

SUSTAINABLE DEVELOPMENT REPORT 2011



2011 - Guala Closures Group presents its first sustainability report.



(From left to right)

P. Ferrari Group Marketing and M&A Director
M. Boano Group HR Director
A. Seznec Group Marketing Manager
A. Diaz Group Financial Director
M. Giovannini Chairman & Chief Executive Officer
G. Ferrari Corporate General Secretary
F. Bove Group Chief Operating Officer

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2011 THE WORLD

GUALA CLOSURES GROUP

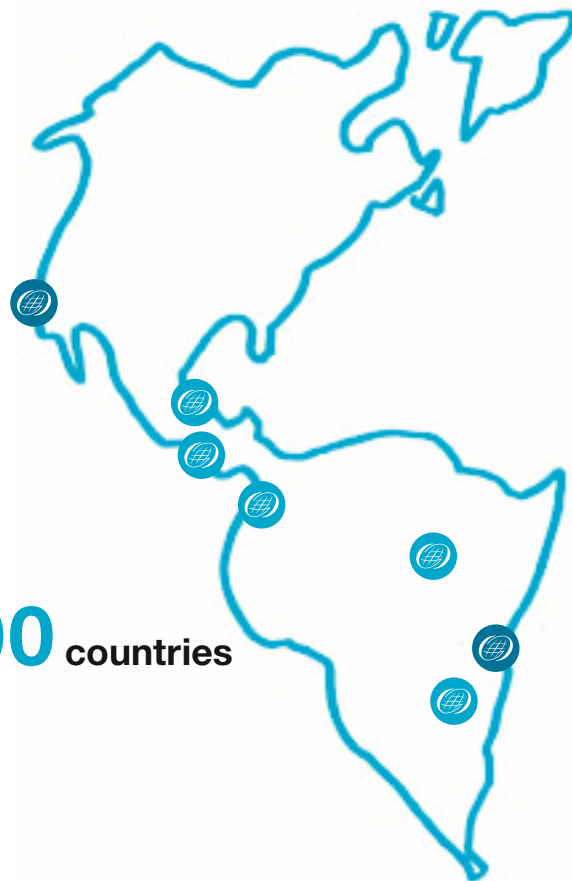
KEY FIGURES

World leader
in the production
of non-refillable closures

12 billion
closures
sold in **100** countries

6 categories of products:
alcoholic beverages,
wine, water, soft drinks, oil and vinegar
and pharmaceutical products

A sales
network in **4** continents



World leader
in the production of aluminium closures

Over **3,600** employees



INTERVIEW MARCO GIOVANNINI



Marco Giovannini
CEO - Chairman & Chief Executive
Officer - Guala Closures Group

Marco Giovannini, the Guala Closures Group has announced its commitment to sustainable development. What exactly does this mean for your Group?

Marco Giovannini: It means that we intend to focus our attention, using our knowhow and our expertise, on the three fundamental pillars of sustainable development: human capital, environmental performance and the economic dimension.

An ambitious project ... So does this mean that you didn't do this in the past?

M. G.: The area of sustainable development presents companies with relatively new concepts. We are dealing with an external request to manage and integrate the three dimensions, rendering them interdependent. In Guala Closures, we had obviously started to work in this direction, but now we intend to actually manage them, adopting a systematic and shared approach. What's more, we aim to gradually extend this approach to the entire Group.

It is easy to see how sustainable development can be used as a tool for monitoring and managing, but can it also promote growth?

M. G.: Absolutely yes. Our objective is to strengthen and develop our leadership of the international closures market. To do this, we have to continuously take risks, adapt and innovate. The dimensions of sustainable development are very strong innovation factors because they make you rethink processes and activities, by improving efficiency, reducing consumption, investing in training and therefore in the company's human capital. We obviously hope that all of these efforts will also lead to an improvement of our economic performance in the various markets we operate in.



OUR VALUES
Transparency, Professionalism,
Environmental protection,
Results culture.



INTERVIEW FRANCO BOVE



Franco Bove
COO - Group Chief Operating
Officer - Guala Closures Group

Franco Bove, what led you to adopt a strategy of sustainable development?

Franco Bove: The concept of sustainable development has had an impact on all sectors of industry, because it directly affects some key areas of the production of goods and services, such as – just to give you some examples – the availability of resources, energy consumption, the disposal of obsolete products. Guala Closures Group is a world leader in the production of closures and as such, has to play an active role. To give you an example of what I mean, in 2011 we sponsored an initiative that led to the creation of a working group, of which I was appointed Chairman, which meets as part of the EAFA (European Aluminium Foil Association), the key players in the technological closures industry. One of the group's main purposes is to promote practices and technologies with a low environmental impact. What's more, our leadership position means that we have to anticipate the demands of customers and final consumers, who are becoming increasingly sensitive to a product's environmental characteristics. In the wine market, for instance, we have developed the first and only private eco-responsible label, which entails, amongst other things, also the offsetting of CO₂ emissions. This label is called "top" and is described in detail in this report.

How have you organised yourselves to pursue this project?

F. B.: We have created a committee for sustainable development called the « Green Team », whose task is to draw up the Group's medium and long term strategy and objectives. To manage and coordinate the implementation of this strategy within the Group, we have set up a working group – "the ComOp" – in which all of the company's departments are represented. Under my guidance, the ComOp is working to identify objectives for improvement and the measures to be implemented. We are convinced that these improvement projects are an important and fundamental way to promote the awareness of the topics of sustainability within the company, extending this understanding companywide, to all employees and all company departments. The results achieved will be published in an annual Sustainability Report, which will gradually take the form of an official document. We have just published the first of these, relating to 2011, which are particularly satisfied with. The reporting process entailed considerable investment in terms of time and resources, but we are convinced that it is the only way to be credible and to be able to communicate clearly and honestly with our stakeholders.



FROM RIO TO CORPORATE SOCIAL RESPONSIBILITY



«By sustainability we mean the ability of mankind to meet the needs of the present without compromising the ability of future generations to meet their own needs»

Our Common Future, The World Commission on Environment & Development, 1987.

«Corporate Social Responsibility (CSR) is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis»

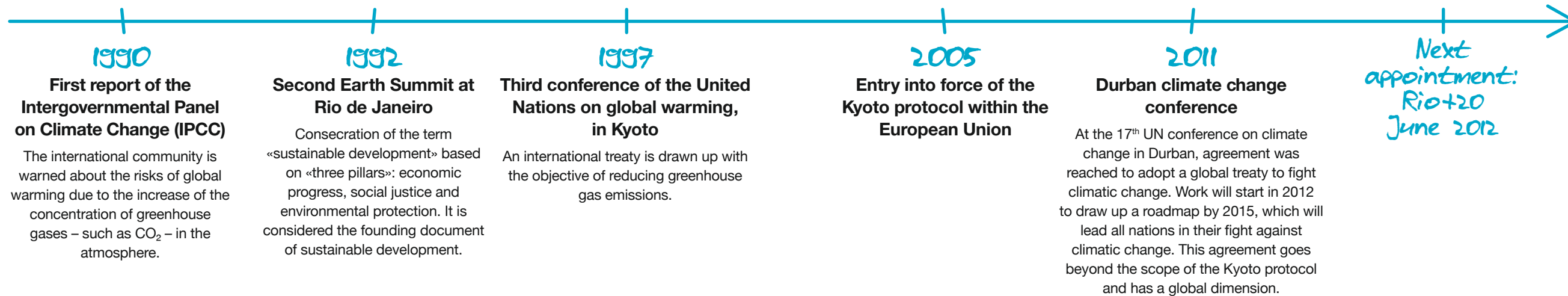
European Commission, March 2006.

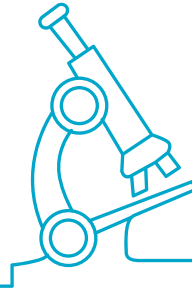
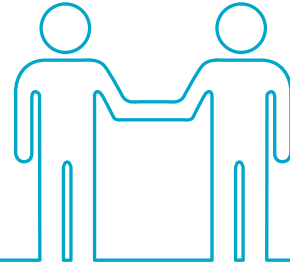
«The responsibility of enterprises for their impacts on society»

European Commission, October 2011.



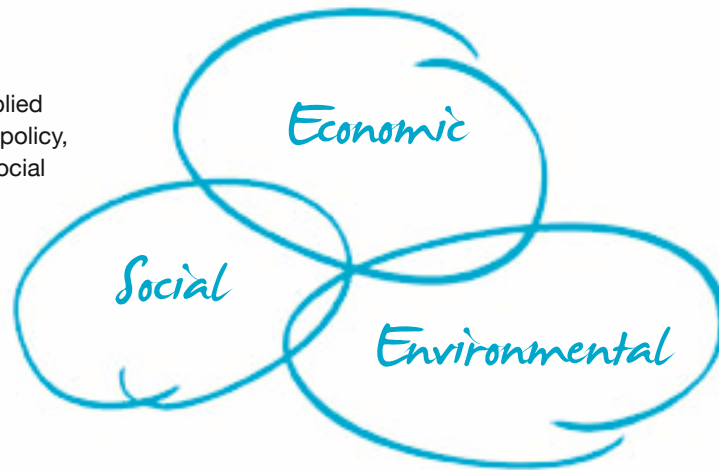
From the Rio Summit to CSR:





Sustainable development applied to companies

Corporate Social Responsibility (CSR) is the branch of sustainable development applied to businesses. It entails adopting a voluntary policy, able to conciliate economic objectives with social and environmental ones, with a view to sustainability.



The key universal framework principles of CSR

THE UNIVERSAL DECLARATION OF HUMAN RIGHTS

A declaration adopted by the General Assembly of the United Nations on 10 December 1948. The document, which is based on the Declaration of the Rights of Man and of the Citizen (1789), states the fundamental rights of an individual, their recognition and their respect through the law.



THE FUNDAMENTAL PRINCIPLES OF THE ILO

Adopted in 1998, the Declaration of the ILO on fundamental principles and rights at work represents the commitment of governments, of organisations of workers and employers, to promote fundamental human values.

These principles and rights are:

- Freedom of association and the effective recognition of the right to collective bargaining
- Elimination of all forms of forced or compulsory labour
- Effective abolition of child labour
- Elimination of discrimination in respect of employment and occupation



International Labour Organization

THE GUIDING PRINCIPLES OF THE OECD

The OECD (Organisation for Economic Cooperation and Development) is an international organisation for economic study. Its guidelines, published in 1976 and updated in May 2011, are the first voluntary rules of conduct provided to international enterprises to help them achieve CSR.



THE GLOBAL COMPACT

Global Compact is an international initiative proposed by the United Nations to promote the voluntary commitment of companies in the area of social responsibility, through the introduction of principles of conduct and intervention in the field of human rights, labour, the environment and the fight against corruption.





THE ENVIRONMENTAL DIMENSION FOR GUALA CLOSURES GROUP

Today the environment is at the centre of a planetary challenge. The impact of mankind on the quality of the environment is a known fact and this is why responsible companies cannot ignore this dimension when managing and planning their production activities. Understanding and measuring our impact on the environment is essential to being able to control and manage it from a far-reaching economic and social perspective, beyond simply controlling costs and resources, by making an active and informed contribution to safeguarding and preserving a shared asset.



Anne Seznec,
Manager for Sustainable Development
Guala Closures Group

How would you summarise the environmental policy of your Group?

A. S.: The commitments that the Guala Closures Group has made to safeguarding the environment are a fundamental part of our corporate mission and of our strategy in terms of Sustainability. This decision emphasises the fact that these topics have to

be an essential part of our daily working lives. We want the environmental aspects of our different operations to be taken into consideration at all levels, by all company departments, each within its own scope, from R&D to sales.

What are the main environmental aspects related to your operations?

A. S.: All environmental impacts have to be described and measured so that we can manage them and establish priorities for action. Following consultation with our major shareholders, we have currently identified 12 sustainability indicators, 6 of which are strictly environmental. We will be focusing our efforts on improving these, and they

are presented and illustrated in this report.

Aluminium is one of your main raw materials. It is a material that guarantees unique quality and safety, but a considerable amount of energy is needed to produce it, what are you doing in this regard?

A. S.: No other material offers the level of safety, hygiene and protection like aluminium. It is true that the process of extracting aluminium from bauxite is a process that requires a large quantity of energy. However we do not produce aluminium, we use it. We cannot control the environmental impact of our suppliers, although we can influence it indirectly by promoting and requesting

Monitoring and controlling environmental performance – The ISO 14001 standard

The international standard ISO 14001 is a voluntary tool to manage environmental issues, which enables an organisation to identify and control the environmental impact of its operations and to implement organisational tools to pursue the objectives set by the Group with a view to continuous improvement. At the end of 2011, three sites had already received ISO 14001 certification, and by the end of 2012, the Spinetta site will be added to that list. Implementation of this environmental management system will start in 2012 in the Group's other production sites. This approach will be gradually extended to the Group's operations worldwide.



Roberto Boidi,
Quality and Certification Manager, Guala Closures Group

“ The voluntary nature of the ISO 14001 standard has numerous advantages. First of all, it enables us to better control environmental issues, by integrating environmental topics with the management of areas such as quality and safety. Furthermore, it is a tool which allows us to effectively ensure that our sites are complying with national and European legislation. **”**

the supply of recycled aluminium. The Italian aluminium recycling industry is ranked third in the world, alongside Germany, after the United States and Japan, in terms of the quantity of recycled material, with almost 50% of the aluminium in circulation originating from recycling (source: Cial 2012). This track record is even more impressive if you consider the environmental performance of this material: infinite recyclability, protection of the environment and of its natural resources and an important contribution to reducing atmospheric emissions in line with the Kyoto protocol. Aluminium can be 100% recycled and used to infinity to produce new products each time.

Can you control the environmental impact of the entire lifecycle of your products?

A. S.: No, that is impossible. As I said, we can indirectly influence the environmental impact of our suppliers, but for example we have no control over the end user. This is why environmental issues regard everyone. Each of us has to do our part. Guala Closures can and must take action mainly on the raw materials used, on production processes, on the consumption of water and energy, on the transport of

products, and this is what we have undertaken to do between now and the next few years. However, the industry of aluminium closure manufacturers, through the EAFA working group that our General Manager, Franco Bove, mentioned earlier, will play an important role in promoting the recycling of closures. **”**





THE SOCIAL DIMENSION FOR GUALA CLOSURES GROUP

Whatever a company's business may be, it can only be achieved through the people that work for it. Human capital is the stock of competencies and human resources, in particular knowledge, education, information, technical skills, that make the creation and the transformation of products and raw materials possible.



Mauro Boano,
Director
of Human
Resources
Guala Closures
Group

What are the priorities of the Guala Closures Group in terms of human capital?

Mauro Boano: For several years now the Guala Closures Group has focused on three priorities: **1-health:** safeguarding the health and safety of its employees, **2-diversity:** respecting and safeguarding diversity and, lastly, **3-ensuring** attentive career management through continuous training. The Guala Closures Group, a worldwide organisation in constant expansion, manages its

workforce respecting the cultural differences of all of its employees. Over the past few years we have experienced a fast pace of diversification and significant geographic expansion. The over 3,600 employees belonging to the Group come from 4 continents, therefore from extremely diverse regions and cultures. We are working to ensure that this diversity increasingly becomes a strength of our company, a growth and success factor.

How do you see future development?

M. B.: I believe that the international dimension will become even more important, as at the moment the Group is expanding mostly abroad. Human resource management obviously has to take labour developments in these new countries into account, by allocating resources that are able to sustain this

growth and this development. It is fundamental that this process is characterised by attentive resource management and well-implemented far-sighted training programmes.



Sedex, sharing good social practices

Sedex is an international organisation, which has set up a shared platform of ethical and responsible practices for customers and suppliers. Guala Closures has been a member of this organisation since 2008 and, through the data it provides by means of a SAQ (Self Assessment Questionnaire), its members may consult certain information. The set of information that may be consulted on Sedex's website enables companies to exchange information on four main subject areas: labour rights, health and safety, the environment and sales practices (www.sedexglobal.com).



In 2008, Guala Closures adopted a Code of Ethics, which represents the "Corporate Constitutional Charter".

A charter of rights and moral duties, which sets out the ethical-social responsibilities of the Company and of all members of the organisation. Through its code of ethics, the Guala Closures Group establishes and illustrates the values and principles that guide the Group's operations and its relations with employees, consultants, customers, suppliers, shareholders, institutions and all other stakeholders.





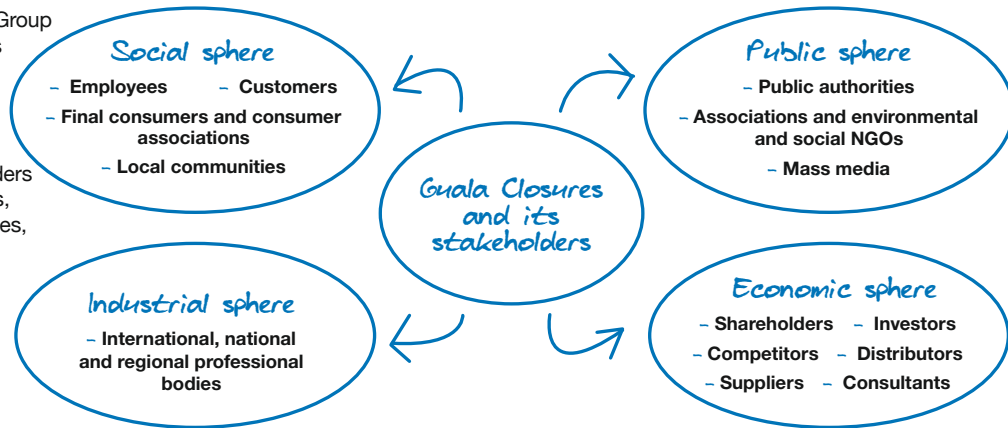
THE ECONOMIC DIMENSION FOR GUALA CLOSURES GROUP

Being a world leader in the aluminium closures market means creating value, profit and growth to meet the expectations of investors. This objective has to be achieved in a responsible way, by contributing to the development of local economies, respecting the environment and welcoming the different cultures that work together in the Guala Closures world. The success and the reputation of a large group also depend on its ability to play a positive role in society.

The Guala Closures Group has set itself several key economic objectives:

1. To consolidate and extend its leadership position at international level.
2. To constantly develop research, innovation and product quality, anticipating the markets.
3. To pursue a strategy of constant growth through acquisitions, by creating new production sites and by developing sales networks in new countries, to guarantee value creation for the market and for investors.
4. To forge partnerships with its customers to develop new products.
5. To fight counterfeiting.

The Guala Closures Group intends to achieve its objectives by developing a policy of responsibility towards its stakeholders (investors, customers, consumers, employees, suppliers, local communities).



Guala Closures Group: The culture of innovation and performance



Maurizio Mittino,
R&D Director
Guala Closures Group

What principles is the innovation policy of the Guala Closures Group based on?

Maurizio Mittino: *Innovating means anticipating. Anticipating the requirements of customers, of legislators and of interested parties.*

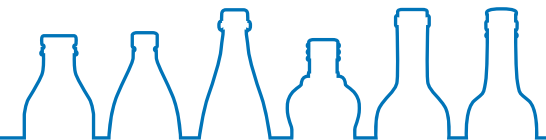
In Guala Closures, we believe that innovation has to guarantee that the value of our products and our technologies continually rises. Our research is a continuous process. It en-

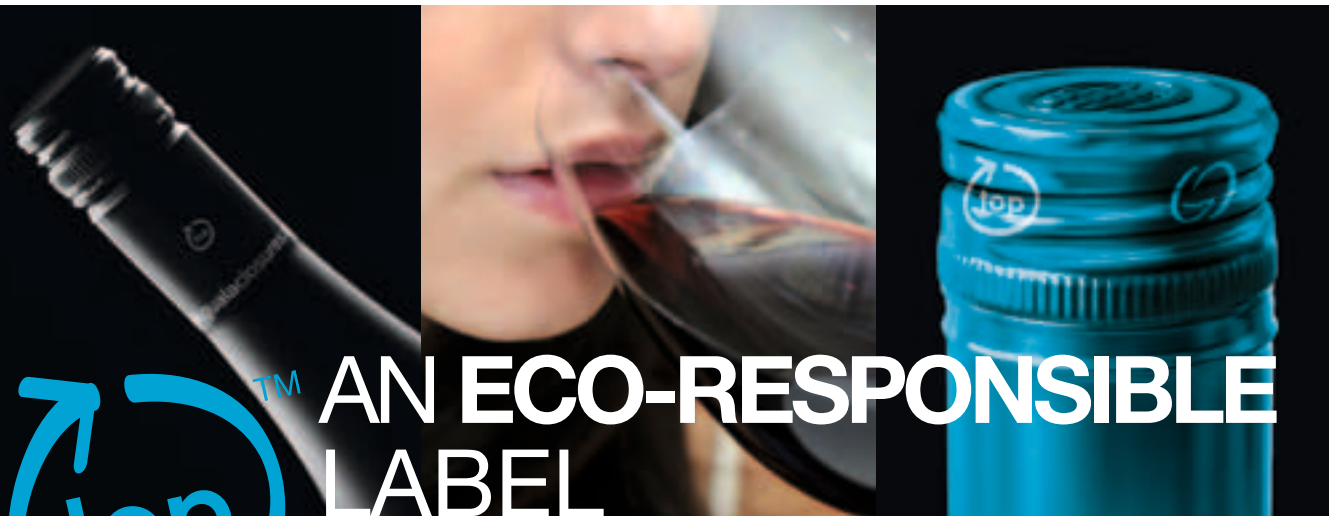
compasses all products dimensions: price, ergonomics, aesthetics, environmental impact, productivity etc... We possess one of the most active and largest teams of researchers in this market. It is an international team, whose successes are demonstrated by the quality and the leadership of our products. Each year we register 3/4 international patents and we hold the record for the number of patents registered in this sector.

What challenges lay ahead for the Guala Closures Group in terms of innovation?

M. M.: *I can see three. The first is to "stay in the game", by innovating products and processes: we are increas-*

ingly working in partnership with our customers or with university research centres with a worldwide presence. The second challenge regards new materials: aesthetically better, less costly in environmental terms and safer. Lastly, the third challenge regards the international dimension. The R&D division is located at the head office in Alessandria, but the Group develops its creative abilities abroad as well in 4 research centres in Mexico, India, China and UK, to be closer to our customers and their markets.





AN ECO-RESPONSIBLE LABEL

Guala Closures Group presents the 1st eco-responsible label in the aluminium wine screwcap market.

Aluminium screwcaps represent an important technological innovation for the wine market. The virtues of aluminium are well known: 100% recyclable and to infinity, it guarantees the consumer the utmost safety and protection of the wine's organoleptic properties. However, the market is now demanding eco-responsibility. Guala Closures has developed a label that guarantees the product's quality and its eco-responsibility.

A demanding label, assessed by an independent certification body.

The **top** label has arrived. The result of over a year of research conducted by a team of experts in oenology, lifecycle assessment and carbon footprints, an environmental NGO and specialists from the Guala Closures Group, it is the first private label in this sector. It is based on a stringent set of 11 specific, objective and measurable criteria: 3 criteria on quality and security, 7 criteria on the environmental impact of production

and 1 on the offsetting of CO₂ emissions. The environmental criteria include the reduction of energy consumption, the use of clean energy at production sites, transport optimisation, conducting a Life Cycle Assessment (LCA) and offsetting the CO₂ emissions of the closures produced.

Obtaining the **top** label is subject to an audit, conducted by an independent Body, Ecocert Environnement, to verify that all 11 criteria have been met.



In 2011, the Italian plant at Torre d'Isola obtained the **top** label for the production of Divinum® 30x60 wine closures.

Guala Closures Group OBJECTIVE

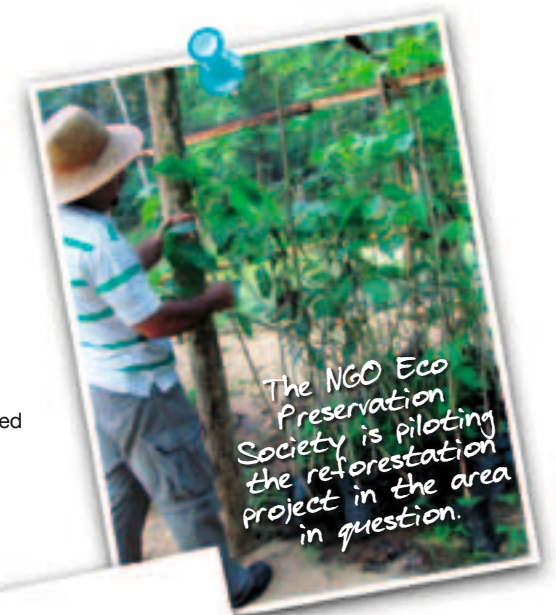
To endorse the eco-responsible excellence of the Group's products.

Reforestation, a project to offset CO₂ emissions

In 2011, the Guala Closures Group offset the CO₂ emissions (corresponding to 1,310 tons of CO₂ equivalent) generated during the production cycle – from the production of the aluminium to delivery of the closures to the customer – of 55 million Divinum® 30x60 closures at the Italian plant in Torre d'Isola.

The reforestation project entailed planting around 13,000 trees south of the Manuel San Antonio Natural Park, close to Playa El Rey, in Costa Rica.

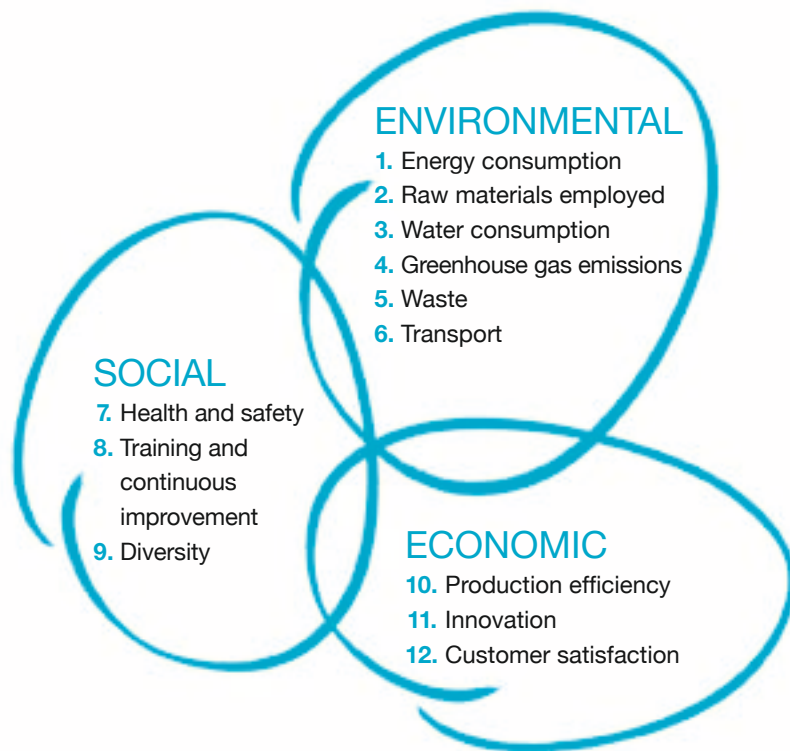
This project, developed in collaboration with the environmental NGOs Up2Green Reforestation and EPS (Eco Preservation Society), and audited by Ecocert Environnement, has enabled trees to be planted in areas hit by wild deforestation, has protected biodiversity and has promoted awareness and involved the local communities.



THE INDICATORS OF GUALA CLOSURES GROUP

Method and scope of CSR indicators

This sustainability report is the first document through which the Guala Closures Group formally states its objectives in the environmental, economic and social spheres, namely the commitments it is making to its stakeholders. Guala Closures is working to organise itself and to create internal awareness of the areas of social responsibility and this report, together with the process that led to its publication, represents an accomplishment and a starting point at the same time. The Group's future objective is to extend the scope of the report, in terms of the sites involved and the indicators illustrated, beyond the current locations shown in the table below. The Termoli site has not been included in the 2011 report because the substantial renovation works in progress at the plant would have distorted the figures relating to indicators and compromised the reliability of the results. Nevertheless, the objectives set for 2012-2015 will regard all Italian production sites of the Guala Closures SpA. Division, including Termoli. The figures shown in this report refer to the 2011 calendar year.



ENVIRONMENTAL

1. Energy consumption
2. Raw materials employed
3. Water consumption
4. Greenhouse gas emissions
5. Waste
6. Transport

SOCIAL

7. Health and safety
8. Training and continuous improvement
9. Diversity

ECONOMIC

10. Production efficiency
11. Innovation
12. Customer satisfaction

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

ENVIRONMENTAL INDICATORS



Energy Consumption



Energy consumption, an important strategic challenge

Energy is at the centre of a global debate. The world's economies depend primarily on fossil fuels, such as coal and – above all – oil. However, under the demographic and economic pressure of emerging nations, oil is reaching its production peak, resulting in inevitable price increases. Reducing energy consumption therefore also means cutting costs to remain competitive.

Total energy consumption in 2011 at the 3 sites of Spinetta, Torre and Magenta

| | |
|-------------------|------------|
| Natural gas (m³) | 3,031,241 |
| Electricity (kWh) | 25,711,312 |
| Toe* | 4,558 |

*Tonnes of oil equivalent

Toe consumed per 1000 units produced in 2011

| | |
|---------------|--------|
| Spinetta | 0.0044 |
| Torre d'Isola | 0.0009 |
| Magenta | 0.1467 |

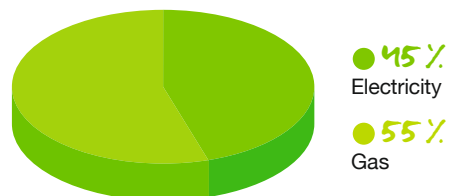
Energy consumption

The Guala Closures Group has decided to adopt a policy to manage its energy consumption, taking action on two levels. The first seeks to improve **energy efficiency** thanks to a plan to reduce consumption. The second regards increasing the use of **renewable energy**, where the energy mix of the country in which the Group operates makes this possible.

At present, the sources used are:

- Natural gas for production, the preparation of meals and heating.
- Electricity for production and lighting.

2011 energy mix in the 3 sites of Spinetta, Torre and Magenta



Guala Closures has already set in place several measures to help reduce energy consumption. Some of these regard production, such as:

- Installation of valve plugs to stop the flow of compressed air when the production line stops.
- Implementation of an operating procedure to stop ancillary machinery when production stops.
- Modulation of the supply of compressed air, based on demand, at the Torre d'Isola site.

While others regard energy consumption that is not linked to production, such as:

- Making employees aware of ways to save energy through the distribution of a specific leaflet.
- Rationalising lighting at night at the Spinetta site.



Guala Closures Group OBJECTIVE

- To reduce energy consumption by 10% per unit produced by 2015.
- To favour energy supplies with the largest percentage of energy from renewable sources.



Raw Materials Employed



Monitoring the quality and the quantity of the raw materials used is fundamental to any business. The principles of sustainability also encourage us to produce using the least resources possible, and to favour energy from renewable sources and with a low environmental impact.

The types of raw materials used at the three production sites covered in this report differ depending on the finished product in question.

- Spinetta produces plastic and aluminium closures.
- Magenta cuts the coils from aluminium sheets, paints and decorates them and supplies them to the Group's various plants for the subsequent production of closures.
- Torre d'Isola produces finished closures in aluminium and semi-finished closures.

Preparing this report entailed analysis and an in-depth definition of the materials used at the production sites, as well as of the relative units of measurement that serve to index-link them. This work is still underway and the results will be available in the next edition.

Guala Closures Group invests in an ecological cutting line

Towards the end of 2010, the Guala Closures Group made an important investment in a new aluminium coil cutting line for the Magenta site (Italy). The line will be fully operational by the first half of 2012. This investment of over 11 million euros will enable the aluminium to be treated without using chromium. This new line will also reduce the quantity of waste generated and optimise production. According to Marco Giovannini, Managing Director of the Guala Closures Group: "Investing in new cutting-edge technologies that are eco-friendly enables us to strengthen our position on the market and ensure our industrial leadership for our customers. Since 1954, the year the first production plant was built, the company has adopted a policy with a high focus on technological innovation."

Water Consumption



Water is a resource that is becoming increasingly scarce. Using it wisely and safeguarding its quality is one of sustainable development's major challenges. The production activities of the Guala Closures Group use an extremely limited amount of water, almost exclusively restricted to the cooling towers. The water is supplied from aqueducts for all sites with the exception of Spinetta, which has its own well on a concession arrangement from which it draws ground water.

m³ of water drawn in 2011

| | |
|---------------|--------|
| Spinetta | 77,142 |
| Torre d'Isola | 17,747 |
| Magenta | 2,266 |

Water drawn in 2011 by source

| | Spinetta | Torre | Magenta |
|----------|----------|-------|---------|
| Aqueduct | 12 % | 100 % | 100 % |
| Well | 88 % | 0 % | 0 % |

The way the water drawn is used breaks down as follows:

- Spinetta uses the water drawn for the cooling of production presses, for air conditioning in the workplace, for bathrooms, for the preparation of meals and to water lawns and plants. The water used in production circulates on a closed cycle and therefore is reintroduced to the production process.
- Torre d'Isola and Magenta use water for air conditioning in the workplace, for bathrooms and to water lawns and plants.

Guala Closures Group OBJECTIVE

- To reduce the consumption of raw materials per unit of finished product by 15% by 2015.
- To reduce scrap by 5% per annum.
- To increase the % of recycled aluminium used.

Guala Closures Group OBJECTIVE

- To develop water saving projects.
- To reduce water consumption not related to production.



Greenhouse gas emissions

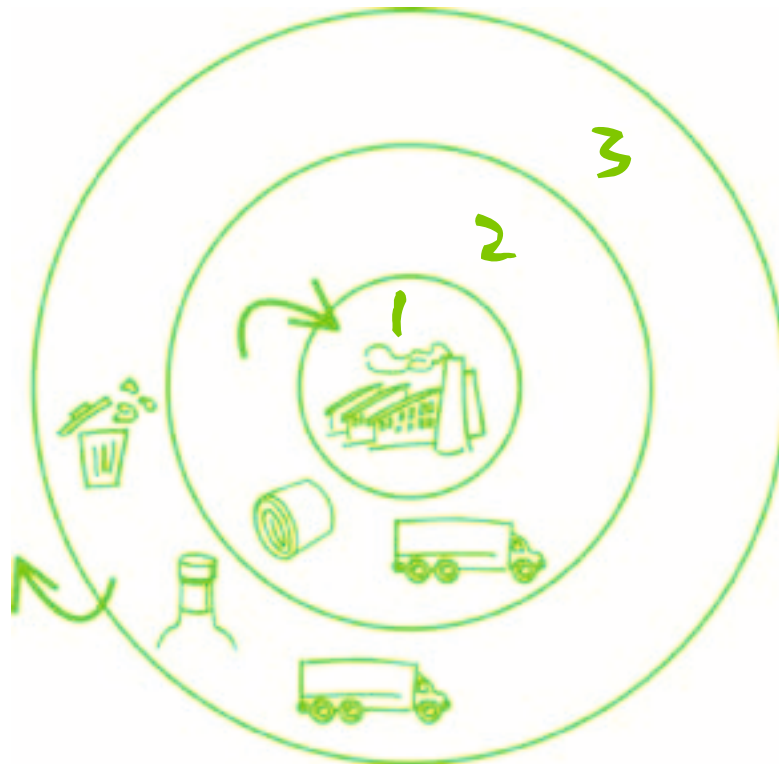


Why CO₂?

CO₂ is one of the gases responsible for the greenhouse effect, the origin of global warming. This phenomenon takes place when the sun's rays that hit the planet cannot be eliminated and therefore remain "trapped" in the atmosphere. The main greenhouse gas is water vapour, although other gases such as CO₂ and natural gas provoke the same phenomenon. CO₂ is used as the overall indicator of this type of emission. The exact consequences of global warming are still being analysed, but there are many elements that lead us to retain that this phenomenon is upsetting the balance of the planet's ecosystems.

Diagram of the carbon footprint assessment

- 1 -> CO₂ emissions at the Guala Closures Group site
- 2 -> CO₂ from incoming flows
- 3 -> CO₂ emissions from outgoing flows



Guala Closures Group, ISO 14001 and its Carbon Footprint

One of the many sustainability projects undertaken by Guala Closures involves monitoring and controlling all of the environmental impacts produced by Guala Closures sites. In this regard, the Group intends to conduct an assessment of CO₂ emissions, first at production plants in Italy and then those abroad. This project complements the work already carried out in 2011 for the Divinum® 30x60 product lines. Adding more information and data regarding products and sites will enable the Group to have objective and complete data to be used as a basis to identify the areas for improvement and ways in which CO₂ emissions can be mitigated.

Guala Closures Group OBJECTIVE
To conduct an assessment of greenhouse gas emissions by 2013.



Andrea Tassisto,
Industrial Director Italy, Guala Closures Group

“The assessment of CO₂ emissions will be conducted in accordance with the main international standards, considering both direct and indirect emissions relating to Guala Closures. The results will be included in the 2012 and 2013 reports.”



Waste



Waste management is an extremely interesting area. In a perfect world, the production of waste should be zero. Beyond the environmental dimension, waste has a high economic impact as in reality it represents refuse that we are not able to put to good use and that therefore need economic resources for its treatment.

The production of waste

The following tables show 2011 figures for the production of waste at the Spinetta, Torre d'Isola and Magenta sites and the relative treatment.

Total waste produced (kg)

| | |
|---------------|-----------|
| Spinetta | 1,039,502 |
| Torre d'Isola | 1,574,874 |
| Magenta | 390,192 |

Type of waste produced

| | |
|---------------|------|
| Hazardous | 6 % |
| Non-hazardous | 94 % |

End-of-life treatment

| | |
|-------------|------|
| Disposed of | 10 % |
| Recovered | 90 % |

The figures show that the percentage of material recovered is extremely high, and that the large majority of waste is classified as non-hazardous.

Guala Closures Group OBJECTIVE

- To reduce the quantity of waste produced per unit of finished product by 5% in 2012.
- To reduce the % of hazardous waste with respect to total waste produced.

Transport

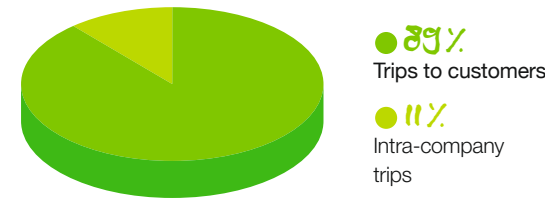


Goods transport, especially by road, has a substantial impact in terms of emissions of polluting substances, CO₂ in particular, into the atmosphere. The transport of raw materials and of finished products is an extremely complex area and is often not directly controlled by Guala Closures. The means of transport used is usually decided by the customer on the basis of its specific requirements. Nevertheless, in 2011 the Guala Closures Group started an extensive monitoring exercise of transport modes, favouring transport by sea or rail – or both – on a combined basis (multimodal transport). The collection and processing of this data will enable us to set in place projects to optimise transport and therefore reduce the environmental impact of the same.

2011 - Km travelled between sites or to customers

| | |
|---------------|-----------|
| Spinetta | 1,295,410 |
| Torre d'Isola | 994,645 |
| Magenta | 2,290,055 |

% of intra-company trips vs. trips to customers



Re-using packaging: the Octabin system

The system regards the customer company DIAGEO in Santa Vittoria d'Alba, and entails sending finished products in Octabins. The procedure involves the Customer recovering the central part of the packaging and sending it back to Guala Closures when the next shipment of finished products is delivered. Octabins can be re-used around 10 times; a record of each time they are used is kept on the container itself. The project was launched in July 2011 and the figures will be available in 2012. At the moment, all semi-finished goods transferred between Torre d'Isola and Spinetta use the same system.

Guala Closures Group OBJECTIVE

To rationalise and optimise internal and downstream transport flows.



SOCIAL INDICATORS



Indicator n° 7

Health and Safety



For Guala Closures, the safety of its products is a top priority, demonstrated by a continuous search for new patents to safeguard the safety of customers and final consumers. In addition to continuously guaranteeing the safety of its products, Guala Closures has undertaken to pursue the continuous improvement of the health and safety needs of all of its personnel in all workplaces. Occupational safety is also extremely important from an ethical and social perspective. Organisations such as the Guala Closures Group, that wish to be both competitive and responsible, have to make every effort to contribute by building and spreading a culture of occupational health and safety, first and foremost internally. This is an area in which Guala Closures has set itself significant objects for improvement.

Indices of accident frequency and gravity in 2011 at the Spinetta, Torre and Magenta sites

| | Nr accidents | Frequency index | Gravity index |
|---------------|--------------|-----------------|---------------|
| Spinetta | 10 | 24 | 0.55 |
| Torre d'Isola | 4 | 18 | 0.21 |
| Magenta | 0 | 0 | 2.78* |

* for accidents that occurred in 2010

Guala Closures Group OBJECTIVE

To reduce the accident frequency index by 10% in 2012.

Communicating

Guala Closures believes that it is fundamental to promote awareness of health and safety issues with regard to its employees. In 2011, a monitor system was adopted, which gave considerable weight to health and safety issues.



Mauro Boano,
Director of Human Resources
Guala Closures Group

Identifying potential risks, managing them and keeping them under control and complying with legislation are fundamental

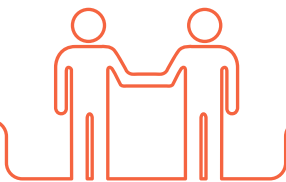
objectives. The company has already invested, and will continue to invest substantial resources in the safety of machinery and of production plants. Now our objective is to create more awareness and to direct attention to health and safety, through training courses and awareness sessions which, starting from production workers, will involve all personnel.

We want to ensure that the culture of safety in the workplace is deep-rooted in daily behaviour and working activities, and we are convinced that this is only possible if we constantly seek to involve and inform our employees at all levels.

We are launching a number of schemes in 2012, all of which are addressed to making operators aware of potential situations of risk and how to manage, or moreover prevent them.

Indicator n°8

Training and Continuous Improvement



A company's human capital is a fundamental and distinct value. The men and women that work for Guala Closures make it unique, each contributing in his/her own way to creating the corporate climate. Guala Closures intends to boost the involvement and awareness of its workers by making them aware of the importance of their individual contribution to the company's results. The Guala Closures Group invests in its human capital through training, as a tool for motivation, growth and development.

*1.15%
hours of training
received by each employee
out of total worked*

The Revolution Project

In 2011, the Revolution project was launched at the Spinetta site, with a view to improving production efficiency indicators. To achieve this objective, the main investment, in terms of time and resources, was addressed to personnel training (over 6,000 hours dedicated to the production department), to the involvement of operators by sharing the plant's KPIs, and to redefining professional roles, also through the development of new opportunities. The first tangible results (improved cost and production efficiency) make Guala Closures ever more convinced that the decision to invest in human resources and in teamwork is the best way to grow together.

Spinetta, Torre d'Isola and Magenta 2011

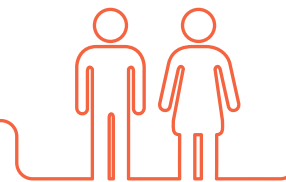
| | |
|-------------------------------------|-------|
| Total number of training hours | 8,673 |
| Average training hours per employee | 18 |

Guala Closures Group OBJECTIVE

- To dedicate 15% of training hours to environmental issues.
- To expand training programmes for internal resources.

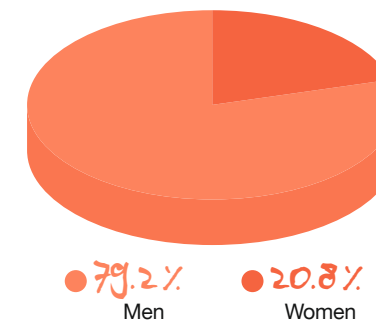
Indicator n°9

Diversity



The Guala Closures Group currently operates in 4 continents through 25 production plants and a sales network that covers over 100 countries. The overall workforce is comprised of over 3,600 employees, which includes managers, white and blue collar workers. The Group's present and future objective is to consolidate its growth by maintaining and developing a market based on local presence and proximity to our customers. We are pursuing this objective by seeking to understand local culture and sales behaviour, facilitated by the presence of local General Managers. Precisely with a view to this, the COMEX (Executive Management Committee) was created, formed by a total of 29 Group Managers, 13 of which are Italian and 16 of which come from foreign nations. The aim of COMEX is to develop the markets in question by adopting new strategic approaches through the multicultural exchange that takes place within the Group.

Distribution of employees by gender (Italy, 2011)



With regard to the 3 Italian sites covered in this report, the total workforce employed at 31/12/2011 at the Spinetta, Torre d'Isola and Magenta sites was 451 people, 33 of which (7%) were hired in 2011. Given Italy's employment situation of the past two years, this figure can be seen as very positive. What's more, 4% of the employees that work in Italy come from the countries in which the Group operates.

Guala Closures Group OBJECTIVE

To establish a global personnel recruitment, training and management policy that integrates cultural and social diversity.



ECONOMIC INDICATORS



Indicator n°10

Production Efficiency



A company's production efficiency is a key indicator of its performance. Improving production efficiency enables economic margins to be generated, which in turn generate investment. Continuous improvement is the driving force behind any successful organisation. Improving processes and increasing efficiency is always important, but it is even more so in times of economic crisis. The fundamentals of sustainability reporting help the organisation to obtain accurate and complete information.



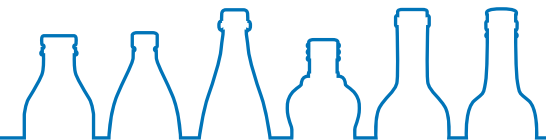
Increasing production efficiency

To achieve the objective of improving production efficiency by 2015, the following measures will be taken:

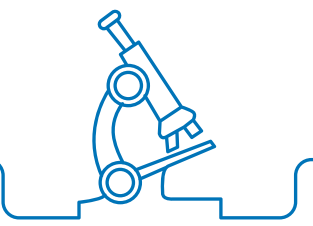
- Install new machinery.
- Invest in preventive maintenance.
- Targeted training and information for production managers.
- Improve the quality of monitoring of productivity control procedures.
- Implement audits of production processes.



Guala Closures Group
OBJECTIVE
 To improve global OEE (Overall Equipment Effectiveness) by 5% in 2012.



Innovation



Investing in research, exploiting our skills, building innovation. Maintaining leadership in a continuously evolving market means tough strategic choices. The Guala Closures Group has always been one step ahead, defining new quality standards for the market through continuous research. The Research and Development Centre based at the headquarters in Alessandria boasts over a decade of knowhow; the Group is expanding its design capacity internationally, in an industry where experience and skills are still key success factors. A development model that maintains its strengths by working closely with its customers and with leading university research centres throughout the world. Its significant focus on innovation, which has set the Group apart right from its foundation, has always been accompanied by a policy which seeks to enhance and protect intellectual property rights. In reality, the patent is the only effective way to protect innovation from infringements and imitations. Guala Closures products are protected by over 70 patents worldwide.

5 new patents registered by Guala Closures Group in 2011

Innovations in 2012!

4 main directions of development:

1. **Adaptation to markets:** to meet the specific requirements of customers faster and easier.
2. **Aesthetics and differentiation:** to use new technologies for plastic and metal materials, with the aim of adding value to the brand and gaining terrain over counterfeiters and competitors.
3. **Environment:** to innovate in terms of materials and processes, reducing environmental impact and offering customers eco-responsible products.
4. **Safety:** to design unique identification, authentication and traceability systems with our customers to protect the final consumer.

Guala Closures receives the Diageo sustainable innovation award

The Guala Closures Group's focus on innovation has been acknowledged by one of its major customers, Diageo. In fact, Guala Closures received the award under the Supplier Innovation Programme (SIP), organised by Diageo in January 2011. The 45 European packaging suppliers competing for the award had to submit packaging solutions that met specific requirements drawn up by Marketing experts, packaging regulators and Diageo engineers. Guala Closures proposed an aluminium closure that could be easily recycled and separated from packaging components, which won the award. The award was presented by members of the management committee of Packaging Technology and Innovation, as recognition of the quality, accuracy and rapidity of Guala Closures with regard to all of the pre-established criteria

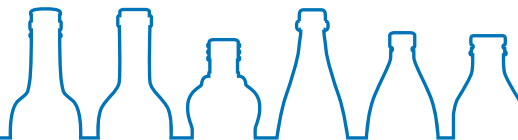


Full recycling of aluminium: studies to remove the aluminium skirt

70 patents active and used by Guala Closures Group

Guala Closures Group OBJECTIVE

To develop 3-4 innovative patentable ideas each year.



Customer Satisfaction



Quality is a continual economic challenge. This is even more true for a leader like Guala Closures. Our objective is to contribute to creating an international culture that is always and in any event focused on safeguarding product quality, for the benefit of manufacturers and consumers. Our mission is to continuously forge ahead with research, innovation and quality, as well as being one step ahead of market changes. We are increasingly establishing partnerships with our customers, the aim of which is to develop new solutions together, to protect products and to create an image that is distinguished by cutting-edge marketing techniques. Thanks to a constant policy of innovation and research, Guala Closures contributes to setting quality and efficiency standards for the whole market.



Guala Closures Group* OBJECTIVE

- To bring the OTIF to over 85% in 2012.
- To reduce customer complaints to 0.3% by 2013.

* excluding the sites in Bulgaria, Poland and the Ukraine



SOLIDARITY FOR GUALA CLOSURES GROUP

The Guala Closures Group undertakes to contribute to improving the daily lives of the local population in the nations where it operates. The objective is to develop tangible projects to provide support to populations, especially in developing countries. This year, Guala Closures has focused on the following solidarity projects.



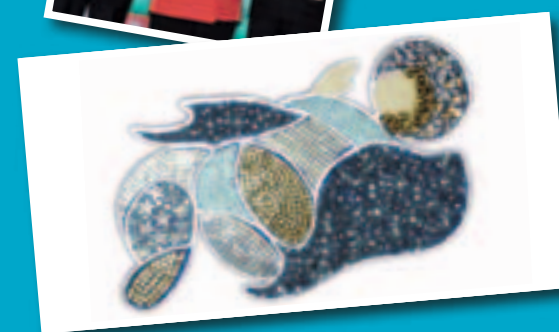
Care of Indian children with poliomyelitis

The Indian branch of the Guala Closures Group is sponsoring a programme to eradicate poliomyelitis organised by the WHO (World Health Organisation). The Group offers local authorities financial aid to transport children to vaccination centres.



Supporting an orphanage in Brazil

The «Maison de Sonho Lar Criança» helps children from the street and orphans aged between 0 and 13, offering them a facility where they can be fed, cared for and can follow literacy courses. The objective is to improve the living conditions of these children, so that they can rejoin Brazilian society through adoption projects. Guala Closures do Brasil has provided financial aid to this orphanage since 2004.



Artistic creation, recycling and integration: the Disparte project

The objective of this project is to encourage the social integration of young people in difficulty, through the creation of handmade artistic items produced from recycled materials and industrial waste, teaching them a trade under the supervision of decoration professionals. The creations are mostly internal design items and lighting fixtures.

The majority of the pieces created are used to decorate shopping centres and shops during the festive season.

The project encompasses architects, artists, designers and project managers that supervise the conception of the pieces and the work of the children. The Guala Closures Group is one of the main financial sponsors of this organisation. It has been working in partnership with the project since 2000. It provides the association with capsules, which enables numerous children to create works of art and to learn professional decoration skills.

INDICATORS AND OBJECTIVES

Reference scope Italy
Spinetta, Torre d'Isola, Magenta and Termoli sites

| AREA | INDICATOR | DESCRIPTION | OBJECTIVE | SCOPE | BY |
|-------------------------------|--|--|--|--------|--------------|
| ENVIRONMENTAL | | | ENVIRONMENTAL | | |
| RESOURCES | Energy consumption | Total energy consumption broken down by source | <ul style="list-style-type: none"> - To reduce energy consumption by 10% per unit of finished product - To favour suppliers with the largest percentage of renewable energy | Italy | 2015 |
| | Raw materials | Use of raw materials, packaging, parts and semi-finished goods, ancillary materials | <ul style="list-style-type: none"> - To reduce the consumption of raw materials per unit of finished product by 15% - To reduce scrap by 5% per annum - To increase the percentage of use of recycled aluminium | Italy | 2015 |
| | Water consumption | Water consumption by source and relative uses | <ul style="list-style-type: none"> - To develop water saving projects - To reduce the consumption of water not related to production | Italy | 2015 |
| EMISSIONS | Greenhouse gas emissions | Total greenhouse gas emissions | <ul style="list-style-type: none"> - To conduct an assessment of greenhouse gas emissions | Italy | 2013 |
| | Waste | Total production of waste by type and final treatment | <ul style="list-style-type: none"> - To reduce the quantity of waste generated per unit of finished product by 5% - To reduce the % of hazardous waste with respect to total waste produced | Italy | 2012 |
| TRANSPORT | Transport | Transport of semi-finished goods between production sites and of products to customers | <ul style="list-style-type: none"> - To rationalise and optimise internal and customer transport flows | Italy | 2015 |
| SOCIAL | | | SOCIAL | | |
| HEALTH AND SAFETY | Health and safety | Total number of accidents in the workplace and frequency/gravity indices | <ul style="list-style-type: none"> - To reduce the accident frequency indicator by 10% compared to 2011 | Italy | 2012 |
| TRAINING | Training and continuous improvement | Training hours per employee | <ul style="list-style-type: none"> - To provide 15% of training hours per employee on environmental issues | Italy | 2012 |
| | | | <ul style="list-style-type: none"> - To expand training programmes for internal resources | Italy | 2015 |
| DIVERSITY | Diversity | Breakdown of resources by type | <ul style="list-style-type: none"> - To establish a global personnel recruitment, training and management policy that integrates and safeguards cultural and social diversity | Italy | 2015 |
| ECONOMIC | | | ECONOMIC | | |
| ECONOMIC EFFICIENCY | Production efficiency | Production effectiveness of machinery (OEE) | <ul style="list-style-type: none"> - To improve global OEE by 5%. | Italy | 2012 |
| PRODUCT RESPONSIBILITY | Innovation | Number of active and new patents | <ul style="list-style-type: none"> - To develop 3-4 innovative patentable ideas each year | Group | 2015 |
| | Customer satisfaction | Percentage of customer satisfaction and of complaints | <ul style="list-style-type: none"> - To bring the OTIF to over 85%. - To reduce customer complaints to 0.3% | Group* | 2012 2013 |

* excluding sites in Bulgaria, Poland and the Ukraine

GLOSSARY

Accident Frequency Indicator

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

Accident Gravity Indicator

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

Audit

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

Certification

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

CO₂

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

Emissions

These are substances that are discharged into the atmosphere by any facility that uses internal combustion.

Energy performance

This is the ratio of the work generated by a machine and the energy used to perform it.

Environmental aspect

An aspect of an organisation's business activities, products or services that may interact with the environment.

Environmental impact

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

Environmental indicators

Qualitative or quantitative measurements that enable the most important impacts on the environment resulting from a company's operations to be described.

Fossil fuels

Coal, oil and natural gas. Today they represent almost all of the world's energy sources.

Greenhouse effect

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

KPIs

The acronym for "Key Performance Indicator". It represents a set of indicators that enable the performance of a specific activity or process to be measured.

Kyoto Protocol

An agreement signed in Kyoto in 1997, during the Conference of the signatory Parties of the United Nations Framework Convention on Climate Change, under which industrialised countries have committed to reducing the emissions of gases responsible for the greenhouse effect.

Management system

This means all organisational systems implemented in organisations relating to the requirements stated in a series of international standards, including ISO 9001:2008 for Quality Management Systems; ISO 14001:2004 and EMAS (Eco Management and Audit Scheme Regulation CE 761/2001), for Environmental Management Systems; BS OHSAS 18001:2007 for Occupational Health and Safety Management Systems. A management system encompasses organisational structure, responsibilities, practices, procedures, processes and resources to enable an organisation to formulate a policy and set objectives.

Monitoring

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

OEE

A dynamic measurement that indicates the efficiency of a facility as a percentage. OEE = Overall Equipment Effectiveness.

OTIF

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

Renewable energy

Renewable energy means those forms of energy that are generated from sources that regenerate almost at the same speed at which they are consumed, or they are not "exhaustible" on a "human" lifetime scale, and by extension, their use does not compromise natural resources for future generations. Hydroelectric, solar, wind, marine and geothermal energy are commonly considered renewable. They are therefore forms of alternative energy to traditional fossil sources and many of them also have the advantage of being clean energy, i.e. they don't discharge harmful and/or climate-altering substances, such as for example CO₂, into the atmosphere.

Stakeholders

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

Sustainability

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

Toe

The tonne of oil equivalent (toe) is a measurement unit of energy, which was introduced in order to facilitate the comparison between the different sources of energy and oil. The value of one Toe has been established, by convention, by the IEA (International Energy Agency) as 41.86 GJ.

UNI EN ISO 14001 Standard

See Management systems.

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

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

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