



**CONSOLIDATED NON-FINANCIAL  
STATEMENT AS PER LEGISLATIVE  
DECREE 254/2016**

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# 1\_ ORGANIZATION PROFILE

## The message of Marco Giovannini and Franco Bove

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

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

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

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

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

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

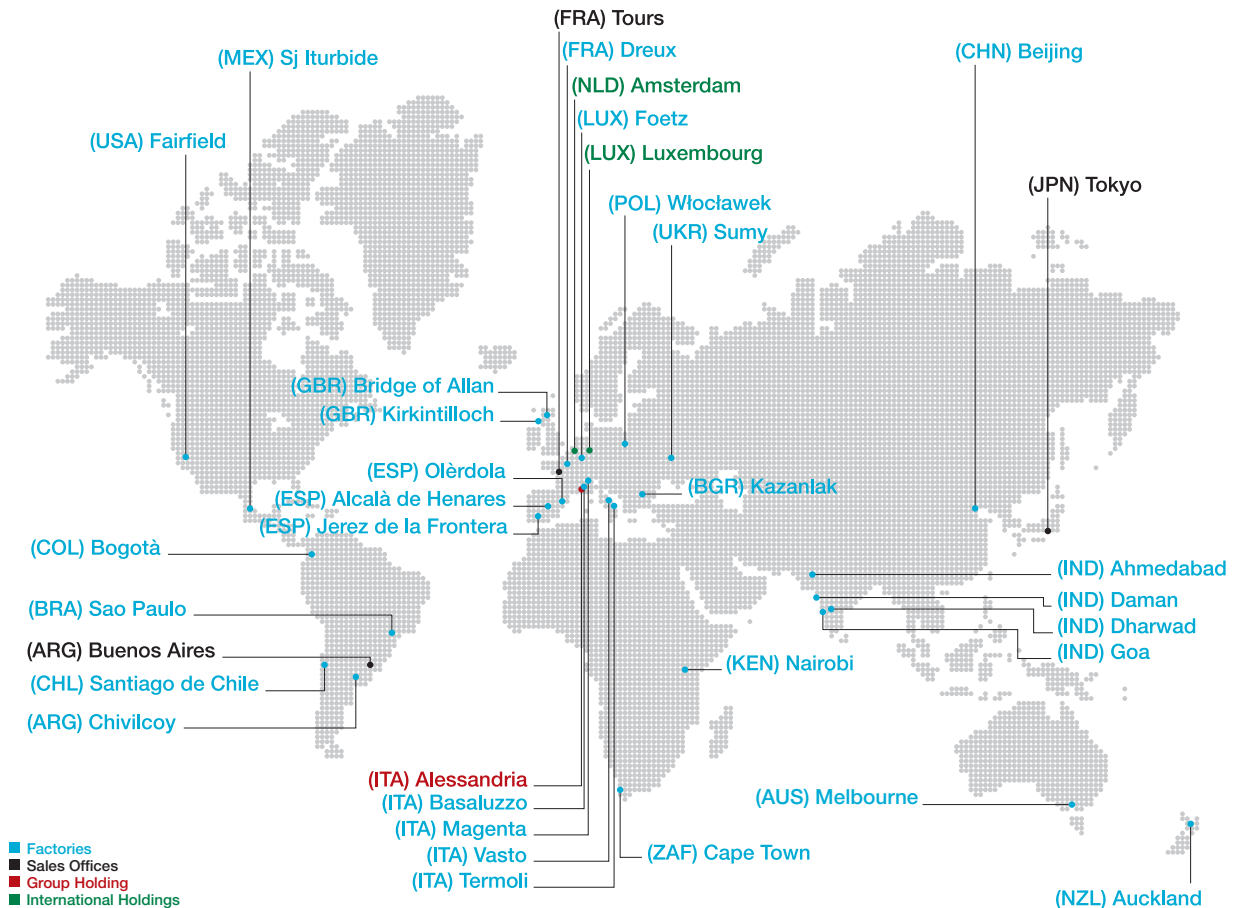
*We've done a lot in the last seven years. We have often used the word 'commitment' and we believe that this is a particularly strong theme, which is worth developing. We must all commit ourselves, from our Chief Executive Officer to all the people who work in our factories, so that by 2022, at the end of this other big step, we can achieve all the goals we have set ourselves.*

*We want to be recognized as 'social fabric developers' because this will allow us to build a better future not only for ourselves and our families, but also for our children and grandchildren. That's why we want to develop our Sustainability Programme even faster!*

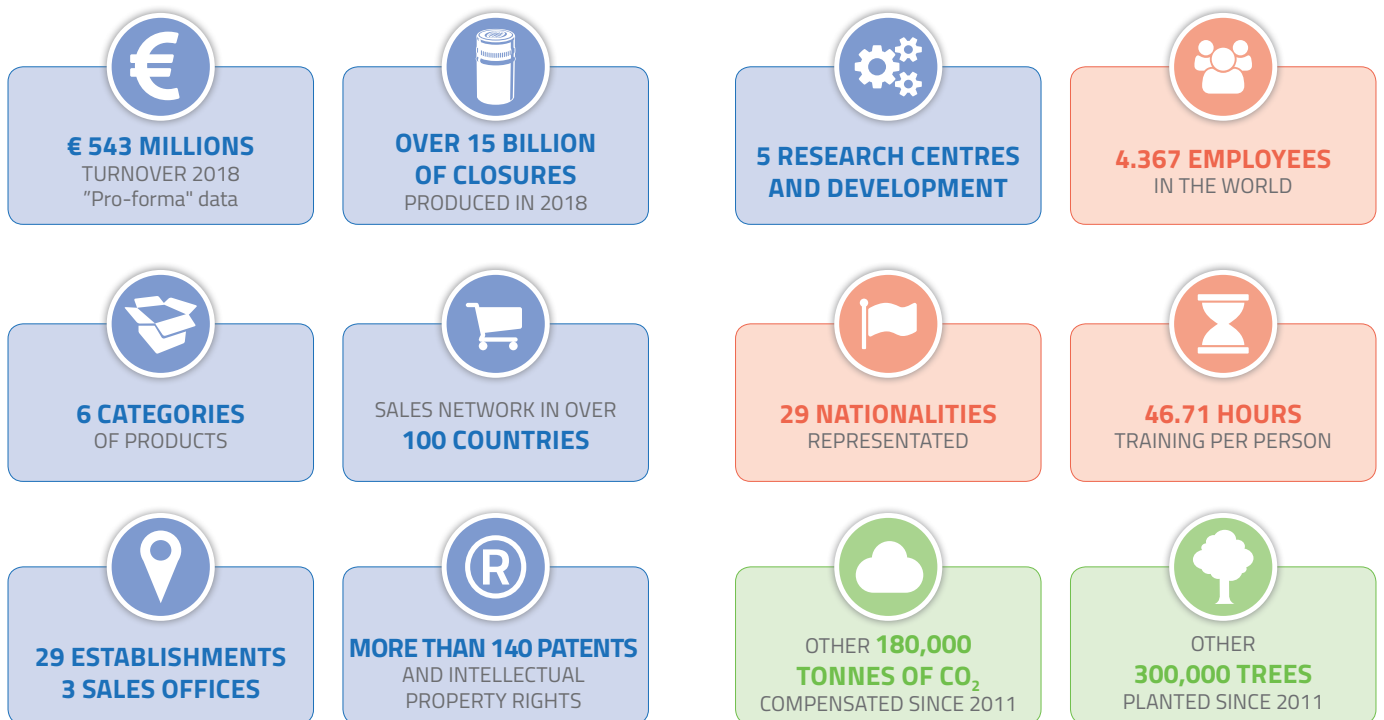
*You can be sure of our personal investment and our ability to mobilise all our energy to work together towards sustainable growth.*

Marco Giovannini & Franco Bove

## 1.1 GUALA CLOSURES GROUP



The Group consists of 29 plants, 3 sales offices, 1 group holding company, 2 international holding companies, 5 research and innovation centres (Italy, Luxembourg, United Kingdom, Ukraine and Mexico).



Data as at 31 December 2018

## 1.2 GUALA CLOSURES GROUP - ACTIVITY, MARKETS AND PRODUCTS

The Guala Closures Group is a leading multinational group in the production of closures for bottles of alcoholic beverages, wine, soft drinks such as water, olive oil, vinegar and pharmaceutical products. The Group is also active in the production of PET (polyethylene terephthalate) preforms and bottles.

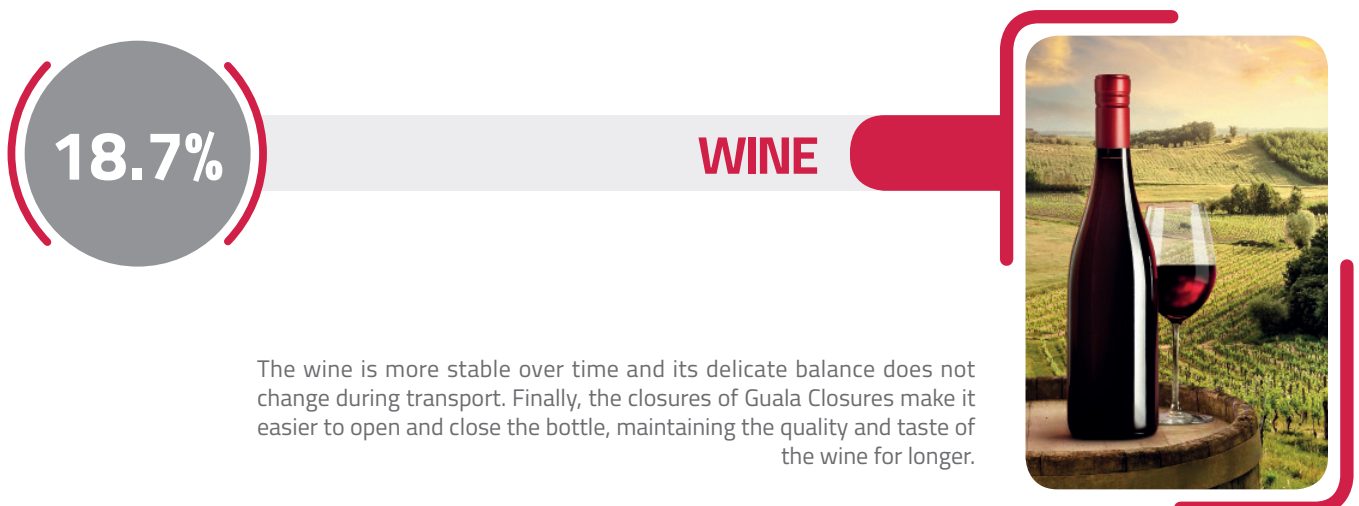
Thanks to its policy of continuous product development, the Group is currently the world leader in the field of safety closures, which represent an anti-adulteration and anti-counterfeiting tool for liquid products. These closures protect the quality and reputation of major international brands through tamper evident (first opening evidence) and non-refillable (anti-fill valves) systems.

The Group also invests in production and decoration pro-

cesses that are difficult to be reproduced and is very active in enhancing its customers' brands through the design and production of high value-added closures for the "Luxury" sector, using alternative materials to plastic and aluminium, such as wood and other metals.

In 2018, the Group produced and sold more than 15 billion closures worldwide. All the raw materials used in the manufacture of the closures are fully traceable and comply with the regulations of the European Union and the U.S. Food and Drug Administration (FDA). In addition, the Group strictly follows the regulations in all countries in which it produces and sells its closures.

*Guala Closures Group designs, produces and distributes 6 categories of products worldwide: spirits, wine, oil and vinegar, water and beverages, pharma and PET. The Group's turnover for 2018 for these product categories was 96.6%, while 3.4% came from other revenues.*





## WATER AND BEVERAGES

10%

Produces aluminium closures for glass bottled drinks, both gaseous and non-gaseous, fruit juices and non-alcoholic drinks. It supplies some of the most important international brands with generic or "tamper evident" closure systems, i.e. capsules with a patented system that allows the opening of a bottle to be highlighted. All closures are personalized with the best graphic techniques to maximize the image of the brand.

2.3%

## OIL AND VINEGAR



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

## PHARMA

1.6%



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

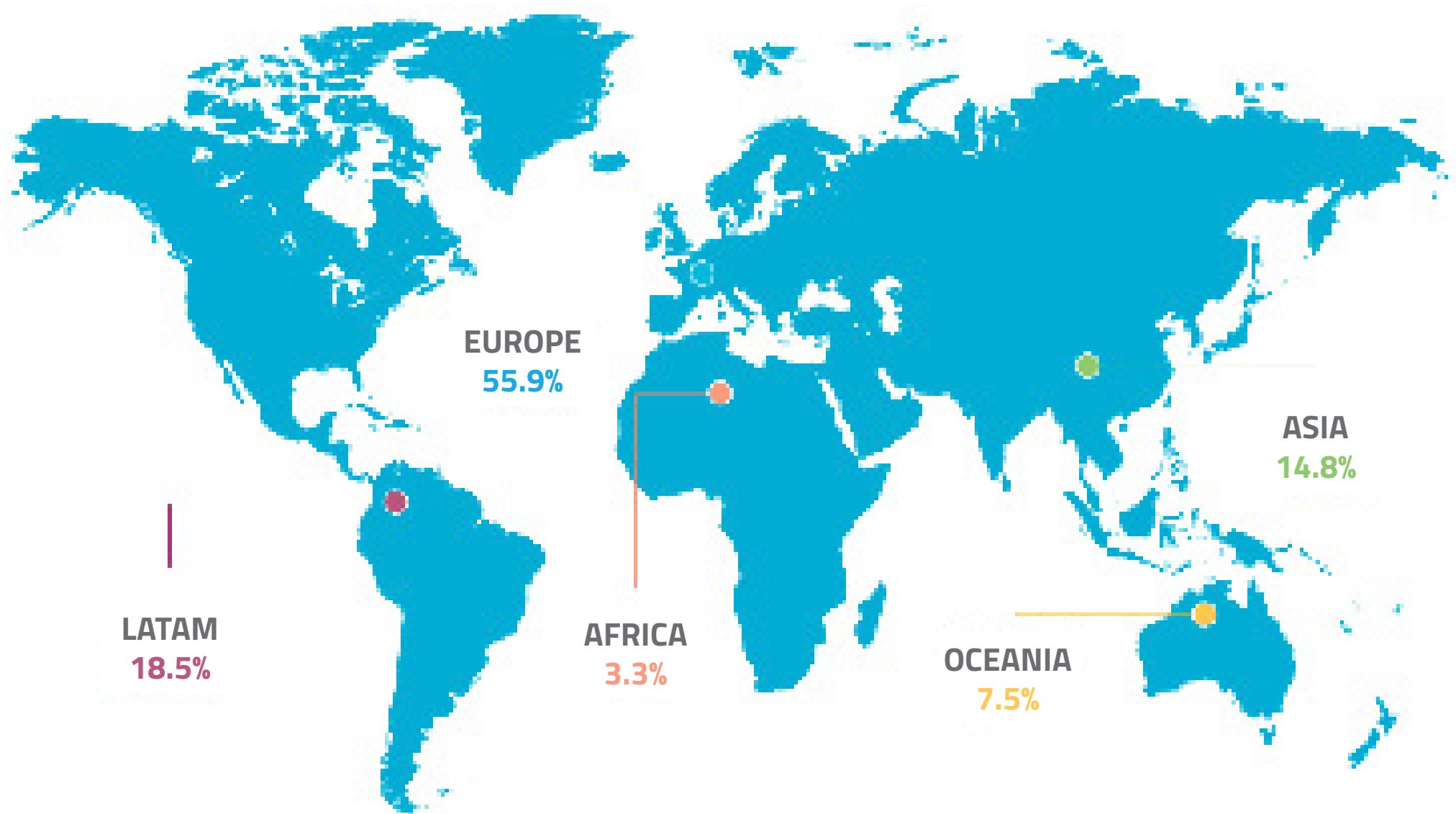
0.5%

## PET

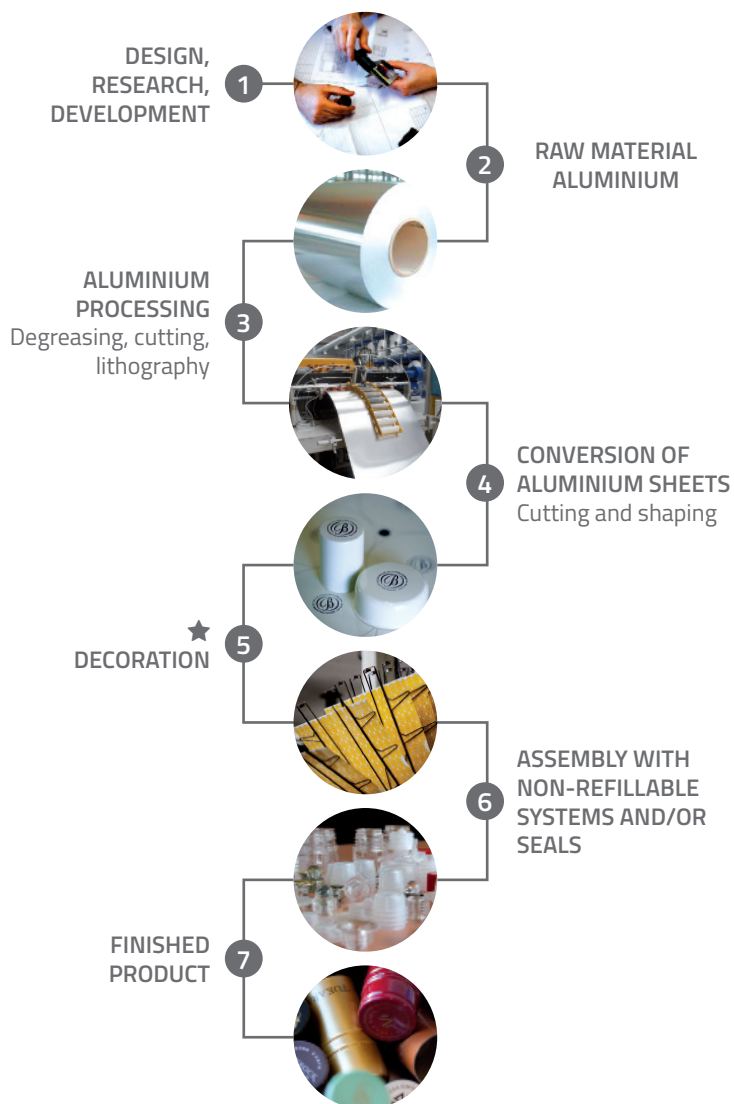


It groups together the production of containers such as bottles, bottles, shapes, jars, flasks and miniatures with a volume capacity ranging from 20 ml up to 5 litres and collar finishes between 18 mm and 110 mm, thanks to a very modern equipment together with one-stage and two-stage procedures.

The following table shows the breakdown of sales markets by geographical area.

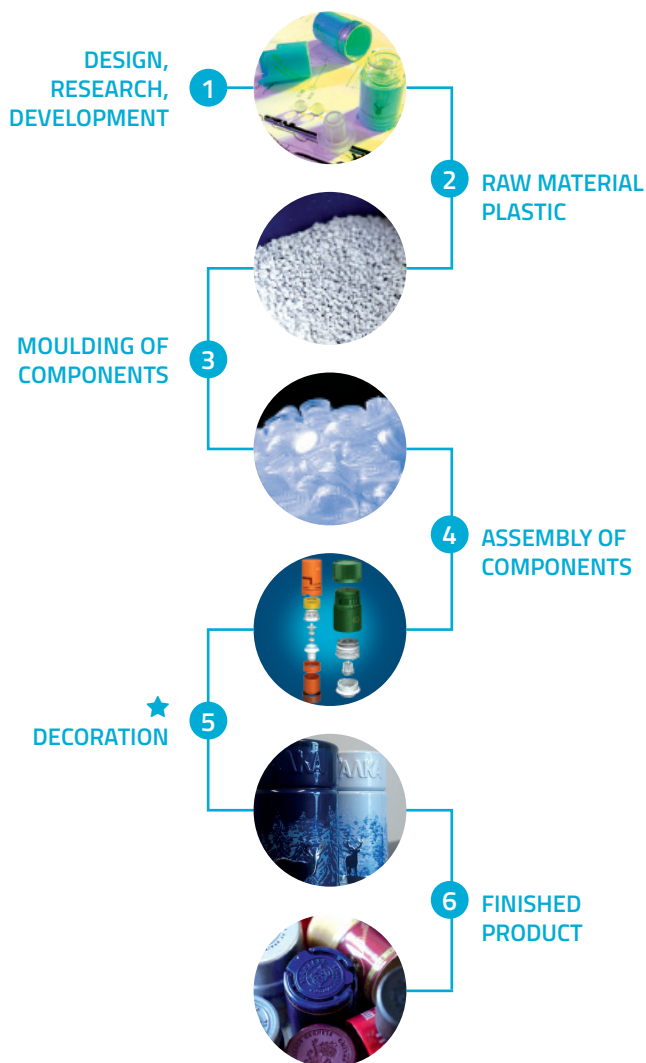


## ALUMINIUM TRANSFORMATION CYCLE



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

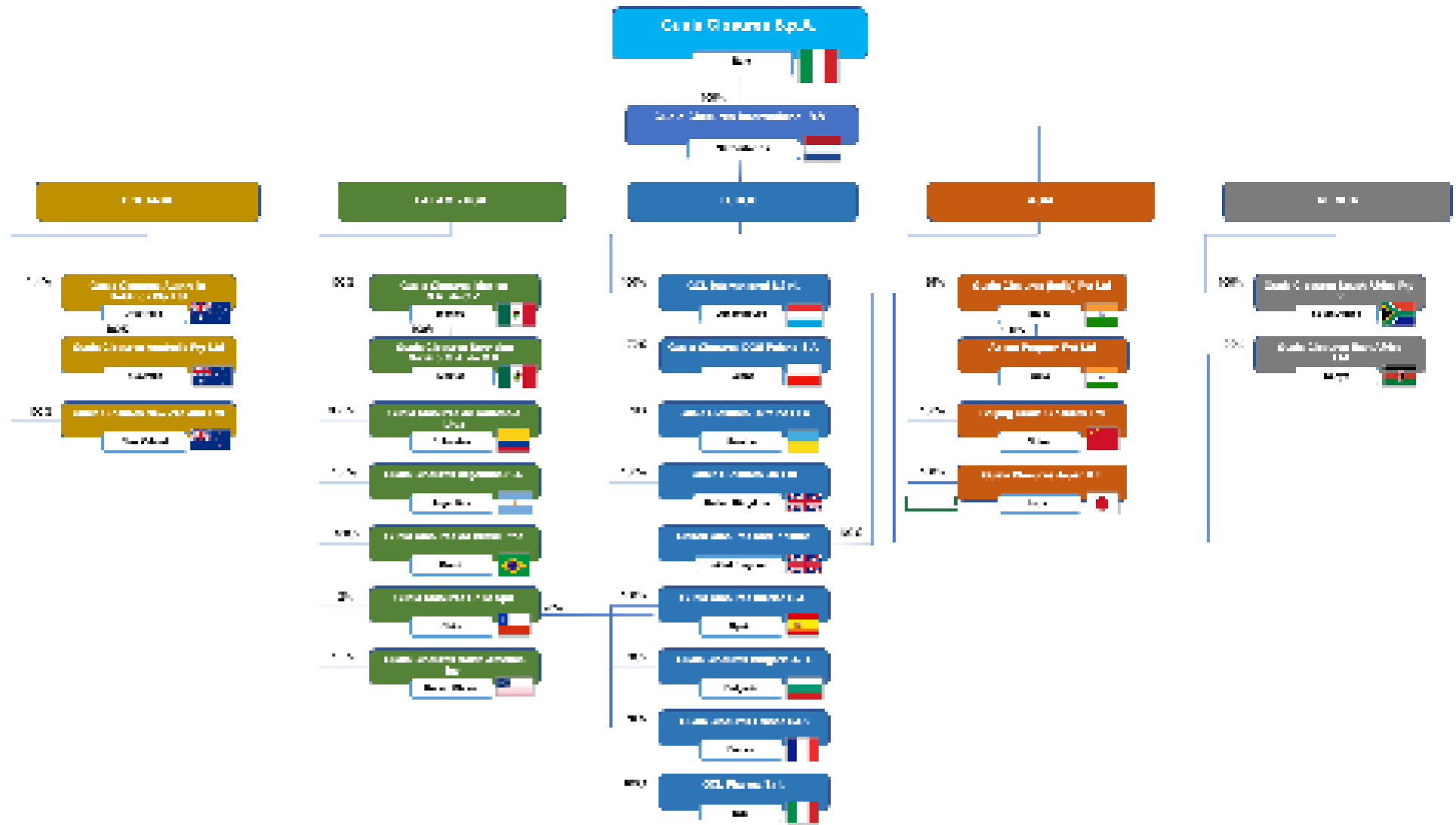
## PLASTIC TRANSFORMATION PROCESS



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



### 1.3 GROUP STRUCTURE AS OF 31/12/2018



## GROUP CORPORATE GOVERNANCE

The Guala Closures S.p.A. Corporate Governance system is characterised by a set of rules, behaviours and processes aimed at guaranteeing efficient and transparent corporate governance and the effective functioning of governance bodies and control systems. The Company adheres to the principles and application criteria contained in the current Code of Conduct for listed companies, promoted by Borsa Italiana. The Governance adopted by Guala Closures must ensure fairness and transparency in the management and information and the protection of all shareholders, in accordance with national and international best practice. This system was put in place by the Company with the preparation and adoption of codes, principles, rules and procedures that govern and regulate the performance of the activities of all organizational and operational structures of the Company. The corporate governance structure of Guala Closures S.p.A. is based on the traditional model and therefore consists of the following corporate bodies: the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors. The Shareholders' Meeting is the collective body that expresses the will of the shareholders. In particular, the Shareholders' Meeting, on an ordinary basis, approves the financial statements and appoints the members of the Board of Directors and the Board of Statutory Auditors. Extraordinarily, the Shareholders' Meeting resolves on amendments to the Articles of Association and extraordinary transactions. The Board of Directors has a central role, through the performance of functions of strategic guidance, organiza-

tional coordination, as well as verification of the existence of the controls necessary to monitor the performance of the Company itself. Moreover, it is vested with the widest powers for the ordinary administration of the Company and, more precisely, it has the power to carry out all the acts it deems appropriate for the achievement of the Company's objectives, excluding only those acts which are exclusively reserved to the Shareholders' Meeting.

A Chairman and Chief Executive Officer was appointed from among the Board of Directors in the person of Mr. Marco Giovannini.

The Board of Directors of Guala Closures S.p.A. (formerly Space 4 S.p.A.) at its meetings of 7 June 2018, 2 July 2018 and 17 July 2018 has, with effect from the Effective Date of the Merger: (i) appointed Mr. Anibal Diaz Diaz as director in charge of the internal control and risk management system; (ii) established the Remuneration Committee; (iii) appointed Ms. Claudia Banfi as Investor Relator; (iv) appointed Mr. Francesco Caio as Lead Independent Director.

The Control and Risk Committee is made up of Francesco Caio (president), Prof. Lucrezia Reichlin and Dr. Nicola Colavito. The Remuneration Committee is composed of Prof. Maria Luisa Collina (Chairman), Ing. Francesco Caio and Dr. Edoardo Subert.

Moreover, at the Shareholders' Meeting held on 10 September 2018, Guala Closures S.p.A. appointed its Board of Statutory Auditors, in the persons of Benedetta Navarra, as Chairman, Franco Abbate and Piergiorgio Valente, acting as statutory auditors.

## COMPOSITION OF THE GOVERNING BODIES

The Board of Directors consists of 9 members, 3 of whom are executive, 3 non-executive and 3 non-executive and independent.

In particular, the composition can be summarised as follows:

MEMBERS OF THE BOARD OF DIRECTORS 2018	AGE	GENDER	ASSIGNMENT	EXECUTIVE/ NON-EXECUTIVE	INDEPENDENT
Marco Giovannini	63	M	Chairman of the Board	Yes	No
Anibal Diaz Diaz	65	M	Director	Yes	No
Francesco Bove	60	M	Director	Yes	No
Filippo Giovannini	33	M	Director	No	No
Edward Charles Mary Subert	58	M	Director	No	No
Francesco Caio	61	M	Director	No	Yes
Luisa Maria Virginia Collina	50	F	Director	No	Yes
Lucrezia Reichlin	64	F	Director	No	Yes
Nicola Colavito	40	M	Director	No	No

MEMBERS OF THE BOARD OF STATUTORY AUDITORS 2018	AGE	GENDER	ASSIGNMENT	EXECUTIVE/ NON-EXECUTIVE	INDEPENDENT
Benedetta Navarra	52	F	Chairman of the Board of Statutory Auditors	n.a.	n.a.
Piergiorgio Valente	56	M	Standing auditor	n.a.	n.a.
Franco Aldo Abbate	46	M	Standing auditor	n.a.	n.a.

MEMBERS OF THE BOARD OF DIRECTORS	U.M.	2017			2018		
		MAN	WOMAN	TOTAL	MAN	WOMAN	TOTAL
Under 30 years of age	N°	0	0	0	0	0	0
Between 30 and 50 years old		3	0	3	2	1	3
Over 50 years of age		5	1	6	5	1	6
Total		8	1	9	7	2	9

MEMBERS OF THE BOARD OF STATUTORY AUDITORS	U.M.	2017			2018		
		MAN	WOMAN	TOTAL	MAN	WOMAN	TOTAL
under 30 years of age	N°	0	0	0	0	0	0
between 30 and 50 years old		0	0	0	1	0	1
over 50 years of age		3	0	3	1	1	2
Total		3	0	3	2	1	3

## MODEL OF ORGANISATION, MANAGEMENT AND CONTROL OF THE GROUP

In order to ensure that the conduct of all those who work on behalf of or in the interest of the Company always complies with the principles of legality, fairness and transparency in the conduct of business and corporate activities, Guala Closures S.p.A. has, since 2005, adopted an Organisational Model of Management and Control pursuant to Legislative Decree no. 231/2001, as well as an ethical code, drawn up with reference to both the indications contained in the Confindustria Guidelines and in accordance with existing best practices on the subject. The current Model Guala Closures S.p.A. consists of a general part, a special part relating to the company structure, a special part relating to offences in relations with the public, administration, a special part relating to corporate offences, a special part relating to offences committed in breach of accident prevention rules on the protection of health and safety at work, a special part relating to environmental offences, a special part relating to offences with industry and trade, a special part relating to computer crimes, a special section on offences relating to copyright infringements, a special section on offences concerning the employment of illegally staying third-country nationals, a special section on the offences of receiving, laundering and using money, goods or benefits from illegal sources, as well as a special section on forgery of money, public credit cards, revenue stamps and identification instruments or marks and, finally, a special section on transnational offences.

Since 2005, the Model has undergone periodic updates, the last of which (the sixth edition) on 31.01.2018.

This Model adopted by Guala Closures S.p.A., prior to the business combination, was also adopted by Space4 S.p.A. with effect from the date of the merger (06 August 2018).

Since this document was prepared prior to the listing, in the meantime the updating of the same has been started, now almost completed, in order to include also a new special section dedicated to Stock Exchange crimes and market abuse.

At the same time as the adoption of Model 231, the relative Supervisory Body was established with the task of supervising the effective application and adequacy of the same.

This Committee is composed of Roberto Malvezzi, as Chairman, and Marco Andreoletti.

The composition and experience of the members of the Sustainability Board allow the presence within it of all the technical knowledge and experience necessary to carry out this task.

An integral part of the Model is the Code of Ethics and together they represent a further element of rigour and sense of responsibility in internal relations and with the outside world and at the same time offer shareholders adequate guarantees of efficient and correct management. Guala Closures S.p.A. encourages everyone to report possible violations of the Code of Ethics, ensuring that they are carefully and effectively managed (for further information on the Group Code of Ethics, see 2.6 Ethics and Integrity). In 2018, the Supervisory Body (O.d.V.) did not receive any such report.

## 1.4 INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

The internal control and risk management system of the Guala Closures Group aims to contribute to sound, correct and consistent management with the short and medium/long-term objectives set by the Board of Directors. The internal control and risk management system set up by Guala Closures is aimed both at identifying, measuring, managing and monitoring significant risks and at guaranteeing the reliability, accuracy, reliability and timeliness of financial reporting. The Board of Directors is responsible for adopting an adequate internal control and risk management system and, with the assistance of the Director in charge of the Internal Control and Risk Management System and the Control and Risk Committee, carries out the tasks assigned to it by the Code of Conduct.

Following its recent listing on the stock exchange, the Guala Closures Group has adopted an Internal Control and Risk Management System, which includes, among other elements, the definition of an Integrated Risk Management process whose main objective is to adopt a structured and systematic approach to identify and assess the company's priority risks with potential negative effects and the subsequent definition of appropriate actions to mitigate them.

To this end, Guala Closures has defined a Risk Model applicable to the Group as well as specific Risk Mapping methodologies, assigning for each identified risk a value of "risk relevance" given by the overall assessment of the general impact, probability of occurrence and level of maturity of the risk management system.

## MAIN RISKS AND UNCERTAINTIES

The volatility of the macroeconomic context, the instability of the financial markets, the complexity of the management processes and the continuous regulatory changes require an ability to protect and maximize the sources of value, both tangible and intangible, that characterize the business model. The Guala Closures Group is exposed to external risks and uncertainties, deriving from external factors connected with the general macroeconomic context or specific to the operating sector in which its activities are developed, financial markets, changes in the regulatory framework, as well as risks deriving from strategic choices and operational management processes. The projections made by the Group are based on the most up-to-date forecasts available. However, the economic situation is characterised by a certain level of uncertainty and therefore the forecasts are subject to a margin of volatility.

The recently introduced Group Risk Management Process aims to ensure the transversal and integrated management of risks by the various organisational units in which the Group is divided, with the ultimate aim of reducing the degree of volatility of the predefined objectives.

Moreover, the Guala Closures Group has recently adopted a proactive risk governance model which, through a structured process of identifying, analysing and assessing risk areas, is able to provide the Board of Directors and the Management with the tools necessary to manage the effects of such risks and, where possible, to direct the necessary actions to prevent or mitigate them. The defined Model is inspired by the international principles of Enterprise Risk Management and in particular by the CoSO ERM Framework.

### The Guala Closures Risk Model examines 5 risk areas:

1. External Risks whose occurrence is outside the sphere of influence of the Group. This category includes risks related to macroeconomic and socio-political changes in countries, as well as events related to climate change, natural or malicious disaster.
2. Strategic risks characteristic of the Group's business, whose proactive and adequate management is a source of value or, on the contrary, may lead to failure to achieve the Plan's objectives.
3. Operational risks are generated by the organisation and the various business processes operating within the Group. This category includes risks related to Governance & Organization, human resources, processes of buying and selling goods and services, production processes and logistics, risks of Information Technology, and reporting and communication.
4. With regard to financial risks, reference should be made to the Director's report of 2018 Annual Report.

5. Transversal risks with respect to the above categories mainly relate to the risk associated with the introduction of new local and international regulations (Health, Safety & Environment, Privacy, Antitrust, Food Safety, local regulations) and the Legal & Compliance and Company Policy supervision of existing ones.

These risks, in turn, may lead to reputational risks linked to actions or events that may cause a negative perception of the Company by its main stakeholders.

## RISK FACTORS

### 1. EXTERNAL RISKS

**Country risk** The presence of the Guala Closures Group in international markets, in terms of both production and marketing activities, exposes the Company to a series of risks deriving mainly from differences and structural elements of political, economic, social, regulatory and financial instability with respect to the country of origin. These elements of risk can lead to an alteration of normal market dynamics and, more generally, of business operating conditions.

The Group currently has production plants and sales offices located in 22 different countries, and in particular the areas of greatest importance for the Group are: Italy, India, Poland, UK, Ukraine, Mexico, Spain, Australia. The Company is committed to continuous monitoring of the political and economic situation in the country to which the Group was exposed as at 31 December 2018.

The Group adopts, where appropriate, a "local for local" strategy, creating production facilities in rapidly developing countries to meet local demand with competitive industrial and logistical costs. This strategy is aimed at increasing the Group's competitiveness as well as overcoming potential protectionist measures (customs barriers, technical prerequisites, product certification, etc.).

As part of the Guala Closures Group's corporate strategy, the growth and expansion of market shares in the various international areas, including developing countries, is particularly important; in this context, the economies of some emerging countries in which the Group intends to expand sometimes present higher-than-average risk profiles, particularly with regard to export and import restrictions, investment restrictions and restrictions on repatriation of dividends.

**Climate risk** Production activities and the implementation of Group strategies are subject to the effects of natural events. Environmental changes, some of which may have significant impacts, may locally interfere with the supply chain, as well as harm some customers. These events are generally unpredictable and can affect the seasonality of sales, just as destructive natural events (e.g. hurricanes) can damage products and disrupt the production of some plants. Some weather conditions may also have a positive impact on certain geographical areas, while the same, on the contrary, on other segments may have a negative effect. The Group monitors risks related to climate phenomena and has emergency plans and production reallocation plans in place.

## 2. STRATEGIC RISKS

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**Market Risks and Competition Dynamics** Over the last few decades, social and technological trends have emerged that could have, in the medium to long term, a significant impact in terms of a contraction in the alcoholic beverages sector, leading to a reduction in the demand for closures produced by Guala Closures; these are value and behavioural changes of the younger generations. The Company constantly monitors the evolutionary trends of demand in the sectors of reference of its Key Customers, although in the short to medium term there are no significant risks in relation to the production processes or markets in which the Group operates. In addition, in some countries where the Group operates, sales are concentrated on a limited number of key customers and, therefore, any change in priorities or deterioration in the financial conditions of these customers could have significant negative effects on the Group's projections.

**Risks related to technological change and new products** of its closures and of its products in general has been one of the main growth factors for the Guala Closures Group. Success in the future will depend in part on the ability to introduce new and innovative products by continuously updating existing products to provide its customers with high quality standards and products sought after in terms of both aesthetics and sophisticated technology. The risk of not being able to grasp in advance the preferences and/or needs of customers in terms of technological development or the late launch of new products, requires major investments to be monitored. Product and process/plant innovation requires a high financial and organisational commitment in the research and development sector, as well as in the monitoring of evolutionary trends; in recent years, the Group has allocated significant resources in this area to guarantee the maintenance of its competitive advantage.

## 3. OPERATIONAL RISKS

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**Risks related to Product Conformity and Safety** The Group is exposed to the risks associated with alleged defects in the materials sold and to the "Food Safety" regulations, which also include the production of materials that come into contact with food. The entire production process is subject to specific control procedures in order to guarantee quality, conformity and safety, also in terms of the healthiness of the products manufactured in the Group's plants, in accordance with the requirements of the law in force, as well as voluntary certification standards with constantly raised safety and performance objectives.

**Business Interruption Risks** The geographical fragmentation of operating activities and their partial interconnection exposes the Group to risk scenarios that could lead to the interruption of business activities for more or less prolonged periods, with a consequent impact on the "operating" capacity and results of the Group itself. Risk scenarios related to natural or accidental events (fires, floods, earthquakes, etc.), arson (vandalism, sabotage, etc.), malfunctioning of auxiliary plants or interruption of utilities supplies can, in fact, cause significant property damage, reductions and /

or interruptions of production, particularly where the event involve production sites with high volumes or specific products (high-end). Guala Closures monitors vulnerability to catastrophic natural events (in particular floods, hurricanes and earthquakes) and estimates potential damage (given the probability of occurrence) at all Group production sites. The analyses confirm adequate monitoring of business interruption risks, thanks to an articulated series of security measures, systems for preventing harmful events and mitigating possible impacts on the business, also in the light of current security programmes and insurance policies in place to cover property damage. The Group's insurance coverage may not be sufficient to cover all potential losses and liabilities in the event of catastrophic events.

**Risks related to IT and network infrastructures** their evolution and development and the Group's operating activities is increasingly important for achieving results. The functioning of the Group's production plants and of the sales, distribution and service activities depend on the efficient and uninterrupted functioning of complex and sophisticated information, telecommunication and data processing systems. Information and data processing systems and the connected infrastructures (data centres, hardware and local and non-local networks) are exposed to multiple risks deriving from anomalies, viruses, equipment failures, work or connectivity interruptions, programming errors, illicit conduct by third parties (e.g. attacks by hackers) which can jeopardise their correct functioning. The Group's main objective is to prevent and mitigate the risks associated with possible System malfunctions through highly reliable solutions and to protect the company's information assets by strengthening security systems against unauthorised access and company data management solutions.

## 4. FINANCIAL RISKS

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With regard to financial risks, reference should be made to the consolidated financial statement.

## 5. TRANSVERSAL RISKS

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**Risks related to Environmental Aspects** The activities and products of the Guala Closures Group are subject to multiple environmental regulations linked to the specific characteristics of the different countries in which the Group operates. These regulations have in common the tendency to evolve in an increasingly restrictive way, also in virtue of the growing attention of the international community to the issue of environmental sustainability. Guala Closures expects a progressive introduction of ever stricter standards relating to the various environmental aspects that companies can impact (emissions into the atmosphere, generation of waste, impacts on the soil, use of water, etc.), by virtue of which the Group expects to have to continue making investments and/or incurring costs that could be significant. In order to monitor these risks on a continuous and effective basis, Guala Closures has adopted environmental procedures and manuals and a dedicated Health & Safety department which, in agreement with the Technical and Innovation Departments, monitors and updates the Group's industrial activities on the basis of the regulations in force in the individual countries in which it operates.

Guala Closures Group, in the performance of its activities, bears charges and costs for the actions necessary to ensure full compliance with the obligations provided for **risks related to health and safety of the workers**. In particular, in Italy, the regulations relating to health and safety in the workplace (Legislative Decree no. 81/08) and subsequent updates (D. Lgs. 106/09) have introduced new obligations that have impacted on the management of activities at the sites and on the allocation models of responsibilities. Failure to comply with current regulations will result in criminal and/or civil sanctions against those responsible and, in some cases of violation of health and safety regulations by companies, according to a European model of strict corporate liability also implemented in Italy (Legislative Decree no. 231/2001).

**Tax risks** The Group operates in many countries with different tax regulations. This difference could, over time, affect the effective taxation of the Guala Closures Group as the profits made by the individual companies change. Significant changes in the international tax environment could suddenly increase overall business costs resulting from an increase in the Group's effective tax rate and lead to uncertain and/or unforeseen tax exposures. The Group regularly reviews its business strategy and tax policy in the light of regulatory changes and assesses the likelihood of any negative outcomes resulting from audits in order to determine the adequacy of tax provisions.

For further information on potential non-financial risks, reference should be made to the following chapters of the document.



## 2\_ GUALA CLOSURES GROUP AND ITS CORPORATE SOCIAL RESPONSIBILITY

### 2.1 VISION AND COMMITMENT: "WORKING TOGETHER FOR SUSTAINABLE GROWTH"

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

#### CUSTOMER SATISFACTION

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

#### ATTENTION TO THE CONSUMER

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

#### DEVELOPMENT OF HUMAN RESOURCES

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

#### INVESTOR SATISFACTION

- Commit to controlling costs and eliminating inefficiencies and waste
- Generate added value at all stages of business processes

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

### 2.2 OUR ACTIVITIES AND OUR CHALLENGES

In 2016, the Group carried out a study to review the importance of its holdings and the risks associated with corporate social responsibility (CSR) through the implementation of a materiality matrix.

#### The main reasons for the study were

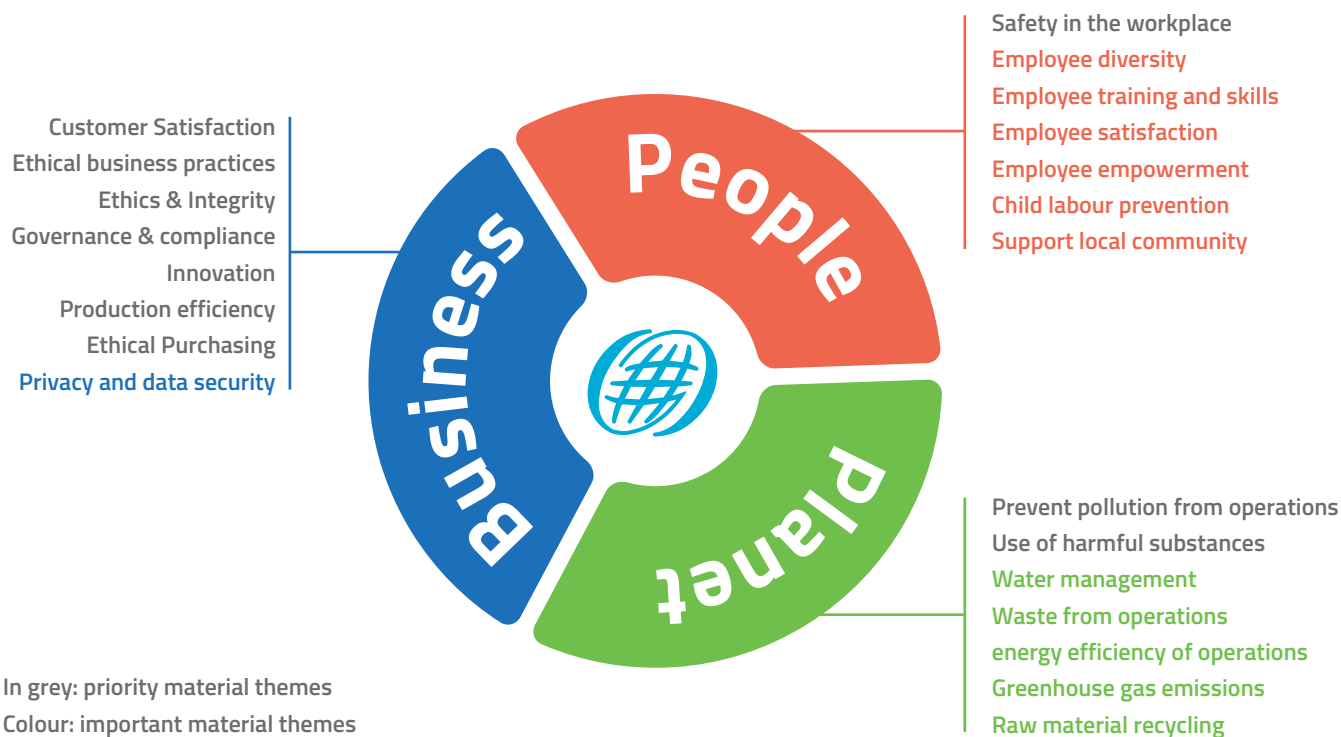
- Update the knowledge of the participations considered most important for its stakeholders
- Define what can have a significant impact on Guala Closures' business, on its activities and on its ability to create financial and non-financial value for itself and its stakeholders and to focus on the most important issues
- Ensure that the perception of the Group is aligned with that of its stakeholders

The process was developed through documentary analysis (customer questionnaires, mapping of extra-financial risks, employee survey results), 9 interviews with the main internal stakeholders (control, finance, marketing and communication, sales, purchasing, human resources, continuous improvement and sustainability, Country Manager) and an online survey distributed to a representative group of internal and external stakeholders (suppliers, customers, NGOs, employees of the Guala Closures Group, managers, trade unions) in 13 countries.

The 63 responses obtained online from internal and external stakeholders and a workshop with the Group's Board of Directors helped to determine strategic priorities in the field of sustainability. The 22 main themes are described below. Of these, 10 are considered priorities and 12 important.

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

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



### 2.3 INVOLVEMENT OF OUR STAKEHOLDERS

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

Between 2011 and 2015, Guala Closures Group focused its efforts on its CSR programme, starting with Italy. In recent years we have experienced and learned a lot, and now the Group has entered a second phase, with the new roadmap 2016-2022. The program is expanding globally, which requires a lot of effort and energy.

Often the difference a company can make is limited, but creating an ecosystem that includes team members and strategic partners creates more opportunities to do good. This is why the group is committed to engaging with stakeholders at local, national and global levels: to determine where Guala Closures can contribute to significant change.

In 2016, the Group shared its main priorities with its main stakeholders, creating the "CSR 2016-2020" programme. As a global player, the Group sees through the eyes of its main stakeholders - shareholders, investors, customers, employees, suppliers and civil society - how the environment in which we operate is constantly evolving. Therefore, a regular and meaningful dialogue with stakeholders is essential to conduct activities responsibly, enabling us to:

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



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

The Group interacts regularly with its stakeholders, both in meetings and discussions and via e-mail and surveys. This dialogue may take place once or more a year, depending on the type of stakeholder and their needs, in particular:

- at least once a year, we meet with key customers and suppliers to review last year's results and agree on new targets for the coming year.
- employees receive an annual performance review and discussion. However, any employee or manager may adapt the program to local needs.
- the Group operates in many communities around the world and for this reason believes in an "open-door" approach, proactively engaging with them and always responding to their requests.

Dialogue with stakeholders can take different forms and frequencies in each branch depending on local contexts and needs. The company does not consolidate at a central level all the actions carried out by its subsidiaries in this area, but encourages them to strengthen relations and collaboration with local stakeholders. In particular, in terms of customer relations, in 2018, a meeting was organised at Spinetta Marengo plant with representatives of various Pernod Ricard group brands to exchange experiences on the themes of Innovation, Sustainability and Logistics. Exchanges of experience combined with visits by workers, both on bottling lines and closed production lines, have also been carried out with the Nestlé / San Pellegrino Group. In addition, Spinetta Marengo plant has actively participated in a working group on the sustainability of the supply chain organized by Olio Carli.

In the various countries in which it operates, the Group is in contact with other economic players in the sector and is a member of professional associations; for example, the European Aluminum Foil Association (EAFA) or some local packaging associations (Istituto Imballaggio Italiano, Chinese Pack Association, Acoplasticos, International Technical Center for Bottling and related Packaging), industrial associations (NZ Employers and manufacturers association, Auckland Chamber of Commune) or sector associations (Brazilian Association of beverage producer, New Zealand wine growers).

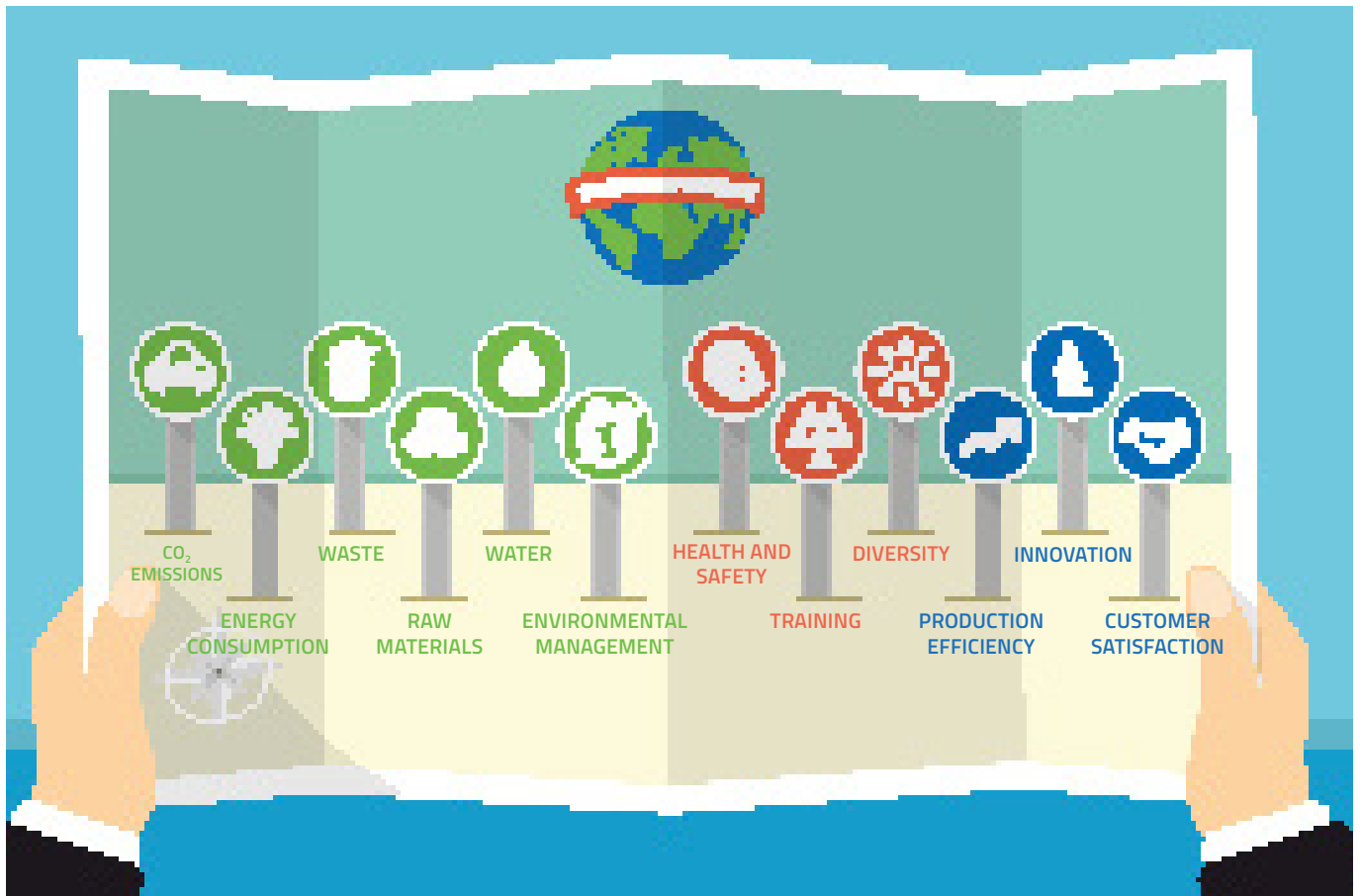


## 2.4 CSR PROGRAM 2016-2022

Through the "Working together for sustainable growth" programme, adopted in 2016, Guala Closures Group expresses its vision for the future. Since the beginning of its commitment, the Group's responsibility has been focused on three pillars:

- Helping to preserve our planet,
- Developing all the conditions for the well-being of its employees,
- Ensuring customer satisfaction and not diverting attention from the consumer.

An ambitious seven-year agenda has been developed, consisting of 12 indicators and 21 targets.



**GRI connection table - materiality:**

AREA	MATERIAL THEMES BY GUALA CLOSURES	REFERENCES	PERIMETER OF IMPACT	TYPE OF IMPACT
ENVIRONMENTAL RESPONSIBILITY	Prevent pollution from operations	GRI STANDARD 307 - ENVIRONMENTAL COMPLIANCE	GROUP	DIRECT
	Use of harmful substances	NA	GROUP	DIRECT
	Greenhouse gas emissions	GRI STANDARD 305 - EMISSIONS	GROUP	DIRECT AND INDIRECT
	Energy efficiency of operations	GRI STANDARD 302 - ENERGY	GROUP	DIRECT
	Waste from operations	GRI STANDARD 306 - WASTE	GROUP	DIRECT
	Raw material recycling	GRI STANDARD 301 - MATERIALS	GROUP	DIRECT
	Water management	GRI STANDARD 303 - WATER AND EFFLUENTS	GROUP	DIRECT

<b>SOCIAL RESPONSIBILITY</b>	Safety in the workplace	GRI STANDARD 403 - OCCUPATIONAL HEALTH AND SAFETY	GROUP EMPLOYEES	DIRECT
	Employee training and skills	GRI STANDARD 404-TRAINING AND EDUCATION	GROUP	DIRECT
	Employee diversity	GRI STANDARD 405 - DIVERSITY AND EQUAL OPPORTUNITIES STANDARD GRI 406 - NON-DISCRIMINATION	GROUP	DIRECT
	Employee empowerment	NA	GROUP	DIRECT
	Employee satisfaction	GRI STANDARD 401 - EMPLOYMENT	GROUP	DIRECT
	Child labour prevention	GRI STANDARD 401 - CHILD LABOUR	GROUP	DIRECT AND INDIRECT
	Support local community	GRI STANDARD 413-LOCAL COMMUNITIES	GROUP	DIRECT
<b>ECONOMIC RESPONSIBILITY</b>	Customers satisfaction	GRI STANDARD 416-CUSTOMER HEALTH AND SAFETY	GROUP	DIRECT
	Ethical business practices	GRI STANDARD 206 - ANTI-COMPETITIVE BEHAVIOUR	GROUP	DIRECT
	Ethics and integrity	GRI STANDARD 205-ANTI-CORRUPTION GRI STANDARD 409 - FORCED OR COMPULSORY LABOUR	GROUP	DIRECT
	Governance & compliance	GRI STANDARD 419 - SOCIOECONOMIC COMPLIANCE	GROUP	DIRECT
	Innovation	NA	GROUP	DIRECT
	Operational efficiency	NA	GROUP	DIRECT AND INDIRECT
	Ethical Purchasing	GRI STANDARD 408 - CHILD LABOUR GRI STANDARD 409 - FORCED OR COMPULSORY LABOUR	GROUP	DIRECT AND INDIRECT
Privacy and data security	GRI STANDARD 418- CUSTOMER PRIVACY	GROUP	DIRECT	

## 2.5 GOVERNANCE IN RELATION TO CSR GOVERNANCE



**Franco Bove**  
Group Chief  
Operating Officer



**Mauro Boano**

*Group Human Resources  
Director*



**Fulvio Bosano**

*Group Product Research  
and Innovation Director*



**Armando Finis**

*Country Director  
Spain*



**José Luis Gutierrez**

*General Director  
Americas*



**Maurizio Mittino**

*Quality, Continuous Improvement  
and Sustainability Director*



**Ken Moran**

*Country Director  
United Kingdom*



**Alessandro Pera**

*Group Controller*



**Montagnese Violets**

*Group Marketing  
Manager*



**David Stevenson**

*Country Director  
India*



**Andrea Tassisto**

*Group Technical  
Director*



**Fabrizio Venice**

*Group Purchasing  
Director*

Guala Closures Group's CSR governance is essentially based on the Green Board.

This CSR body was set up in 2015 to define and ensure effective implementation of the agreed sustainability strategy and to monitor progress. The Green Board is composed of senior executives at both the Corporate and Country/Factory levels, thus including a mix of geographical areas.

All Country Managers and the continuous improvement team collect and transmit to the Green Board the environmental, social and economic KPIs for the monitoring of the Sustainability Programme and greenhouse gas emissions. The body meets 2 to 4 times a year to discuss progress, listen to top management feedback, identify challenges and suggest strategic solutions, under the guidance of COO Franco Bove.

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

## 2.6 ETHICS AND INTEGRITY

Guala Closures Group promotes and strongly believes in four values as the basis for the correct development of all internal and external activities.

- **TRANSPARENCY:** we are committed to providing clarity, completeness and fairness in relation to information, activities and interpersonal relationships.
- **PROFESSIONALISM:** we work on the training and growth of personnel in the pursuit of constant development.
- **PROTECTION AND WELL-BEING OF THE ENVIRONMENT:** ensure safety and health, in the workplace, in our products and in the impact on communities outside of production sites.
- **RECOGNIZE AND REWARD RESULTS** we share objective objectives and evaluation criteria to enhance and reward all human resources.

Our values are promoted by top management and shared by all the staff of the Group companies also through the Group's corporate policies. To guide the development of its business, between 2017 and 2018 Guala Closures Group revised and completed its corporate management policies and models (8 documents: Environmental, ethical/social policy, quality, workplace safety, food safety, customer protection, Code of Ethics and Organisational Model) and check that they are respected at all sites. All policies have in common an unceasing commitment to sustainable development, which makes it possible to strengthen market leadership in the production of closures in full compliance with ethical and social issues, product safety and workplace safety, all while safeguarding the environment.

**Ethical and social policy is based on three pillars:**

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

On 31 January 2018, the Board of Directors of Guala Closures SpA approved a new Code of Ethics. The document is public and can be downloaded from the Group's website. The Code contains the ethical rules established for all employees, as well as for directors, auditors, collaborators... with specific reference to relations with stakeholders.

**Through this Code, the Group wishes to:**

- define and make explicit the values and principles that characterize its activities and relations with employees, collaborators, customers, suppliers, shareholders, institutions and any other stakeholder;
- formalise the commitment to behave fairly, transparently and fairly;

- reaffirm its commitment to protecting the legitimate interests of its investors;
- communicate to its employees and collaborators the principles of conduct, values and responsibilities that they are required to respect when carrying out their work.

This approach concerns all employees and stakeholders of the Group and contributes to the achievement of the objectives set.

**The Group insures:**

- the maximum dissemination and knowledge of this Code among the various Recipients;
- verification of each notification of violation of the Code;
- the assessment of the incident and the application of appropriate sanctions in case of violation.

The Code of Ethics specifies the mechanisms for reporting ethical issues: each employee is required to promptly report any failure to comply with the provisions of the Code of Ethics, as well as any request for violation of the same, regardless of the person who proposes it, to their manager or, alternatively, directly to the designated Division.

All new employees are given a copy of the code of ethics by e-mail and are also informed where they can find the document. The same procedure also applies to temporary workers. In the case of changes / updates to the Code of Ethics, this is done by email and with official communication.

## 2.7 MANAGEMENT SYSTEMS AND TOOLS

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

- For quality: ISO 9001: 2015  
"Quality management systems - Requirements"
- For hygiene: ISO 22000:2005  
"Food safety management systems"
- For the environment: ISO 14001:2015  
"Environmental management systems - Requirements and guidelines"
- Security: OHSAS 18001:2000  
"Management systems for health and safety of workers - Requirements"
- Continuous improvement: ISO 9004:2000  
"Quality management systems - Guidelines to improve performance"

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

		9001	22000	14001	Sedex	OHSAS18001
Country	Plant reference	Implemented since				
ITALY	Spinetta Marengo	2006	2015	2012	2008	-
ITALY	Termoli	2006	2008	2017	2011	-
ITALY	Magenta	2012	planned for 2019	planned for 2020	2017	-
ITALY	Vasto	2000	2011	2017	2016	-
SPAIN	Jerez de la Frontera	2006	2017	2016	2012	-
SPAIN	Olerdolá	2006	2015	2007	2012	-
SPAIN	Alcalá (Madrid)	2006	planned for 2020	planned for 2020	2013	-
UK	Kirkintilloch	2006	2016	2018	2011	-
UK (UCP)	Bridge of Allan, Stirlingshire (Stirling)	2008	2018	2008	planned for 2019	2008
FRANCE	Saint-Rémy-sur-Avre	2018	planned for 2020	planned for 2020	2017	-
BULGARIA	Kazanlak	2006	2012	planned for 2019	2012	-
POLAND	Wloclawek	2001	2009	2006	2014	2006
UKRAINE	Sumy	2006	2019	planned for 2019	2014	-
INDIA	Goa	2006	2008	2018	2008	-
INDIA	Daman	2006	2008	planned for 2019	2008	-
INDIA	Ahmadabad	2014	2015	2018	2014	-
INDIA	Dharwad	planned for 2019	planned for 2019	planned for 2020	planned for 2019	-
CHINA	Beijing	2006	planned for 2019	planned for 2020	2008	-
SOUTH AFRICA	Cape Town	2015	2007	2018	2013	-
KENYA	Nairobi	Planned for 2020	Planned for 2020	Planned for 2020	Planned for 2019	-
NEW ZEALAND	Auckland	2006	planned for 2018	planned for 2019	2017	-
AUSTRALIA	West Footscray	2006	2013	2017	2012	-
U.S.A.	Fairfield	2018	planned for 2019	planned for 2019	2017	-
MEXICO	S.J. Iturbide	2006	2014	2017	2011	-
COLOMBIA	Bogota	2006	planned for 2019	planned for 2019	2016	-
BRAZIL	Sao Paulo	2006	2012	planned for 2019	2011	-
ARGENTINA	Chivilcoy	2006	planned for 2019	planned for 2020	2011	-
CHILE	Santiago de Chile	2018	planned for 2019	planned for 2019	2017	-

## 3\_PROTECTION OF THE PLANET

### 3.1 ENVIRONMENTAL ISSUES

As a leading industrial manufacturer of closures, the Group is committed to ensuring that its manufacturing facilities around the world operate in an environmentally responsible manner. Guala Closures is committed to reducing environmental impact throughout the life cycle of its products, particularly in the production process. To produce its closures, Guala Closures uses raw materials such as aluminium, plastic, lacquers, ink, consumes resources (water, energy) and produces waste. All business units are aware of the environmental impact of their production activities and are committed to reducing it to a minimum. The Group is also committed to an ISO 14001:2015 certification programme with the objective of certifying 100% of its Business Units by the end of 2020.

Guala Closures operates according to very strict environmental policies. In addition to ISO14001 certification at plant level, the Group relies on an internal environmental policy project to prevent pollution and reduce environmental impacts at all levels.

In 2017, to confirm the mapping of environmental risks and as part of its due diligence obligations, the Group entrusted Bureau Veritas (BV) with an Environmental Site Assessment of all Guala Closures plants worldwide, with the aim of obtaining an independent and professional opinion on the presence or probable presence of current or past contamination of the site, as well as the contamination of groundwater or surface water originating from the property.

As also emerged from the Bureau Veritas report, the greatest potential risk common to the Group's plants is linked to the use of harmful substances (inks, paints, solvents, lubricating oils). The activities and products of Guala Closures Group are subject to multiple environmental regulations linked to the specific characteristics of the different countries in which the Group operates. These regulations have in common the tendency to evolve in an increasingly restrictive way, also in virtue of the growing attention of the international community to the issue of environmental sustainability. Guala Closures expects a progressive introduction of ever stricter standards relating to the various environmental aspects that companies can impact (emissions into the atmosphere, generation of waste, impacts on the soil, use of water, etc.).

As far as possible, Guala Closures limits the use of harmful substances. When used, any hazardous materials are carefully stored, handled and monitored to ensure that the best controls are in place.

All the plants are oriented towards optimising the use of materials, paying attention to water and energy consumption, as well as a significant reduction in greenhouse gas emissions and waste production.

### 3.2 POLICIES AND FRAMEWORK

Like all the policies of Guala Closures Group, the environmental policy is characterised by a common and strong commitment to sustainable development, which makes it possible to strengthen market leadership in the production of closures in full compliance with ethical and social aspects, product safety and workplace safety, all while safeguarding the environment.

This policy was signed in April 2017 by Marco Giovannini, Chairman, and Franco Bove, Group Chief Operating Officer. It applies to all Group plants and is based on 3 pillars:

- Develop and improve **our products and processes** based on the product life cycle, with the aim of protecting the environment and saving energy, reducing pollution and CO<sub>2</sub> emissions per kg of finished product (PF)
- Our actions are aimed at involving all **stakeholders** in the **supply chain** to make them aware of environmental aspects.
- **Respect for the environment** is one of our priorities.

This policy is common to all the Group's production plants. Each General Manager or Plant Manager undertakes to comply with this policy, disseminating it and applying it to his or her own organisation, defining concrete objectives in accordance with the Group's Sustainability Programme, as well as implementing actions to achieve them.

### 3.3 AMBITIONS FOR 2022

To extend the Environmental Policy to all activities, Guala Closures Group outlines the indicators and objectives within the Sustainability Programme 2016-2022 "Working together for sustainable growth". The environmental programme has been built on six pillars, each of which contains specific actions and targets to be achieved by 2022.



The environmental objectives for 2016-2022 are as follows:

PILLARS	AMBITION	OBJECTIVES	EXPIRY DATE
<b>Environmental management</b> <i>(Environmental management systems)</i>	Identify and minimize environmental impacts of operations	Obtain ISO 14001 certification for all Group Plants	2020
<b>Greenhouse gas emissions</b> <i>(Emissions into the atmosphere and CO<sub>2</sub> equivalent)</i>	Reduce our impact on climate change and involve our suppliers	Reduce carbon dioxide equivalent emissions (Scope 1 and 2) by 25% per tonne of finished product (PF)	2022
		Certify indirect CO <sub>2</sub> emissions (Scope 3)	2017 Achieved
		Develop partnership projects with suppliers and reduce the use of raw materials and transport	2020
<b>Energy consumption</b> <i>(Consumption of all the resources used)</i>	Reducing the use of fossil fuels	Reduce energy consumption by 25% per finished product (GJ/ton PF)	2022
		Facilitate the supply of renewable energy	2020
<b>Waste</b> <i>(Waste generated, type and final destination)</i>	Reduce our reliance on fossil fuels	Reduce waste generated per finished product by 20%	2020
		Reduce the percentage of hazardous waste in the total waste generated	2020
		Zero waste to landfill (kg)	2022
<b>Raw materials</b> <i>(Raw materials, accessory, auxiliary and packaging materials)</i>	Optimize the use of raw materials and increase the percentage of recycled materials	Reduce the percentage of scrap below 2%	2022
		Increase the amount of aluminium recycled and/or with low environmental impact compared to the total used	2020
<b>Water</b> <i>(Water drawn)</i>	Preserve water resources and reduce consumption	Reduce by 20% the water withdrawn per finished product (m <sup>3</sup> /ton PF)	2020

### 3.4 ENVIRONMENTAL IMPACT MANAGEMENT

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

To assess, monitor, report on and guarantee the environmental quality of its products and processes, the Group has adopted the ISO14001 environmental management system. In 2018, 13 out of 29 plants (45% of the Group) were ISO14001 certified.

The Group supports its plants in adopting this management system and obtaining certification. For this reason, the Group has signed a global agreement with Bureau Veritas, a leading French certification company, which covers all the Group's

plants and provides for the certification of 16 Guala Closures plants by 2020. The plan also requires a risk assessment approach and a clear perception of the product's life cycle.

This management of environmental aspects and impacts that characterizes the Group is extended to all direct and indirect processes of its activities (production of products and provision of services); the main purpose is to pursue the results expected by the management system:

- the fulfilment of compliance obligations,
- the achievement of environmental objectives,
- the improvement of environmental performance.

The aim is to improve environmental performance through more rational use of resources and reduction of waste.

During 2018, there were no significant instances of non-compliance with environmental laws and regulations.



### 3.5 ENERGY SAVING

Energy consumption is a key feature of the industry: it determines industrial, economic and environmental performance. Many plants consider all options to reduce energy consumption, constantly striving to find a balance between optimal productivity and related energy needs. For several years now, in order to increase its performance, the Group has aimed to control consumption and invest regularly to achieve significant reductions.

INDICATORS	2018	2017
Energy consumption within the organisation (in GJ)	1,303,869	1,266,139
Electricity (kWh)	204,054,533	193,341,823
Diesel (litres)	1,088,977	1,099,505
Natural gas (Sm <sup>3</sup> )	12,530,260	12,684,604
Reduction of energy consumption in %	2.98%	
Energy intensity (in GJ/t)	16.12	17.86
Reduction of energy intensity in %	-9.7%	

NB. Energy consumption within the organisation takes into account not only the electricity and fuels indicated in the table but also all fuels used in the various plants, such as petrol (11,064 litres), propane (9,825 kg), and LPG (812,867 kg).

After two years (2016 and 2017) without any significant improvement, 2018 shows positive results: 16.12 GJ/tonne of Finished Product, 9.7% less than in 2017.

This result is due to investments in process optimization, such as:

- in Australia, three old air compressors have been replaced by a new one strategically installed outside, to minimise heat inside the factory and maximise cooling and operating efficiency. This operation allows a reduction of 7-10% in electricity consumption.
- in Termoli (Italy) important investments were made: the installation of an inverter on the circuit of the cooling pumps of the moulds which reduces the consumption deriving from the electric motor by 10% and the replacement of the obsolete cooling towers with a tower controlled by an inverter.
- in the UK, the replacement of traditional fixed speed screw compressors with variable speed compressors and the installation of a new, more efficient, quieter and less electrically consuming chiller directly reduces energy consumption. A new system for cooling the chilled water of the moulds has allowed a lower consumption of electricity, with a saving of 20% compared to the past.
- in many factories, indoor and outdoor lamps have been replaced with energy-efficient LED bulbs;

The Group is also committed to increasing the percentage of energy from renewable sources. For 2018, this figure is not yet available, which is why the references for each individual country have been used. The Group is committed to collecting this data for 2019.

Guala Closures' objective is to reduce energy intensity (measured per tonne of finished product) by 25% by 2022. To achieve this goal, the Group aims to renovate its machinery and production facilities, install more energy-efficient equipment, invest in new production processes, design products that require less energy intensity and experiment with new raw materials.

**Outlook: In the coming years, the plants will continue their efforts to invest and improve efficiency. Many projects are already planned for 2019: clean energy in India in Dharwad and Goa, trigeneration in Spinetta.**

**In addition, a four-year investment programme will be implemented, involving in particular the Business Units that account for most of the Group's energy consumption.**

### 3.6 REDUCTION OF GREENHOUSE GAS EMISSIONS

The fight against climate change is one of the key themes of the Guala Closures Sustainability Programme.

Guala Closures' activities generate greenhouse gas emissions and therefore contribute to climate change with:

- direct emissions (Scope 1) from the combustion of fossil fuels;
- indirect emissions (Scope 2), resulting from the production of electricity consumed by plants and through products (raw materials, packaging, etc..) and services purchased such as transport, etc.. (Scope 3).

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

In order to contribute to the fight against climate change, the Group has set itself three ambitious objectives:

- reduce by 25% the greenhouse gas emissions foreseen in Scope 1 and 2, per ton of finished products (2022 vs 2016);
- obtain certification for the Group's indirect emissions (Target 2017, achieved);
- develop partnerships with suppliers to reduce the use of raw materials and transport (2020).

To achieve these objectives, the Group has adopted a two-step approach:

- evaluation of its own Carbon Footprint along the entire production chain (Purpose 1, 2 and 3) and results certification;
- implementation of an action plan to reduce greenhouse gas emissions
  - > directly at production sites, through process optimisation and investment in new plant equipment, taking into account energy consumption and greenhouse gas emissions.
  - > indirectly, with members of the supply chain (raw materials, machinery, transport, customers and suppliers) through the optimization of loads and logistics.

Guala Closures pays particular attention to its reporting activities. In 2017, with the support of a consulting firm specialized in calculating greenhouse gas emissions, the Group implemented an internal software called CIS Tool.

In 2018, the Group's emissions for Scope 1 and 2 were estimated at 160,607 tonnes of CO<sub>2</sub> equivalent. The intensity of greenhouse gas emissions is 2 tons of CO<sub>2</sub> eq/ton of finished product, and represents a reduction of 7.4% compared to 2017 and 8.7% compared to the reference of 2016. These data will be certified by Bureau Veritas Italia by April 2019.

The reduction of greenhouse gas emissions was achieved mainly thanks to:

- energy-saving programmes, such as the replacement of indoor and outdoor lamps with LED lamps in most factories and, in Colombia, new electric forklifts to replace motorised ones

- new equipment, such as new variable speed air compressors In Australia, Ukraine and the United Kingdom, new chillers in the United Kingdom and Italy (Termoli), new injection moulding press in Brazil and modification on the mould cooling circuit in Italy (Termoli)
- increased productivity due to process changes such as the width of the aluminium reel in Argentina and the increase in the size of aluminium foil in Poland following the installation of a new press

In addition to its commitment to reducing greenhouse gas emissions, the Group wants to offset most of its indirect CO<sub>2</sub> emissions through the purchase of carbon credits, but also through a direct commitment to reforestation programmes that actively involve local communities, preferably in the countries where the Group operates. Thanks to these programs, from 2012 to 2018 more than 300,000 trees were planted in Peru, India, Colombia and Mexico, involving more than 6,000 families and compensating for more than 50,000 tons of carbon dioxide (the programs are monitored and certified by Ecocert Environnement). In 2018 a new three-year project was launched in Yucatan (Mexico): conceived and coordinated by Up2green Reforestation, a French non-governmental organization (NGO), this programme will allow Mayan communities to plant 100,000 trees. This year, 35,000 trees were planted, involving 152 families (<https://youtu.be/b4BitdQJVYI>)

As far as pollutants are concerned, with particular reference to NO<sub>x</sub> (nitrogen oxides), according to the deadlines set by the various authorisations present on the various sites, monitoring is carried out in accordance with current regulations.

INDICATORS	2018	2017
<b>EMISSIONS<sup>1</sup></b>		
Scope 1 emissions (tCO <sub>2</sub> eq)	34,236	34,123
Scope 2 emissions (tCO <sub>2</sub> eq) - market based	126,371	118,653
Scope 3 emissions (tCO <sub>2</sub> eq)	466,090	427,593
<b>EMISSION INTENSITY</b>		
Emission intensity (tCO <sub>2</sub> eq/t) <sup>2</sup>	2	2.16
Reduction of emission intensity (%)	-7.4%	
Emission intensity Scope 3 (tCO <sub>2</sub> eq/t)	5.77	6.05
<b>OTHER HARMFUL EMISSIONS</b>		
Nitrogen oxides (tNO <sub>x</sub> ),	20.8	-
Sulphur oxides (tSO <sub>x</sub> )	0.062	-
Carbon monoxide (tCO)	90.4	-
Volatile organic compounds (tVOC)	780.9	-

*Perspectives: to reach your goal (-25%), Guala Closures Group has set up a "Green CAPEX Group" that will support the Business Units in identifying and implementing projects with a significant impact on reducing greenhouse gas emissions. Project selection criteria include volume of greenhouse gas emissions*

*avoided, innovative character, financing and ROI. The greatest efforts and investments will be concentrated on the Business Units with the highest impact of greenhouse gas emissions.*

1 - For the methodologies for calculating emissions, see chapter 6.  
2-Emission intensity is calculated from emissions Scope 1 and Scope 2 on the weight of the finished product (PF)

### 3.7 REDUCTION OF WASTE AND POLLUTION

Production sites generate different types of waste: packaging waste (paper, cardboard, plastic...); waste from the processing of raw materials and waste from plant activities (office waste, green waste, domestic water, etc.).

Since 2011 in Italy and 2016 in the Group, Guala Closures has been committed to protecting the environment, conserving natural resources and reducing waste with the aim of reducing the production of waste per tonne of finished product by 20%. In parallel with the effort to reduce the total amount of waste, work and effort have been also focused to hazardousness reduction and to seek viable alternatives to landfilling. The objectives are to reduce hazardous waste to less than 5% and to dispose of waste in landfills.

After the adoption in 2017 of a new methodology for production waste collection, the Group has made progress in monitoring waste quantities and treatment solutions. In 2018 the total waste of the group amounted to 18,497 tons, 3% less than in 2017, despite the increase in production volumes. The average amount of waste generated per tonne of finished product is now 229 kg/ton.

The Group has succeeded in reducing the waste produced by 3.05% and is confident that the target of -20% by 2020 will be reached.

For each type of waste produced, the plants favour recycling as much as possible.

In 2018, the quantity of hazardous waste in Guala Closures plants was 1,798 tonnes, representing 9.7% of total waste. 1,832 tonnes of waste were landfilled, which represents 9.9% of the total waste produced.

In Argentina and Poland, the increase in the size of the reel and aluminium foil (for a press) has also had a reduction effect on technical scrap and amount of aluminium used in production.

In order to reduce packaging consumption and pollution, some Guala Closures plants have developed interesting initiatives. In the UK, reusable plastic containers are used to replace cardboard boxes and wooden pallets for semi-finished products.

WASTE PRODUCTION AND DISPOSAL		2018	2017
Total waste generated (t)		18,497	19,078
Total non-hazardous waste (t)		16,699	17,313
whose	for recycling (t)	15,803	15,892
	intended for incineration (t)	29	2
	destined for landfill (t)	867	1,419
Total hazardous waste (t)		1,798	1,765
Total hazardous waste (%)		9.7%	9.2%
whose	for recycling (t)	699	817
	intended for incineration (t)	134	153
	destined for landfill (t)	965	796
Waste by finished product (kg/t of finished product)		229	272
Reduction of total waste (%)		-3.05%	
Total waste in landfill (t)		1,832	2,215
Waste to landfill (%)		9.9%	11.6%
Significant spills		0	

*Outlook: Plastic processing generates less waste than aluminium. Consequently, in order to significantly reduce the amount of waste produced, the Group will pay more attention to plants that use aluminium.*

*It will adopt the same approach with plants using lithographic processes, which produce more hazardous waste, looking for new solutions to combine customer expectations and environmental protection.*

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

### 3.8 OPTIMISATION OF MATERIAL CONSUMPTION

In the environmental footprint of Guala Closures products, the impact of raw materials is significant. Moreover, the growing demand for raw materials and the shortage of some

resources at a global level have imposed a great challenge on Guala Closures. For this reason, the Group must combine customer expectations with eco-design, two concepts that can sometimes appear to be in conflict.

The Group's products are designed and manufactured with the raw materials necessary to provide the characteristics requested by customers, in compliance with the standards and regulations required.

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

products which, during production, process modifications, adjustments and machine tuning and quality control, are not deemed to conform to the required characteristics, are rejected. Waste is also generated by complaints, laboratory tests and obsolete stocks.

Each plant is committed to minimising such waste, if possible recycling it during the production process and, finally, finding alternatives for disposal.

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

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

In order to improve their commitment to natural resources, the plants are working to reduce waste with the aim of achieving an average rate of less than 2% by 2022.

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

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

Once again, in Argentina and Poland, the increase in the size of the reel and aluminium foil (for a press) has reduced technical scrap and the consumption of aluminium itself.

In Italy, with a small investment and a maintenance intervention, the waste of capsules in physiological waste has been avoided, reducing waste by about 30 tons per year. At the same time, the innovative idea of moving from waste to art was launched, recycling it through simple but meticulous manual work, to transform some pieces of aluminium into exclusive earrings, necklaces, bracelets, frames, bags and candle holders. Thanks to the ecological commitment and artistic talent of the Italian Director General, an association will soon produce and sell these artistic objects, a good way to raise public awareness of waste reduction and the circular economy.

INDICATORS		2018	2017
<b>INCIDENCE OF WASTE</b>			
% of waste as a percentage of total product weight		2.67%	2.87%
<b>MATERIAL CONSUMPTION<sup>1</sup></b>			
Total quantity of raw materials (t)		120,992	-
whose	of which aluminium (t)	48,333	-
	of which plastic (t)	46,070	-
	of which packaging (t)	14,533	-
	of which other material (t)	12,056	-
% of recycled raw material (all materials)		22.8%	
% recycled aluminium		57.0%	

1 - The percentage of renewable and nonrenewable material is not available. The Guala Closures Group expects to monitor it from 2019.

**Outlook: Over the next three years, each BU will have to focus on process efficiency, reduce waste due to quality problems and fight all types of raw material waste. As regards the choice of materials and procurement, the group continues to work on the integration of recycled materials into its products, while respecting customer expectations.**

### 3.9 WATER RESOURCES MANAGEMENT

In the Group's production processes, the use of water is very limited and is mainly used for two industrial processes:

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

However, the Group is aware of the importance of this resource and is committed to limiting its consumption.

Guala Closures Group is committed to reducing the water consumption of its plants around the world.

Guala Closures' objective is to reduce the water withdrawn per tonne of finished product by 20% between 2015 and 2020.

In 2018, the volume of water withdrawn was 263,122m<sup>3</sup>, higher than the previous year, due to the increase in production volumes. However, water consumption per tonne of Finished Product (3.42 m<sup>3</sup>/tPF) decreased by 12.4% compared to the 2015 reference value. In 2018, 27.3% of the water in the plants was taken from the public network or 72.7% from a well.

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

and equipment saturation. In the Italian plant of Spinetta part of the improvement comes from the increase of the production but also from an optimization of the management software of the evaporative towers, as well as from a program dedicated to the saving of the water coming from the well, for the use out of production.

In 2018, in the Colombian plant, the container washing area was isolated, thus ensuring a reduction in water consumption.

The South African plant has implemented a comprehensive three-axis water-saving program:

- concrete methods: bricks in toilet boxes, flushing regulation to save water in the use of the toilet, recycling of the water formed by the condensation of our air conditioners for floor washing;
- staff awareness programme: posters near all taps and toilets to encourage staff to be more responsible for water saving, daily monitoring of water consumption and results on screens, water leaks promptly repaired);

- rainwater collected for recycling in the toilets of the site.

This water-saving project has reduced the city's water use by 66%. Further phases of the project are planned to continue the efforts on water consumption.

The majority of plants have low water consumption and a minimum load of pollutants, and therefore no specific equipment and infrastructure for water discharges is foreseen. Municipal sewerage systems are used. Establishments with waste water treatment plants shall regularly measure the quality and quantity of the waters discharged and apply treatments to ensure that the discharges comply with the standards laid down by the authorities.

INDICATORS	2018	2017
<b>WATER CONSUMPTION</b>		
Total water drawn (m <sup>3</sup> )	263,122	262,549
Water taken from the public network (m <sup>3</sup> )	71,796	70,170
Water taken from the well (m <sup>3</sup> )	191,326	192,376
Water taken per finished product (m <sup>3</sup> /t)	3.42	3.98

*Outlook: Group aims to increase its focus on water. Because the performance on this KPI is very different from one plant to another, despite similar processes, the corporate environmental team must support the Business Units to share Best Practices.*

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



## 4\_ENHANCING HUMAN RESOURCES

### 4.1 SOCIAL ISSUES

Guala Closures Group has always been aware of how all its employees, men and women, are the key to success and business development. Also thanks to the materiality analysis process, the Group has strengthened its awareness and identified more clearly the priorities on which to focus in the management of its resources.

As an industrial group, the first challenge is to ensure the safety of all employees and workers working at Guala Closures sites by ensuring a safe working environment and promoting a culture based on promoting health and safety. At the same time, to support its own development and meet customer expectations, the Group must take into account the skills and potential growth of its employees, which is why it invests time and resources as a matter of priority in training and continuous improvement programmes.

Guala Closures is present in 22 countries worldwide, with 29 plants and 3 sales offices. Products are sold in over 100 countries. The Group's 4,367 employees (31 December 2018) represent 29 nationalities and over 18 languages spoken. In this way, the Group demonstrates an evident diversity within itself. A further challenge for Human Resources is therefore to cultivate a common culture, based on the Group's values, across geographical, cultural, professional and organisational boundaries.

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

- The promotion of corporate values and continuous improvement at all levels to promote participation and a sense of belonging.
- The promotion of professional growth through continuous training.
- The increasingly scrupulous protection of labour law, respecting workers' rights and adopting strict policies for safety at work, with particular attention to the developing countries in which the Group operates, aiming above all at the choice of a supply chain that is also attentive to the problem of child labour.

In the area of human resources management, the main potential risks stem from the incorrect implementation of ethical and social policies in all Group plants, with particular attention to safety policies and the integrity of the supply chain. In carrying out its activities, the Guala Closures Group incurs charges and costs for the actions necessary to ensure full compliance with the obligations set out in the regulations on health and safety at work. In relation to workplace safety, the Group is very attentive to staff training and to analysing the causes of each individual accident. As regards

the integrity of the supply chain, the supplier qualification criteria (questionnaires and audit sheets) are being reviewed to bring them into line with ethical and social requirements.

### 4.2 POLICIES AND FRAMEWORK

In order to promote ethical business practices, Guala Closures has implemented a global framework based on 4 documents:

- Ethical and social policy
- Labour and safety policy
- Code of Ethics
- Modern Slavery Act

The Group's behaviour is guided by its strong commitment to sustainable development, which enables it to strengthen its market leadership in the production of closures, in full compliance with ethical and social aspects, product safety and workplace safety, all while safeguarding the environment.

**Ethical and social policy** is based on 3 pillars: people, external stakeholders, the workplace and the environment.

The Group is committed to managing its human resources in a correct and transparent manner because it believes that its employees represent its added value. In particular, it undertakes to:

- ensure that all workers have a legitimate employment contract and that the minimum wage levels laid down by law are respected;
- guarantee freedom of association and collective bargaining;
- do not use child labour;
- not discriminate and guarantee equal opportunities regardless of religion, ethnicity, sex, political or spiritual belief;
- ensure adequate working conditions, treating all workers with dignity and respect, prohibiting the use of irregular disciplinary practices and/or corporal punishment.

The Guala Closures Group is committed to ensuring that its suppliers, the external community and other stakeholders involved in the supply chain are aware of the aspects of corporate integrity and sustainable development. That means:

- ensure ethical aspects in the management of relations with suppliers (with reference to the Guala Closures Group's Code of Ethics);
- avoid any potential act of bribery, intimidation or fraud in dealings with suppliers;
- not exploit or discriminate against members of external communities; listen to suggestions, expectations and requests from the external community and other members of the supply chain.

To complete the ethical and social policy and since the health and safety of workers is the top priority, the Group has adopted a labour and safety policy.

Based on this policy:

- The Guala Closures Group wants its employees to be involved in their personal safety. It ensures that the means of communication are effective and guarantee the achievement of the requirements and objectives; it collects observations, complaints and suggestions for improvement; it provides workers with the know-how, means and tools to keep work activities safe; it shares good practices with other plants.
- The Guala Closures Group develops or improves products and processes with a view to guaranteeing and improving safety in the workplace; it encourages suppliers to optimise raw material choices and avoid potential risk situations; it operates in compliance with the concept of continuous improvement in all activities.
- The Guala Closures Group seeks to guarantee safety in the workplace and respect for the environment, approving and respecting international, national and local laws and standards, and other requirements suggested by stakeholders; internal representatives are responsible for training, communication and first aid procedures. Systematically analyzes the causes of any accident or potential accident to prevent it from happening again. Safety in the workplace is part of our performance measurement.

#### 4.3 AMBITION FOR 2022

The Group's approach is based on the management and recognition of talent, the promotion of employee inclusion and rights and support for wellbeing and professional growth with the aim of keeping people motivated, committed and loyal. The Group delegates each General Manager to adopt and adapt the corporate culture and objectives to his or her local

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

These policies are common to all the Group's production plants. They were signed by the Chief Executive Officer and the Chief Operating Officer. Each General Manager or Plant Manager is responsible for communicating and applying these guidelines in their organisation. They also define concrete objectives in accordance with the Group's Sustainability Programme and implement actions to achieve them.

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

situation. In the 2016 - 2022 Sustainability Programme, "we work together for sustainable growth", social ambition aims at zero workplace accidents, promoting skills development through the development of training programmes for employees, and addressing diversity through awareness campaigns to facilitate integration.

**The social objectives for 2016-2022 are as follows:**

PILLARS	AMBITION	OBJECTIVES	DEADLINE
Health and safety <i>(frequency of accidents and gravity)</i>	Ensuring a safe and secure working environment	Reduce the accident frequency indicator by 15%	2020
Training and education <i>(Type and quantity of training provided)</i>	Implement an ambitious training programme	100% of employees with 2 hours of Sustainability Program training	2018
	Strengthening the programme for the development of internal resources	Definition of a training plan in each Business Unit and recording of training hours for each employee	2022
Diversity <i>(Gender and cultural differences)</i>	Promote awareness campaigns to facilitate the integration of diversity	Make a survey to get a picture of the approach to diversity among Business Units Build and implement a diversity plan	2022

#### 4.4 RELATIONS WITH EMPLOYEES

In this document, all data relating to relations with employees refer to the purely productive units of the Group (29 plants in 22 countries). At 31/12/2018, the total number of employees at these plants was 4,367, with 737 collaborators. Who represent 17% of the total number of employees and

are mainly employed in the production departments due to the highly seasonal activity. Employees increased by 135, or 3.2%, compared to 2017. 748 employees, 468 men and 280 women were hired, i.e. 12 executives, 108 office workers and 628 workers. Inbound turnover for 2018 was 17% while outbound turnover was 14%.

In 2017, the Guala Closures Group consisted of 4,232 permanent employees and 707 associates, located in 27 plants and 21 countries. Employees account for 17% of the total workforce and are mainly employed in production departments due to highly seasonal activity. In employees, men account for 79.6% or 3,368 heads, of which 5.5% are managers, 18.9% are office workers and 75.6% are workers. Women, on the other hand, represent the remaining 20.4% of which 0.7% are managers, 6.3% are employed and 13.37% are workers.

EMPLOYEES BY TYPE OF CONTRACT, GENDER AND PROFESSIONAL CATEGORY <sup>1</sup>		2018
<b>Total number of employees<sup>2</sup></b>		<b>737</b>
<b>Total number of Group employees</b>		<b>4,367</b>
Men		3,338
Women		1,029
<b>EUROPA</b>		<b>2,505</b>
Men		1,924
Women		581
<b>LATAM</b>		<b>876</b>
Men		535
Women		341
<b>ASIA</b>		<b>651</b>
Men		610
Women		41
<b>OCEANIA</b>		<b>143</b>
Men		124
Women		19
<b>AFRICA</b>		<b>192</b>
Men		145
Women		47
<b>Total number of part-time employees</b>		<b>34</b>
whose	Men	14
	Women	20
<b>Total number of full-time employees</b>		<b>4,333</b>
whose	Men	3,324
	Women	1,009
<b>Total number of men</b>		<b>3,338</b>
% of men		76%
whose	Executives	185
	Employees	684
	Workers	2,469
<b>Total number of women</b>		<b>1,029</b>
% of women		24%
whose	Executives	33
	Employees	288
	Workers	708

1 - For 2018, there is no breakdown of fixed-term employees.  
2 - Employees are counted as FTEs

HIRES, TERMINATIONS AND TURNOVER RATES <sup>1</sup>		2018		
		MEN	WOMEN	TOTAL
<b>Total number employees hired</b>		<b>468</b>	<b>280</b>	<b>748</b>
of which in	EUROPA	206	86	292
	LATAM	135	181	316
	ASIA	99	1	100
	OCEANIA	10	0	10
	AFRICA	18	12	30
<b>Incoming turnover (%)</b>		<b>14%</b>	<b>27%</b>	<b>17%</b>
of which in	EUROPA	11%	15%	12%
	LATAM	25%	53%	36%
	ASIA	16%	2%	15%
	OCEANIA	8%	0%	7%
	AFRICA	12%	26%	16%
<b>Total number employees who left</b>		<b>422</b>	<b>171</b>	<b>593</b>
of which in	EUROPA	154	43	197
	LATAM	114	111	225
	ASIA	131	4	135
	OCEANIA	9	4	13
	AFRICA	14	9	23
<b>Output turnover (%)</b>		<b>13%</b>	<b>17%</b>	<b>14%</b>
of which in	EUROPA	8%	7%	8%
	LATAM	21%	33%	26%
	ASIA	21%	10%	21%
	OCEANIA	7%	21%	9%
	AFRICA	10%	19%	12%
<b>Total number executives leaving</b>		<b>18</b>	<b>1</b>	<b>19</b>
<b>Total number employees leaving</b>		<b>68</b>	<b>26</b>	<b>94</b>
<b>Total number workers leaving</b>		<b>336</b>	<b>144</b>	<b>480</b>
<b>Total number managers hired</b>		<b>10</b>	<b>2</b>	<b>12</b>
<b>Total number employees hired</b>		<b>78</b>	<b>30</b>	<b>108</b>
<b>Total number workers hired</b>		<b>380</b>	<b>248</b>	<b>628</b>
<b>Total number of natural discharges (pension)</b>				<b>442</b>

1- The Group does not have data on hires and terminations by age group and undertakes to integrate the requests for the next financial year. Turnover rates are calculated as the ratio of hires and terminations to total employees by gender and geographical area.

In this chapter, differences may be found with respect to the data reported in the Management Report on Operations in terms of the number of employees. The reason for this difference is that the two plants UCP and Kenya have not been included, as they are not yet part of the sustainability programme.



For all employees, through its ethical and social policy, the Group guarantees a legitimate employment contract and a minimum wage established by law. The other employee benefits depend on each Business Unit and vary considerably within the Group. The rules applicable in each country take account of local realities according to a principle of fairness. In some countries, additional welfare plans are also in place with benefits such as health insurance, dental insurance, paid part-time work and parental leave.

To date, there is no single Group remuneration policy. However, with the Group's listing on the stock exchange and the new requirements, the remuneration committee will establish transversal remuneration guidelines in 2019. The aim is also to implement an incentive plan.

#### 4.5 HEALTH AND SAFETY MANAGEMENT SAFETY IN THE WORKPLACE

The Guala Closures Group, firmly committed to providing a safe and healthy working environment for each employee, has adopted a series of measures to prevent workers' injuries in all its plants around the world. Differences in regulations and legislation in the countries in which the Group operates do not always make it possible to develop a standardised approach to safety at a global level. Starting from the peculiarities of the individual countries, the Group is committed to continuously improving working conditions, thus guaranteeing the highest safety standards in all its production plants, adopting an effective system for managing the health and safety of workers. The common basis for each establishment is:

- Constantly update safety procedures to cope with process evolution and new machinery;
- periodically train all employees in health and safety matters;
- analyse each accident report to improve work and safety procedures.

In 2018, the Guala Closures Group recorded 78 accidents, a 43% reduction compared to 2017. The Accident Frequency Index is 7.44, still below target, despite a 30% reduction compared to 2017. The severity index, at 0.26 for 2018, decreased by 72% compared to 2017. The results for 2018 show a clear progression compared to the previous year. No serious accidents were reported in the 78 accidents recorded, thanks in part to the commitment shown by the plant managers in considering safety issues as a top priority and to the important health and safety awareness and training programme developed over the last two years. In 2018, the total number of hours of environmental, health and safety training within the Group's factories was approximately 18,276 hours.

ACCIDENTS AND ACCIDENT INDICES	2018
<b>TOTAL NUMBER OF ACCIDENTS</b>	<b>78</b>
EUROPA	21
LATAM	42
ASIA	6
OCEANIA	2
SOUTH AFRICA	7
<b>NUMBER OF DEATHS</b>	<b>0</b>
EUROPA	0
LATAM	0
ASIA	0
OCEANIA	0
SOUTH AFRICA	0
<b>FREQUENCY INDEX<sup>1</sup></b>	<b>7.44</b>
EUROPA	4.35
LATAM	2.39
ASIA	1.86
OCEANIA	6.91
SOUTH AFRICA	1.78
<b>GRAVITY INDEX<sup>2</sup></b>	<b>0.26</b>
EUROPA	0.12
LATAM	0.88
ASIA	0.01
OCEANIA	1.64
SOUTH AFRICA	0.06
<b>ABSENTEEISM RATE<sup>3</sup></b>	<b>0.20</b>
EUROPA	0.10
LATAM	0.71
ASIA	0.01
OCEANIA	1.31
SOUTH AFRICA	0.05
<b>RATE OF OCCUPATIONAL DISEASES</b>	<b>0</b>

1 - The frequency index is calculated as the number of accidents per million hours worked

2 - The severity index is given by the number of days of absence per thousand hours worked (in the event of a fatal accident, a penalty of 6000 days is counted)

3 - The rate of absenteeism is estimated by dividing the number of days of accidents multiplied by 8 working hours with the total number of hours worked.

**Perspectives: Zero accidents remains a priority objective for the Group. It is a task that concerns all employees and requires continuous monitoring.**

In relation to the fatal accident that occurred on 30 January 2017 at the Guala Closures Pre-merger plant in Magenta (MI), which was later merged by incorporation into the Company, the heirs of the de cuius were fully compensated in July 2018; 80% of this compensation was reimbursed by Guala Closures Pre-merger insurance and the remaining 20% by the RSPP appointed at the time of the accident, Luigi Cichero. With regard to liability pursuant to Legislative Decree No. 231/2001 231/01, Guala Closures Pre-merger, in the context of criminal proceedings no. 4361/2017 r.g. n.r. The Court of Milan has formulated a plea bargaining application to settle the position with the payment of a fine of €50,000; the PM has already expressed a favourable opinion on this application.

#### 4.6 DEVELOPMENT OF SOCIAL DIALOGUE

In line with its ethical and social policy, the Guala Closures Group respects the freedom of association and collective bargaining in each Business Unit. The Group is committed to maintaining a high quality social dialogue, both directly with the employees themselves and with their representatives or trade union representatives.

Social dialogue is conducted at local level by Country Managers in collaboration with trade unions and staff representatives. The spectrum of issues is consistent with applicable collective agreements and local laws. Throughout the world, this dialogue has the common objective of improving working conditions and the working environment, and of offering better subsidies.

INDICATORS	2018
% of employees covered by contracts collective work groups (national level)	39.3%
% of employees covered by company agreements	17.5%

The percentages are calculated on the basis of the number of employees of the Group.

#### 4.7 DEVELOPMENT OF SKILLS AND CONTINUOUS IMPROVEMENT

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

- Environment, hygiene and safety
- Technical skills
- Relational skills

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

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

In 2018, the Group provided 203,965 hours of training, equivalent to an average of 46.71 hours per employee. Training hours increased by 31,331 hours per year (+18.4% compared to 2017)

Workers are the most trained, with an average of 4.4 hours/month per employee. Immediately afterwards, employees with 2.7 hours/month per employee and managers with 1.9 hours/month/per employee.

There are currently no training programmes dedicated to employees who are about to retire.

As the CSR Roadmap 2016-2022 is ambitious, the Group has decided to develop and provide all employees with a special two-hour training session dedicated to awareness of its Sustainability Programme. Training support documentation and videos have been delivered to Business Units around the world. This specific training programme started in 2017. At the end of 2018, 95% of employees were trained. The remaining 5% received 2 hour training at the beginning of January 2019.

To ensure the development of employees' skills and enable them to make a real career path within the Group, some local human resources services conduct regular performance and career development checks. In 2018, this measure affected 49% of the employees.

During 2017, training hours were provided for a total of 172,364, equal to 1.84% of the hours worked. In particular, the training hours were divided into the following topics: environment, hygiene and safety (22,287), technical skills (135,248) and interpersonal skills (14,328), with an average of 40.71 training hours per capita. No data are available by professional category and gender.

INDICATORS	2018
<b>Total training hours by subject</b>	
Total training hours	203,965
<i>Hours of training for environment, health and safety</i>	18,276
<i>Hours of training for technical skills</i>	171,032
<i>Hours of training for interpersonal skills</i>	14,657
<b>Training on hours worked</b>	
% of training (training hours/working hours)	2.09%
<b>Employees receiving performance appraisal and career development GRI 404-3</b>	
% of employees receiving performance appraisal and career development	49%
% men receiving performance appraisal and career development	45%
% women receiving performance evaluation and career development	66%
<b>Average hours of training per employee</b>	
Average training hours/per employee/year	46.71
Average training hours for employees (h/month)	4
Average training hours for managers (h/month)	1,9
Average training hours for employees (h/month)	2.7
Average training hours for workers (h/month)	4.4
Average training hours for men (h/month)	3.3
Average hours of training for women (h/month)	5.8

#### 4.8 DIVERSITY MANAGEMENT AND ASSURANCE OF EQUAL OPPORTUNITIES

The Group operates in 22 countries worldwide, interacting and relating with customers in over 100 countries. For these reasons, the need to incorporate diversity of thought, gender and culture into business decision-making is essential for the company to continue to thrive in a multicultural world.

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

Diversity is a cultural issue that varies from one country to another and is difficult to address in a homogeneous way. Each Business Unit with its own cultural specificities is committed to promoting awareness campaigns so as not to discriminate directly or indirectly and facilitate the integration of different groups, with particular attention to gender diversity, age and religious beliefs, both in personal relationships and in working conditions.

This principle of combating discrimination applies not only to recruitment, but also to the career path.

In 2018, the Group launched an online survey at each plant to collect data and practices on diversity. The purpose of this investigation was to:

- Provide an assessment of the current state of diversity within the Guala Closures Group in order to define ambitions and commitments more precisely

- Give a global general orientation regarding diversity in order to standardize the approach in each Business Unit
- Identify good practices and disseminate them internally.

The main conclusions show that practices are very diverse in the Business Units, but the analysis reveals some points in common, such as encouraging reporting of any case of discrimination, recruitment strategies to help increase diversity, promoting employees' awareness of diversity.

In 2018, the Group integrated 29 nationalities. More than 18 languages are spoken in the various plants, which means that the Guala Closures Group is a true multicultural company that guarantees respect for everyone.

As in many industrial companies, the percentage of women does not correspond to that of men. In 2018, women represented 24% of employees (3% more than in 2017). The female presence in top management positions is 15%.

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

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

With regard to the data relating to cases of discrimination, reference is made to the data collected through a special questionnaire submitted to the various Business Units.

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

#### 4.9 ENSURING THAT HUMAN RIGHTS ARE RESPECTED AND CHILD LABOUR

The Guala Closures Group is committed, in every country in which it operates, to maintaining the highest ethical standards and to improve global policies and processes to avoid any potential incident in human rights violations with regard to its activities or the supply chain. To this end, it has adopted a Code of Ethics, the latest revision of which is dated 31 January 2018, to complete the ethical and social policy already adopted in April 2017. The two frameworks specify, among other things, that the Group undertakes not to use child labour, not to use forced labour, and to defend and respect human rights throughout the supply chain.

In addition, 97% of Guala Closures Group's plants have joined the SEDEX platform (the new Indian plant acquired at the end of 2017 will join in 2019). SEDEX stands for Supplier Ethical Data Exchange. This non-profit organization is committed to improve the ethical performance of supply chains. SEDEX members can share and manage information on labour standards, health and safety, the environment and work ethics through a navigable platform. As a SEDEX member, Guala Closures plants offer the advantage of having a platform to share social compliance audit reports and related information and participation in working groups.

Adopting an effective management system for the health and safety of workers contributes to improve safety in the workplace. SEDEX accreditation requires compliance with and communication of numerous international criteria relating in particular to health and safety at work. Our main objective was to obtain SEDEX accreditation for all our plants by 2017 and we have achieved it.

#### 4.10 SUPPORT FOR LOCAL COMMUNITIES AND INVOLVEMENT OF EMPLOYEES

The Guala Closures Group and its various Business Units are involved in the local communities in which they operate. They are committed to participate in local life and to mobilising employees on solidarity projects. For each Business Unit, the objective is to contribute to improve the life of the communities and therefore to act consistently with the values of the Group. Taking into account local specificities, expectations and needs, the objective is to develop projects with local stakeholders.

In 2018, among all these projects, in Argentina the Group supported the Technical School of Chivilcoy (location of the plant) to disseminate knowledge and skills related to their working environment and facilitate their integration into human groups in an environment other than the school environment. In Spain, Guala Closures is involved in raising young people's awareness of environmental issues. They participated in a project to obtain an ecological greenhouse in a small school made of recycled material, where students can learn different subjects, such as biology and technology, get food from the ecological greenhouse and teach them the environmental value. In Mexico, the social reforestation programme continues through a three-year project in Yucatan and the project in the schools «Mi clase, mi bosque» in the city where the plant is located to train and raise the awareness of young students. In 2018, €70,000 was granted for reforestation projects and €10,400 for school projects.

## 5\_CUSTOMER, CONSUMER AND INVESTOR SATISFACTION

### 5.1 ECONOMIC ISSUES

Guala Closures Group produces and distributes its products in 100 countries, supplying diversified markets such as spirits, wine, water and beverages, oil and vinegar, pharmaceuticals and PET. The company produces closures that offer innovation, protection, security and convenience to consumers, while enhancing its customers' brands.

One of the potential risks to which the Group may be exposed is related to the interruption of service due to the malfunctioning of auxiliary plants or the interruption of utilities' supplies, or the lack of raw materials. For this reason, continuity plans have been defined with major customers, which include production in alternative plants or the definition of security warehouses. Other possible risks may be related to Conformity and Safety of products with respect to components in direct contact with food. For this reason, the Group keeps itself constantly updated on the regulations for food safety and verifies the conformity of its products by means of appropriate tests in third party laboratories.

As a world leader in the production of closures, the main challenge for the Guala Closures Group is to maintain or grow its presence in today's markets. This requires customer satisfaction with the quality of the products, the added value that Guala Closures can bring to customers in terms of brand protection and strengthening, the fight against counterfeiting, innovation, etc.

In markets such as liqueurs, wine, water and beverages, oil and vinegar, pharmaceuticals and PET, which are very competitive and which sometimes have to cope with changing consumption habits, Guala Closures must be very responsive and ready. Thanks to constant dialogue with its customers and careful observation of markets and trends, Guala Closures is able to pick up even small signals, to offer products that perfectly meet customer expectations.

The Group and all its Business Units are committed to customer, consumer and investor satisfaction.

### 5.2 POLICIES AND FRAMEWORK

For Guala Closures Group, customer satisfaction is a priority and this is reiterated in its Quality Policy, so that all departments of the Group are aligned and focused on this objective. Investing in research, enhancing one's skills and innovating are the driving forces that allow the Group to exceed customer expectations. Furthermore, one of Guala Closures' priorities is to put in place reliable, effective and standardised processes to fully meet the expectations of all stakeholders. This means that the Group works to control

and update products, processes and production systems, encourage the creation of close relationships with key suppliers, respecting and satisfying all applicable requirements and putting into practice the concept of continuous improvement for all activities. In 2018, Guala Closures Group adopted a "Code of Ethics" valid in all the Group's plants, a charter of rights and moral duties that defines the ethical-social responsibility of the Company and of each person who participates in the corporate organisation.

With this Code, the Company affirms that its ultimate mission is to qualify its activities, always pursuing transparency, mutual respect, safety, quality, respect for resources and the environment, protecting the economic, financial and asset balances. The Company identifies and implements the following values:

- transparency, i.e. clarity, analysis and completeness of the information and activities carried out;
- respect for the interlocutors;
- legality and fairness;
- competence and entrepreneurship;
- environmental protection and well-being;
- recognition and reward of results.

Guala Closures requires all Group companies and major suppliers and partners to adopt a conduct in line with the general principles of its Code of Ethics.

### 5.3 AMBITION FOR 2022

In the 2016 - 2022 CSR Programme "Working together for sustainable growth", the economic ambition is to improve the efficiency of the production system, to bring the best innovations to its customers, to ensure that the right quantities are delivered on time, to ensure food security for customers and to demonstrate that the Group is a responsible player in the supply chain.



The economic objectives for 2016-2022 are as follows:

PILLARS	AMBITION	OBJECTIVES	EXPIRY DATE
Production efficiency	Efficiency of the production system	Overall Equipment Efficiency (OEE) > 85%	2022
Innovation	Innovative capacity	Develop at least 26 patentable ideas	2020
Customer Satisfaction	Customer Satisfaction	On Time In Full delivery (OTIF) > 95% in all plants	2022
		SEDEX accredited	2017
		ISO 22000 for all Group plants	2020

#### 5.4 PRODUCTION EFFICIENCY

Total plant efficiency (OEE) is the indicator used by Guala Closures to measure and monitor the production efficiency and performance of machines, production lines and, more generally, its own plants.

The OEE determines the extent to which downtime is due to events such as set-up, testing, sampling, routine and extraordinary maintenance, cleaning, quality performance and rework, quantifying their influence on the production efficiency of a machine or production line.

OEE is calculated as the ratio of output to saturated input and highlights inefficiencies due to organisation, maintenance, production and quality.

The ambition for 2022 is to exceed 85% OEE as a Group value. In 2018 the Group reached 77.7% (+0.6 percentage points or 0.7% compared to the previous year and 3.9 points or 5.3% compared to 2015).

*Perspectives: this OEE indicator has been steadily increasing and the objective is to keep the mobilization of all the Business Units unchanged.*

#### 5.5 INNOVATION

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

The "Design & Innovation Division" works in collaboration with all the other internal functions that support the entire Group. Guala Closures also develops exclusive partnership projects with some of its main customers, creating innovative and high-performance solutions to protect and enhance its products.

Over the years, Guala Closures has developed more than 140 patents and intellectual property rights. 84 patents - of which 14 utility models and 40 designs - are still active. The company offers a dedicated IP (Intellectual Property) service to protect its products and also defend its customers' brands.

In order to satisfy customers and remain competitive in its markets, the Group has set itself the target of developing 26 new patents in the period 2016 - 2020.

To achieve this goal, our teams concentrate their research guided by 3 main reasons:

- Continue developing partnerships with customers to generate new solutions ;
- Anticipate regulations ;
- Fighting counterfeiting.

In 2016, 3 patents were registered, 6 in 2017, 6 in 2018, for a total of 15.

To continue to bring innovation to the markets, the Group has consolidated the new organization of innovation teams, with three different areas and approaches: the team "customer requests", the team "widening and strengthening markets - enlarging and strengthening markets" and the team "thinking out of the box - thinking outside the box".

#### 5.6 CUSTOMER SATISFACTION

In order to satisfy and retain its customers, the Group has given itself four priorities:

- ensuring the health and safety of consumers ;
- be a reliable and responsible player in the supply chain ;
- ensure that orders arrive complete and on time ;
- respect the privacy of customers.

To guarantee food safety for consumers, Guala Closures has chosen to adopt the ISO 22000 management system as its reference framework. This international standard is applied on a voluntary basis by parties operating in the food sector. It guides companies in adopting management systems that aim to ensure compliance with various minimum requirements such as risk assessment, Hazard Point Control (HACCP) and food safety. Possessing this certification represents a guarantee of product quality and safety that is extremely important for our customers.

The goal is to achieve ISO 22000 certification for all plants by 2020.

At the end of 2018, 17 plants (about 60% of the Group's plants) had obtained ISO 22000 certification, while the other plants are continuously monitored by the Group's Quality Assurance team. Since all products are in contact with food must be accompanied by correct identification and technical support documentation There were no incidents in 2018 related to product and service information.

SEDEX as we have already said stands for Supplier Ethical Data Exchange. This non-profit organization is committed to improving the ethical performance of supply chains. SEDEX suppliers and members can share and manage information

relating to labour standards, health and safety, the environment and work ethics through a navigable platform. It is one way to demonstrate to all our economic partners that the company is developing its activities responsibly, taking into account economic, human and environmental interests. SEDEX accreditation allows the Group to highlight the commitment of all plants to respect human rights and not to adopt child labour practices.

The objective of the Guala Closures Group was to accredit 100% of its plants (27) to SEDEX by 2017 and this has been achieved. During 2018, the two plants in Bulgaria were combined into one, which is why there are 26 rather than 27 SEDEX accredited plants for 2018. New installations (Nairobi, Darwhad and UCP) will be added in 2019.

Five audits were carried out in 2018 under the SMETA audit methodology. The auditors conducted audits covering all aspects of responsible business practice, covering the four pillars of SEDEX: Work Standards, Health and Safety, Environment and Ethics at Work.

A key point for customers is the delivery of the right amount of goods requested (In Full) respecting the deadline of the customer (On Time). OTIF (On Time In Full) has become a

key performance indicator for the entire Group and is monitored every month. All efforts are undertaken to constantly improve and achieve a score of 100% correct quantities and delivered on time.

By 2022, the Group wants all Business Units to achieve an OTIF score above 95%.

In 2018, the On Time In Full indicator reached 88.9% for the Group, calculated on the basis of the OTIF weighted averages of each plant. The score improved by 5% compared to 2015.

With regard to customer privacy, as described in the Group's Code of Ethics, the Company's employees, those responsible for or in charge of processing personal and sensitive data in accordance with current legal provisions on privacy, must scrupulously comply with the instructions received from the Company in this regard and, in any case, are required to treat personal data in the most appropriate way to protect the legitimate expectations of those concerned regarding their confidentiality and security.

In 2018, the Group did not record any substantiated complaints relating to breaches of privacy and loss of customer data.

INDICATORS	2018	2017
On Time In Full delivery (OTIF) in %	88.9%	86.6%
Number of SEDEX accredited establishments	26/29	27/27
Number of ISO 22000 certified establishments	17/29	15/27
Number of complaints regarding breaches of privacy and loss of customer data	0	Not available
Number of incidents of non-compliance with product and service information on labelling	0	Not available
Number of incidents of non-compliance with information on products and services in communication activities	0	Not available

*Perspective: in order to pursue the good progression of the On Time In Full score over the years, training and monitoring will continue to be the key elements.*

*To support plants in implementing their ISO 22000 management system, the Group aims to help them monitor action plans and support those preparing for ISO 22000 certification. An ambitious certification programme is planned with seven plants in 2019 and the last ones in 2020.*

*As for the new plant in India integrated into the Group in 2018, it will be accredited Sedex in 2019 as well as Kenya and UCP (UK). For all Sedex accreditations, the Group will ensure that the data of the sites linked to Sedex are updated and will work on new "Smeta" audits.*

## 5.7 PROCUREMENT PRACTICES

Guala Closures consumes large quantities of materials for the production of its closures: in particular over 48,000 tonnes of aluminium, most of which is prepared by the Magenta plant through the treatment of aluminium coils and cutting into sheets before being decorated in the subsequent lithographic phases and then sorted among the various Business Units. Poland, Ukraine, South

Africa, Argentina and Australia also purchase part of their share of the aluminium used from local suppliers. The Group also consumes more than 46,000 tons of plastic of different types (PET, PP, PC, etc.). For these purchasing activities a centralised control of the purchase prices is in operation while the supply is done at local level. For liners there is a global agreement with a supplier covering all the Group's plants except Poland and the UK, which are supplied by local producers.

Guala Closures applies a policy of being rooted in the territory that involves local suppliers, always and in any case in compliance with the Group's ethical and social policies.

The purchasing processes are based on the search for maximum competitive advantage for Guala Closures and the granting of equal opportunities for each supplier. They are also based on pre-contractual and contractual behaviour oriented towards an indispensable and reciprocal loyalty, transparency and collaboration.

Guala Closures Group develops a responsible purchasing approach with a win-win relationship. Increasingly integrate social or environmental criteria into supplier choices.

## 5.8 ANTI-CORRUPTION AND ANTI-COMPETITIVE BEHAVIOURS

In any case, if the supplier, in carrying out its activities for Guala Closures, adopts behaviour that is not in line with the general principles of the Code of Ethics, Guala Closures will still have the right to adopt adequate measures that may also preclude the supplier from any other opportunity for collaboration.

The Group is located in 22 countries and is committed to ensuring that the activities of its factories or sales offices are also profitable for the territory in which it operates. For this reason, it develops a policy of rooting in the territory that involves local employment both directly through its employees, and through its subcontractors and suppliers. Therefore, local sourcing is another aspect of the responsible purchasing process.

Many of the purchases of raw materials (such as plastics, aluminium, liners and paints) are centralised and are made on an international market.

Raw materials (plastic and aluminium), gaskets, inks and paints have been identified as strategic suppliers, as they are the basis of the production process. Transport was also considered strategic because of the criticality of service costs and environmental impact.

PRODUCT SECTOR	NUMBER OF STRATEGIC SUPPLIERS	% OF EXPENSE TURNOVER
Aluminium	5	21.27
Plastic	11	8.21
Inks and varnishes	5	2.61
Shipments and transports	7	2.09
Packaging	4	1.04

The figures shown refer to the perimeter of Guala Closures Spa

In 2018, Business Units increasingly purchased products and services from local suppliers. For some Business Units (e.g. Argentina, Brazil, South Africa and the UK), local purchases account for more than 70%.

**Perspectives: Guala Closures is committed to including more stringent requirements regarding environmental and social aspects in the assessment and qualification of suppliers, and to monitoring the supply chain by means of qualitative and quantitative indicators.**

The Group's ethical and social policy completes its Code of Ethics. Through this policy, the Group wants its suppliers, the external community and other stakeholders involved in the supply chain to be aware of the aspects of corporate integrity and sustainable development. This means ensuring ethical aspects in the management of relations with suppliers; avoiding any potential act of corruption, intimidation or fraud against suppliers; not exploiting or discriminating against members of the external community; listening to suggestions, expectations and requests from the external community and other members of the supply chain.

The Group intends to conduct its business relations with the utmost respect for its customers, suppliers and competitors. He is careful that no one engages in anti-competitive practices. In fact, the Code of Ethics stresses that the Group "intends to protect the value of fair competition by refraining from collusion, predatory behaviour and abuse of a dominant position. In its dealings with customers and suppliers, the Company undertakes to comply with EU and national laws that protect competition and to deal with markets exclusively on the basis of the quality of its products and services. The Company intends to avoid that any agreement or conduct undertaken in its name and/or on its behalf could constitute an unlawful restriction of competition. Recipients must act accordingly, complying with the provisions and indications contained in the Antitrust Compliance Policy and consulting, in the event of doubt, the Group's Legal and General Affairs Department".

In 2018, a plan to raise awareness of corruption and conflicts of interest was implemented in most of the Group's plants, involving top, senior and middle managers, as well as the employees concerned. 63% of the Business Units have undertaken awareness-raising actions. 764 managers, employees and other employees received information on these issues, of whom 146 received dedicated training.

During 2018, the Group identified an episode of corruption in South Africa. Since the perpetrator of the bribery had already left Guala Closures before the fraud was discovered, the matter was referred to the local police services. The supplier using unfair business practices was removed from the Business Unit's supplier list.

During the year, the Company did not detect any case of anti-competitive behaviour.



The Code of Ethics also explicitly states that "no form of gift that can even be interpreted as exceeding normal commercial or courtesy practices or in any case aimed at obtaining favourable treatment in the conduct of any activity connected with Guala is permitted. In particular, any form of gift to Italian or foreign

public officials, auditors, directors of Guala and its subsidiaries, auditors or their families that may influence the independence of judgment or induce to ensure any advantage is prohibited".

INDICATORS	2018
<b>Total number of informed employees</b>	<b>621</b>
Managers and employees informed in %	31%
Informed employees in %	47%
<b>Total number of employees with training</b>	<b>143</b>
Managers trained in %	36%
Employees trained in %	64%
Number of confirmed cases of corruption	1
Number of legal actions for anti-competitive behaviour	0

## 6\_INFORMATION NOTE

The consolidated non-financial statement of the Guala Closures Group (hereinafter also referred to as the "Declaration"), prepared in accordance with Articles 3 and 4 of Legislative Decree no. 58/1998, has been amended as follows 254/2016 (hereinafter also referred to as the "Decree") and subsequent amendments, contains information relating to environmental, social and personnel issues, respect for human rights and the fight against corruption, to the extent necessary to ensure an understanding of the activities carried out by the Group, its performance, results and impact produced by the same. This consolidated non-financial statement, in accordance with the provisions of Article 5, paragraph 3, of Legislative Decree No. 58/1998, is a statement of intent and purpose. 254/2016, is a separate report from the "Director's report of 2018 Annual Report" relating to the Group's 2018 Financial Statements, but an integral part of the same. Guala Closure Group thus confirms its commitment to sustainability reporting undertaken in 2011, considering it essential not only to adopt policies to protect material non-financial issues, but also to share the approach with its stakeholders.

The Declaration, approved by the Board of Directors on 19 March 2019, was prepared in accordance with the GRI Sustainability Reporting Standards defined in 2016 by the GRI-Global Reporting Initiative, according to the "Core" option. The GRI Standards, which to date are the most widely used and internationally recognised standards for non-financial reporting, have been adopted as the "reference standard" by Guala Closures Group to comply with the requirements of the Decree. In order to facilitate the reader in tracing the information in the document in the appendix is given the GRI Content Index where the GRI indicators associated with each material topic are represented.

The non-financial reporting presented in the Declaration reflects the principle of materiality or relevance, an element envisaged by the reference legislation and characterising the GRI Standards: the issues dealt with in the Declaration are those which, following an analysis and assessment of materiality, described in paragraph 2.2 of this document, have been identified as significant in that they are able to reflect the social and environmental impacts of the Group's activities or to influence the decisions of its stakeholders. In order to ensure the reliability of the data, the use of estimates has been limited, as far as possible, which, if present, are based on the best available methodologies and appropriately reported.

### 6.1 REPORTING PERIMETER

Guala Closures S.p.A. (the "Company" or the "Parent Company") (formerly Space4 S.p.A.) was incorporated by Space Holding S.r.l. on 19 September 2017 under the name Space4 S.p.A., a vehicle that constituted a Special Purpose Acquisition Company (SPAC) under Italian law, in the form of a SIV

(Special Investment Vehicle) pursuant to the Regulations of the Italian Stock Exchange, with trading on the Stock Exchange commencing on 21 December 2017.

On 31 July 2018 SPAC Space4 S.p.A. acquired Guala Closures S.p.A., the parent company of the Guala Closures Group (respectively the "Guala Closures Pre-Merger" or the "Guala Closures Pre-Merger Group") and, on 6 August 2018, merged Guala Closures S.p.A.. Space4 S.p.A. has also taken on the name of "Guala Closures S.p.A." following this transaction and the Group that refers to Space4 S.p.A. has taken on the name of "Guala Closures Group".

Guala Closures S.p.A. is a joint-stock company governed by the laws in force in Italy and registered with the Company Register Office of Alessandria, with registered office in Spinetta Marengo (Alessandria), via Rana 12, industrial zone D6.

The qualitative and quantitative information contained in the Consolidated non-financial statement refers to the Group's performance for the year ended 31 December 2018. As provided for by the Legislative Decree 254/2016, art. 4, this consolidated non-financial statement includes the data of the parent company and its subsidiaries consolidated on a line-by-line basis. Any limitations to this perimeter are appropriately indicated in the document. In order to allow comparability of the data over time, a comparison with the 2017 data has been included, where possible, with the exception of the staff data, the details of which were collected for the first time in 2018.

The scope of the economic data is the same as that of the 2018 Consolidated Financial Statements, including all the Group's operating units. Not included are the Scottish UCP plant acquired on 12 December 2018 and the Kenyan plant not yet in production in 2018. The figures for human resources may differ from those given in the Management Report. The reason for this difference is that the two plants UCP and Kenya have not been included, as they are not yet part of the sustainability programme

### 6.2 REPORTING PROCESS

The Declaration was managed by the Quality, Sustainability and Continuous improvement Group director as well as by those responsible for each of the issues involved: Human Resources, Product Research and Innovation, Purchasing. The data collection process was coordinated by the corporate CSR team and the CSR managers of the Business Units. The information was consolidated and verified by the corporate CSR team. CIS-Tool, Guala Closures' CSR reporting software is used monthly for reporting. To complete the data collection, a diversity survey was carried out in 2018, specific questionnaires were sent to the BUs and interviews were conducted.

Currently, data on indicators are collected monthly, quarterly

or annually basis depending on the type of indicator. Each Business Unit sends its data to the Corporate CSR team, which controls and groups the information in a report. In addition, the central team collects annually all information about actions and initiatives taken at the local level in order to prepare the annual report.

The new software, called CIS-Tool, automates and optimizes the data collection process. The software is distributed and used worldwide. Most plants have received training in the use of CIS -Tool, and the 2018 reporting campaign was implemented with this software.

This document is the first non-financial statement prepared by the Group and approved by the Board of Directors on 19 March 2019. The designated entity authorised to carry out the audit of this consolidated non-financial statement is KPMG S.p.A., which expresses, in a separate report, a certification of the conformity of the information provided pursuant to Article 3, paragraph 10, of Legislative Decree No. 231/2001. 254/2016. The audit was carried out in accordance with the procedures indicated in the section of this document entitled "Independent Auditors' Report".

### 6.3 CALCULATION METHODS

Direct and indirect emissions are evaluated and classified according to the GHG Protocol method:

- **Scope 1:** Direct use of fuels, transport of goods and people by own means, leakage of refrigerant gases
- **Scope 2:** Direct use of electricity (excluding grid losses)
- **Scope 3:** Fuel production, electricity grid losses, consumption of raw materials, transport of goods and by means not owned by the company, but only company cost (excluding transport whose cost is borne by the supplier/customer), hazardous waste management and not in terms of disposal and recycling.

In the calculation of emissions, the following cut-offs have been applied downstream of the calculation, excluding non-significant items that in aggregate contribute to 0.85% of the final emissions.

Specifically, they were excluded:

- **Scope 1:** use of machines and company buses, with a total contribution of 0.049%.
- **Scope 2:** no exclusion
- **Scope 3:** adhesive tape, metal and plastic ties, labels, with a contribution of 0.037%; phosphoric acid, glue and bicarbonate enamels, with a total contribution of 0.201%; cars, buses not owned and used for the movement of people and business travel by train and air, with a total contribution of 0.607%

**The emission factors used for the emission calculations are as follows:**

ELECTRICITY	FUELS, WATER	RAW MATERIALS (INCLUDING PACKAGING)	TRANSPORT, WASTE
Re-DISS, 2016	Ecoinvent 2.2	European Aluminium Association (EAA), 2010	Ecoinvent 2.2
IEA, 2015		Ecoinvent 2.2	
IEA, 2016		European Corrugated Packaging Association (FEFCO), 2015	
IEA 2017		Industry data 2.0 World Steel Association, 2011	

The market-based approach for calculating indirect emissions (Scope 2) requires the use of emission factors defined on a contractual basis with the electricity supplier. Given the absence of specific contractual agreements (e.g. purchase of Guarantee of Origin certificates), the emission factors relating to the national residual mix were used.

To calculate NOx emissions, the factors derive from the sampling of post-combustion plants, where the monitoring is carried out following the general forecasts defined by the UNICHIM 158/1988 method, with particular reference to the use of the specific method UNI EN 14792:2017 (Spinetta) or UNI 10878 (Magenta). In other plants, on the other hand, the methodology required by ISO 10849 is followed.

As far as the internal consumption of the organization is concerned, the table shows the conversion factors used for the changeover from m<sup>3</sup>/l/kg to GJ.

		TOTAL POWER CONSUMPTION (GJ)
Electricity	kWh	0.0036
Diesel	liters	0.03771
LPG	kg	0.05
Propane	kg	0.05
Natural gas	Sm <sup>3</sup>	0.03884
Diesel	liters	0.03597

### 6.4 CONTACTS

#### Guala Closures Group

##### Legal and administrative office:

Via Rana, 12 - industrial zone D/6 - 15122 Spinetta Marengo - Alessandria  
 Subscribed share capital €68,906,646 fully paid-up  
 Tax Code and Company Register No. 10038620968  
 We have tried to make this first Consolidated non-financial statement clear, precise, effective and understandable. Your opinion and suggestions for improving it are welcome to improve it. We invite you to report them to us by writing to: [mmittino@gualaclosures.com](mailto:mmittino@gualaclosures.com)

## 6.5 GRI CONTENT INDEX

GRI STANDARD	DESCRIPTION	REFERENCE SECTION / EXTERNAL DOC	OMISSIONS
	General Standards		
<b>102 - GENERAL DISCLOSURES</b>			
<b>PROFILE OF THE ORGANISATION</b>			
102-1	Name of the organisation	Part. 1.2 Page 5-8	
102-2	Activities, brands, products, and services (Compliance programs laws and voluntary codes relating to marketing activities)	Part. 1.2 Page 5-8	
102-3	Location of headquarters	Spinettas Marengo - Alexandria (Italy)	
102-4	Location of operations	Part. 1.1 Page 4	
102-5	Ownership and legal form	Part. 1.3 Page 9	
102-6	Markets served	Part. 1.2 Page 7	
102-7	Scale of the organization	Part. 1.1 Page 4, Part. 1.2 Page 5-7, Part. 4.4 Page 31 GCG Financial Report	
102-8	Information on employees and other workers	Part. 4.4 Page 31-32	
102-9	Supply chain	Part. 5.7 Page 39-41	
102-10	Significant changes to the organization and its supply chain	Part. 5.7 Page 39-41 GCG Financial Report	
102-11	Precautionary Principle or approach	Part. 1.4 Page 11-14, Part. 2.7 Page 21-22	
102-12	External initiatives	Part. 1.4 Page 11	
102-13	Membership of associations	Part. 1.2 Page 17	
<b>STRATEGY</b>			
102-14	Statement from senior decision-maker	Part. 1 Page 3	
102-15	Key impacts, risks, and opportunities	Part. 1.4 Page 11-14, Part. 1.2 Page 15-16, Part. 2.4 Page 18-19, Part. 3.1 Page 23, Part. 4.1 Page 30	
<b>ETHICS AND INTEGRITY</b>			
102-16	Values, principles, standards, and norms of behavior	Part. 2.6 Page 21, Part. 5.8 Page 40-41	
<b>GOVERNANCE</b>			
102-18	Governance Structure	Part. 1.3 Page 9-11, Part. 2.5 Page 20	
<b>STAKEHOLDER ENGAGEMENT</b>			
102-40	List of stakeholder groups	Part. 2.3 Page 16-17	
102-41	Collective bargaining agreements	Part. 4.6 Page 34	
102-42	Identifying and selecting stakeholders	Part. 2.3 Page 16-17	
102-43	Approach to stakeholder engagement	Part. 2.3 Page 16-17	
102-44	Key topics and concerns raised	Part. 2.2 Page 15-16, Part. 2.3 Page 16-17	
<b>REPORTING PRACTICES</b>			
102-45	Entities included in the consolidated financial statements	Part. 1.3 Page 9, Part. 6.1 Page 42 GCG Relazione Finanziaria	
102-46	Defining report content and topic Boundaries	Part. 2.2 Page 15-16, Part. 6.2 Page 42-43	
102-47	List of material topics	Part. 2.2 Page 15-16, Part. 2.4 Page 17-19	
102-48	Restatements of information	Part. 6.2 Page 42-43	
102-49	Changes in reporting	This is the first non-financial statement of the Group	
102-50	Reporting period	Part. 6.1 Page 42	

102-51	Date of most recent report	This is the first non-financial statement of the Group	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	Part. 6.4 Page 43	
102-54	Claims of reporting in accordance with the GRI Standards	Part. 6 Page 42	
102-55	GRI Content Index	Part. 6.5 Page 42-45	
102-56	External assurance		
<b>200 - ECONOMIC</b>			
<b>205 - ANTI-CORRUPTION</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 5.8 Page 40-41, Code of Ethics	
103-3	Evaluation of the management approach	Part. 5.8 Page 40-41	
205-3	Confirmed incidents of corruption and actions taken	Part. 5.8 Page 40-41	
<b>206 - ANTI-COMPETITIVE BEHAVIOUR</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 5.8 Page 40-41, Code of Ethics	
103-3	Evaluation of the management approach	Part. 5.8 Page 40-41	
206-1	Legal action taken for anti-competitive behaviour, anti-trust and monopoly practices	Part. 5.8 Page 40-41	
<b>300 - ENVIRONMENT</b>			
<b>301 - MATERIALS</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 2.7 Page 21-22, Part. 3.1 Page 23, Part. 3.2 Page 23, Part. 3.3 Page 23-24, Part. 3.4 Page 24, Part. 3.8 Page 27-28	
103-3	Evaluation of the management approach	Part. 2.7 Page 21-22, Part. 3.1 Page 23, Part. 3.2 Page 23, Part. 3.3 Page 23-24, Part. 3.4 Page 24, Part. 3.8 Page 27-28	
301-1	Materials used by weight or volume	Part. 3.8 Page 27-28	
301-2	Recycled input materials used	Part. 3.8 Page 27-28	
<b>302 - ENERGY</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 2.7 Page 21-22, Part. 3.1 Page 23, Part. 3.2 Page 23, Part. 3.3 Page 23-24, Part. 3.4 Page 24, Part. 3.5 Page 25	
103-3	Evaluation of the management approach	Part. 2.7 Page 21-22, Part. 3.1 Page 23, Part. 3.2 Page 23, Part. 3.3 Page 23-24, Part. 3.4 Page 24, Part. 3.5 Page 25	
302-1	Energy consumption within the organisation	Part. 3.5 Page 25	
302-3	Energy intensity	Part. 3.5 Page 25	
302-4	Reduction of energy consumption	Part. 3.5 Page 25	
<b>303 - WATER</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 2.7 Page 21-22, Part. 3.1 Page 23, Part. 3.2 Page 23, Part. 3.3 Page 23-24, Part. 3.4 Page 24, Part. 3.9 Page 28-29	
103-3	Evaluation of the management approach	Part. 2.7 Page 21-22, Part. 3.1 Page 23, Part. 3.2 Page 23, Part. 3.3 Page 23-24, Part. 3.4 Page 24, Part. 3.9 Page 28-29	
303-1	Interactions with water as a shared resource	Part. 3.9 Page 28-29	

<b>305 - EMISSIONS</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 2.7 Page 21-22, Part. 3.1 Page 23, Part. 3.2 Page 23, Part. 3.3 Page 23-24, Part. 3.4 Page 24, Part. 3.6 Page 25-26	
103-3	Evaluation of the management approach	Part. 2.7 Page 21-22, Part. 3.1 Page 23, Part. 3.2 Page 23, Part. 3.3 Page 23-24, Part. 3.4 Page 24, Part. 3.6 Page 25-26	
305-1	Direct (Scope 1) GHG emissions	Part. 3.6 Page 25-26	
305-2	Energy indirect (Scope 2) GHG emissions	Part. 3.6 Page 25-26	
305-3	Other indirect (Scope 3) GHG emissions	Part. 3.6 Page 25-26	
305-4	GHG emissions intensity	Part. 3.6 Page 25-26	
305-5	Emission reduction as a direct consequence of specific activities and initiatives	Part. 3.6 Page 25-26	
305-7	Nitrogen Oxide (Nox), Sulphur Oxide (Sox) and other significant emissions into the atmosphere	Part. 3.6 Page 25-26	
<b>306 - WASTE AND DISCHARGES</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 2.7 Page 21-22, Part. 3.1 Page 23, Part. 3.2 Page 23, Part. 3.3 Page 23-24, Part. 3.4 Page 24, Part. 3.7 Page 27	
103-3	Evaluation of the management approach	Part. 2.7 Page 21-22, Part. 3.1 Page 23, Part. 3.2 Page 23, Part. 3.3 Page 23-24, Part. 3.4 Page 24, Part. 3.7 Page 27	
306-2	Total weight of waste by type and disposal method	Part. 3.7 Page 27	
<b>307 - ENVIRONMENTAL COMPLIANCE</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 2.7 Page 21-22, Part. 3.1 Page 23, Part. 3.2 Page 23, Part. 3.3 Page 23-24, Part. 3.4 Page 24	
103-3	Evaluation of the management approach	Part. 2.7 Page 21-22, Part. 3.1 Page 23, Part. 3.2 Page 23, Part. 3.3 Page 23-24, Part. 3.4 Page 24	
307-1	Penalties for non-compliance with environmental laws and regulations	Part. 3.4 Page 24	
<b>400 - SOCIAL PERFORMANCE</b>			
<b>401 - EMPLOYMENT</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 2.1 Page 15, Part. 4.1 Page 30, Part. 4.2 Page 30-31, Part. 4.3 Page 31, Part. 4.4 Page 31-33, Code of Ethics	
103-3	Evaluation of the management approach	Part. 2.1 Page 15, Part. 4.1 Page 30, Part. 4.2 Page 30-31, Part. 4.3 Page 31, Part. 4.4 Page 31-33	
401-1	Total number and percentage of new hires and turnover, by age, gender and region	Part. 4.4 Page 32	Information on employees hired and terminated by age group is not currently available. The Group is committed to gathering the necessary information for the next financial year.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees for key activities	Part. 4.4 Page 32	
<b>403 - OCCUPATIONAL HEALTH AND SAFETY</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	



103-2	The management approach and its components	Part. 2.1 Page 15, Part. 2.7 Page 21-22, Part. 4.1 Page 30, Part. 4.2 Page 30-31, Part. 4.3 Page 31, Part. 4.5 Page 33	
103-3	Evaluation of the management approach	Part. 2.1 Page 15, Part. 2.7 Page 21-22, Part. 4.1 Page 30, Part. 4.2 Page 30-31, Part. 4.3 Page 31, Part. 4.5 Page 33	
403-2	Type of accident and accident indices	Part. 4.5 Page 33	At present, data on accidents by gender and external collaborators are not available. The Group is committed to assessing the availability and significance of these data in the next financial year.
<b>404 - TRAINING AND EDUCATION</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 2.1 Page 15, Part. 4.1 Page 30, Part. 4.2 Page 30-31, Part. 4.3 Page 31, Part. 4.7 Page 34-35, Code of Ethics	
103-3	Evaluation of the management approach	Part. 2.1 Page 15, Part. 4.1 Page 30, Part. 4.2 Page 30-31, Part. 4.3 Page 31, Part. 4.7 Page 34-35	
404-1	Average annual hours of training per employee	Part. 4.7 Page 34-35	
404-2	Competence management and lifelong learning programmes that support the continued employability of employees and assist them in end-of-career management	Part. 4.7 Page 34-35	
<b>405 - DIVERSITY AND EQUAL OPPORTUNITIES</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 2.1 Page 15, Part. 4.1 Page 30, Part. 4.2 Page 30-31, Part. 4.3 Page 31, Part. 4.4 Page 31-32, Part. 4.8 Page 35-36, Code of Ethics	
103-3	Evaluation of the management approach	Part. 2.1 Page 15, Part. 4.1 Page 30, Part. 4.2 Page 30-31, Part. 4.3 Page 31, Part. 4.4 Page 31-32, Part. 4.8 Page 35-36	
405-1	Composition of governance bodies and breakdown of staff by employee category, gender, age, membership of protected categories and other indicators of diversity	Part. 1.3 Page 9-11, Part. 4.4 Page 31-32, Part. 4.8 Page 35-36	Information on the distribution of employees by age group is not currently available. The Group undertakes to collect the necessary information during the next financial year
<b>406 - NON-DISCRIMINATION</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 2.1 Page 15, Part. 4.1 Page 30, Part. 4.2 Page 30-31, Part. 4.3 Page 31, Part. 4.8 Page 35-36, Code of Ethics	
103-3	Evaluation of the management approach	Part. 2.1 Page 15, Part. 4.1 Page 30, Part. 4.2 Page 30-31, Part. 4.3 Page 31, Part. 4.8 Page 35-36	
406-1	Incidents of discrimination and action taken	Part. 4.8 Page 35-36	
<b>408 - CHILD LABOUR</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 2.1 Page 15, Part. 2.7 Page 21-22, Part. 4.1 Page 30, Part. 4.2 Page 30-31, Part. 4.9 Page 36	

103-3	Evaluation of the management approach	Part. 2.1 Page 15, Part. 2.7 Page 21-22, Part. 4.1 Page 30, Part. 4.2 Page 30-31, Part. 4.9 Page 36	
408-1	Operations and suppliers that could pose a risk for incidents involving child labour	Part. 4.9 Page 36	
<b>409 - FORCED OR COMPULSORY LABOUR</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 2.1 Page 15, Part. 2.7 Page 21-22, Part. 4.1 Page 30, Part. 4.2 Page 30-31, Part. 4.9 Page 36	
103-3	Evaluation of the management approach	Part. 2.1 Page 15, Part. 2.7 Page 21-22, Part. 4.1 Page 30, Part. 4.2 Page 30-31, Part. 4.9 Page 36	
409-1	Operations and suppliers that could pose a risk for accidents related to forced or compulsory labour	Part. 4.9 Page 36	
<b>413 - LOCAL COMMUNITIES</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 2.1 Page 15, Part. 4.10 Page 36	
103-3	Evaluation of the management approach	Part. 2.1 Page 15, Part. 4.10 Page 36	
413-1	Activities that include the involvement of local communities	Part. 4.10 Page 36	
<b>416 - CONSUMER HEALTH AND SAFETY</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 2.1 Page 15, Part. 2.7 Page 21-22, Part. 5.1 Page 37, Par 5.2 Page 37, Par 5.3 Page 37-38, Part. 5.6 Page 38-39	
103-3	Evaluation of the management approach	Part. 2.1 Page 15, Part. 2.7 Page 21-22, Part. 5.1 Page 37, Par 5.2 Page 37, Par 5.3 Page 37-38, Part. 5.6 Page 38-39	
416-1	Percentage of product and service categories for which health and safety impacts are assessed	Part. 5.6 Page 38-39	
<b>418 - CONSUMER PRIVACY</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 2.1 Page 15, Part. 2.7 Page 21-22, Part. 5.1 Page 37, Par 5.2 Page 37, Par 5.3 Page 37-38, Part. 5.6 Page 38-39, Code of Ethics	
103-3	Evaluation of the management approach	Part. 2.1 Page 15, Part. 2.7 Page 21-22, Part. 5.1 Page 37, Par 5.2 Page 37, Par 5.3 Page 37-38, Part. 5.6 Page 38-39	
418-1	Complaints about breaches of consumer privacy and loss of consumer data	Part. 5.6 Page 38-39	
<b>419 - SOCIO-ECONOMIC COMPLIANCE</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 2.1 Page 15, Part. 2.6 Page 21	
103-3	Evaluation of the management approach	Part. 2.1 Page 15, Part. 2.6 Page 21	
419-1	Significant monetary and non-monetary sanctions for non-compliance with laws and regulations in the socio-economic area	During the reporting period, the Group did not receive significant sanctions for non-compliance with laws or regulations in the socio-economic area	
<b>N/A - USE OF HARMFUL SUBSTANCES</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 2.1 Page 15, Part. 2.7 Page 21-22, Part. 3.4 Page 24	
103-3	Evaluation of the management approach	Part. 2.1 Page 15, Part. 2.7 Page 21-22, Part. 3.4 Page 24	

<b>N/A - EMPLOYEE EMPOWERMENT</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.1 Page 15, Part. 2.6 Page 21	
103-2	The management approach and its components	Part. 2.1 Page 15, Part. 2.6 Page 21	
103-3	Evaluation of the management approach	Part. 2.1 Page 15, Part. 2.6 Page 21	
<b>N/A - INNOVATION</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 5.5 Page 38	
103-3	Evaluation of the management approach	Part. 5.5 Page 38	
<b>N/A - PRODUCTION EFFICIENCY</b>			
103-1	Explanation of the material topic and its Boundary	Part. 2.4 Page 17-19	
103-2	The management approach and its components	Part. 5.4 Page 38	
103-3	Evaluation of the management approach	Part. 5.4 Page 38	