport outbound from the Italian plants both in absolute terms and with relation to destination or means of delivery used.

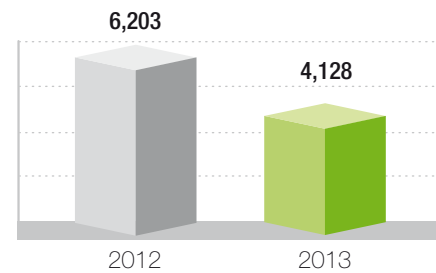
## Goods shipments

2013 recorded a significant decrease in the number of trips made to deliver semi-finished products from Italian plants, which fell from 6,203 in 2012 to 4,128 in 2013.

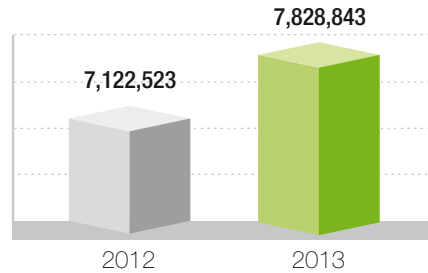
The main reason for this decrease is the **improved management of shipments**.

More specifically, there was a reduction in the number of goods delivery locations compared to 2012 and shipments from Basaluzzo fell, as part of the production of the same was transferred to Magenta in 2013.

In parallel, the percentage of products exported out of Italy rose, and this led to an increase in the distances travelled and therefore an **increase in total kilometres** travelled to deliver goods. Furthermore, a share of shipments was also absorbed by the greater use of intermodal transport (see page to the right).



Number of deliveries of semi-finished and finished products (from Italy)



Total km travelled to deliver semi-finished and finished products (from Italy)

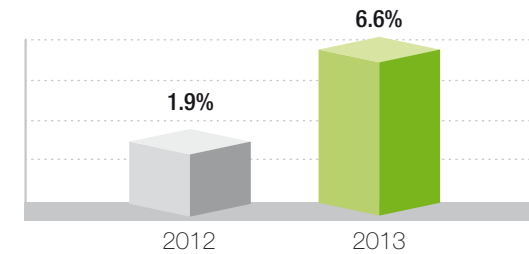
## Intermodal transport

The objective to increase the use of intermodal transport was **achieved**.

Compared to 2012, the use of this form of transport by the company rose from **1.9%** to **6.6%**.

The environmental advantage of this delivery option is that means of transport with a lower environmental impact can be chosen, such as the train or a ship.

The limitation of this form of transport regards planning delivery times, as often longer overall transport times have to be taken into account.



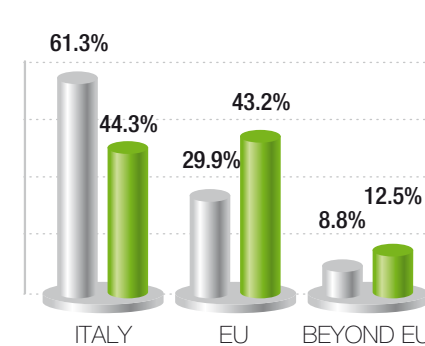
% of deliveries made by intermodal means with respect to the total (from Italy)

## Destinations

The percentage of **deliveries to Customers** compared to intercompany deliveries has risen.

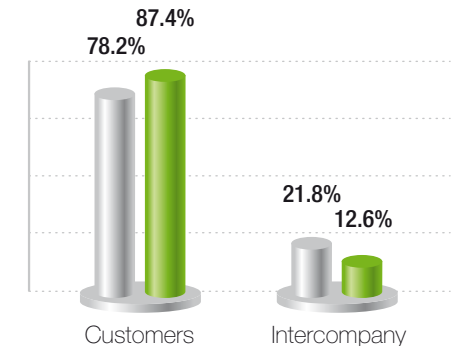
This figure includes both shipments for which the transport means is decided directly by the Customer and those directly managed by Guala Closures.

The company is currently working on a project in this area to enable more accurate information to be obtained on the shipments directly controlled by Guala Closures.



Destinations for delivery of semi-finished and finished products

■ 2012 ■ 2013



% transport per destination

■ 2012 ■ 2013

Guala Closures Group OBJECTIVES

ACHIEVED!

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

To increase the % of volumes delivered in full-truck mode, in 2013



# SOCIAL INDICATORS





# Health and safety

Guala Closures drew up its **Health and Safety Policy** to guide its actions and **direct its decisions** back in 2008.

Its fundamental objective is to **reduce and manage risk** and is pursued through the continuous **optimisation of the work environment and equipment** and the involvement and awareness of all workers.

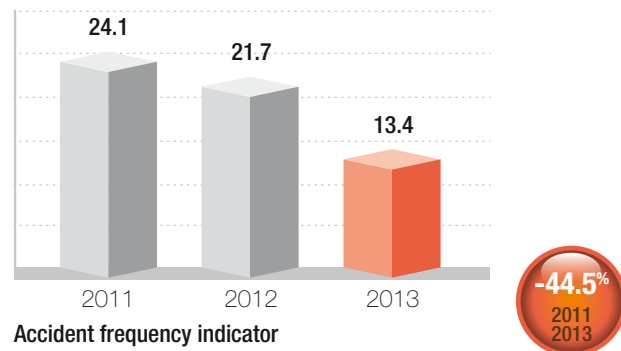
## Accident trend

The **accident frequency indicator** (number of accidents per one million hours worked) fell significantly by **-44.5%** compared to 2011 and by **-38.5%** compared to 2012.

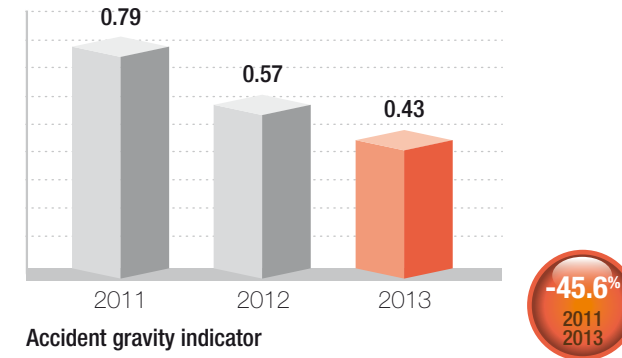
The objective that the company set itself in the Sustainability Programme is to reduce the accident frequency indicator by 30% with respect to 2011, by 2015.

This initial **objective** has therefore already been **achieved and surpassed**.

An important result, which we are pleased with, but that must be reset and maintained given that, as we are talking about accidents, our ideal objective is “zero accidents”.



Accident frequency indicator



Accident gravity indicator

The **accident gravity indicator** (standard days lost per one thousand hours worked) fell considerably by **-45.6%** compared to 2011 and by **-24.6%** compared to 2012.

To better understand these figures, remember that to calculate the gravity indicator, we consider “lost” days as all calendar days (excluding the day of the accident) between the date from which the injured employee is off work and the return of the same, namely the actual number of days needed for his/her complete recovery.

## The national strategy for the prevention of accidents in the workplace

In May 2013, the document containing the proposals of the **Standing consultative committee on occupational health and safety** for a national strategy to prevent accidents in the workplace and professional illnesses was decisively approved.

In full compliance with European strategy on occupational health and safety, this document represents the first step in **identifying a national strategy for occupational health and safety**.

The proposals for the national strategy to prevent accidents in the workplace and professional illnesses and the relative attachments supporting said document are published and made available in the area of the Standing consultative commission on the website of the Labour Ministry.



Guala Closures Group **OBJECTIVES**

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

**ACHIEVED!**



# Training and continuous improvement

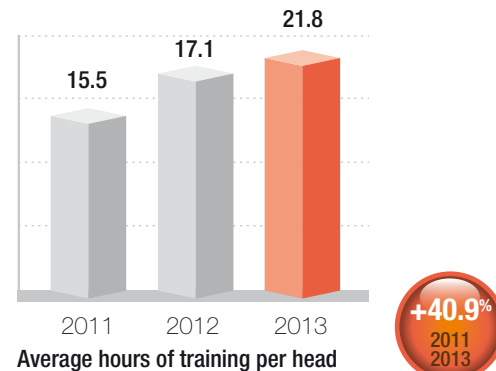
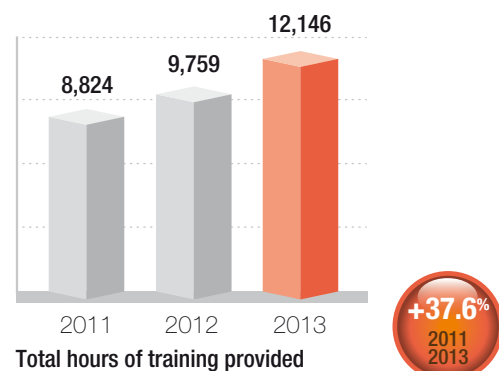
Training is the main tool used to enhance skills, to **increase the value** of Guala Closures' **human capital** and to build **shared values** within the company.

Planning training processes is essentially based on three main premises:

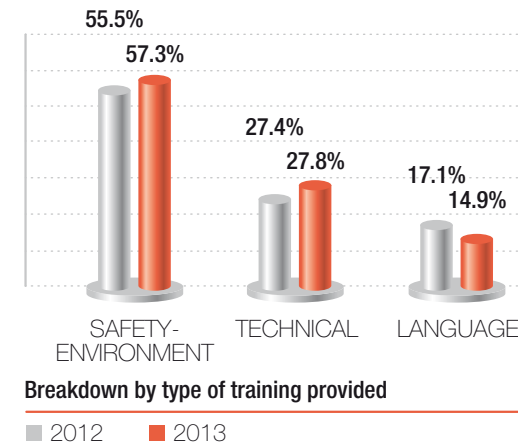
- The need to **enhance individual skills** following periodic performance appraisals.
- The need to **develop and update technical and professional knowhow** in line with the strategic needs of the company.
- To identify and **exploit young talent**.

## Training

The total number of training hours provided rose further in 2013, recording **+24.5% compared to last year**, reaching a figure of 2.7 days of training per head.



The training hours dedicated to safety and the environment represent **57.3%** of total training hours provided, up compared to 2012. Technical training remains **stable** (27.8%), while the hours of language training **fell** as a %, but not in absolute terms.



## Sustainability training for all Guala Closures employees

The objective to provide **2 hours of training on sustainability to 100% of Guala Closures Italy personnel** in 2013 has been partially achieved and will be completed in 2014. On the publication date of this Report, **around 70% of employees had received training**, 45% of which in the **classroom**, while the remaining 25% had received training **through documentation**. Each participant was also asked to complete a questionnaire at the end of the session, in which they were asked to indicate areas and ideas for improvement and to express an opinion on the awareness training session. The questionnaires collected give an extremely positive response by employees on the content of the **training** received and on its usefulness in positively influencing the conduct of everybody with a view to sustainability. There was also general consensus on being a part of such an important Programme and on being personally involved.

## Mauro Boano's opinion on Training and continuous improvement

As well as reducing the frequency and the gravity of accidents, I believe that the main objective achieved by the Human Resources department regards personnel **training and awareness**, which has increased further with respect to that provided in 2012.

Our key priority is to put training plans in place that **develop new skills**, making several professional figures increasingly autonomous and encouraging a corporate culture and "climate" in line with our values and policies.

**The challenge for 2014** is to take more decisive action on the **young resources project**.

This programme, which has become one of our main focuses, is a scheme that regards Italy, and which seeks to develop the career paths of young resources, and to provide support to their managers to achieve a more appropriate style of management.

In addition, we intend to increasingly enhance **information and communication** to boost participation in the Sustainability Programme, so that these topics become a part of our daily working lives.

We will achieve this through dedicated sessions with employees throughout 2014.



Mauro Boano  
Group H&R  
Director

## Guala Closures Group OBJECTIVES

To provide 2 hours of awareness on the Sustainability Programme to 100% of employees in 2013

To boost the development programme for internal resources, by 2015

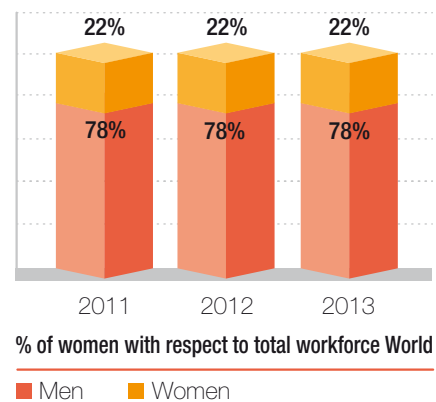
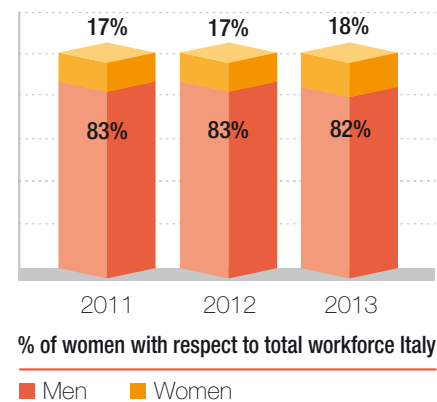
**PARTIALLY ACHIEVED!**

# Diversity

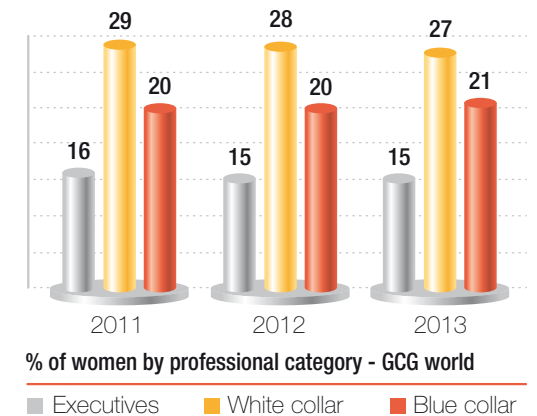
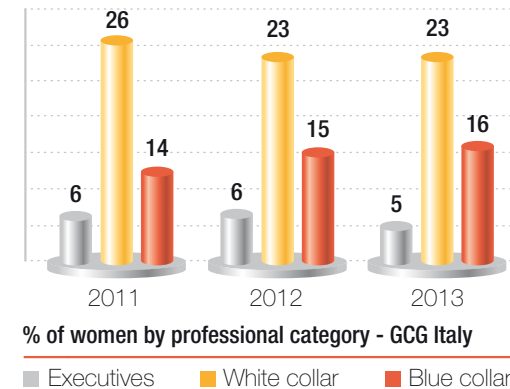
The Guala Closures Group has production sites and sales offices in **17 countries** and **5 continents**. This vast geographic footprint creates an extremely large and diverse human capital of traditions and cultures. **Diversity is a defining resource** of Guala Closures' business activities. The Group is structured to guarantee that the cultural differences of the individual countries are respected, just as their autonomy is. Management exercises its control and applies its operating decisions through regular coordination with the Country Managers. The efforts of the Human Resources department continue to develop and integrate practices to develop and manage the topic of diversity at all levels.

## Gender diversity

The presence of **female personnel** within the Group is one aspect of diversity. At Group level, the % of women with respect to the total workforce is substantially stable, with a **slight increase (+1%)** at Italy level, compared to the previous two year period. **18%** of Guala Closures' workforce are **women**, a figure that is slightly higher than the average % of women in the national engineering and plastics industry, reported by ISTAT as **17.3%**.

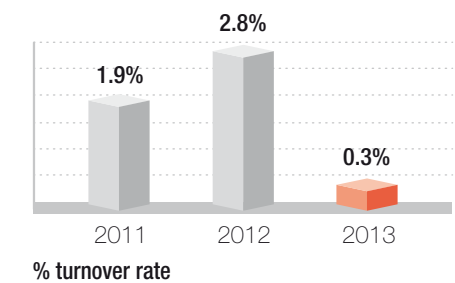


The graphs below show the % of women in each professional category, for both the Group and in Italy.



## Personnel turnover

**Turnover in 2013 fell significantly, reaching 0.3%.** A low turnover usually indicates a labour market that is not able to offer mobility and adequate opportunities. However, the positive aspect of this figure is that it enables Guala Closures to invest in training and in developing the skills of its resources with great continuity and effectiveness.



## Mauro Boano's opinion on apprenticeships and turnover

The **high apprenticeship** and **professional apprenticeship projects** have confirmed our expectations and therefore we have decided to continue investing in these resources through schemes addressed to **development and professional growth** within our key departments. Also due to the successful outcome of this experience, we have recently introduced two young graduates to two very important areas of the company: the technical and research & development departments. The purpose of using this type of contract is to add **targeted resources to the company's workforce** and to dedicate them to developing new projects that appeal to young people, also enabling them to gain international experience.

### Guala Closures Group OBJECTIVES

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

# ECONOMIC INDICATORS







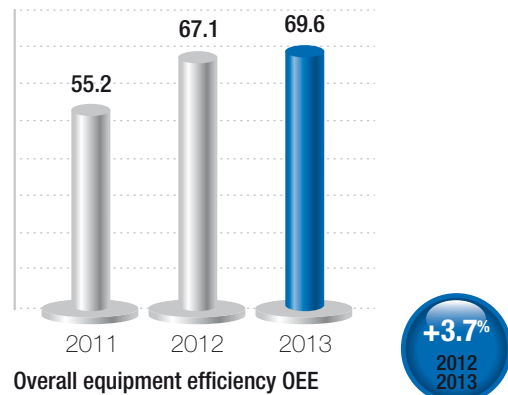
# Production efficiency

Efforts to increase the production efficiency established for the 2011-2015 scope continue. They fall into 5 strategic categories:

- Installation of **new machinery**.
- Investment in **preventive maintenance**.
- **Training and information** addressed to production managers.
- Productivity **monitoring and control** procedures.
- **Auditing** production processes.

## Overall equipment efficiency

Production efficiency has been **continuously improving** since 2011. This indicator calculates the performance of a machine or of a plant, providing a score indicating its degree of efficiency. For the sake of completeness of information, note that the Basaluzzo site has been excluded from the scope of this indicator.



## New machinery Sputtering Process

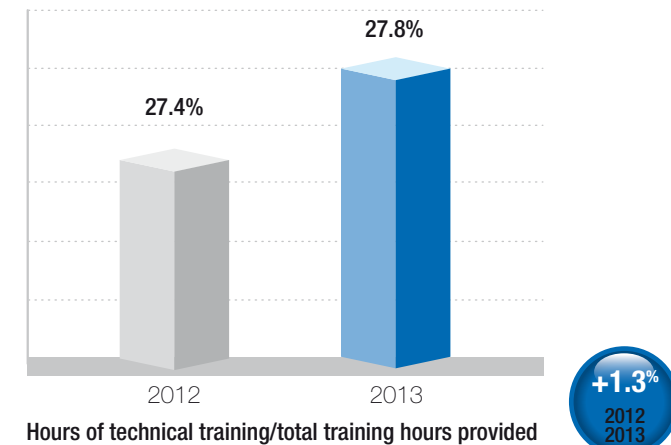
During 2013, Spinetta **insourced the plastic metallisation process** by installing a sputtering production line in the plant. The reason for this decision was the need to enhance and internally manage a highly specialised process and to **improve the efficiency, quality and eco-compatibility** of this production activity.

**Sputtering** is a physical deposition technique, in which conductive or insulating material is deposited on any type of metallic, ceramic or plastic substrate. Compared to other coating techniques, sputtering permits:

- A higher level of **quality of the film** deposited.
- **Excellent adhesion of the film** to the substrate.
- A process with a **lower environmental impact**, for:
  - *treatment at room temperature*
  - *water-less treatment*
  - *absence of nickel and chromium*
  - *use of UV varnishes without solvents (100% dry)*,
  - *reduction in the quantity of material needed for metallisation.*
- **Excellent process control** with high repeatability.
- The option to create **nanostructured deposits** or deposits with functional features.

## Technical training

As shown in the graph below, again this year, technical training represented **one third of total** training provided. This type of training seeks to increase the knowhow and skills of operators on machinery, products and software.



## Guala Closures Group OBJECTIVES

To improve OEE in Italy by 10% compared to 2012, by 2015





# Innovation

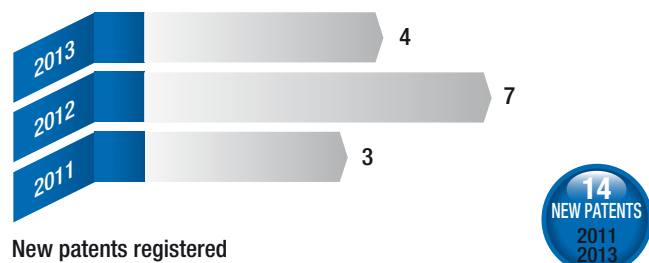
INDICATOR 11

The objective of developing at least 10 new patents between 2011 and 2015 has been **surpassed**.

With 4 new patents registered in 2013, a total of **14 new patents** were registered between 2011 and 2013, bringing the Group's overall capital to over 80 patents. This milestone confirms the continuous work on innovation carried out by the research and development department, an area which Guala Closures dedicates **1% of its revenues** to.

The objective of no longer using bisphenol intentionally added to parts in direct contact with the product has also been achieved. For new products, the polycarbonate in contact with the food has been replaced by other plastics and the internal varnishes have been certified BPA NIA, the use of which has entailed considerable investment in production lines.

**Work is still underway to adapt the tool** for environmental analysis, **TEA**, to the real needs of the research and development department. This tool is to provide operational support to design and to enable environmental aspects and impacts to be integrated and assessed at the design stage.



## Product innovation – New closures for the oil market

In 2013 Guala Closures launched two new closures for the oil sector on the market.

These new patents meet the objective to **safeguard the product from any counterfeiting and to guarantee excellent ease of use**. **“Alusnap Olio” is, in actual fact, an anti-counterfeiting closure which protects both oil producers and final consumers** from any re-filling that could harm the reputation and image of producers as well as being harmful to the health of consumers; **“Verso”** on the other hand is a closure designed for even and smooth pouring.

**“Alusnap Olio”**

An anti-counterfeiting aluminium closure to safeguard extra virgin olive oil.

**“Verso”**

A new closure designed for even and smooth pouring.

## Biomaterials

Biomaterials have the characteristic of being made from production scrap or from secondary agricultural products and do not generate problems relating to disposal or recycling when they are thrown away.

In recent years, the interest of the world of production in these materials has increased significantly due to these characteristics, in parallel to the need to find renewable materials that have a reduced environmental impact. The term bioplastics therefore means **“plastics” made from organic material**, such as corn for example.

PLA (polylactic acid), for example, is one such material, and is extracted from corn starch, as is PE Green (Polyethylene Green) obtained from the ethanol of sugar cane.

## Maurizio Mittone's opinion on Innovation and Customers



Maurizio Mittone  
Group R&D  
Director

We will continue working on the development of new products that increasingly combine the characteristics that we have always been renowned for:

**Quality** **Safety** **Innovation**

For a long time, innovation has been limited to the product and its features. Nowadays, the idea of innovation has been extended to the technologies of production processes and to the opportunity for direct dialogue with the final consumer, which is more stimulating.

There has been a shift from just the functions of the product to its aesthetics, **using new technologies and materials to highlight the product's features**. What's more, innovation is now involved with areas of sustainability, leading to **innovative solutions in terms of materials used as well as processes**.

In Guala Closures, for example we have developed a plastic and aluminium metallisation line with a low environmental impact, which uses varnishes with a low solvent content and a drying process using UV rays instead of hot furnaces.

In terms of the sustainability of products, we are working on **closures with a number of components**, although all in the **same material** and therefore **easy to recycle** and on the effective processability of several **biomaterials** (made from raw materials originating from renewable sources) or **biodegradable** materials. There are still several doubts as to the effective sustainability of this type of solution, both from a social and environmental perspective, and significant constraints both in terms of the availability and the cost of these alternative resources.

**ACHIEVED!**

**Guala Closures Group OBJECTIVES**

**ACHIEVED!**

To develop at least 10 innovative patentable ideas, by 2015

From 2013, to develop all new BPA NIA (Bisphenol A Not Intentionally Added) products

**PARTIALLY ACHIEVED!**

To develop an eco-sustainable design tool to research and develop new products, by 2013



# Customer satisfaction

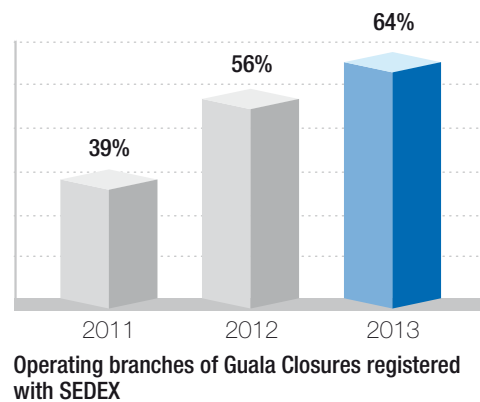
In 2013, the **Group achieved positive results** in terms of Customer satisfaction. The result for **CLAIMS**, already achieved in 2012, and consolidated in 2013, continues to be **0.3%**.



CLAIMS received from Customers

The number of Guala Closures sites registered on the internet platform of **Sedex**, the international association that promotes and supports ethical and open business practices, continues to rise in line with our objectives.

With this year's registrations, we have now reached the figure of **64%** with respect to the Group's total sites.



Operating branches of Guala Closures registered with SEDEX

## Roberto Boidi's opinion on Quality Assurance in GCG



Roberto Boidi  
Group Quality Assurance

Assessing Customer satisfaction is a multi-faceted topic, it involves different company departments and its objective is to spread a real culture of attention to the Customer.

In this regard, **Guala Closures involves and makes different internal resources aware of how important it is to listen to and be attentive towards the Customer**, both to assess the quality of the products and services provided and to guide company strategy and development.

For example, on the request of a number of Customers, we are developing activities and programmes in Business Continuity Management to guarantee the provision of products and to guarantee services even in the case of unexpected and extraordinary events (for example natural disasters) which could diminish the production capacity of any one of our plants.

All of our **plants regularly undergo technical inspections or audits by our Customers**.

For some of them, these activities are planned on an annual basis, while others conduct audits on an occasional basis only or at longer intervals.

The areas assessed mostly regard aspects such as **quality, hygiene and product food safety**, although more recently, increasing importance is being given to **aspects of social accountability and environmental protection**.

As an alternative to the standard audit, the Sedex platform has been developed, a valid tool, which enables Customers to access a series of information regarding the Group as a whole as well as individual plants, in real time.

This digital platform was established specifically with a view to accessing certain information quickly and fully, avoiding the travelling and the trips to conduct on-site audits.

This solution has both environmental advantages (less travelling, less emissions and pollution), and advantages in terms of Customer satisfaction, as the same always have immediate access to the information they need.

In addition to identifying specific compliance requirements, **they motivate organisations to be "virtuous"** and to make their operations more effective in terms of continuous improvement.

Depending on the plant, we work on **ISO 9001 management systems for quality, ISO 22000 for product food safety and ISO 14001 for the environment**, seeking to meet the expectations of all of the parties involved and to improve products and processes.

We are also updating the Group's Guidelines to Good Manufacturing Practices (GMP) to better align them to the applicable international standard PAS-223.

### Guala Closures Group OBJECTIVES

To obtain SEDEX accreditation for all plants, by 2015

To bring claims to 0.3% for the whole Group, by 2015

ACHIEVED!

# Indicators and objectives

Aspect	Indicator	Description	Objectives	Status	Scope	By	
ENVIRONMENTAL	Resources	Energy consumption	Consumption of all sources used	To reduce energy consumption (GJ/tonne PP) 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 PP)	😞	Italy	2015
				To reduce scrap by 5% per annum*	😊	Italy	2015
	Water	Water drawn	To reduce water drawn by 10% (m3/tonne PP)	😊	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 PP)	😊	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%	😊	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	
SOCIAL	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
	Diversity	Diversity	Gender and cultural differences	To boost the development programme for internal resources	😞	Italy	2015
			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	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	2013
			To develop a tool for eco-sustainable design	😞	Group	2013	
	Customer satisfaction	Customer satisfaction	Customer satisfaction	All plants SEDEX certified	😞	Group	2015
			CLAIMS received from customers ≤0.3%**	😊	Group	2015	

Figures updated to 31 December 2013

Key for Tables of Indicators

😊 Objective achieved    😞 Objective in progress    😞 Objective not achieved

\*Excluding the Basaluzzo plant  
 \*\*Excluding the sites in Bulgaria, the Ukraine, Poland, South Africa, Basaluzzo

# 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 beverage 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.

## Energy performance

Is the ratio between the work produced by a machine and the energy used to perform it.

## Environmental aspect

An aspect of an organisation's 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.

## 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.

## Stakeholder

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	Letter from the Chairman Interview with the General Manager	●	pag 2,3
<b>2 Organisational profile</b>			
2.1 Name of the organisation	Background	●	pag 7
2.2 Primary brands, products and /or services	Products and technologies	●	pag 13
2.3 Operational structure of the organisation	Background, GCG in Italy, Governance	○	pag 7, 11, 21
2.4 Location of the organisation's headquarters	Background	●	pag 7
2.5 Number of countries in which the organisation operates	GCG worldwide	●	pag 9
2.6 Ownership structure and legal form	Revenues and markets	●	pag 19
2.7 Markets served	Revenues and markets	●	pag 19
2.8 Scale of the organisation	Revenues and markets, Products and technologies, Guala Closures Group key figures	○	pag 19, 13, 1
2.9 Significant changes during the reporting period	Key facts 2013, Introduction	●	pag 25, 51
2.10 Awards received during the reporting period	Products and technologies	●	pag 13
<b>3 Report parameters</b>			
3.1 Reporting period	Introduction	●	pag 51
3.2 Dates of publication of most recent sustainability report	Introduction	●	pag 51
3.3 Reporting frequency	Introduction	●	pag 51
3.4 Contacts and addresses to be used to request information on the sustainability report and its content	Introduction	●	pag 51
3.5 Process for defining report content	Sustainability, Stakeholder engagement	●	pag 29, 39
3.6 Scope of the report	Introduction	●	pag 51
3.7 Any limitations of the objective or scope of the report	Introduction	●	pag 51
3.8 Information on joint ventures, subsidiaries, leased facilities, outsourced operations, etc	Introduction	●	pag 51
3.10 Explanation of the effect of any restatements of information provided in earlier reports, etc	Introduction	●	pag 51
3.11 Significant changes from previous reporting periods	Introduction	●	pag 51
3.12 Table illustrating the content of the report	GRI index	●	pag 89
<b>4 Governance, commitments, stakeholder involvement</b>			
4.1 Governance structure of the organisation	Governance	●	pag 21
4.2 Indicate whether the Chairman of the highest governance body also has an executive role	Governance	●	pag 21
4.3 Indicate the number of members that are independent and/or non-executive	Governance	○	pag 21
4.4 Mechanism for shareholders and employees to provide recommendations or direction to the highest governance body	Governance	○	pag 21
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.	Governance	○	pag 21
4.13 Memberships in national/international industry associations	Sustainability	○	pag 29

GRI indicators	Where	Status	Page
<b>4 Governance, commitments, stakeholder involvement</b>			
4.14 List of stakeholder groups engaged by the organisation	Stakeholder engagement	●	pag 39
4.15 Basis for identification and selection of main stakeholders with whom to engage	Stakeholder engagement	●	pag 39
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Stakeholder engagement	○	pag 39
4.17 Key topics and concerns that have been raised through stakeholder engagement	Stakeholder engagement	○	pag 39

Environmental indicators			
EN1 - Raw materials	Raw materials	●	pag 59
EN2 - Percentage of materials used that originate from recycled material	Raw materials	●	pag 59
EN3 - Direct energy consumption by primary energy source	Energy consumption	●	pag 57
EN5 - Energy saved due to conservation and efficiency improvements	Energy consumption	●	pag 57
EN7 - Initiatives to reduce indirect energy consumption and reductions achieved	Energy consumption, Raw materials, Waste, transport	●	pag 57, 59, 65, 67
EN8 - Total water withdrawal by source	Water consumption	●	pag 61
EN9 - Water sources significantly affected by withdrawal of water	Water consumption	●	pag 61
EN16 - Total direct and indirect greenhouse gas emissions by weight	Greenhouse gas emissions	●	pag 63
EN18 - Initiatives to reduce greenhouse gas emissions and reductions achieved	Greenhouse gas emissions	○	pag 63
EN22 - Total weight of waste by type and by disposal method	Waste	●	pag 65
EN24 - Weight of waste classified as hazardous	Waste	○	pag 65
EN29 - Significant environmental impacts of the organisation's transport	Transport	○	pag 67

Economic indicators			
EC1 - Economic value directly generated and distributed, including revenues, operating costs, etc.	Revenues and markets	○	pag 19

Social indicators			
LA1 - Total workforce by type, employment contract, etc	Training and continuous improvement, Diversity	○	pag 73, 75
LA2 - Total number and rate of new employees and employee turnover by age group, gender, and geographic area	Diversity	○	pag 75
LA7 - Rates of injury in the workplace, illness, lost days, etc	Health and safety	○	pag 71
LA10 - Average hours of training per employee, by gender and by employee category	Training and continuous improvement	○	pag 73
LA11 - Programmes for skills management and to promote training/updating etc	Training and continuous improvement	○	pag 73
LA13 - Composition of governance bodies and breakdown of employees per category according to gender, age group, etc	Diversity	○	pag 75

complete
  partial or indirect
  not reported

**Design, production and coordination:** Ulysse / agoodforgood / **Graphics:** Tosi / **Photos:** Guala Closures Group / **Printer:** Sollicitudo

The 2013 Report is printed on Fedrigoni paper made from pure cellulose originating from forests managed responsibly according to strict environmental, social and economic standards.

The inks used are from the IMPRESSION® series of the Huber Group. They contain no mineral oil and are made from renewable raw materials.





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