

SUSTAINABLE DEVELOPMENT REPORT 2012



CONTENTS

p.	1	Letter to readers Marco Giovannini	p.	24	The “top” label Offsetting and reforestation
	2	Interview Franco Bove		26	The indicators 2012 Results Methodology and scope
	4	Guala Closures Group, panorama History Today Products and technology Company overview Corporate governance Key facts 2012		29	Environmental indicators
	18	Guala Closures Group, sustainability strategy The strategy The model The management tools The internal organisation The stakeholders Institutional activities		42	Social indicators
				50	Economic indicators
				56	Indicators and objectives
				58	Glossary
				60	GRI index

LETTER TO READERS

MARCO GIOVANNINI

This is the second year of publication of the Guala Closures Sustainability Report. We intend to use this document to inform and share with our stakeholders what we are doing in terms of **environmental, social and economic responsibility**: the results we have achieved, the projects we have undertaken, our plans for improvement and our objectives for the future.

The decision to make public our efforts to unite economic results with **safeguarding the environment** and the **social fabric** that surrounds us should not be taken for granted. In recent years, companies have been forced to change their approach, in relation to the public debate on sustainability, and this is leading to a profound and radical transformation in the way they do business, implying a global reconsideration of their behaviour.

We have decided to actively participate in this process of change, to share it and to make it an **integral part of our company culture** and of our modus operandi.

I hope that everyone who reads this Report understands our **determination** and our **commitment** to the sustainable growth of our Group, conveyed through a new way of thinking and of doing by each and every one of us.

Marco Giovannini
Chairman & Chief Executive Officer



INTERVIEW

FRANCO BOVE

Franco Bove, Guala Closures Group is publishing its second Annual Sustainability Report. Can you explain to us why this topic has become so important?

Franco Bove: The main aim of the first Report was to render our vision and our objectives public and transparent. This second Report is a continuation of this, but takes the progress that we have already made into account.

Before being a **performance tool**, sustainable development is an act of responsibility, and a company that considers its social, environmental and economic impact jointly is more responsible.

The environment, our human resources and our economic model all represent essential assets; by developing them, we influence the quality of our products, the performance of our trade relations and our production costs. By doing this we increase **our value**.

Furthermore, our position as market leader drives us to consolidate and differentiate our positioning. We announced our **commitment to sustainable development** three years ago; I believe that today we can state that we have a **comprehensive, high quality Sustainability Programme**.

Looking at the experience you have acquired over the past few years, what aspects do you believe are the most important?

F.B.: First of all, I would like to emphasise that we have tackled this topic with **determination** but also with a degree of humility. We decided to let time take its course. The time needed to understand and to organise ourselves to do things right. The time needed to make people aware and to ensure their increasing involvement.

Concerning 2012, I would focus on 4 aspects:

- Firstly, the **involvement** and the **participation** of the men and women who work for the Group in Italy. This is a fundamental aspect of sustainability. The topics we deal with when we talk about sustainability regard us all directly, as both employees and as citizens. This specific aspect of sustainability represents a great strength for these topics, which are able to promote participation and enable everyone to feel personally involved in all possible changes.

In actual fact, often the projects that we have undertaken to achieve our objectives are projects suggested by our employees, who then become responsible for their implementation.

Right from the beginning of the programme, we created a Sustainable Operating Committee, known as CompOp, in which all company departments are represented. Its mission is to encourage and stimulate the implementation of our strategy and to guide us towards achieving our objectives. ComOp works well, it meets regularly under my supervision, and its progress is reported regularly in our Newsletter called “**echo**”, entirely dedicated to sustainability. In addition to this, during the year, we planned a high number of training hours on sustainability topics and on environmental protection.

An internal survey, conducted at the end of the year, produced positive results. It confirmed a high level of awareness of environmental issues and a good perception of the change that we are moving towards. This encourages us to continue and to go beyond.

- The second aspect is data measurement and collection. Significant efforts were made in 2012, and this area will be completed in 2013. This aspect was fundamental to implementing a serious and effective sustainability strategy and therefore we developed a procedure to collect

and monitor all of the information needed for our environmental indicators, while the information required for the economic indicators has already been available for some time now.

- The third area regards **environmental management tools**. Spinetta, the Group’s headquarters, obtained ISO 14001 certification. It is the third site to be certified. This management system will soon be extended to the other plants in Italy, and then to the entire Group. We believe that we are the only company in our industry to have conducted a Lifecycle Assessment of the wine closures we produce in 12 plants worldwide. As well as enabling us to understand our environmental impact, this exercise represents an effective productivity management tool. By the end of 2013, we will have an internal tool for both the Lifecycle Assessment of all of our products and for our Carbon Footprint.

- Lastly, we have all of the **projects launched during the year**. Several of these have already produced results, and you will find them in the section regarding the indicators, others will produce results in 2013.

One extremely important project, launched in 2010, is that relating to the “**top**” **label and to the programmes to offset the CO₂ emissions** of our wine closures. In 2012, we offset 6,000 tonnes of CO₂ equivalent, corresponding to the production of 500 million closures, through a certified reforestation project in Peru. You can see a video about this programme on our website. Instead, in 2013, we will offset **1 billion wine closures** through a reforestation project in India. I think it is important to draw attention to the fact that as well as leading to obvious environmental benefits, this type of project also entails significant social and economic benefits for local communities: work, income and environmental culture. We believe that these programmes symbolise the quality and our absolute commitment to integrating sustainability in our processes and our company culture. Another important project regards **communication**. Cultural and behavioural change is achieved through an intensive training and communication plan. It has to be tangible, factual and structured. In 2012, efforts in this direction intensified, and it will become increasingly important, both internally – newsletters, posters, videos – and externally – website, advertising, public relations.

What does the future hold for the Sustainability Programme?

F.B.: Obviously, it doesn’t stop here. We have made considerable progress, but the road ahead is long. The strength and the attraction of these topics also lies in the virtuous circle that they are able to trigger. A company that adopts the principles of sustainability and that really applies them to its business activities and to its production processes, is naturally going to ask its suppliers to do the same. Our Customers are asking us to and we are already able to respond. We will do the same with our suppliers.

When we started off, we decided to use Italy as a reference model, but as early as 2012, we extended the scope to the entire Group, for example, for the majority of the economic indicators, and this extension will gradually expand to encompass all of the others.

Today, we are ready to speed up the international extension of the Programme and to consolidate the progress made on all indicators. We are on the right road to achieving all of the objectives set for 2015, and we have added new objectives with respect to the 2011 Report. An updated table can be found at the end of this Report.

I would like to conclude by thanking everyone that works for the Group, whose contribution makes it possible for us to grow, respecting the environment and those who surround us.

Franco Bove
Group Chief Operating Officer



GUALA CLOSURES GROUP HISTORY

1954, Alessandria

Founded in 1954 in Alessandria, the Guala Group started operating in the newly-established plastics industry, on the initiative of Angelo Guala. The product that shaped the company's success was a plastic closure for alcoholic beverages which, in 1959, led to the signature of an **important contract** with Amaro Ramazzotti. From that date on, Guala specialised in the production of safety closures, becoming the supplier of numerous Italian brand names including Cynar (1960), Buton and Stock (1961). In the same period, the Group launched a plan to expand into international markets.

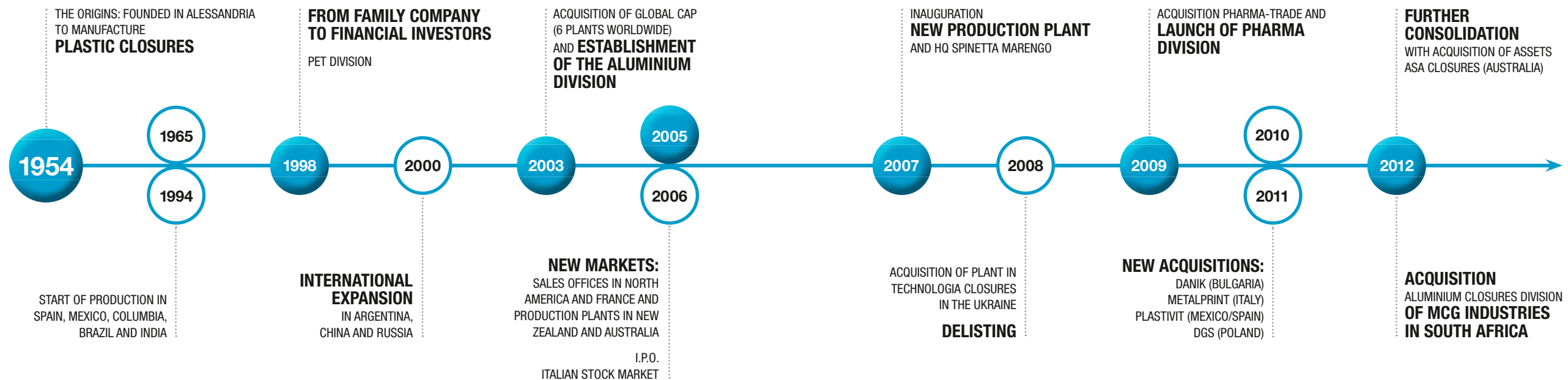
1998, a new shareholder structure

1998 marks an important date: the company changed its financial and economic structure and the control of the same was transferred from the Guala family to an investment fund. From that date on, **expansion into international markets** and the differentiation of the production processes intensified with the establishment in 2003 of the Aluminium division. Various acquisitions led, eventually, to the establishment in September 2005 of the **Guala Closures S.p.A.** From that date to the present day, the Group has continued to expand on the international front, boosting its presence in foreign markets and adding the Pharma division to its organisation.

TO PURSUE A STRATEGY OF CONSTANT AND SUSTAINABLE GROWTH BY ACQUIRING AND ESTABLISHING NEW PRODUCTION FACILITIES AND DEVELOPING SALES NETWORKS IN NEW COUNTRIES, TO GUARANTEE THE CREATION OF VALUE FOR THE MARKET AND FOR OUR STAKEHOLDER



Spinetta Marengo Plant, Group Headquarters



GUALA CLOSURES GROUP TODAY

World leader
in the production
of safety closures

Over
13 billion
closures
produced per year



- (USA) Napa
- (MEX) Sj Iturbide
- (CO) Bogotá
- (BR) Sao Paulo
- (RA) Buenos Aires
- (RA) Chivilcoy
- (UK) Kirkintilloch
- (F) Paris
- (E) Barcelona
- (E) Alcalà de Henares
- (E) Jerez de la Frontera
- (I) Alessandria
- (I) Magenta
- (I) Basaluzzo
- (I) Torre d'Isola
- (I) Vasto
- (I) Termoli
- (PL) Wloclawek
- (UA) Sumy
- (BG) Kazanlak
- (SA) Cape Town
- (CN) Beijing
- (IND) Ahmedabad
- (IND) Daman
- (IND) Goa
- (AUS) Acacia Ridge
- (AUS) North Adelaide
- (AUS) Braybrook
- (NZ) Auckland

- Production plants
- PET production
- Sales offices
- Pharma BUs



World leader
in the production of aluminium closures

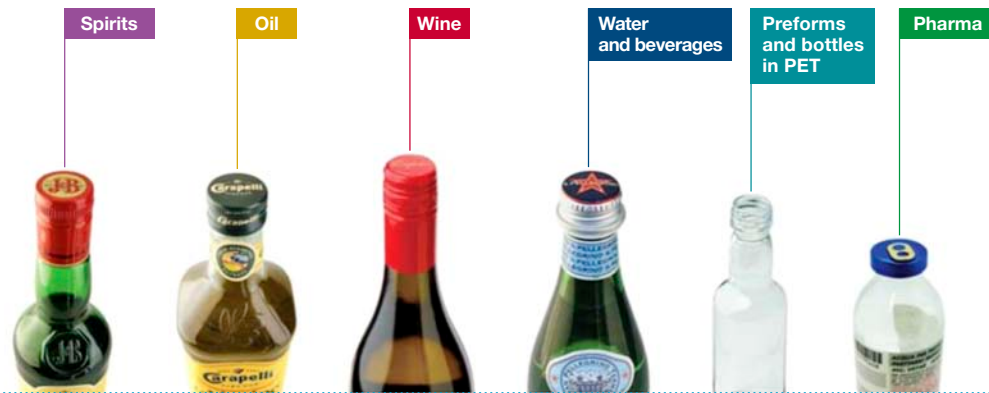
GUALA CLOSURES GROUP

PRODUCTS AND TECHNOLOGY

Due to its policy to continually develop its products, Guala Closures Group is today the market leader in **“non-refillable” closures**, a device to prevent the tampering and counterfeiting of liquid products. These closures safeguard the **quality** and the **image** of the most important brand names in the alcoholic and non-alcoholic beverages sector, as well as the wine, oil, pharmaceutical products and cosmetics sectors.

- ✓ Market leader in the “non-refillable” closures sector
- ✓ Effective anti-tampering and anti-counterfeiting device
- ✓ Protection of product quality
- ✓ Safeguarding consumers
- ✓ Safeguarding brand names

6 main categories of closures



Guala Closures produces:

- decorative closures
- safety closures
- standard closures
- PET products
- Pharma products

Tamper Evident Systems

Guarantee the integrity of packaging



Breaking the bridges

Automatic external

Automatic internal

Tear-off

Valve Systems

Guarantee the integrity of the content



Brand Identity

Guarantee the Customer's brand name and image

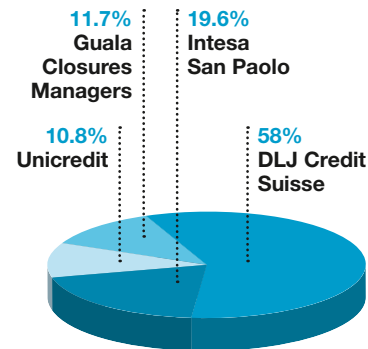


GUALA CLOSURES GROUP

COMPANY OVERVIEW

Shareholders

As at December 2012, 11.7% of the shares of the Guala Closures Group are held by the company's managers, while the remainder is held by three leading domestic and international credit institutions.



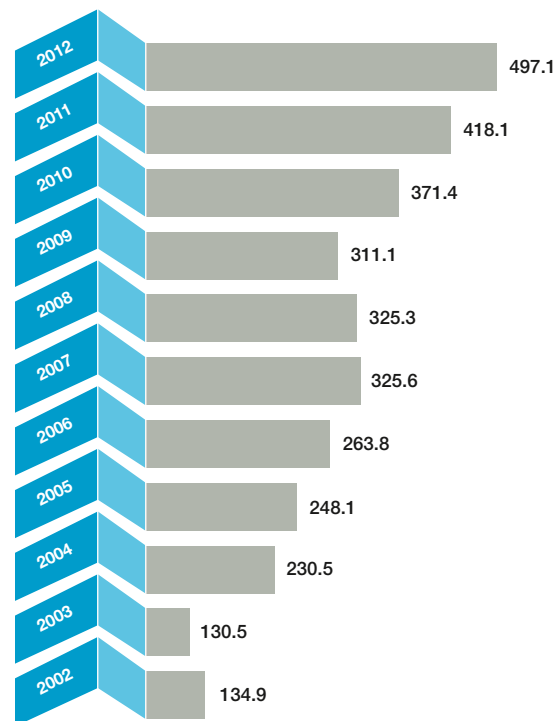
Revenues

In 2012, the Group recorded net revenues of €497.1 million, +18.9% compared to 2011. This increase is mainly due to higher sales volumes and to an increase in the sales prices of many companies (organic growth of 8.7%). The sales increase recorded in 2012 relates to the further penetration of safety closures and to the ongoing process of conversion from corks to aluminium screw caps for wine bottles.

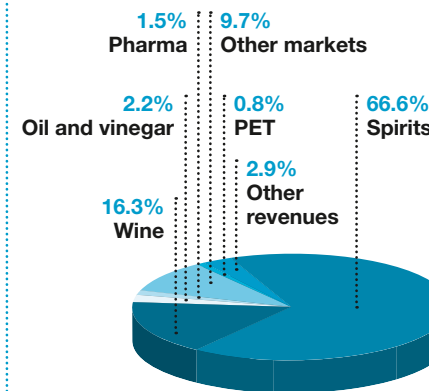


Guala Closures Group revenues (€ml)

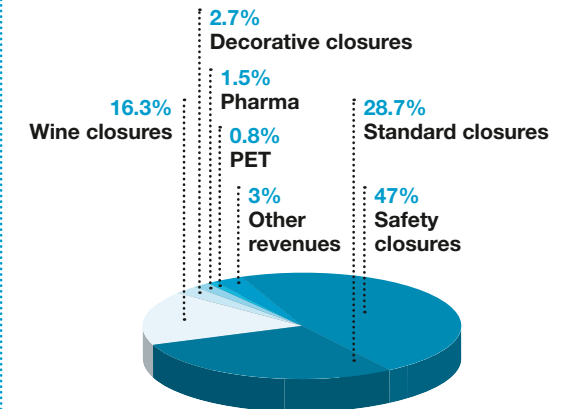
Revenues (€ml) 2002-2012



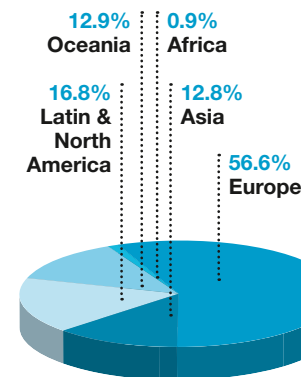
Revenues by final market (2012)



Revenues by product (by value, 2012)



Revenues by geographic area*



*geographic area based on the production site

Investments

In 2012, the Group made net investments (net of debts for investments) of around €26 million.

Certification of financial statements

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



GUALA CLOSURES GROUP

CORPORATE GOVERNANCE

Being accountable doesn't just mean complying in full with legal obligations, above all it means voluntarily adopting rules and acting in order to correctly manage business processes, with a view to transparency and ethics. This is the approach that Guala Closures has undertaken to make part of its daily life, by integrating the principles of sustainability in its business processes and by monitoring their actual implementation. The following pages illustrate the principles and the tools that are the foundation of our internal governance system.

The governance structure

The Group's objective is to create value for all stakeholders.

The crux of the Guala Closures governance system is the central role played by the **Board of Directors**, which is responsible for the Company's strategic and organisational guidance, as well as for the overall supervision and control of business activities. To carry out its mandate, the Board of Directors avails itself of the support of bodies and committees, entrusted with decision-making, advisory and control duties, as well as managerial committees, which implement the directives and the strategies established by the Board of Directors and delegated bodies. These committees include the Board of Statutory Auditors, the Supervisory Body, the Internal Control Committee and the Remuneration Committee. Guala Closures also uses the services of an external auditing company, responsible for auditing the Group's accounts.

The organisational and functional structure

The organisational and functional structure enables the Company's strategic operating decisions to be conveyed to management, delegating powers and responsibilities to the organisational levels below. This is carried out both through teams of Executives, such as the **Executive Committee (COMEX)** or the **Staff Meeting**, and through functional mandates to Staff or Line Managers.

Organisational Model pursuant to Italian Legislative Decree 231/2001

In order to properly implement the principles stated in the Code of Ethics, the Guala Closures Group has developed and adopted an Organisational and Management Model for its business activities, in compliance with that envisaged by Italian Legislative Decree 231/01 of which the Code of Ethics is an integral part. The Organisational, Management and Control Model establishes how the company is structured to prevent crimes relating to the administrative liability of companies being committed during the course of its business activities, to safeguard the expectations of its stakeholders.

Our Code of Ethics

The Code of Ethics is conveyed as the "**Company Constitutional Charter**", a charter of the rights and moral duties that define the ethical-social responsibility of the Company and of everyone who is part of the organisation.

From this perspective, the Code contains the ethical rules prescribed for the Guala Closures S.p.A. Group and for all employees, who, depending on the position held, operate within the company or represent the Company towards external stakeholders.

Aware of the value of its reputation, the Company intends to achieve the following through the Code:

- to define and explain the values and the principles of its business activities and of its relations with internal and external stakeholders;
- to formalise its commitment to act with **loyalty, transparency and correctness**;
- to reiterate its commitment to safeguard the legitimate interests of its investors;
- to communicate the principles of conduct, the values and the **responsibilities** to its employees and external staff, who are expected to comply with the same when they are at work.

The Company ensures and guarantees the maximum circulation of the Code as well as regularly checking its application.

Our mission

The primary objective of the Guala Closures Group is to **consolidate** and **develop** its **leadership** position at **international** level. The geographic location of our production plants and of our sales offices and the vast range of products we manufacture enable us to meet the needs of our Customers. Our **strength** is to constantly pursue research, **innovation** and **excellence**, to anticipate market change and to develop new solutions to protect products and to create an innovative marketing image.

Our values

We want to contribute to creating an **international culture** that seeks to safeguard product quality and to challenge the phenomenon of adulteration, to the benefit of consumers and manufacturers alike. We pursue these objectives by promoting a sustainable approach which encompasses economic, environmental and social aspects. We take action on a daily basis based on the Group's founding values:

- **transparency**: clarity, completeness and precision of information, of the business activities performed and in interpersonal relations;
- **professionalism**: training and development of employees in a culture of continuous improvement;
- **protection and welfare of the environment**: health and safety of the internal and external environment;
- **recognition and reward of results**: total sharing of objectives and objective appraisal criteria to encourage and reward human resources.



GUALA CLOSURES GROUP

CORPORATE GOVERNANCE

Our environmental policy

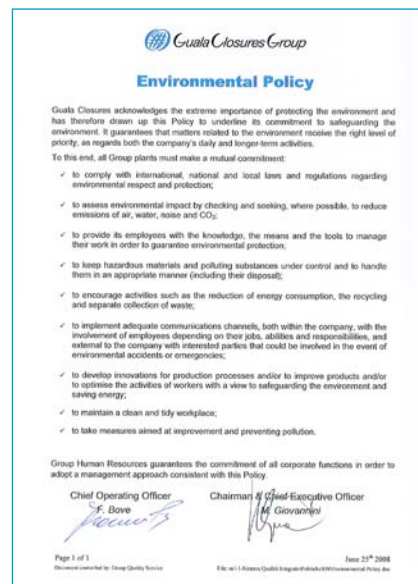
Published in July 2008, translated and circulated in Italian, English and Spanish, the Environmental policy illustrates principles and establishes the macro-objectives for environmental protection, applicable to Guala Closures worldwide.

The cornerstones of our Policy are:

- to assess, **monitor and control environmental impact**;
- to increase the **awareness** and the **involvement** of everyone in environmental protection;
- to develop the **sustainable innovation** of our products;
- **to reduce consumption** and optimise processes.

Our quality policy

Quality is central to Guala Closures business activities and is an integral part of the Group's management strategy, with a view to full Customer satisfaction. The Guala Closures Group has developed an organisational and production model based on the continuous improvement of the quality parameters required by international standards ISO 9001 and ISO 22000, also achieved through an internal procedure which entails achieving important milestones. Over 90% of Guala Closures' sites are ISO 9001 certified and all employees are aware of the policy.



Our stakeholders

In 2011, Guala Closures undertook to properly identify its stakeholders.

The diagram below provides a graphic representation of the network of parties with which Guala Closures has relations.

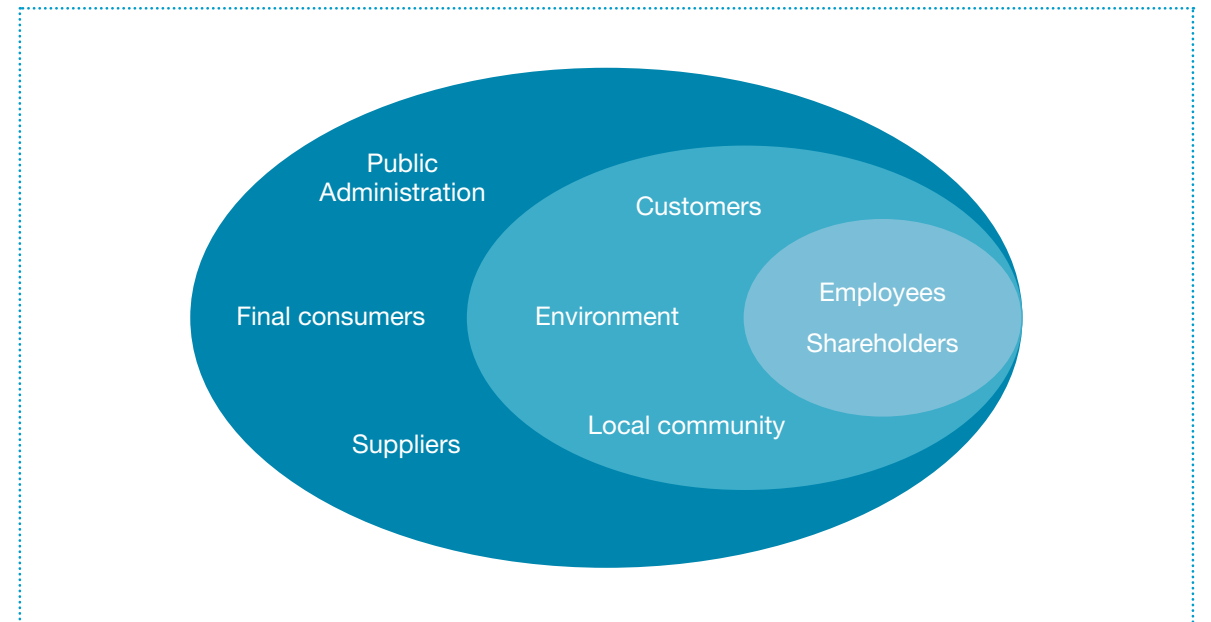
This initial exercise was preliminary to establishing the strategic lines of the Sustainability Programme and of the set of indicators to be used to prepare accurate reports. The consultation took place substantially by means of a series of interviews, which enabled the Group to understand the main expectations of the various categories of stakeholders. The decision to report on our commitments and our objectives and render them public through the Sustainability Report is a response to the shared expectation of all categories

of stakeholders to be able to have a clear, transparent and comprehensible description of the Group's projects and activities.

We are currently setting in place a series of initiatives relating to the consultation and involvement of our stakeholders over time.

The "Stakeholder Engagement" is our commitment to apply the principle of inclusivity, which means acknowledging the right of our stakeholders to be heard and undertaking to report on our activities and on our choices (AA1000SES, 2005).

This concept is the fundamental premise to achieving sustainable growth based, as far as possible, on a fair balance of the interests and the expectations of all of those with whom the company comes into contact.



GUALA CLOSURES GROUP

KEY FACTS 2012

The Group also continued to grow in 2012 thanks to measures set in place to curb costs, improve technology and launch new products on the market. Investments addressed to meeting Customer needs in emerging areas proved to be fundamental. The following paragraphs illustrate the most significant events that took place during the reporting period.

January

Aluminium Closures Association was established within the EAFA. Its objective is to improve the quality and safety of aluminium closures, to stimulate and encourage sustainable best practices and procedures, and to promote the image of aluminium closures.

February

Guala Closures Iberica formalises its decision to close the Hospitalet plant and to integrate the production of plastic closures in the Jerez de la Frontera plant. Between March and April 2012, equipment and several members of staff were relocated.

March

Guala Closures Iberica S.A. signs a contract with Plásticos Gonzalez S.A. for the sale of the aerosol division by Guala Closures Iberica S.A. to Plásticos Gonzalez S.A.. Official inauguration of the new production plant in Ahmedabad (India). Guala Closures is one of the winners of the Alufoil 2012 prize for its counterfeit-proof screw cap Roll On TE™, which provides the wine and spirits industry with further protection against counterfeiting and tampering, without disrupting existing production lines or changing filling speed.

April

Guala Closures organises a seminar in Shanghai and in Peking on the risks of wine counterfeiting. The Group purchases the residual minority stake (40%) of Creative Moulds (India), through its international holding company Guala Closures Orient B.V.

May

London International Wine Fair: Guala Closures Group presents its campaign on eco-responsible “top” closures. Launch of Viiva, an aluminium closure for sparkling wine. Approval of the merger between Guala Closures S.p.A. and Creative GCL S.r.l.. Approval of the merger between Guala Closures S.p.A. and GCL Special Closures S.r.l..

June

In collaboration with Gambero Rosso, Guala Closures organises and promotes “In tappo Veritas” in Rome, a seminar on the risks and the problems associated with the counterfeiting of olive oil. The means used to counterfeit oil range from simply replacing the content of the bottle with a lower quality product, to the production of a totally false product, which often contains substances that can seriously damage the health of the consumer.

July

The aluminium processing line, which centralises the world production of Guala Closures in Italy is inaugurated.

With a total investment of €18 million, Magenta becomes the most modern site in the world for the production of aluminium packaging products without the use of chromium. The plant has the capacity to transform up to 25,000 tonnes of aluminium, producing around 7.5 billion closures.

September

Guala Closures Group purchases the closures division of MCG Industries, a leader in the production of aluminium closures in South Africa. With a plant located in Paarden Eiland (Cape Town), the division produces a wide range of aluminium closures and its continuous commitment to innovation guarantees the supply of products with an extremely high level of quality throughout South Africa.

Guala Closures de Mexico S.A. de C.V. incorporates Plastivit America S.A. de C.V.. The company changed its name to Guala Closures Mexico S.A. de C.V..

October

Guala Closures and The Spirits Business, a leading magazine in the global spirits industry, organised a seminar in London called “Fight the Fakes” on the issue of counterfeiting in the spirits market.

November

Guala Closures S.p.A. issues a 7-year bond worth €275 million. Guala Closures S.p.A. was the first company ever to take advantage of the special terms envisaged by the Decree of the Ministry for Economic Development.

December

Guala Closures Group closes 2012 with revenues of €497.1 million.



The new production line in Magenta on the day of its inauguration



Guala Closures plant in South Africa



GUALA CLOSURES GROUP SUSTAINABILITY STRATEGY

If we wish to see economic development that grows and lasts over time, we have to protect our natural resources and encourage everyone who lives on the planet today, and who will live on its tomorrow to respect it. Sustainability therefore means combining the economic development of our business with the protection of natural resources and the respect of the social dimension. For a large Group, it is not always easy to bring these three dimensions together in a single approach. Our commitment is precisely this: every time we design a new product, or we plan a new production investment, or we assess an acquisition or sign a contract, and in even the smallest gesture of company life, we have to spontaneously consider the environmental and social aspects alongside the other factors that contribute to the decision or action.

Our strategy

We established it in 2011, and it included objectives, indicators, scope and deadlines. It is reviewed by Group Management every year to ensure that it is continuously in sync with the products, processes, markets and tools that become available over time as regards environmental protection.

The strategy and the results achieved are submitted to Management and are discussed by the **Executive Committee (COMEX)**, whose members comprise all Internal Board Directors.

Several of the strategic lines of our report have an international dimension and involve a number of countries. The final objective is to establish a joint international strategy for all areas of sustainability.

Italy as a benchmark

The approach adopted by Guala Closures for the areas of sustainability is **tangible and measurable**, starting with the Italian production plants. Following initial consultation with our major stakeholders, we identified and selected **12 indicators** which were to be the focus of continuous improvement and reporting.

Objectives were defined for each indicator: measurable if the quantitative data was available and accurate, qualitative if the objective envisaged efforts to consolidate the information available.

The **objectives** are **short, medium and long term** and are also updated and revised each year on the basis of the experience we are gradually acquiring.

The 5 pillars of Guala Closures Sustainability Strategy:

- ✓ *Accurate and measurable indicators and objectives*
- ✓ *Measurement and monitoring tools*
- ✓ *To promote a sustainability culture*
- ✓ *A dedicated sustainability team*
- ✓ *Internal involvement and participation*

Key performance indicators

The scope of the figures shown below, unless otherwise indicated, is Italy.

ENVIRONMENTAL AREA	2011	2012	% '12 vs '11
Energy consumption Gj/t fp ⁽¹⁾	12.57	12.42	-1.18%
Water consumption m3/t fp	6.05	5.94	-1.87%
Waste production Kg/t fp	190.75	189.35	-0.73%
Waste recovery %	90.53%	93.21%	2.96%
Waste disposal %	9.47%	6.79%	-28.32%
% scrap ⁽²⁾	na	na	-11.63%
Certified operating units ISO 14001 (Group)	12%	12%	0%

SOCIAL AREA	2011	2012	% '12 vs '11
Accident frequency rate	21.51	21.26	-1.16%
Accident severity rate	0.74%	0.57%	-22.97%
Average training hours per employee	15.48	17.12	10.6%
Employees at year end	570	570	0%
Employees at year end (Group)	3,645	3,972	8.97%
% female employees	17%	17.34%	2%
% female employees (Group)	21.76%	21.6%	-0.71%
Turnover	1.96%	2.82%	43.88%
Certified operating units ISO 22000 (Group)	20%	28%	40%

ECONOMIC AREA	2011	2012	% '12 vs '11
Group revenues (€ml)	418.1	497.1	18.9%
New patents registered (Group)	3	7	133%
Customer satisfaction OTIF (Group) ⁽³⁾		87.6%	
Overall Equipment Effectiveness (OEE)	55.2%	67.1%	21.5%
Complaints received from Customers CLAIMS (Group) ⁽⁴⁾	0.4%	0.3%	-25%
ISO 9001 certified sites (Group)	84%	92%	9.52%

(1) fp: finished product

(2) na: not available

(3) excluding the plants in Bulgaria, Poland, Ukraine, South Africa, India, Jerez, Magenta

(4) excluding the plants in Bulgaria, Poland, Ukraine, South Africa, Ahmedabad

Our management tools

The use and the application of management tools enable us to address our efforts to specific areas of interest, to establish a common language between plants located in different countries, and to consolidate a common Group database, which allows us to monitor the indicators and effectively assess their performance.

The main tools used or that are being implemented are as follows:

- LCA of products in the wine range
- Carbon Footprint
- Tool to manage indicator relating data
- Eco-design tool
- Internal newsletter and Sustainability Report

Our management systems

Management systems enable us to monitor specific business processes or aspects based on requirements shared at international level. Guala Closures has adopted the three major ones: ISO 9001:2008 (Quality), ISO 22000:2005 (Safety and food hygiene), ISO 14001:2004 (Environment), which have already been implemented or are being implemented in our plants.

GROUPWIDE ISO CERTIFICATIONS	ISO 9001	ISO 22000	ISO 14001
% plants certified 2012	92%	28%	12%
% plants certified 2011	84%	20%	12%

Extending ISO 14001 within the Group

After obtaining ISO 14001 environmental certification for the Spinetta headquarters in December 2012, Guala Closures now intends to extend this management system groupwide. A manual containing the guidelines for the application of the environmental management system has been drawn up. This Manual has been translated into several languages so that it can be implemented in plants at global level.

Roberto Boidi
Group Quality Assurance



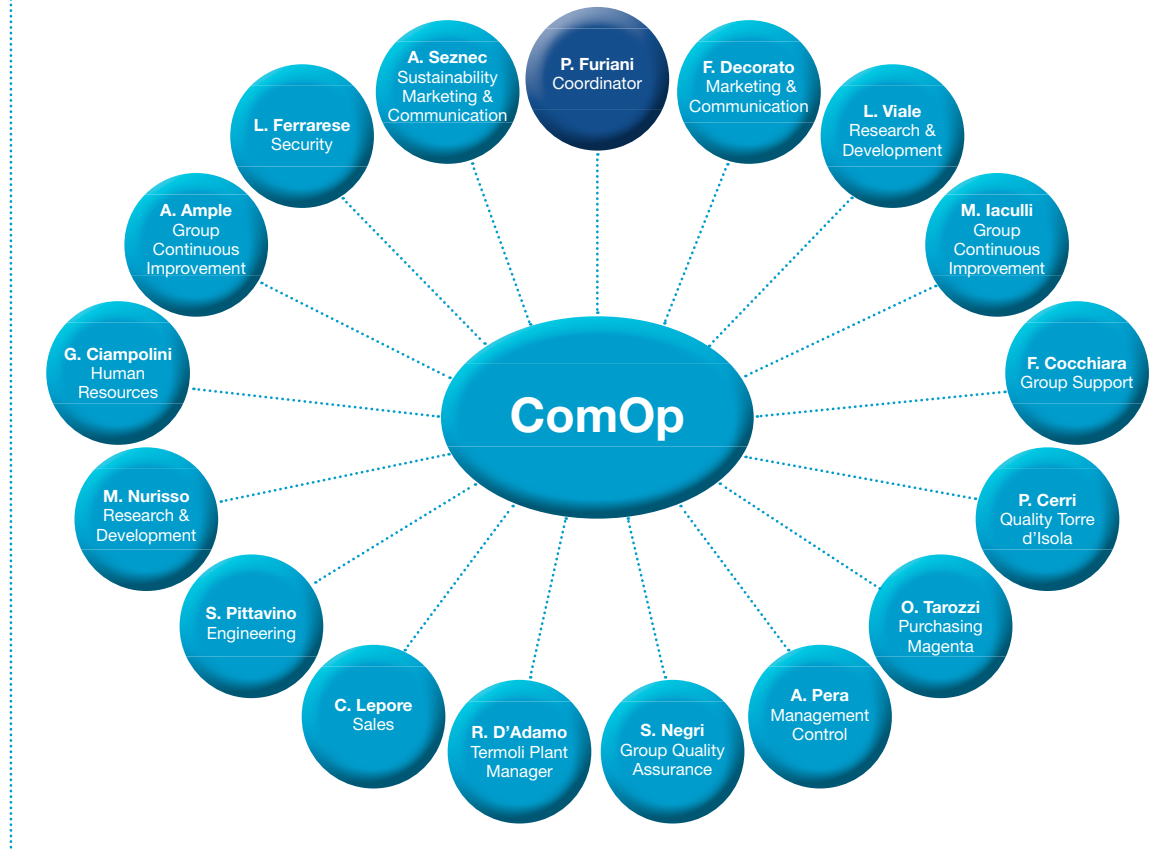
Internal organisation

The organisational structure set in place to implement the strategy is the **Operating Committee (ComOp)**; all company departments are represented and it oversees the application of the Sustainability Programme. This guarantees the integration and penetration of the Sustainability Programme in daily operating activities, facilitating and encouraging the involvement of everyone. For the moment, this team is only based in Italy, although its scope extends to other countries, depending on the project.

ComOp's job is to select and assess the feasibility of projects to achieve objectives and to monitor their progress.

It is also responsible for proposing and overseeing the way in which information on the principles of sustainability is shared internally. It meets every two/ three months and reports on its progress to General Management on a monthly basis.

ComOp Organisational Structure – as at 31 December 2012



Participation and involvement

Getting people to participate personally is an extraordinarily effective way to promote involvement. In the Guala Closures model, projects are often launched on the proposal of an employee, and their actual application entails the direct involvement of our employees. The objective is to ensure that everyone understands how important their contribution is to achieving results. These derive from small daily gestures, such as separate waste collection and using electricity and water sensibly. The results achieved, the projects completed and the initiatives underway are reported in "echo", the newsletter on the eco-responsible commitment of the Guala Closures Group, designed to inform, share and make everyone aware of what we are doing in this direction.

Internal survey Italy

How aware are employees of environmental issues? How do they behave as citizens? How do they perceive the Group's commitment to the environment? What information have they received in this regard? At the end of 2012, we wanted to get an idea of the current situation, and the outcome was interesting, and already positive, starting with participation (43%).

- **Practice separate waste collection**
72% always 24% often
- **Do not waste water**
44% always 27% often
- **Use natural light**
62% always 34% often
- **Know of GCG's environmental projects**
35% well 58% little
- **Know of ComOp**
34% yes 32% little 34% no
- **Have received/read the 2011 Report**
86% received 65% read
- **Receive/read the "echo" newsletter**
92% received 68% read

Totem displayed in plants

Examples of Newsletters

External stakeholders – Customers and Suppliers

All organisations that adopt a sustainability model have to monitor the progress of their performance and of their objectives, and then to report on the same with respect to the set parameters. In 2012, we held discussions with our Customers and our Suppliers, which we intend to continue on into 2013. Guala Closures makes products for the top international brands of alcoholic and non-alcoholic beverages, wine and drinks, many of which have in turn adopted Sustainability Policies and Programmes. The need to request information or to receive requests for information on the environmental impact of processes and products is becoming increasingly common. Guala Closures is also updating its database of its product and service suppliers, on the basis of their environmental impact. This update will enable us to prepare a comprehensive audit plan of objectives and deadlines.



D. Stevenson
General Director, Italy

We expect to be able to continuously improve the work we are doing, for both ourselves and for our stakeholders and we can do this if we understand and promptly respond to the expectations of the market and of society. Nowadays our Customers expect us to combine high quality reliable closures with consumer and environmental protection. We have to pay considerable attention to fulfil this expectation, seeking to be creative and transparent and I am certain that this how we will reap the results of our commitment.



Sedex

Established in 2001 in the UK, the objective of the NPO Sedex is to promote ethical and transparent business practices. Information on sustainability along the supply chain is shared through a web platform and audits of facilities are planned as needed. In 2012, the plants of Olèrdola (Spain), China and Torre d'Isola were audited, following the request of an important international customer of the Group, obtaining full "compliance" certification. Guala Closures became a member of this association in 2008, undertaking, as all Sedex members do, to periodically share and update the required information. The process regards the entire Guala Closures Group, as indicated below:

- 2011 – 10 plants
- 2012 – 13 plants
- 2015 – All (objective)



"The Sustainability District of F.lli Carli"

F.lli Carli has launched a project to share the principles of sustainability with its suppliers. The objective of the Ligurian company is to create a **laboratory to design an eco-compatible prototype for the olive oil industry**. Guala Closures is part of the project as a supplier of the F.lli Carli Group and as a highly qualified expert on the issues examined by the laboratory.

Institutional activities and associations

The **Aluminium Closures Association** was established in 2012 within the EAFA by **aluminium closure manufacturers**. Chaired by Franco Bove, who has been a keen supporter of the same, its members represent over 80% of the global closures market.

Under his guidance, the Association has set in place a Working Group, whose aim is to sustain and share sustainable principles and practices with members, as well as to develop full and correct information on the features of these products.

At the end of 2012, the Association launched an international information campaign called TURN 360°, the purpose of which is to promote and disseminate the quality, safety and sustainability features of aluminium closures.



Save the spirits

In addition to contributing to combating the issue of counterfeiting through its own products, the Guala Closures Group has created an information and awareness campaign addressed to all stakeholders.

"Save the Spirits" is a social accountability campaign, designed and organised by Guala Closures to combat a phenomenon that is widely spread at international level, able to cause very serious damage to health and to the economies of numerous countries. The harm to health provoked by counterfeit spirits is mostly caused by the harmful additives used to dilute or replace the most valuable and costly natural raw materials, not to mention the very serious repercussions to the health of consumers. To find out more, visit the website www.savethespirits.com

EAFA

EAFA is an international association founded in 1974, whose Committee represents around 100 members from the four main industries related to the use of aluminium: foil rolling and manufacturing, closures, containers and flexible packaging. Each industry is organised into a group.



The recyclability of aluminium closures

One of the main aims of the TURN 360° campaign is to make consumers aware of the recyclability of aluminium closures, promoting correct separate waste collection. Following a survey commissioned by the Association, it appears that today, the average rate of collection of closures in Europe is around 40%, ranging from 20% in France to 80% in Germany.



Anne Sez nec
Group Marketing Manager

The TURN 360° campaign is enabling us to lay the foundations for an objective and unblinkered reappraisal of aluminium closures for wine. They are safe, high quality, have great potential in terms of design and are sustainable from an environmental perspective. As well as preserving the flavour and body of the wine, aluminium caps boast great advantages in terms of sustainability. Aluminium can be infinitely recycled and its reuse enables a saving of up to 95% of energy to be achieved with respect to that used for its original production, with the respective decrease of greenhouse gas emissions.

500 MILLION CLOSURES OFFSET (CO₂)

In 2012, through the reforestation project illustrated on the right, Guala Closures offset the CO₂ emissions generated by the manufacture of 500 million wine closures produced in the plants of Torre d'Isola (Italy), Braybrook (Australia) and Auckland (New Zealand). Offsetting the CO₂ emissions is criterion number 11 of the set of criteria of the **top** label, which was presented in detail in the 2011 Report.

The **top** label: a demanding agenda

top is the first and only label on the wine screw cap market. It is a private label, designed in 2010 by a team of experts in oenology, lifecycle assessment and carbon footprints, an environmental NGO and specialists from the Guala Closures Group. The **top** label means that Guala Closures can guarantee its Customers the certified eco-responsible quality of its screw caps. The **top** label's specifications are based on 11 precise, objective and measurable criteria:

- quality and security (3 criteria);
- tangible and committed eco-responsible behaviour (7 criteria);
- actual offset of the CO₂ emissions generated by the production of the screw caps to their delivery to the customer (1 criterion).

Obtaining the **top** label is subject to an audit – conducted by Ecocert Environnement – to verify that all criteria of the specifications have been met, including the actual offset of CO₂ emissions and the validity of the related offsetting project.



2012 OFFSETTING PROJECT	
Number of wine screw caps offset (CO ₂)	500,000,000
Emissions of CO ₂ eq*	6,000 tonnes

Source: LCA 2008
 *scope: from production to delivery to the customer. Plants: Torre d'Isola (Italy), Braybrook (Australia) and Auckland (New Zealand)

GUALA CLOSURES GROUP OBJECTIVES

To offset the CO₂ emissions of 1 billion wine screw caps in 2013



The 2012 reforestation project in Peru

The project was situated in the National Reserve of Yanayacu-Maquia, in the Loreto region, in the province of Requena, District of Sarayacu and Maquia, in North West Peru.

Implemented and coordinated by 2 NGOs – **Up2green Reforestation** and **Biodiversité Amazonienne**

– and certified by Ecocert Environnement, this Peruvian agro-forestry project encompasses all three dimensions of sustainability:

- **environmental**, reforestation of an area that is currently partly desert, with the objective of restoring the ecosystem;
- **social**, direct involvement of 2 local communities – over 100 people – to improve their living conditions: employment, involvement in the management of the reforestation project, environmental education;
- **economic**, payment for the work performed and income from the sale of the products obtained.

The programme took place between 6 May and 22 October 2012. The certified Report, issued by Ecocert Environnement to Guala Closures, is available on request to: sustainability@gualaclosures.com
 The presentation video can be found at the following address: www.youtube.com/gualaclosuresgroup

- ✓ 30,000 trees planted
- ✓ Over 34 hectares reforested
- ✓ 2 teams of 4 people for supervision
- ✓ 32 species selected
- ✓ 6,000 tonnes of CO₂ absorbed
- ✓ Ecocert Environnement Audit at the end of 2012



THE INDICATORS

2012 RESULTS

2012 – A year of work and of results

The work carried out in 2012 mainly addressed five fundamental areas:

1. Collecting data on all of the indicators and implementing an updating procedure to monitor them.
2. Verifying and checking the relevance of the indicators and of the objectives identified.
3. Establishing and managing the Operating Committee entrusted to implement the strategy.
4. Identifying and launching specific projects to achieve the objectives.
5. Encouraging the awareness and the involvement of Guala Closures employees with regard to the Sustainability Programme.

2012 Results

The majority of the objectives defined last year are expected to be achieved in the medium term (2015), while others had a deadline of one year. **Almost all of the objectives with a deadline of 2012 were achieved**, several were even surpassed. Of the numerous projects implemented during the year, some proved to be particularly effective in terms of their ability to involve employees and to convey the fundamental principles of the Sustainability programme, some for their ability to influence the achievement of the objective and others due to the fact that they can be exported to other Group plants. The scope is mostly Italy, however almost all of the

objectives relating to economic indicators have already been extended to other Group countries.

Social and environmental indicators will be gradually extended to other countries, even though the process of awareness and information is already underway, by means of both international meetings and through internal communication media (newsletters, internal notes, guideline documents).

The intention of this Report is also to share this experience with a view to stimulating and suggesting similar solutions within the Group. The table on the right summarises the implementation status and achievement of the objectives stated in the 2011 Report.

More detailed explanations and a critical analysis of the results obtained are contained in the pages relating to an in-depth examination of each indicator.

2012 Report – Updating objectives

As well as achieving objectives, our work this year has provided us with numerous **stimuli** and enhanced our **knowledge** and **understanding**. A close examination of the assessment of environmental aspects relating to production processes has enabled us to revise several objectives, making them more suitable to guide us towards continuous improvement. At the end of this Report, a **summary table** shows the objectives set for each indicator, also highlighting any **changes for improvement** introduced against last year and the **new objectives** which the Group, one year ago, was unable to quantify due to a lack of sufficient data and information.

Indicators and objectives – Situation as at 31 December 2012⁽¹⁾

ENVIRONMENTAL OBJECTIVES	2012	2013	2014	2015
To reduce energy consumption by 10% per tonne of finished product				●
To favour the supply of renewable energy				●
To reduce the consumption of raw materials per tonne of finished product by 15%				●
To reduce scrap by 5% per annum	●			●
To increase the % of recycled aluminium	●			●
To develop water saving projects				●
To reduce the consumption of water not related to production				●
To conduct an assessment of greenhouse gas emissions		●		
To reduce the quantity of waste generated per tonne of finished product by 5%	●			
To reduce the % of hazardous waste with respect to total waste produced	●			
To rationalise and optimise internal and Customer transport flows				●
SOCIAL OBJECTIVES	2012	2013	2014	2015
To reduce the accident frequency rate by 10% compared to 2011	●			
To provide 15% of training hours per employees on environmental issues	●			
To develop career paths for internal resources				●
To establish a global personnel recruitment, training and management policy that integrates and safeguards cultural and social diversity				●
ECONOMIC OBJECTIVES	2012	2013	2014	2015
To improve global OEE by 5%	●			
To develop 3-4 innovative patentable ideas each year (Group)	●			
To bring the OTIF to over 85% (Group*)	●			
To reduce Customer complaints to 0.3% (Group**)	●			

(1) unless otherwise indicated, the figures relate to Italy

* excluding the plants in Bulgaria, Poland, Ukraine, South Africa, India, Jerez, Magenta

** excluding the plants in Bulgaria, Poland, Ukraine, South Africa, Ahmedabad

● = achieved in 2012 ● = not achieved in 2012 ● = year of expected achievement



THE INDICATORS

METHODOLOGY AND SCOPE

Methodology

From a methodological perspective, the 2012 Report is based on the Sustainability Reporting Guidelines of the **Global Reporting Initiative (GRI), version G3.1** dated 2006.

The analysis of sustainable performance is based on a set of indicators (KPIs), developed in line with the indicators of the GRI-version G3.1, and with that identified by Guala Closures following the first consultation, made in 2011, with its main stakeholders. The content of the report is structured so that the performance over time of the indicators can be compared. **The Report is available** in paper and digital format, in both **Italian** and **English**.

Geographic scope and timing

The reporting scope includes all Guala Closures plants in Italy, with the exclusion of Vasto, which refers to the Pharma division and the plant in Basaluzzo, which is in the process of transferring its entire activities to Magenta. **When the scope regards the Group, any plants that may be excluded are specified.**

To permit a more immediate comparison between 2011 and 2012, this Report also includes figures relating to Termoli in 2011. The figures illustrated in the 2011 Report therefore differ from those reported, for the same year, in this document. The differences represent the contribution of Termoli.

The Report is published annually and the period of time covered is January to December.

Indicators and scope

INDICATORS	SCOPE
1. Energy consumption	Italy
2. Raw materials	Italy
3. Water consumption	Italy
4. Greenhouse gas emissions	Italy
5. Waste	Italy
6. Transport	Italy
7. Health and safety	Italy
8. Training and continuous improvement	Italy
9. Diversity	Italy
10. Production efficiency	Italy
11. Innovation	Group
12. Customer satisfaction	Group*

*excluding some plants (see page 27)

With a view to continuous improvement and stakeholder involvement, any feedback on the content of this Report is greatly appreciated. We therefore invite you to send us your comments and suggestions for improvement (see the address on the Report's cover).

ENVIRONMENTAL INDICATORS





Energy consumption

OF THE IMPROVEMENT OBJECTIVES THAT GUALA CLOSURES HAS SET ITSELF, A TOP PRIORITY IS TO REDUCE ENERGY CONSUMPTION (GJ/FINISHED PRODUCT (T)) BY 10% BY 2015. THE WORK CARRIED OUT IN 2012, ENABLED US TO LAY THE FOUNDATIONS AND ORGANISE ACTIVITIES TO ACHIEVE THIS IMPORTANT OBJECTIVE. WE FOCUSED IN PARTICULAR ON THE DETAIL AND ACCURACY OF THE DATA, ON IDENTIFYING A UNIT OF MEASUREMENT COMMON TO ALL PLANTS, TO ENABLE CONSUMPTION PERFORMANCE TO BE MEASURED CORRECTLY, AND LASTLY ON IDENTIFYING FEASIBLE AND TANGIBLE PROJECTS. THE REDUCTION IN ENERGY CONSUMPTION THAT HAS ALREADY BEEN RECORDED IN ONE YEAR IS DUE, OVERALL, TO THE CAREFUL MANAGEMENT AND PREVENTIVE MAINTENANCE OF PLANTS, AS WELL AS INVESTMENTS MADE BY THE GROUP IN SEVERAL PROCESS LINES.



-1.18%

Total consumption GJ/finished product (t)

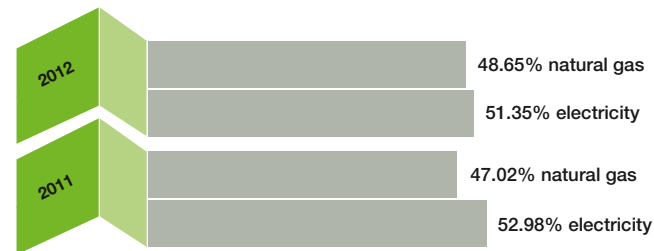
Between 2012 and 2011, consumption in absolute terms fell by 2.16% in GJ, a percentage that corresponds to **-1.18%** if related to tonnes of finished product.

Spinetta Presses

The Spinetta plant is in the process of implementing an important project to replace the presses in the molding department. Thanks to coordination between the Engineering and Quality departments, we were able to analyse and monitor the available technological solutions, identifying hybrid presses and the most efficient in terms of energy and reliable in terms of product quality. The replacement of around 30 presses will lead to **increased efficiency** in the plastic injection molding process.

Lighting

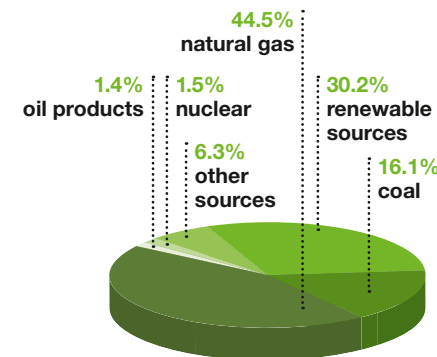
Although energy consumption relating to lighting represents less than 2% of the total, all plants are involved in projects to cut consumption. Depending on the plant, projects regard lowering the light sources in production and switching off those no longer necessary, replacing existing light bulbs with lower consumption alternatives and installing sensors to automatically turn them off.



Breakdown of consumption by source 2011/2012 in tonnes of oil equivalent (toe)

Heating in Termoli

Under the guidance of Roberto D'Adamo, a project was launched at the Termoli plant to reduce the energy consumption relating to the plant's heating. The hot air generated by the presses in the molding department has been diverted to the adjacent aluminium department by simply moving some extractor fans. This project led to a reduction, compared to the same winter season (November – March), of **72.6%** in the consumption of gas, used to heat departments. **An important project due to the ease of implementation, the simple and effective idea, the low investment** required and the high level of savings obtained.



Sources of electricity production used in 2011 (2012 nc)

Sources of energy: renewable energy sources represent over **30%**.

GUALA CLOSURES GROUP OBJECTIVES

* To reduce energy consumption by 10% - GJ/finished product (t) - by 2015

* To favour the supply of renewable energy





Raw materials

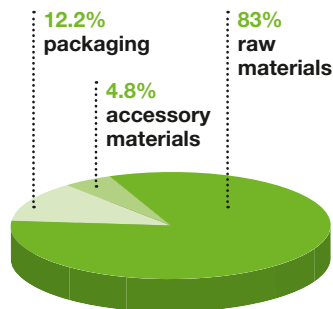
THIS INDICATOR DESCRIBES THE CONTRIBUTION OF GUALA CLOSURES TO THE EFFICIENT USE OF RESOURCES AND THEREFORE TO THE SAFEGUARDING OF THE SAME. THE GROUP'S OBJECTIVES, IDENTIFIED IN 2011, ARE DIRECTED TOWARDS REDUCING THE CONSUMPTION OF RAW MATERIALS BY 15% BY 2015, TO REDUCING SCRAP BY 5% PER ANNUM AND TO INCREASING THE PERCENTAGE OF RECYCLED ALUMINIUM USED IN PRODUCTION PROCESSES. IN 2012, WE HAVE ALREADY RECORDED EXCELLENT RESULTS FOR SCRAP AND FOR RECYCLED ALUMINIUM. AS REGARDS THE USE OF RAW MATERIALS, THE OBJECTIVE SET FOR 2015 HAS NOT CHANGED, BUT THE SCOPE HAS NOW BEEN EXTENDED TO INCLUDE ALL TYPES OF MATERIAL USED IN THE PLANTS. IN LINE WITH THE SUGGESTIONS OF THE GLOBAL REPORTING INITIATIVE, THE COMPANY NOW MONITORS CONSUMPTION OF RAW MATERIALS AS WELL AS AUXILIARY MATERIALS USED IN PRODUCTION PROCESSES.

Reuse of scrapped caps

Even process materials can be re-used to reduce scrap and optimise consumption. The Torre d'Isola plant designed and implemented a project in this regard. The production department therefore started to reuse scrapped caps to install lateral pressing. This simple initiative meant that scrap relating to the set up of lateral pressing fell from 13% to 10%, reusing hundreds of kilos of material. The excellent results obtained through this project, both in terms of efficiency and in terms of sustainability, make it a tangible example that can be applied in other plants.

Raw materials

Figures relating to 2012 are grouped by: raw materials, accessory materials and semi-processed products, packaging materials. The graph shows that plastic and aluminium raw materials account for over 80% of total materials used. The objective to reduce consumption is pursued through higher process efficiency and, above all, by reducing scrap.



% materials used



Reduction of scrap (na: not available)



Scrap

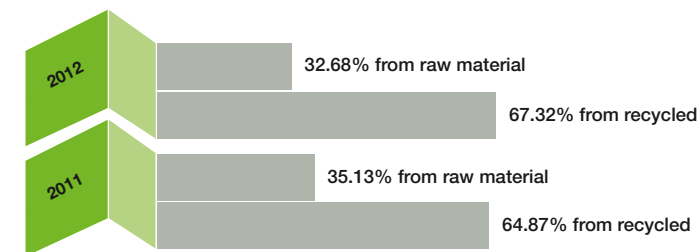
In 2012, the objective to reduce scrap was 5%. The reduction of 11.63% recorded means that the objective set for 2013 has already been surpassed.

Recycled aluminium

As regards the recycled aluminium used by Guala Closures in Italy, the level achieved today can be retained satisfactory. In 2012, the quantity of recycled aluminium reached **67% of the total** used by Guala Closures in Italy. This 67% includes **all of the scrap within Guala Closures** that is collected at the **various production plants** by the Italy Division and sent to a supplier to be melted and treated as required in order to put it back into the production cycle. In the future, Guala Closures will continue to reuse the total amount of scrap produced by all of the Group's plants and to favour suppliers that are able to supply high percentages of recycled material, with certified origins.

Reduction of scrap in side presses

Again with a view to optimising the consumption of materials, in the plants of Torre d'Isola and Barcelona, they have been working on intercepting faulty caps before they arrive at the side press and the end of the line. The objective is to avoid even brief downtime, which entails problems relating to restarting the machine and lower production. Different systems have been adapted to the features of each process line and are producing excellent results.



% use of recycled and primary aluminium

GUALA CLOSURES GROUP OBJECTIVES

* To reduce the consumption of raw materials per finished product (†), by 2015

* To reduce scrap by 5% per annum

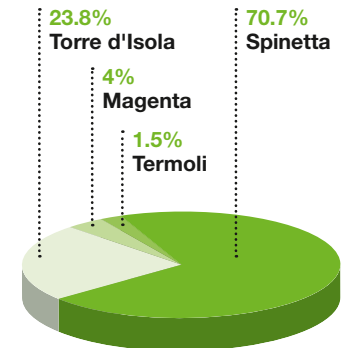


Water consumption

THE USE OF WATER IS VERY LIMITED IN GUALA CLOSURES. NEVERTHELESS, THE COMPANY DECIDED TO INCLUDE WATER CONSUMPTION IN ITS INDICATORS, BECAUSE IT IS IMPORTANT IN ENVIRONMENTAL TERMS SO IT CAN SET ITSELF OBJECTIVES AND REPORT ON THE RESULTS. THIS DECISION IS DICTATED BY THE KNOWLEDGE THAT WATER IS AN IRREPLACEABLE RESOURCE FOR OUR QUALITY OF LIFE, ALTHOUGH FRAGILE IN TERMS OF ITS CONSERVATION AND PROTECTION. WE ALL HAVE TO PLAY OUR PART SO THAT WE DO NOT WASTE THIS FUNDAMENTAL NATURAL RESOURCE.

Well in Magenta

A well is going to be installed on the site of the Magenta Plant, which will enable the water needed for production to be drawn directly. Production activities, specifically the new degreasing line, represent the largest share of the plant's water consumption and this intervention will mean that drinking water will only be used for cleaning purposes.



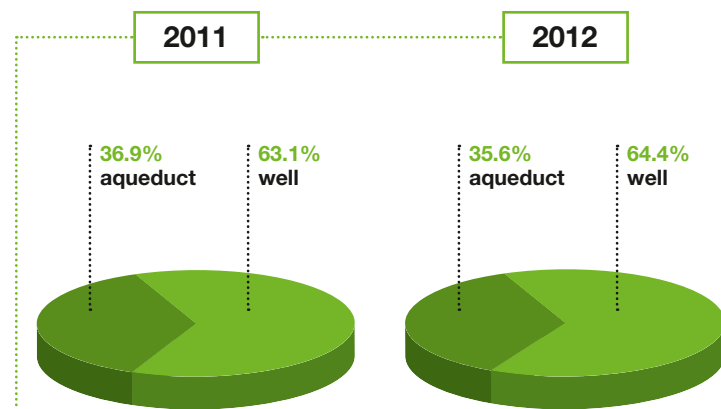
% use of water per production plant

Production plants differ considerably in terms of the % of water drawn. In actual fact, the Spinetta plant represented **70%** of total consumption in 2012. The reason for this is that water is used in the cooling processes of the presses used for plastic molding, a very high number of which are located at Spinetta. In any event, the plant uses water drawn from a well for this process (as shown in the following graphs).

Guala Closures draws its water from the following sources:

- wells
- aqueducts

Almost two thirds of the total quantity of water drawn originates from wells. The group intends to continue working on reducing consumption and on using non drinking water for production or production-related processes.



Drawing sources of water 2011/2012

GUALA CLOSURES GROUP OBJECTIVES

* To reduce water drawn per tonne of finished product by 10%, by 2015



Greenhouse gas emissions

THE OBJECTIVE SET IN THE PREVIOUS REPORT FOR GREENHOUSE GAS EMISSIONS HAD A DEADLINE OF 2013. NEVERTHELESS, IN 2012, A LIFE CYCLE ASSESSMENT (LCA) WAS CONDUCTED ON WINE CLOSURES AND IN 2013, A MANAGEMENT TOOL, LCA/CARBON FOOTPRINT, WILL BE FINALISED AND THEN USED INTERNALLY, FIRST IN ITALY AND LATER ABROAD.

Group management tool

The work relating to the Life Cycle Assessment and plant Carbon Footprint included the creation of an on-line platform, which will be used by production plants as a tool to manage, collect and store all information needed to monitor the Indicators and the sustainability objectives. This tool can also be used to support research and development activities, to provide a preliminary and more complete assessment of the environmental impact of proposed projects and processes.

The tools

Life Cycle Assessment is a tool used to assess the environmental impact of a product during its entire life cycle. This assessment, conducted according to the requirements and the criteria established by international standards **ISO 14040 - 14044**, enables the environmental loads generated by production systems to be calculated, providing a series of information that is essential to correctly assess the environmental contributions of the various stages of the process. The LCA is therefore used as a method to assess the eco-efficiency of a process or activity.

As regards the plant **Carbon Footprint**, the life cycle approach considers both the greenhouse gas emissions generated by the plant's processes, and the emissions related indirectly to the stage of production of energy resources and the production of the materials needed for production. The most accredited international model, used by Guala is the **Greenhouse Gas Protocol (GHG Protocol)**, which is the most widespread international tool for greenhouse gas reporting.

LCA wine closures

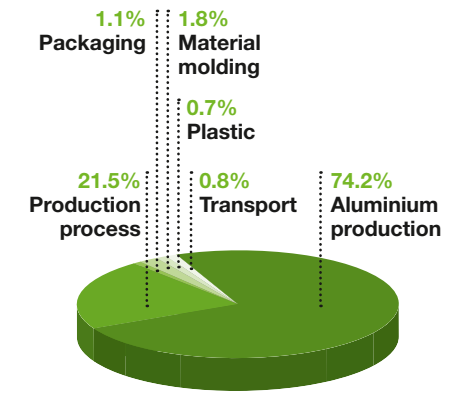
A Life Cycle Assessment (LCA) was conducted for all of the wine closures produced in the Group's 12 plants, located in 9 countries:

Spinetta Marengo (Italy), Torre d'Isola (Italy), Termoli (Italy), Magenta (Italy), Olèrdola (Spain), Wloclawek (Poland), Buenos Aires (Argentina), Braybrook (Australia), Auckland (NZ), Sj Iturbide (MEX), Cape Town (South Africa).

The assessment, conducted for Guala Closures by LCEngineering, adopted a "from cradle to gate" approach. This means that all of the stages of the life cycle were analysed, from the production of the raw materials to the plant's gates. The stages after departure from the plant were not considered as they do not generate any significant impact on the environment or they cannot be sufficiently reliably assessed by Guala Closures: this applies in particular to the "end-of-life" stage, which depends on how this is managed in each individual country.

% of CO₂ eq for each production stage

LCA wine 2012 (see box on left)



Obtaining this information will enable the Group to optimise production processes, both those under its direct control, and those relating to its supply chain. The results of the LCA were also used to calculate the CO₂ equivalent emissions to be offset through the 2013 reforestation project in India. The graph shows the percentage contribution, in terms of CO₂ equivalent, of the various stages of the life cycle of wine-related products. The production of aluminium represents over 70% of the total.

GUALA CLOSURES GROUP OBJECTIVES

* To conduct an assessment of greenhouse gas emissions, by 2013 **NEW**

* To create a tool to collect and manage data, by 2015 **NEW**

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



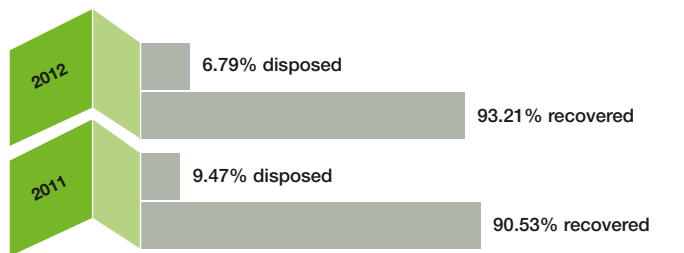


Waste

WASTE PRODUCTION IS AN INDICATOR OF OUR ABILITY TO ATTENTIVELY AND EFFICIENTLY MANAGE THE MATERIALS USED. THE RESULT ACHIEVED IN 2012 (- 0.73%) IS BELOW THE SET OBJECTIVE OF 5%. THIS IS DUE TO SEVERAL EXTRAORDINARY OPERATIONS TO DISPOSE OF AND ALIENATE MATERIALS, WHICH CONSIDERABLY INCREASED THE TOTAL QUANTITIES OF WASTE PRODUCED. FURTHERMORE, WE WILL ONLY BE ABLE TO QUANTIFY THE DECREASE OF WASTE RELATING TO THE INTRODUCTION OF THE NEW LINE IN MAGENTA FROM 2013 ONWARDS. WE THEREFORE REPROPOSE THE SAME REDUCTION OBJECTIVE AS LAST YEAR.



Kg of waste generated per tonne of finished product



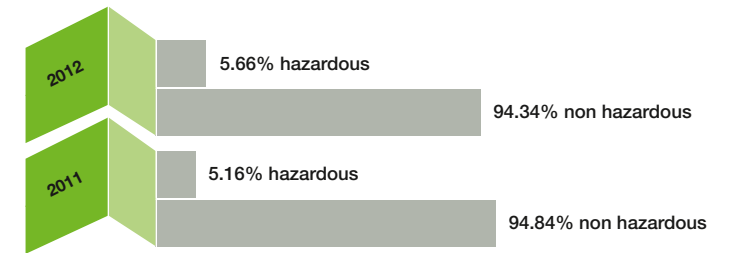
% waste recovered/disposed of

Delivery in Octabins

The Termoli plant now delivers oil closures to an important Customer in Octabins rather than traditional boxes. Amongst other things, the use of Octabins results in an **improvement of ergonomic working conditions**. To pack the closures produced in 1 shift only needs **6 Octabins against 116 traditional boxes**. This means mechanised packing, with a significant **reduction in the manual transfer of loads** and a **reduction in the repetitive nature of packing for operators**. At the same time, sending **100 million closures** in Octabins has resulted in the **reduction** in terms of packaging materials of around **48,000 Kg of cardboard**.

The total amount of waste generated in 2012 was 3,328,225 Kg, of which over **93% was sent to be recovered**, a 3% improvement on 2011. In any event, Guala Closures is re-launching its commitment, setting itself a medium term objective of **zero waste in dumps**.

As regards the type of waste generated and its final destination, **94%** of the waste is **not hazardous**. The share of hazardous waste (6%) is substantially related to the use of paint, inks and solvents for painting and the packaging they come in. In 2011, it was 5%, therefore it is slightly higher.



% hazardous waste/non hazardous waste generated

Reduction of packaging consumption

Reusing packaging

With the collaboration of its warehouse employees, at Torre d'Isola and Spinetta, the packaging returned by Customers was recorded and quantified, and where possible, reused for new shipments. Thanks to this, we can state that in 2012 over **7,700 Octabins** were re-introduced to the production cycle and therefore reused, corresponding to a total quantity of over **57,000 Kg of cardboard**.

Surface treatment and cutting line in Magenta

The investment made in the new line in Magenta, inaugurated in 2012, is extremely important from an environmental perspective. In actual fact, this line allows **surface treatment without the use of chromium** and is equipped with a **closed cycle processing water recovery system**, which enables us to pass from the production of around 5,200 tonnes of hazardous liquid waste per year to 600 tonnes of sludge. This decrease also results in a **reduction of the transport needed to dispose of waste, from 200 to 30 trips per annum**.

GUALA CLOSURES GROUP OBJECTIVES

- * To reduce the quantity of waste generated per tonne of finished product by 5%, in 2013
- * To reduce the % of hazardous waste with respect to total waste generated
- * Zero waste in dumps, by 2015 **NEW**

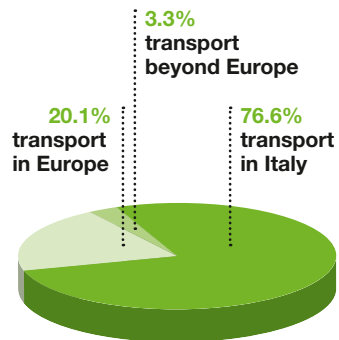




Transport

DESPITE THE RESULTS OF THE LIFE CYCLE ASSESSMENT (SEE INDICATOR 4) WHICH SHOWED THAT TRANSPORT HAS A LOW ENVIRONMENTAL IMPACT, GUALA CLOSURES BELIEVES THAT LOGISTICS IS EXTREMELY IMPORTANT AND AN INDICATION OF ITS COMMITMENT TO SUSTAINABILITY. THE OBJECTIVE FOR 2012 WAS TO MANAGE AND ANALYSE THE DATA COLLECTED ON A WIDE SCALE IN ORDER TO IDENTIFY THE AREAS IN WHICH TRANSPORT COULD BE OPTIMISED AND TO QUANTIFY OBJECTIVES. FROM 2013, THERE WILL BE TWO TRANSPORT-RELATED PRIORITIES:

- FULL TRUCK MULTICLIENT TRANSPORT
- INTERMODAL TRANSPORT



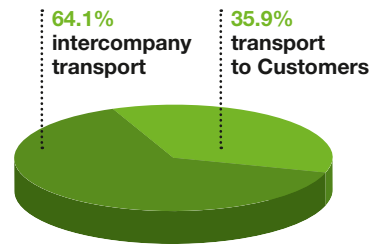
Geographic destination from Italy % of total amount of transport in 2012

The full-truck approach

The final destination of **77% of the transport** from Guala Closures plants in **Italy** is Italy. Due both to the type of infrastructure that characterises Italy and to the average distances travelled, we will work on a full-truck basis for this large share of transport, i.e. organising shipments to Customers by planning them so that the trucks carry **full loads**. This approach will be proposed to all Customers whose volumes permit it, while for those Customers with limited volumes, organising full loads will be achieved by optimising routes and adopting a multi-client approach.

The EU and transport

On 28 March 2011, the European Commission published a white paper called: *Roadmap to a Single European Transport Area - Towards a competitive and resource efficient transport system*. Through 10 key objectives, 40 spheres of action, 130 initiatives, the Commission proposes a “Transport 2050” roadmap. The objective is also to reduce carbon emissions due to transport.



Customer/Intercompany transport % of total transport in 2012

Intermodal transport

As shown in the graph, the destination of 64% of shipments leaving Italian production plants is other plants of the Guala Closures Group.

Intermodal transport will be applied as a priority for **intercompany** shipments to other Business Units of the Group beyond the Italian border. The use of intermodal transport requires the **combined efforts of numerous company departments** and the **reorganisation of production planning times**.



Andrea Tassisto
Industrial Director, Italy

“The efficiency of transport and of logistics is an important aspect of business competitiveness. Even though our power to control this process is often limited by ex works agreements, meaning that the Customer is directly responsible for organising transport, we are becoming increasingly aware that our ability to penetrate the global market also requires a modern efficient system of transport and logistics, which has a low environmental impact. The application of the Sustainability Programme to the area of transport has forced us to look at this process from a different angle. Analysing the transport of our products, also from an environmental perspective, has offered us a new perspective and a new awareness, which we have transformed into new improvement objectives. Work has only just begun, but as our activities are monitored for reporting purposes, we will be able to provide periodic progress reports on the results achieved”.

GUALA CLOSURES GROUP OBJECTIVES

- * To increase the use of intermodal transport by 10%, by 2015 **NEW**
- * To increase the % of volumes delivered in full-truck mode with respect to the total volume of products delivered to major Customers, in 2013 **NEW**



SOCIAL INDICATORS

GUALA CLOSURES GROUP WELFARE

The Guala Closures Groups undertakes a series of **initiatives** in different areas to the benefit of its employees and of the communities in which it operates, ranging from healthcare to arrangements with public entities, support of associations and sponsorship of social activities.

The initiatives undertaken differ from country to country and are managed independently by the individual plants. Periodic surveys and exchanges between the Management teams in the various countries indicate that activities can substantially be grouped into 3 macro areas:

- ✓ **Social**
- ✓ **Training**
- ✓ **Health & Environment**

In the **social** sphere, the main initiatives regard contributions to foundations and associations that work in the world of childcare, from the treatment of sick children by Guala Closures **India** to the support of an orphanage by Guala Closures do **Brasil**, or such as Guala Closures DGS **Poland**, which provides support to an organisation for single parents and their children.

The area of **training** instead regards initiatives that provide support to the world of education or that put schools into contact with the world of work, sponsoring the recruitment of the most deserving students from high schools and universities where Guala Closures operates in the **UK**, the **Ukraine** and **Poland**. Similar initiatives are sustained by Guala Closures **India**, which contributes to the purchase of essential items for children going to school and to the construction of new classrooms, or such as in **Italy**, where the company contributes to entities that provide assistance to terminally ill patients and to the school world.

The various Group companies make significant and different contributions in the area of **Health and Environment**.

This ranges from the contribution to the Royal Flying Doctor Service by Guala Closures **Australia**, to that of the fight against cancer by Guala Closures **UK**, from the campaign to increase employee awareness on the donation of blood by Guala Closures **Colombia** for children with leukaemia, to the support of several associations that are engaged in a campaign to administer the anti-polio vaccination to children in **India**.

Guala Closures **North America** has opted instead for a more creative approach, by transforming Christmas gifts into a donation, asking their Customers to indicate, on a dedicated website, which association, from those engaged in the case of children, animals and nature, they wish their contribution to be made to.



Health and safety

THE OBJECTIVE FOR 2012 WAS TO REDUCE THE ACCIDENT FREQUENCY INDICATOR BY 10%. THIS OBJECTIVE WAS NOT ACHIEVED. WITH A TOTAL OF 19 ACCIDENTS IN 2012 IN ITALY, THE INDICATOR IS PRACTICALLY THE SAME AS 2011. HOWEVER, BEHIND THIS FIGURE, THERE IS ANOTHER VERY POSITIVE ONE, WHICH, ALTHOUGH NOT A SPECIFIC OBJECTIVE, IS WORTH A MENTION: THE SIGNIFICANT FALL IN THE GRAVITY OF ACCIDENTS. THE COMMITMENT TO REDUCE THE FREQUENCY OF ACCIDENTS CONTINUES TO BE OUR NUMBER ONE PRIORITY, AND A SERIES OF ADDITIONAL MEASURES HAVE BEEN IMPLEMENTED TO REACH THIS FUNDAMENTAL MILESTONE. THEY INCLUDE: STRENGTHENING THE COMMUNICATION CAMPAIGN AT COMPANY AND PLANT LEVEL, INCREASING AWARENESS AND A MORE IN-DEPTH EXAMINATION OF SAFETY TOPICS BY TRAINING ALL EMPLOYEES, SEEKING THE INCREASED INVOLVEMENT OF ALL CORPORATE BODIES IN SAFETY AREAS.

Safety Communication Campaign

The topic of safety is of fundamental importance and the results we have achieved so far are driving us to do better and more. One of the areas we are focusing on in particular is to increase the awareness of all employees to adopt safer behaviour. In 2012, in the Torre d'Isola and Spinetta plants, a project was launched to use monitors installed in the production department, to more promptly and directly address attention to safety procedures that are directly related to accidents or near misses in the department. The aim is to correlate safety information to specific activities, inviting everyone to observe prevention and safety measures.



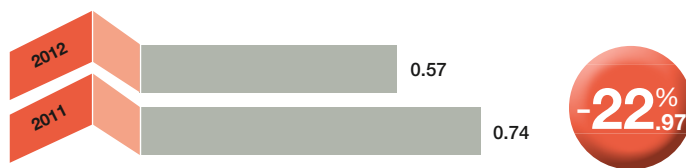
Mauro Boano
Group HR Director

"Health and safety are two areas that transcend the company dimension and that involve the personal, family and social spheres. Establishing and spreading a **culture of health, safety and prevention** in the workplace is therefore a **top priority** for us. In addition to the resources that we invest and will continue to invest in plant and equipment safety, our efforts are focused on increasing the **awareness** of our employees and **training** them in these

areas. The significant fall of the accident gravity indicator recorded in 2012 is no doubt partly due to intensive training that we have carried out in the 4 Italian plants. This policy will be strengthened. As regards the specific area of health, we want to go beyond compliance with the law on accident prevention, by developing a global plan that also includes spheres such as initiation, interpersonal relations, respect for other people etc...".



Accident frequency indicator



Accident gravity indicator

The results show a slight decrease in the **frequency indicator** (expressed as the number of accidents per one million hours worked) between 2011 and 2012. **The gravity indicator** (number of days of leave per one thousand hours worked) recorded a - **23%**.

QUALA CLOSURES GROUP OBJECTIVES

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





Training and continuous improvement

NUMEROUS INITIATIVES AND RESOURCES HAVE BEEN SET IN PLACE FOR TRAINING AND TO IMPROVE SKILLS AND INTERNAL KNOWLEDGE. OVERALL THE NUMBER OF TRAINING HOURS PROVIDED IN ITALY BETWEEN 2011 AND 2012 HAVE RISEN BY 11%. THE SPECIFIC OBJECTIVE FOR 2012, TO DEDICATE 15% OF TOTAL TRAINING HOURS TO SUSTAINABILITY ISSUES WAS ACHIEVED, AND MANY IDEAS EMERGED DURING TRAINING AND AWARENESS SESSIONS, WHICH WERE USEFUL WHEN DESIGNING AND PLANNING COURSES FOR 2013. LASTLY, WE HAVE INCREASED THE OVERALL INVESTMENT TO ENHANCE AND DEVELOP THE SKILLS AND THE AWARENESS OF THE GROUP'S INTERNAL RESOURCES.



Total number of training hours



Average number of hours/person

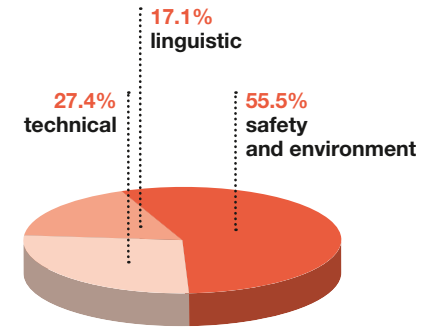
Apprenticeships

Guala Closures has launched two types of apprenticeship, both lasting 48 months, to encourage the introduction of young people to the world of work. One of these is the **High Apprenticeship** developed in collaboration with **Turin Polytechnic** for 4 young graduates, and the other is the **Professional Apprenticeship** for 5 young high school graduates in mechanical and electronic engineering. The graduates from the Polytechnic are attending a first level Master's course at the Polytechnic and at the same time are working on a project, which will represent their specialist area. The high school graduates, on the other hand, have joined the Group's Technical Department, with the idea that they will specialise in maintenance and the production process. Both types of apprenticeship represent a significant investment in the development of resources, which the company then hopes to employ on a permanent basis.

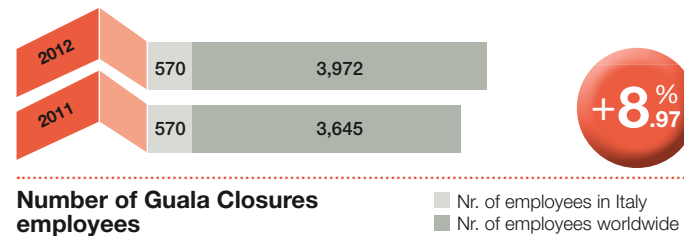
2012 saw a net increase of **10.6%** in terms of both total training hours provided and the training hours provided per employee.

Training on safety-environmental issues

By breaking down the total number of training hours based on the content of the same, it emerges that training on sustainability-related topics represented 55% of the total training hours provided, while technical topics represented 27% and linguistic skills 17%.



% of type of training provided in 2012



Number of Guala Closures employees

Nr. of employees in Italy
Nr. of employees worldwide

Mauro Boano
Group HR Director

"In a scenario of economic crisis, in Italy, we have managed to maintain all jobs, keeping the use of the temporary redundancy fund to a minimum and, at Group level, actually increasing the total number of FTEs, bringing it to almost 4,000".

QUALA CLOSURES GROUP OBJECTIVES

- * To provide two hours of awareness training on the Sustainability Programme to 100% of employees in Italy, in 2013 **NEW**
- * To strengthen the development programme for internal resources





Diversity

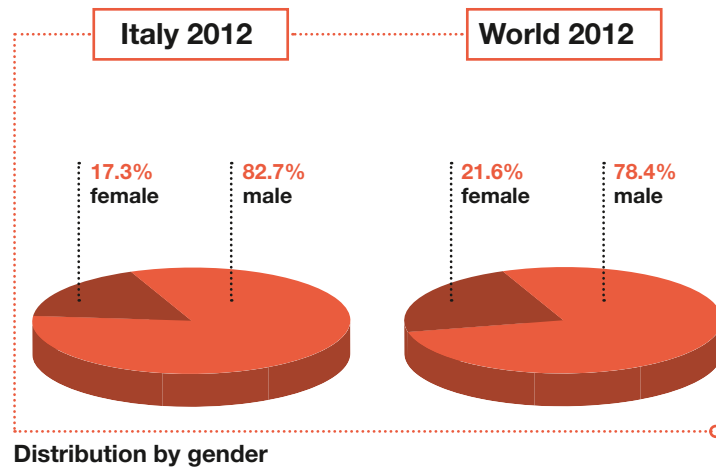
OUR GROUP IS EXPANDING AT INTERNATIONAL LEVEL AND THE TOPIC OF DIVERSITY IS BECOMING INCREASINGLY RELEVANT AND IMPORTANT. OUR OBJECTIVE TO ESTABLISH A DIVERSITY POLICY THAT INTEGRATES AND SAFEGUARDS ALL ASPECTS RELATING TO THIS AREA, CONTINUES TO BE A MEDIUM-TERM OBJECTIVE, WHICH MEANS THAT WE ARE CONCENTRATING ON DEFINING SPECIFIC PROGRAMMES AND PROJECTS.

THE PROGRAMME TO EXCHANGE AND ENHANCE SKILLS IS A TANGIBLE EXAMPLE OF HOW WE ARE DOING THIS.

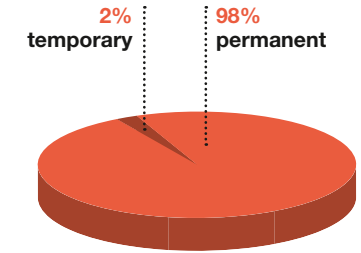
International exchange

At Group level, Guala Closures has developed a project to promote cultural exchange and to develop the potential of talented young people. The idea is to select young employees aged between 20 and 35 from the Group's plants, and offer them the opportunity to gain international experience for a period of several weeks at other Group locations. This project, based on topics relating to diversity management, is a step forward along the road towards change for Guala Closures, overcoming geographic borders, linguistic and cultural barriers.

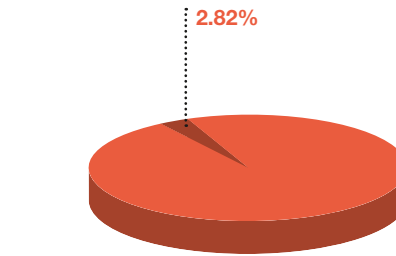
Female workers in the company represent about **17%** of the total in Italy and **22%** at Group level. These figures are in line with the type of production activities Guala Closures is engaged in. The average percentage of female workers in the mechanical engineering and plastics industry is around 17.3% (source ISTAT).



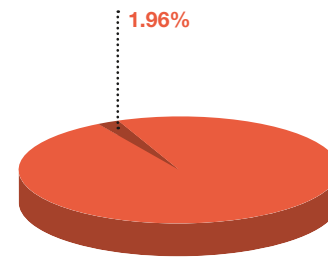
In Italy, Guala Closures makes marginal use of contracts other than permanent arrangements. Permanent contracts actually represent 98% of total contracts. This situation is obviously related to the type of industry, as production is not seasonal, and therefore business is continuous and substantially consistent throughout the whole year, meaning therefore that the company only has to use a small number of fixed-term contracts.



% contract types in 2012



Turnover 2012



Turnover 2011

Being in production encourages investment in human resources on a continuous and long-term basis. Skills therefore increase over time and create strong ties between employees and the company. This leads to a low rate of turnover, just under 3%.

QUALA CLOSURES GROUP OBJECTIVES

NEW

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



ECONOMIC INDICATORS



INDICATOR N. 10

Production efficiency

WITH AN INCREASE IN OVERALL EQUIPMENT EFFICIENCY (OEE) OF OVER 20%, WE HAVE ACHIEVED OVER DOUBLE THE 2012 OBJECTIVE. THIS INDICATOR OF PRODUCTION EFFICIENCY, INTRODUCED AT THE END OF 80'S, LINKS THE EFFICIENCY OF PRODUCTION AND LOGISTIC SYSTEMS TO THREE MAIN FACTORS: THE AVAILABILITY OF SYSTEMS, THE QUALITY OF GOODS/SERVICES AND PRODUCTION AND LOGISTIC PERFORMANCE.



Overall equipment efficiency (OEE)

- Efforts continue to increase production efficiency in accordance with the development guidelines established for 2015:
- installation of new machinery;
 - investment in preventive maintenance;
 - training and information addressed to production managers;
 - productivity monitoring and control procedures;
 - audit of production processes.

Investment

There have been numerous investments and initiatives relating to the installation of new machines and to making the same and processes more efficient. The following investments made by Guala Closures are particularly significant, also in environmental terms:

- metallisation sputtering line for plastic closures at the Spinetta plant;
- degreasing and cutting line at the Magenta plant;
- hybrid presses for the molding process at the Spinetta plant.

Guala Closures continues to direct considerable efforts towards the preventive maintenance of plant and machinery and involving departments in specific functional verification and control activities.

Technical training represented over 27% of the total, with almost 2,700 hours of training provided.

QUALA CLOSURES GROUP OBJECTIVES



* To improve Italy's OEE by 10% with respect to 2012, by 2015



Innovation

INNOVATION IS MUCH MORE THAN AN INDICATOR. IT HAS ALWAYS BEEN ONE OF OUR STRENGTHS, ACKNOWLEDGED AND APPRECIATED BY OUR CUSTOMERS. INNOVATING MEANS ANTICIPATING TOMORROW'S CHALLENGES AND THE REQUESTS OF AN INCREASINGLY GLOBAL AND DEMANDING MARKET. THE 7 NEW PATENTS REGISTERED IN 2012, ADDED TO THE 70 ACTIVE ONES, ARE PROOF OF OUR DYNAMISM AND CREATIVITY. IN ADDITION TO QUALITY, SAFETY AND AESTHETICS, THE MARKET DEMANDS THE SUSTAINABILITY OF OUR PRODUCTS AND PROCESSES. WE ARE WORKING ON NEW MATERIALS AND DEVELOPING A TOOL FOR ECO-DESIGN.

The Group has a **Research and Development** division with 5 locations: Italy, Scotland, Mexico, India and China. The work is performed with a view to synergy and exchange, and the different geographic locations guarantee that we are close to specific markets and therefore to Customer requirements.

Working group of the Bioplastics Commission

Guala Closures is a member of the Technical "food packaging" Commission, whose members include major manufacturing groups and food packaging Customers, which is promoting a project to collect and spread information on the use and on the features of bioplastics in the food industry.

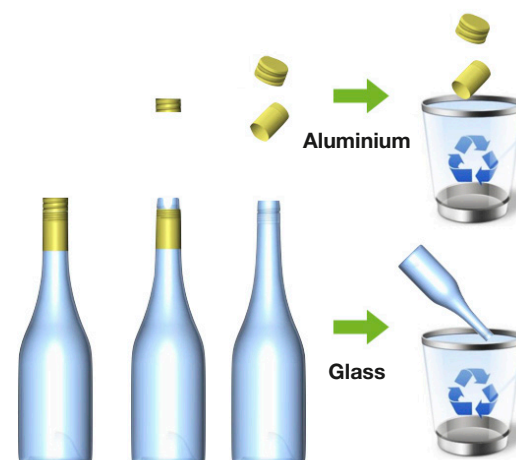


Maurizio Mittino
Group R&D
Director

*"Innovation is an area that is increasingly structured on the concepts of sustainability. We are working on several areas of research, such as **polymers from renewable sources** and/or **compostables** to be used instead of traditional plastics. For several materials, we are already conducting **organoleptic and moldability tests** to verify the characteristics and the behaviour of these materials in the various process stages. There are numerous aspects to assess, without ever ignoring quality and safety features. Furthermore, from 2013, design activities will be performed by a tool able to **assess the environmental impact** of the various design options **in advance**. This will enable us to include considerations on the environmental impact of our products right from the initial stages of design".*

From analysis to finished product The Green Cap

Introduced in the 2011 Report, the Green Cap product has been patented by Guala Closures and is ready to be launched on the market. From an environmental perspective, its advantages are clear. Removing the aluminium band from the neck of the bottle becomes extremely easy, enabling the separation of materials and completely separate waste disposal at end of life.



Bisphenol A

Bisphenol A, usually abbreviated to BPA, is an organic compound linked to the synthesis of materials and plastic additives. Questions have been raised as to its potential harm for human health and have led to studies on its safety and to regulations on its presence in many countries. The extremely widespread nature of this monomer and the detection ability of analysis tools cannot result in a declaration of the absence of BPA, but of the intention not to use it in products and processes. From 2013, all of Guala Closures new products will be marked as without intentionally added BPA (NIA), as regards all parties in direct contact with the product.

QUALA CLOSURES GROUP OBJECTIVES

- * To develop at least 10 innovative and patentable ideas, by 2015 **NEW**
- * From 2013, to develop all new products as BPA NIA (Bisphenol Not Intentionally Added) **NEW**
- * To develop an eco-sustainable design tool for new product research and development, by 2013 **NEW**





Customer satisfaction

CUSTOMER SATISFACTION IS A KEY INDICATOR THAT ENABLES US TO MONITOR OUR ABILITY TO MEET THEIR EXPECTATIONS. WE OBVIOUSLY USE NUMEROUS PARAMETERS TO MONITOR OUR PERFORMANCE AND TO IDENTIFY AREAS FOR IMPROVEMENT, AND THEY ARE CONTINUOUSLY EVOLVING. THE OBJECTIVES FOR OTIF AND CLAIMS WERE BOTH ACHIEVED. AS REGARDS OTIF SPECIFICALLY, WHICH MEASURES OUR ABILITY TO DELIVER THE QUANTITY REQUESTED (IN FULL) ON TIME, THE OBJECTIVE TO REACH WAS 85% AND WE RECORDED 87.6%.

Customer day

With the objective of improving the service we provide to our Customers, in 2012, the Spinetta plant organised a day to discuss this area in depth. Over 70 people, internal and external to the Group attended the day organised to discuss ways to improve Customer satisfaction and the ability of Guala Closures to provide a highly professional service.

In addition to representatives from all company departments, directly or indirectly involved in serving the Customer, the following also attended the special day:

- one of Guala Closures key Customers;
- several Customer representatives within the Group;
- a marketing and communication expert;
- the head of the Customer Satisfaction department of one of the leading Italian manufacturers.

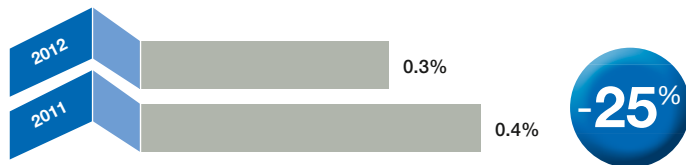
The suggestions made during the Customer day led to the establishment of a **Change team** which, under the guidance of the Sales Department, Human Resources and the Industrial department for Italy, is transforming these changes into tangible measures.



Roberto Boidi
Group Quality Assurance

“Over the past two years, we have increasingly received requests from our Customers for information on our environmental performance. This demonstrates how the issue of sustainability is taking on a more practical dimension and is being applied to the entire supply chain. For those companies that have drawn up a Sustainability Programme and therefore report to their stakeholders in this regard, it is essential to be able to obtain all information needed along the supply chain. In addition to this increasingly common requirement, which has an international extension, for example, as regards organisations such as Sedex, extremely

interesting opportunities are arising for direct discussion between Customers and Suppliers. As regards Guala Closures specifically, the initiative underway with F.lli Carli to create packaging with a lower environmental impact and other projects we are involved in with our Customers to reuse packaging materials and to optimise transport are concrete proof of this new approach of working together on sustainability issues. As emphasised in the interviews at the beginning of this Report, I also believe that we are lucky to be able to contribute to a scenario undergoing profound change that is reinterpreting the role of business”.



Claims received from Customers

As regards the indicator relating to Customer satisfaction, expressed in terms of Claims, the 0.3% objective was achieved. This parameter measures our ability to deliver Customers products that meet their specific requests, with respect to total production.

QUALA CLOSURES GROUP OBJECTIVES

* To bring the OTIF to over 95% for the whole Group, by 2015 **NEW**

* To obtain SEDEX accreditation for all plants, by 2015 **NEW**

* To bring claims below 0.3% for the whole Group, by 2015 **NEW**



INDICATORS AND OBJECTIVES

Update as at 31/12/2012

AREA	INDICATOR	DESCRIPTION	OBJECTIVE	SCOPE	BY	
ENVIRONMENT			ENVIRONMENT			
RESOURCES	Energy consumption	Consumption of all sources used	To reduce energy consumption by 10% per tonne of fp ⁽¹⁾	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 per tonne of fp by 15%	Italy	2015	
			To reduce scrap by 5% per annum	Italy	2015	
Water	Water drawn	To reduce the quantity of water drawn per tonne of fp by 10%	NEW	Italy	2015	
EMISSIONS	Emissions	Emissions into the atmosphere by production plants and CO ₂ equivalent	To conduct an assessment of greenhouse gas emissions	Italy	2013	
			To create a tool to collect and manage Group data	NEW	Group	2015
			To draw up a plan to reduce atmospheric polluting emissions	NEW	Italy	2015
	Waste	Waste generated, type and final destination	To reduce the quantity of waste generated per tonne of fp by 5%	Italy	2013	
			To reduce the % of hazardous waste with respect to total waste generated	Italy	2013	
			Zero waste in dumps	NEW	Italy	2015
TRANSPORT	Transport	Vehicles and distances travelled for intercompany transport and to Customers	To increase the use of intermodal transport by 10%	NEW	Italy	2015
			To increase the % of volumes delivered in full-truck mode with respect to the total volume of products delivered to major Customers	NEW	Italy	2013
SOCIAL			SOCIAL			
HEALTH AND SAFETY	Health and Safety	Frequency and gravity of accidents	To reduce the accident frequency indicator by 30%	NEW	Italy	2015
TRAINING	Training	Type and amount of training provided	2h of awareness training on the Sustainability Programme for everyone	NEW	Italy	2013
			To strengthen the development programme for internal resources	Italy	2015	
DIVERSITY	Diversity	Gender and cultural differences	To implement a strategy to integrate diversity, with specific regard to gender, age-related and cultural diversity	NEW	Italy	2015
ECONOMY			ECONOMY			
ECONOMIC EFFICIENCY	Production efficiency	Efficiency of production systems	To improve the OEE by 10% with respect to 2012	NEW	Italy	2015
PRODUCT RESPONSIBILITY	Innovation	Innovative ability	To develop at least 10 innovative and patentable ideas	NEW	Group	2015
			To develop all new products as BPA NIA	NEW	Group	2013
			To develop an eco-sustainable design tool	NEW	Group	2013
	Customer satisfaction	Customer satisfaction	To bring to OTIF to over 95%	NEW	Group	2015
			To obtain SEDEX accreditation for all plants	NEW	Group	2015
			Claims ≤ 0,3%	NEW	Group	2015

(1) fp: finished product



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

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

Bioplastic

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

Bisphenol A (BPA)

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

Carbon footprint

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

Certification

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

CO₂

Carbon dioxide: it is formed from the oxidation of the carbon compounds contained in the fuels employed. It is a so-called greenhouse gas.

CO₂ equivalent

Expresses the contribution of the various greenhouse gases to global warming in terms of CO₂, according to set conversion tables.

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.

Greenhouse effect

A process according to which the earth's temperature is gradually rising due to the presence of surplus gases that do not enable radiation to disperse (CO₂, CH₄, N₂O, HCF₆, PCF₆, SF₆).

GRI (Global Reporting Initiative)

An international not for profit organisations that promotes the environmental, social and economic sustainability of organisations through a reporting schedule.

Joule

The joule (J), is a measurement unit derived from the International System (IS). The joule is the unit of measurement for energy, work and heat. A gigajoule (GJ), corresponds to 1,000,000,000 joules (10⁹ J).

LCA (Life Cycle Assessment)

The Life Cycle Assessment is 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.

Several voluntary management systems, based on international reference criteria, are common to business organisations, and include:

ISO 9001:2008 - Quality Management; ISO14001:2004 – Environmental Management; EMAS (Eco Management and Audit Scheme Regulation CE 761/2001) - Environmental Management; ISO 22000:2005 – Hygiene and food safety management; BS OHSAS 18001:2007 for occupational health and safety management systems.

Monitoring

Frequent, regular, analytical observation of trends in physical, chemical, biological, and more generally environmental, phenomena.

Octabin

A large dimension 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 Effectiveness.

OTIF

A quality indicator that measures the capacity of an organisation to deliver products to Customers within the agreed times and in the right quantities. OT = On Time, IF = In Full.

PET

Abbreviation of polyethylene terephthalate, is a plastic material that belongs to the polyester family.

Renewable energy

Renewable energy means those forms of energy that are generated from sources that do not compromise natural resources and regenerate continuously. They include electricity and heat generated by resources such as sun, wind, ocean, water, biomasses, geothermics, bio fuels and hydrogen generated from renewable sources.

Stakeholders

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

Sustainability/Sustainable development

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

Toe

The tonne of oil equivalent is a measurement unit that corresponds to 10 million Kcal, usually used to express all energy sources on the basis of calorific value.

UNI EN ISO 14001 standard

See Management systems.

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 level C

	Where	Status	Page
1 Strategy and Analysis			
1.1 Statement by the highest ranking figure of the decision-making process	Letter to readers from Marco Giovannini, Interview with Franco Bove	●	pp. 1-3
2 Company profile			
2.1 Name of the organisation	GCG History	●	pp. 4,5
2.2 Primary brands, products and /or services	GCG Products and technology	●	pp. 8,9
2.3 Operational structure of the organisation	GCG History, GCG Today, GCG Key facts 2012	●	pp. 4-7,16,17
2.4 Location of the organisation's headquarters	GCG History	●	p. 5
2.5 Number of countries in which the organisation operates	GCG Today	●	pp. 6,7
2.6 Ownership structure and legal form	GCG Company overview	●	pp. 10,11
2.7 Markets served	GCG Company overview	●	pp. 10,11
2.8 Scale of the organisation	GCG Today, GCG Company overview	●	pp. 6,7,10,11
2.9 Significant changes during the reporting period	GCG Key Facts 2012, GCG Method and scope	●	pp. 16,17,28
2.10 Awards received during the reporting period	GCG Key Facts 2012	●	pp. 16,17
3 Report parameters			
3.1 Reporting period	GCG Method and scope	●	p. 28
3.2 Dates of publication of most recent sustainability report	GCG Method and scope	●	p. 28
3.3 Reporting frequency	GCG Method and scope	●	p. 28
3.4 Contacts and addresses to be used to request information	GCG Method and scope	●	p. 28
3.5 Process for defining report content	GCG Method and scope	●	p. 28
3.6 Scope of the report	GCG Method and scope	●	p. 28
3.7 Any limitations of the objective or scope of the report	GCG Method and scope	●	p. 28
3.8 Information on joint ventures, subsidiaries, leased facilities, outsourced operations, etc.	GCG Key Facts 2012	●	pp. 16,17
3.10 Explanation of the effect of any restatements of information provided in earlier reports, etc.	GCG Method and scope, GCG 2012 Results	●	pp. 26-28
3.11 Significant changes from previous reporting periods	GCG Method and scope, GCG 2012 Results	●	pp. 26-28
3.12 Table illustrating the content of the report	GRI Index	●	p. 60
4 Governance, commitments, involvement of stakeholders			
4.1 Governance structure of the organisation	GCG Corporate governance	●	pp. 12,13
4.2 Indicate whether the Chairman of the highest governance body also has an executive role	GCG Corporate governance	●	pp. 12,13
4.3 Indicate the number of members that are independent and/or non-executive		○	
4.4 Mechanism for shareholders and employees to provide recommendations or direction to the highest governance body		○	
4.14 List of stakeholder groups engaged by the organisation	GCG Corporate governance	●	p. 15
4.15 Basis for identification and selection of main stakeholders with whom to engage	GCG Corporate governance	●	p. 15

GRI indicators level C

	Where	Status	Page
Environmental indicators			
EN1 - Raw materials	Raw materials	●	pp. 32,33
EN2 - Percentage of materials used that originate from recycled material	Raw materials	●	p. 33
EN3 - Direct energy consumption by primary energy source	Energy consumption	●	pp. 30,31
EN5 - Energy saved due to conservation and efficiency improvements	Energy consumption	●	pp. 30,31
EN7 - Initiatives to reduce indirect energy consumption and reductions achieved	Energy consumption, Raw materials, Waste, Transport	●	pp. 30-33, 38-41
EN9 - Water sources significantly affected by withdrawal of water	Water consumption	●	pp. 34,35
EN18 - Initiatives to reduce greenhouse gas emissions and reductions achieved	Greenhouse gas emissions	●	pp. 36,37
EN22 - Total weight of waste by type and by disposal method	Waste	●	pp. 38,39
EN24 - Weight of waste classified as hazardous	Waste	●	pp. 38,39
EN29 - Significant environmental impacts of the organisation's transport	Transport	●	pp. 40,41
Economic indicators			
EC1 - Economic value directly generated and distributed, including revenues, operating costs, etc.	GCG Company overview	●	pp. 10,11
Social indicators			
LA1 - Total workforce by type, employment contract, etc.	Training and continuous improvement, Diversity	●	pp. 47-49
LA2 - Total number and rate of new employees and employee turnover by age group, gender, and geographic area	Diversity	●	pp. 48,49
LA7 - Rates of injury in the workplace, illness, lost days, etc.	Health and safety	●	p. 44
LA10 - Average hours of training per employee, by gender and by employee category	Training and continuous improvement	●	pp. 46,47
LA11 - Programmes for skills management and to promote training/updating etc.	Training and continuous improvement	●	p. 46
LA13 - Composition of governance bodies and breakdown of employees per category according to gender, age group, etc.	Diversity	●	p. 48

N.B. The table shows where in the Report the information envisaged by the Guidelines of the Global Reporting Initiative (GRI) G3 can be found. The structure of this report is organised to meet the requirements of level C reporting.

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