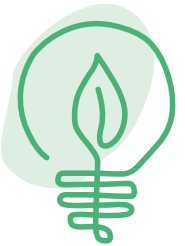




WORKING TOGETHER FOR SUSTAINABLE GROWTH





SUMMARY

SUMMARY

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LETTER FROM

Marco Giovannini and Franco Bove



Ten years ago, our Group committed to a sustainable development policy, with a first five-year program (2011-2015) and a second, in progress (2016-2022).

2020 changed our personal and professional lives, impacted our business, production and work methods, and the relationships between people. Of course, our number one priority was the health and safety of our employees and partners. We have succeeded in ensuring, wherever possible, a level of production capable of meeting the needs of our customers. In this challenging context, many activities and investments planned as part of our sustainable development program had to be delayed.

For this reason, we have decided to postpone the deadline for some of our goals.

The global crisis has forced us, in an emergency, to disrupt our organization and our work life, with significant consequences on our private lives too. But it has shown us that we can grow, produce, be efficient by travelling less, working remotely, or making better use of digital technologies. We have had to adapt, innovate and be resilient.

Once the crisis is over, not only will we not go back, but we will go further, faster.

We are working to define an ambitious and necessary 2022 - 2030 sustainable development program that meets the challenges that lie ahead. We'll plan it around two fundamental pillars: our people and eco-innovation.

Our people first. At the end of 2018, we initiated some extended reflection on the themes of Diversity and Inclusion. It resulted in the creation of our "Diversity & Inclusion" charter and was launched within the Group at the end of 2020. The charter defines our values, our missions and our objectives.

We are committed to working together towards a common goal, using our differences to do good. Creating an environment where every single co-worker feels included will improve our performance and help create an inclusive, multi-cultural Group.

Then, our environmental performance. Eco-innovation will be an essential lever. We created our new Eco-design guidelines, a fundamental starting point for designing and developing our future products and production processes.

To carry out our program and achieve our objectives, we will engage the necessary economic resources, and we will strongly rely on our dedicated teams. And, starting this year, the evaluation of our managers will integrate individual environmental and social objectives into economic and industrial objectives.

Thanks to all the Group's employees, collaborators and external partners, who continuously contribute to our development and everyone's fulfilment.

Let's work sustainably with our differences.

Marco Giovannini & Franco Bove



MARCO
GIOVANNINI



FRANCO
BOVE





COMPANY OVERVIEW

COMPANY OVERVIEW

COMPANY OVERVIEW

Company history



- * **1954**
 - Guala is founded by the Guala family in Alessandria (Italy).
- * **1960**
 - The first patented models of non-refillable closures are produced.
- * **1980**
 - Guala expands globally with production units in Spain, Mexico and Brazil.
- * **1990**
 - Expansion continues in Colombia and India.
- * **1998**
 - Marco Giovannini becomes president of the Company.
 - Guala Closures Group is founded, sponsored by private investors.
- * **2000**
 - International expansion continues into Argentina, China and Russia.
- * **2003**
 - The Aluminium Division is established.
 - Global Cap SpA is acquired.
 - Guala Closures Group now has 21 production plants worldwide.
- * **2004**
 - A new production plant is built in Mexico.
- * **2005**
 - Guala Closures North America is established to enter the US and Canadian market.
 - Guala Closures is listed on the Italian stock market.
- * **2006**
 - New sales offices are opened in North America and France, as well as new production plants in New Zealand and Australia.
- * **2007**
 - The new Head Quarter and production plant are inaugurated in Spinetta Marengo (Italy).
- * **2008**
 - Acquisition of 70% of Technologia Closures in Ukraine.
 - Guala Closures Group exits from the Italian stock market.
- * **2009**
 - The Pharma Division is established with the acquisition of Pharma Trade in Vasto (Italy).
- * **2010**
 - Acquisition of 70% of Danik in Bulgaria and 70% of DGS Poland.
- * **2011**
 - Guala Closures launches its CSR programme.
 - Acquisition of Metalprint in Magenta (Italy), a lithography of flat aluminium sheets.
- * **2012**
 - Acquisition of Metal Closures Industries in South Africa.
- * **2014**
 - The Group celebrates 60 years since its birth.
 - A cutting-edge production plant and design studio is opened in Fairfield (California).

- * **2015**
 - Guala Closures Group is present at EXPO Milan.
 - Opening of new offices and Head Quarter in Luxembourg. New plant opening in Santiago de Chile (Chile).
- * **2016**
 - Acquisition of CAPMETAL in France in December 2016.
 - New R&D centre dedicated to innovation technologies founded in Foetz (Luxembourg).
- * **2017**
 - Acquisition of Axiom Propack Pvt Ltd in India.
 - Acquisition of the activities of LIMAT S.A. de C.V. in Mexico and activities of ICSA in Chile.
- * **2018**
 - New listing on the Italian Stock Exchange in August.
 - Establishment of a new company in Kenya: Guala Closures East Africa Limited.
 - Acquisition of United Closures and Plastics (UCP) in Scotland.
- * **2019**
 - Establishment of a production unit in Belarus.
 - Guala Closures accelerates its CSR commitment by using 35% recycled materials in its closures by 2025.
 - Updating its ethical/social policy, as well as its materiality assessment.
 - Divestment of 100% of the shares of GCL Pharma S.r.l. to the Bormioli Pharma Group.

COMPANY OVERVIEW

2020 highlights



- * Guala Closures Deutschland was created in February with the acquisition of Closures Logic assets. This guarantees the Group an important presence on the German and Turkish markets and strengthens our position on the global market for beverages and mineral water in glass.
- * The group signed a strategic investment with the London agency SharpEnd to provide turnkey solutions to customers by becoming an integrator of connected packaging solutions around the world. Their ambition is to transform closures into valuable multimedia touchpoints for consumer engagement and data capture.
- * Divestment of 100% of the shares of GCL Pharma S.r.l. to the Bormioli Pharma Group.
- * The Group has created its eco-design guidelines to support the development of new sustainable closures and improve existing products.
- * A new range of sustainable closures was launched under the umbrella brand, Blossom™.
- * A partnership was signed with Oceanworks for the supply of recycled plastic from plastic waste recovered from the ocean.

SharpEnd

*Our ecodesign approach



DESIGN TO REDUCE
the quantity of finite and renewable resources needed for a product to function properly



DESIGN TO CHANGE
abandoning finite resources and adopting recycled materials or materials produced from renewable sources



DESIGN TO FADE
preventing the waste by choosing biodegradable polymers and by using few and easily removable components



DESIGN TO REVIVE
through recovering and recycling materials and closures

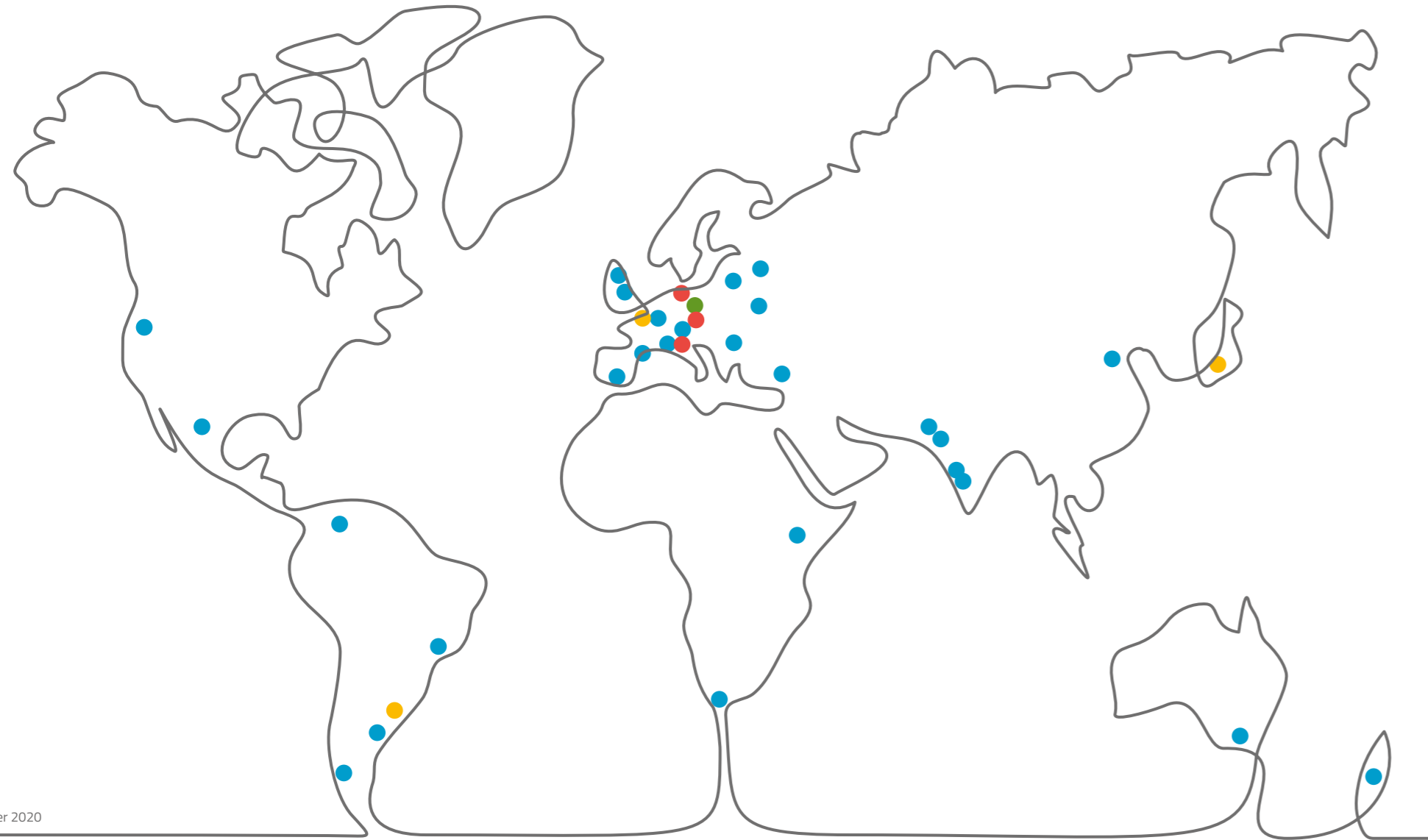


2020 was marked by the outbreak of the global COVID-19 pandemic.

- All the BUs around the world have worked to make conditions as safe as possible for their employees. Some factories have temporarily suspended their activities and all have implemented a very strict sanitary protocol. We have ensured maximum safety for all our employees by providing them with all the sanitary equipment needed.
- Guala Closures decided to use its international, technological know-how and the experience of its technical staff to produce protective visors. Numerous face shields were donated to hospitals and health facilities and also provided to companies and public entities that needed screens to protect their employees and customers, in many countries such as Luxembourg, Italy and Spain.



Our presence around the world



December 2020

Our presence around the world



GUALA CLOSURES GROUP

Holdings

- Italy: Group Holding
- Luxembourg: International Holding
- Netherlands: International Holding

GUALA CLOSURES' PLANTS

Europe

- Bulgaria: Kazanlak
- Belarus: Minsk
- France: Chambray
- Germany: Worms
- Italy: Magenta ■ Spinetta Marengo ■ Termoli
- Poland: Wloclawek
- Spain: Jerez de la Frontera ■ Olerdola
- Turkey: Ankara
- Ukraine: Sumy
- United Kingdom: Kirkintilloch ■ Bridge of Allan

North America

- Mexico: San José Iturbide
- USA: Fairfield (California)

South America

- Argentina: Chivilcoy
- Brazil: São Paolo
- Chile: Santiago de Chile
- Colombia: Bogotá

Oceania

- Australia: Melbourne
- New Zealand: ■ Auckland

Asia

- China: Beijing
- India: Ahmedabad ■ Daman ■ Dharwad ■ Goa

Africa

- Kenya: Nairobi
- South Africa: Cape Town

SALES OFFICES

Europe

- France: Tours

South America

- Argentina: Buenos Aires

Asia

- Japan: Tokyo

R&D CENTRE

- Italy: Spinetta Marengo
- Luxembourg: Foetz
- Mexico: San José Iturbide
- Ukraine: Sumy
- United Kingdom: Kirkintilloch



Our Group in a few figures



572 MILLION
TURNOVER 2020



4 CATEGORIES
OF PRODUCTS



30 PLANTS
3 SALES OFFICES



**5 RESEARCH AND
DEVELOPMENT**
CENTRES



MORE THAN
390,000 TREES
PLANTED SINCE 2011



MORE THAN
230,000 TONNES
OF CO₂ OFFSET
SINCE 2011



OVER
17.3 BILLION
CLOSURES
PRODUCED IN 2020



SALES NETWORK IN OVER
100 COUNTRIES



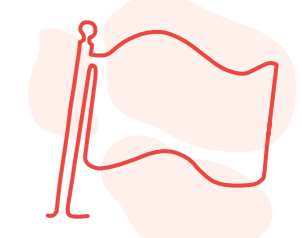
MORE THAN
170 PATENTS
AND INTELLECTUAL
PROPERTY RIGHTS



25.30 HOURS
OF TRAINING PER PERSON



4,852
EMPLOYEES
WORLDWIDE



30
NATIONALITIES
REPRESENTED

Data updated as of 31 December 2020

Value creation



At Guala Closures Group, we manufacture closures that offer innovation, protection, safety and convenience to consumers while enhancing our customers' brands.

We built our business model on our vision and values by relying on our resources and production capacity to offer our customers quality and value-added products.

We create economic, social and environmental values that benefit all of our stakeholders and thus help strengthen our group and our customers' performance.

OUR VALUES

TRANSPARENCY

PROFESSIONALISM

PROTECTION AND PROSPERITY OF THE ENVIRONMENT

ACKNOWLEDGING AND REWARDING RESULTS

MEGA TRENDS

TECHNOLOGICAL CHANGES

LONG-TERM ENVIRONMENTAL ISSUES

HEALTH, SAFETY AND WELLBEING

NEW CONSUMER EXPECTATIONS

MOBILISED RESOURCES

FINANCIAL
investments € 31.8 million (capital expenditure, net of disposal)

MANUFACTURING
30 plants

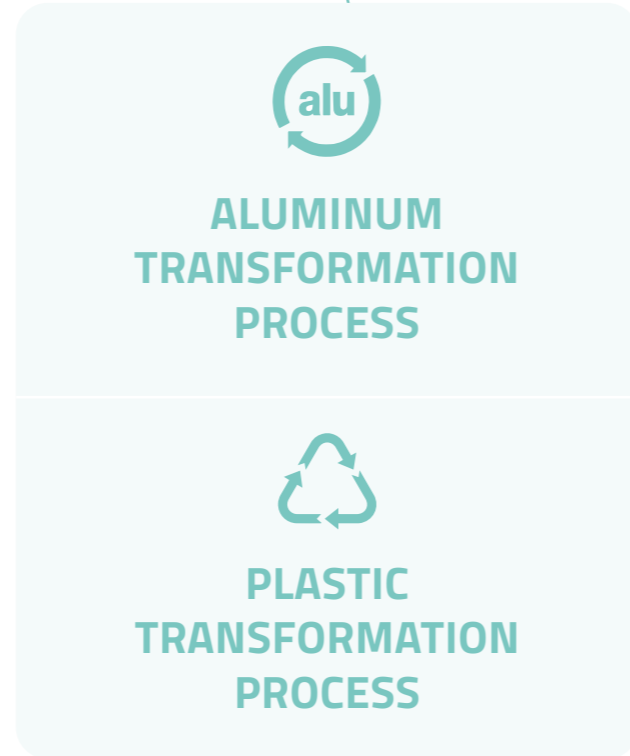
INTELLECTUAL
5 research and development centres

HUMAN
4,852 employees worldwide + 728 agency workers

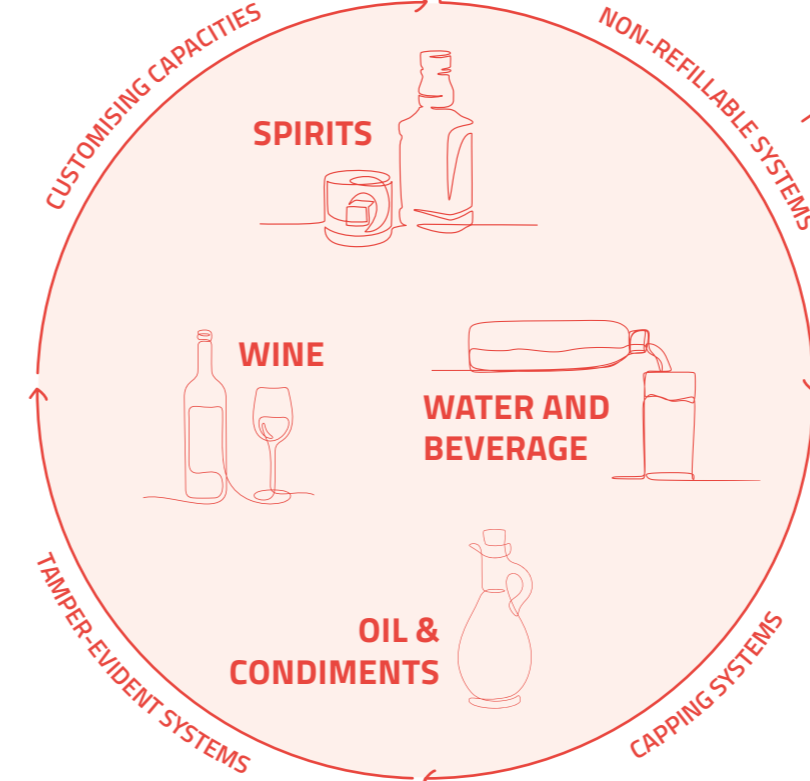
SOCIAL AND RELATIONSHIP
regular dialogue with corporate and local stakeholders

NATURAL
1,382,749 GJ of energy and 209,926 m³ of water consumed

PRODUCTION



OUR DESTINATION MARKET



OUR CREATED AND SHARED VALUES

FINANCIAL
Turnover: 572 million Euros / EBITDA: 98

MANUFACTURING
Over 17.3 billion closures produced in 2019

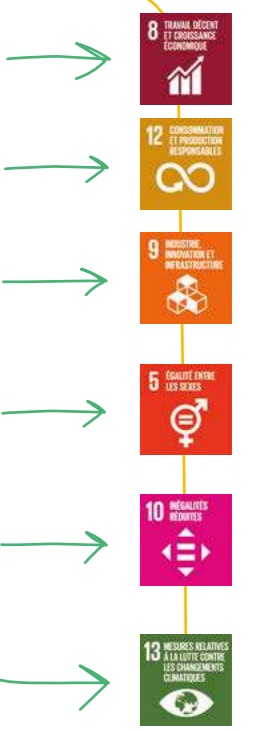
INTELLECTUAL
Over 170 intellectual properties registered, 25 new patents in 2020

HUMAN
25.30 training hours / employee

SOCIAL AND RELATIONSHIP
39 communities, 1000 beneficiary families for the Yucatan reforestation programme; 47 villages in Gujarat since the beginning of the plantation programme.

NATURAL
Over 230,000 tons eq CO₂ offset since 2011 and 390,000 trees planted since 2011

CONTRIBUTION TO THE UN-SDGS



STRATEGIC AXES

EXCELLENCE

INNOVATION

SUSTAINABILITY



Our missions and values



At Guala Closures, we make closures that protect and enhance our customers' products.



excellence

Permanent desire to provide the best possible products and services, to constantly seek to improve ourselves, to master every detail, to be demanding of ourselves and of our partners.



innovation

Creating innovative shapes, exploring new opportunities, setting up integrated projects able to overcome traditional aesthetic canons, approaching innovative production processes to offer winning products on an increasingly competitive market.



sustainability

Guala Closures promotes the goal of continuous and constant sustainable development in all companies within the Group. We work together for sustainable growth.

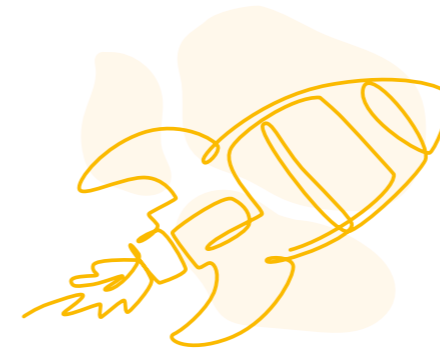


Our missions and values



Our vision

We manufacture closures that offer innovation, protection, safety and convenience to consumers while enhancing our customers' brands.



Our mission

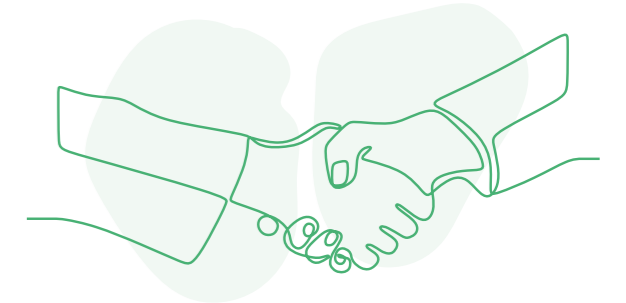
We understand and embrace our clients' goals as our own, applying creativity, experience, integrity and dedication to deliver them superior closures and solutions while reducing our environmental impact on society.



Our top management is

- Committed to promoting the company values so that they are used as a reference for the correct development of all internal and external activities.
- Committed to promoting and sharing 'Corporate Responsibility' and Group objectives at all levels.
- Committed to sustaining and providing the resources needed to achieve the objectives.
- Committed to analysing results and performance and verifying the effectiveness of the objectives achieved.

All our processes, values, corporate responsibility and various commitments are part of our integrated management systems (environmental, quality, social, ethical, food safety and health and safety).



Our corporate values

- **Transparency:** clarity, completeness and correctness of information when it comes to our business activities and interpersonal relations.
- **Professionalism:** personnel training and growth in the pursuit of constant development.
- **Protection and prosperity of the environment:** health and safety in the product processing environment and minimising the impact on communities close to our production sites.
- **Acknowledging and awarding results:** full disclosure of the evaluation criteria for goals and objectives to enhance and reward all human resources.



Our product lines



5 PRODUCT LINES	SAFETY CLOSURES Safety and anti-counterfeit closures	→ Complex closures designed to combat the phenomenon of counterfeiting of the product, wine or vegetable oil. Made up of various components, they offer systems that prevent fraudulent filling of the bottle.	
	ROLL-ON CLOSURES FOR WINE	→ Aluminum closures specifically dedicated to the wine sector. They offer a guarantee of functionality and durability over time and, thanks to special sealing gaskets, can adapt to the aging requirements of the most varied wines.	
	ROLL-ON CLOSURES	→ Aluminum closures specifically designed for the spirits, mineral water and vegetable oils sectors. Offered in various sizes, they are customized thanks to the use of numerous decoration technologies.	
	LUXURY CLOSURES	→ Closures designed in precious materials, such as wood or metal, used above all by spirits producers to give a luxury image to their most prestigious brands.	
	OTHER CLOSURES & SERVICES	→ All requirements not included in the previous definitions, such as closures in rubber, standard cork or synthetic cork closures for wine, shrinkable capsules, etc. This also includes services provided to third parties, such as litho decorations for flat sheets, etc.	
2 LINE EXTENSIONS	NËSTGATE™ CONNECTED CLOSURES	→ Closures equipped with a digital component (NFC tag) or QR code, readable through a smartphone connected to the internet.	
	BLOSSOM SUSTAINABLE CLOSURES	→ Closures that meet the requirements of Guala Closures Design-To models described in its eco-design guidelines.	

Guala Closures products are designed, manufactured and distributed worldwide and cover four destination markets: Spirits, Wine, Oil & Condiments, Water and Beverages.



Our destination markets



Spirits — 60.6%

The Guala Closures Group is renowned as a key partner in the spirits market. Through technological innovation, the group offers spirits makers solutions that increasingly prevent counterfeiting while meeting their needs for premiumisation and differentiation.

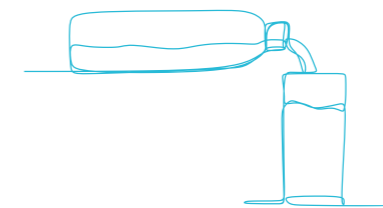
www.savethespirits.com



Wine — 20.3%

With screw-on aluminium closures, wine is more stable over time and its delicate balance is not compromised during transport. Guala Closures caps also make it easier to open and close the bottle and feature liners that keep the oxygenation of the wine in check so the wine retains its quality and flavour longer.

www.winedevelopers.com / www.savethewines.com



Water and beverages — 11.3%

The group produces aluminium closures for carbonated and still beverages in glass bottles, fruit juice and non-alcoholic beverages. It supplies some of the top international brands with generic closures or tamper-evident closures that feature capsules based on a patented system to show when a bottle has been opened.



Oil & condiments — 2.5%

The group offers the oil sector a varied range of long and short capsules, spouts specifically designed for the viscosity of oil, for a perfect pour, and non-drip devices to prevent dripping at the end of the pour.

www.salvalolio.com

The quoted percentages derive from the Group's 2020 turnover with the named categories accounting for 94.7% with a balance of 5.3% from other revenues.





Guala Closures Group stands out as the key partner of spirits manufacturers.

We are able to design totally customised closures in an infinite range of colours, shapes, sizes and materials to meet the needs of customers and to enhance their brand image.

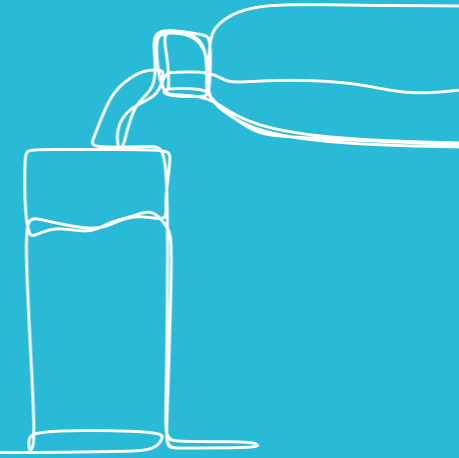
Our technological innovations provide spirits manufacturers with solutions that make it increasingly difficult to counterfeit packaging. We pro-actively address the strategic issues for this market, including the need to go premium and differentiate from others.



Guala Closures wine screwcaps have been adopted by leading wine manufacturers across five continents due to the benefits they offer compared to traditional corks: they have no impact on the organoleptic qualities of the wine, avoiding oxidation and the so-called 'cork taint'.

Wine lasts longer over time and its delicate balance does not change when transported. Additionally, Guala Closures screwcaps make the bottle easier to open and re-seal, maintaining the quality and taste of the wine for a long time. The screwcaps can be personalised with a variety of decoration techniques to meet the customer's brand and marketing requirements.

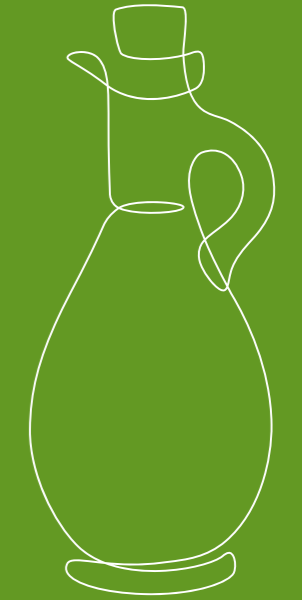




Guala Closures Group makes aluminium closures for beverages in glass bottles, such as: sparkling and still mineral water, sparkling and still soft drinks, fruit juices and non-alcoholic beverages.

Guala Closures is the partner of leading international companies, protecting their product brands with either generic or tamper-evident closures, guaranteeing that the consumer's bottle has not been opened.

All closures can be customised with high-quality graphic techniques to enhance brand image.



Oil embodies tradition, history and quality.

For the oil sector, Guala Closures Group offers a wide range of closures with infinite decorative possibilities, developing spouts adapted to different product viscosities and drip systems that prevent liquid spilling from the bottle.

Thanks to the 60 years of experience in innovation built up by our R&D department, the Group has patented solutions that make the consumption of oil safer, avoiding counterfeiting and preserving its authenticity and quality.



Our manufacturing capabilities



Guala Closures has a focused strategy of upselling higher value-added closures to its customers.

KEY FEATURES

TECHNOLOGIES

SAFETY	ROLL-ON	ROLL-ON FOR WINE	LUXURY
Highly technical and complex closures with high levels of functionality requirements coupled with customization and premiumization design.	Broad portfolio of models of aluminum closures directed to various markets (spirits, wine, water and oil and condiments) where cost, service decoration and performances are keys.	Same requirements as per roll on closures but with increased performance to sealing and oxygen transmission.	Closures where aesthetics and sophisticated materials (like wood, metal, acrylic, zamac) are combined together to offer a range of fully customized models.
<ul style="list-style-type: none"> project design plastic injection molding different decoration technique fast multicomponent automatic assembly 	<ul style="list-style-type: none"> aluminum flat sheet decoration aluminum forming and punching different decoration and techniques production planning lean and high-speed production lines 	In addition to technologies used for roll-on closures production: <ul style="list-style-type: none"> improved production flexibility to offer small batches oxygen plastic permeability management to propose selected range of liners 	<ul style="list-style-type: none"> wood components production zamac production R&D service for rapid prototyping Hot stamping, PAD printing, metallization technique for external decoration small batches flexible production
			

Fight against counterfeiting: a global issue



25.5%
of all alcohol consumed worldwide is in the form of unrecorded alcohol

« One quarter (25.5%) of all alcohol consumed worldwide is in the form of unrecorded alcohol – i.e. alcohol that is not accounted for in national official statistics on alcohol taxation or sales as it is usually produced, distributed and sold outside the formal channels under governmental control. »

World Health Organization
Global status report on alcohol and health, 2018



« Customs and police authorities have seized over 1 million litres of counterfeit wine and alcoholic beverages in a targeted action led by the European Anti-Fraud Office (OLAF) as part of a joint Europol-Interpol operation dubbed OPSON IX. »

European Anti-Fraud Office (OLAF)
PRESS RELEASE No 22/2020 20 July 2020



« A new report from the European Union Intellectual Property Office (EUIPO) shows that 4.4% of legitimate sales of spirits and 2.3% of legitimate sales of wine are lost each year due to counterfeiting of alcoholic drinks. Those lost sales translate into 4,800 jobs directly lost across the spirits and wine sectors in the EU, as legitimate manufacturers employ fewer people than they would have done in the absence of counterfeiting. »

European Union Intellectual Property Office (EUIPO)
PRESS RELEASE 26 of July, 2016



More than
1 million litres

of counterfeit wine and alcoholic beverages seized under OLAF's lead.



“In June, the International Alliance for Responsible Drinking (IARD) published Alcohol in the Shadow Economy, which spells out the scale of the problem from contraband and counterfeit through to ‘surrogate’ alcohol derived from solvents, formaldehyde and even jet fuel. The report focuses on Latin America and Africa, with illicit alcohol said to account for 28% of Brazil’s total, 34% of Mexico’s and a staggering 66% of Mozambique’s, to name only three.”

<https://www.thespiritsbusiness.com/2018/11/how-do-producers-combat-counterfeit-spirits/>

<https://www.iard.org/getattachment/1b56787b-cc6d-4ebb-989f-6684cf1df624/alcohol-in-the-shadow-economy.pdf>



COMPANY OVERVIEW
Our processes



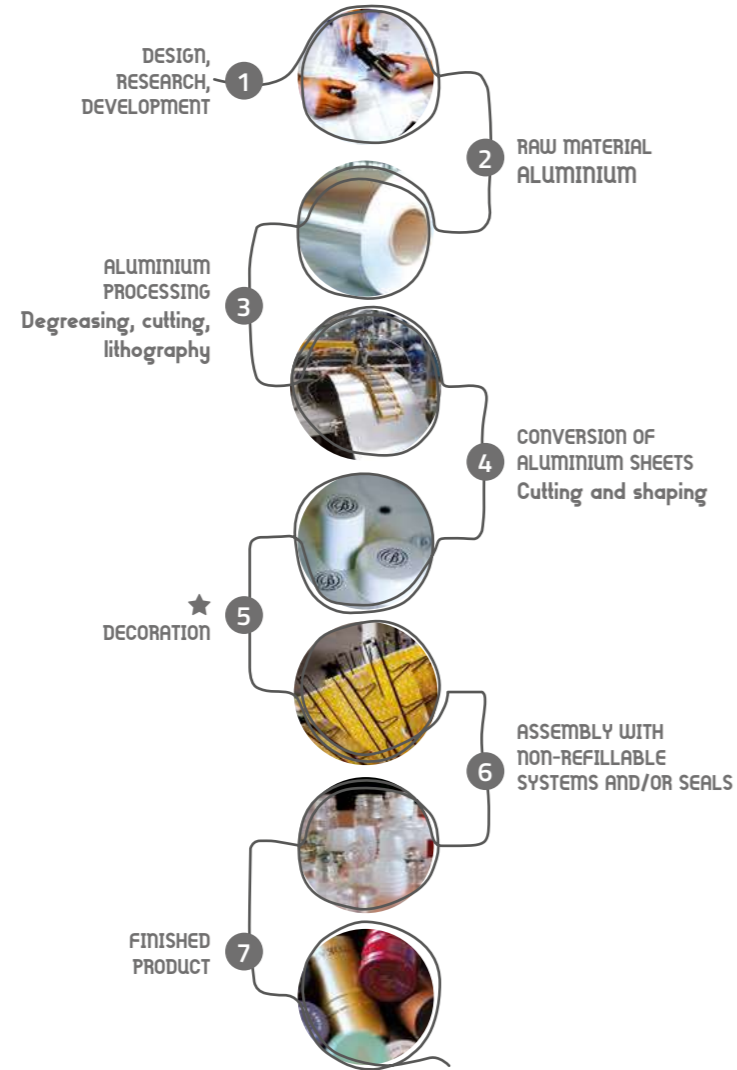
Guala Closures Group is the world leader in producing closures, with more than 17 billion units produced each year.

Our products use a large range of materials, but aluminum and plastics are flagship in the design and production of our closures. Aluminum and plastic allow the group to design and produce closures that combine technical performance with the highest safety conditions.

Some of our plants only work with a plastic process, others only with an aluminum process, whilst others handle both, depending on the range of products manufactured.

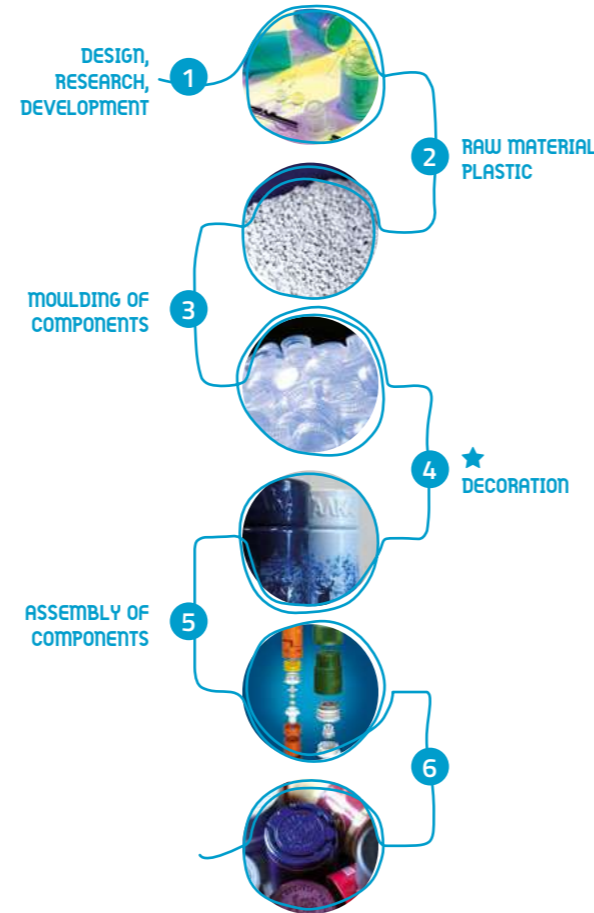
aluminium
plastic

Aluminium Transformation Cycle



★ LITHOGRAPHY, SILK SCREEN, OFFSET, HOT FOIL, TAMPO-PRINT, GCDS TECHNOLOGY, DIGITAL EMBOSING, SPUTTERING, NEGATIVE AND POSITIVE EMBOSING, PAINTING, SMART TAG

Plastic Transformation Process



★ SILK SCREEN, OFFSET, HOT FOIL, TAMPO-PRINT, DIGITAL EMBOSING, SPUTTERING, POSITIVE OR NEGATIVE EMBOSING, PAINTING, SMART TAG

COMPANY OVERVIEW
Our raw materials



*** More about aluminium**

For several decades, aluminium has been the benchmark metal in product packaging and protection. Lightweight and resistant, it has very good characteristics in terms of waterproofing, protection and conservation. Aluminium has a definite advantage in term of circular economy as it is infinitely recyclable without any loss of quality.

In 2020, our suppliers certified that recycled aluminium accounts for 51.9% of the total aluminium used by the Group. The GHG emission factor of recycled aluminium can be nearly 20 times lower than that of virgin material.

*** Guala Closures Eco-design statement**

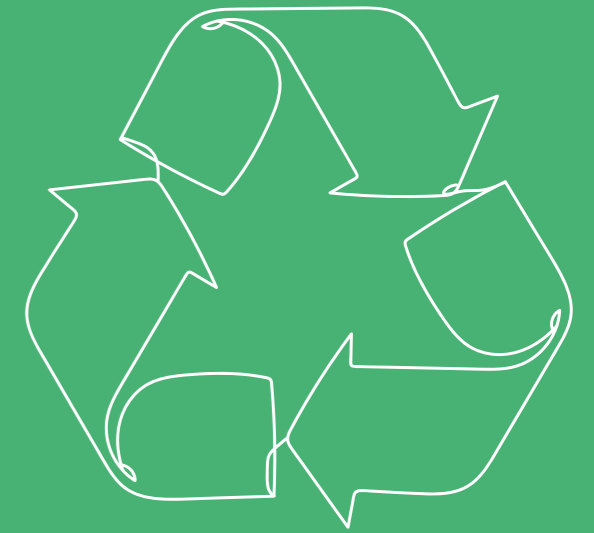
The Group's objective is to fully implement eco-compatible design guidelines which will regulate material consumption, without impacting functionality and whilst guaranteeing superior product quality. Furthermore, closure design will have two objectives: using less raw materials originating from different families to facilitate their disposal and using more substances with a low environmental impact, also coming from suppliers that have high sustainability standards.

The Group intends to achieve the challenging objective of using 35% recycled materials by 2025, also by leveraging external stakeholders, implementing increasingly environmentally-friendly solutions and developing new ones at its innovative R&D centre and extending its existing range of sustainable closures (Green Cap, Bio Agave, Wave, Bikini, etc.).

*** More about plastics**

Plastic is a material with multiple benefits. Lightweight, safe, resistant, malleable, efficient in terms of energy and economics, recyclable...

But we are conscious that plastic has some environmental issues, linked to the consumption of a non-renewable resource on the one hand and production of waste on the other plastic is a recyclable material. It is important to aim for a real circular economy both through the collection and recycling of plastic and all materials.



During the year, particular attention was paid to the study and prototyping of closures made of materials with a low environmental impact. The materials studied in 2020 to satisfy customer requests and meet their sustainability goals can be divided into three primary categories:

- * Recycled polymers;
- * Biopolymers;
- * Fibre-charged polymers

We combine all technical, ecological and economic criteria to find the best sustainable innovations.



Our eco-design approach



Sustainability is a fundamental pillar of Guala Closures' strategy. The Group aims to use 35% recycled materials worldwide by 2025 and offers the largest variety of state-of-the-art sustainable closures. Our future closures will use different materials and undergo continuous development to meet changing market needs.

In 2020, Guala Closures created its eco-design guidelines to support the development of new sustainable products and improve existing products. The guide was written by the R&D teams with the support of Sustainability and Marketing departments. Establishing a rigorous method to design sustainable products was fundamental in creating a range of harmonised products.

The guidelines will be used by the Group's 5 R&D centres. The aim is also to disseminate these guidelines to all business units, especially sales people.

In Italy, an initial training course on sustainable materials was held in November. A training session for sales people is also being prepared.

By implementing these guidelines, we are working towards meeting 3 priority environmental challenges:

1. Use of finite resources

Reduce the consumption of non-renewable resources

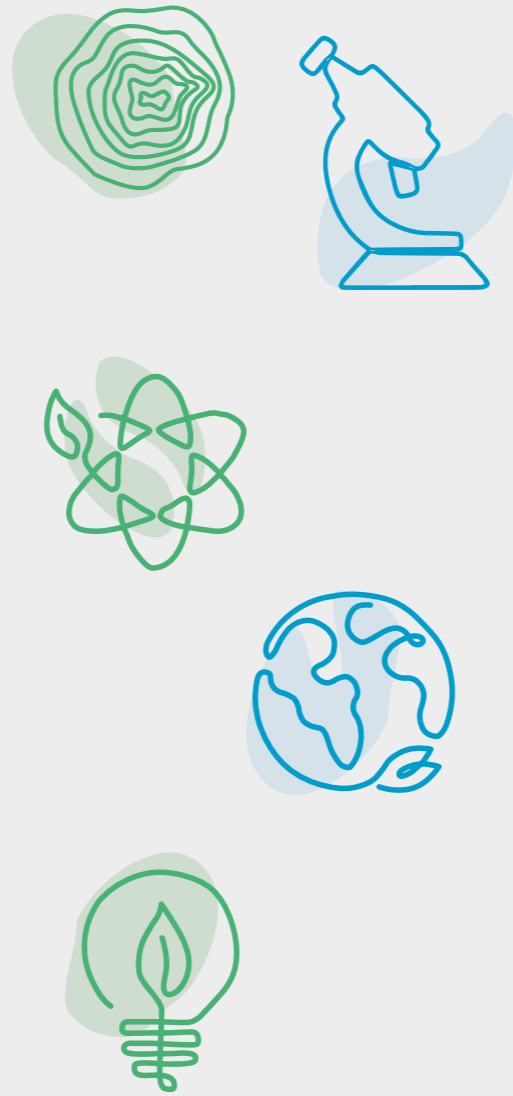
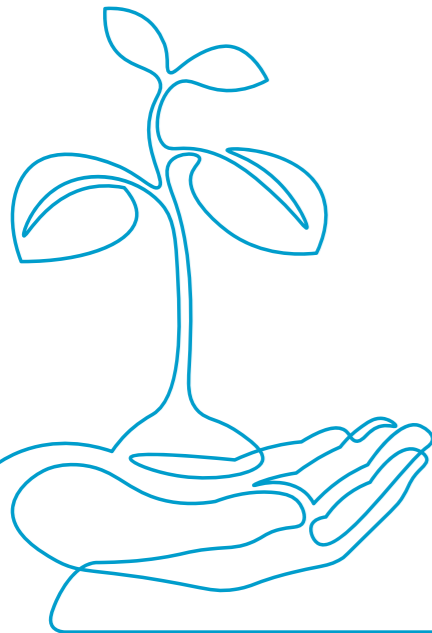
2. Global warming

Reduce the emission of greenhouse gases by identifying processes with the highest impact

3. Product end of life

Ensure that all materials used can be effectively processed and recycled

While the first two challenges are linked to the start of a closure's lifecycle and can be solved directly at the design stage, the end-of-life problem can only be partially solved during the design of the closure, as recycling streams are an important factor. The materials used in the closure could be changed, however in some cases, especially for safety closures, they must not be separated from the bottle, as this would compromise anti-counterfeiting functions.



Our eco-design approach



Four design models have been conceived to address the three challenges. They tackle "start-of-life" matters as well as those relating to recyclability. Each model has been given a name, concept and series of actions to facilitate the application of this concept for the closures. Each model acts in a different way with regard to each of the challenges identified and has been created to be applied individually or combined with the others.



DESIGN TO REDUCE

A principle based on eco-design and eliminating anything that is not necessary. By reducing the quantity of (finite and renewable) resources needed for a product to function properly, there is a lower impact on the environment. In fact, not only does the reduced use of resources lead to more responsible behaviour whilst promoting sustainable development, but the quantity of carbon dioxide emitted in association with the closures can also be reduced.



DESIGN TO CHANGE

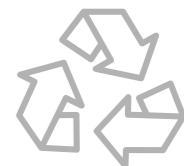
To achieve sustainable development, there has to be a change in the resources used. This can be achieved by abandoning finite resources and adopting recycled materials or materials produced from renewable sources. In the case of ALUMINIUM, this means increasing the quantity of recycled alloys used in production, a change that would enable the relative emissions of carbon dioxide and energy consumption to be significantly reduced.

In the case of POLYMERS, changing to recycled materials is more challenging, as polymers originating from mechanical recycling are often not suitable for food contact and have different properties to petroleum-based polymers. There are two alternatives to recycled polymers: polymers obtained from chemical recycling (if this were to become a viable market solution) or polymers produced from renewable sources. This type of polymer would not solve the challenge of finite resources, but would enable the quantity of carbon dioxide generated to be considerably reduced.



DESIGN TO FADE

This approach entails making waste disappear by changing to biodegradable polymers. This type of closure only has a few components, no aluminium or glue, and the closure can be easily removed from the bottle. Where biodegradable waste can be correctly disposed of, this solution could have a positive impact on waste treatment, as well as potentially reducing the emissions of carbon dioxide.



DESIGN TO REVIVE

Existing recycling systems should be adopted as far as possible, as future technological advances may mean that closures could also become recyclable. In this way, we could potentially solve the pollution from scrap and the waste of resources by recovering the materials used in closures as far as is possible.





NēSTGATE™ range

The Guala Closures Group and Vigneti Massa, a historic winery on the Tortona hills in Piedmont, have launched Europe's first bottles with connected closures equipped with NFC NēSTGATE™ technology. Thanks to the collaboration between Guala Closures and Compellio, a software company based in Luxembourg, those who choose Vigneti Massa can create their own virtual cellar hosted on the Compellio online platform and receive information on the wine-growing areas, vineyards, grape variety, notes tasting sessions and expert reviews. Furthermore, the consumer has the opportunity to verify the certification of product authenticity thanks to the blockchain technology that guarantees unique bottle identification. This allows Vigneti Massa to protect sensitive data and monitor in real time, thus providing effective support in terms of bottle traceability along the supply chain.

In March 2020 Jameson Irish Whiskey (Pernod Ricard) presented Jameson Connects, the new digital platform that allows its consumers to get more out of their bottle and get closer to the brand. Using the innovative NFC NēSTGATE™ technology in the bottle cap, the Jameson Connects community has the ability to access incredible experiences and exclusive content, including distillery tours and sweepstakes which change on a monthly basis. Ballantine's uses Guala Closures' innovative NFC NēSTGATE™ technology for its caps, launching the Ballantine's Finest Limited Edition campaign, "The Clubs Collection". Four different bottle designs, representing four nightclubs in Europe, the Middle East and America, were created to celebrate iconic, pioneering music clubs around the world.

Partnership with Oceanworks®

In December, an exclusivity agreement was signed with Oceanworks®, to develop a line of T-closures made from ocean plastic. Oceanworks®, based in California, is a digital platform capable of ensuring that recycled materials are supplied to coastal ecosystems, areas where there is a high risk of pollution because these materials can easily end up in the ocean. The Oceanworks® network collects millions of pounds of ocean plastic each year.



Blossom™: the new range of sustainable closures

Guala Closures Group has launched a new range of sustainable closures under the brand name Blossom™. Creating the Blossom™ range of sustainable closures constitutes a major step in meeting Guala Closures' Corporate Social Responsibility (CSR) goals and is the result of our long-term commitment to designing sustainable solutions. Each new closure follows one of the four design models defined in the Group's eco-design guidelines.



e-WAK®, winner of the "WorldStar Packaging Award"

At the beginning of 2020, Guala Closures received the "WorldStar Packaging Award" for e-WAK (part of the NēSTGATE™ range of connected closures). The evaluation of the contest candidates, organised by the WPO (World Packaging Organisation), took place in Bali (Indonesia), where representatives of 36 WPO packaging associations judged 321 projects from 36 countries.



NēSTGATE™ connected closures recognised by the Food & Wine Italia Awards

The first edition of the Food & Wine Italia Awards was held in February, with the aim of celebrating and rewarding talent, innovation and corporate social responsibility in the food and wine industry. Guala Closures and Vigneti Massa jointly received the special award for "Innovation in the wine sector" for NēSTGATE™ connected closures: the first example of innovative technology in the European wine sector.



Savin Prestige distinguished by the prestigious Alufoil Trophy

Guala Closures Group received the prestigious Alufoil Trophy 2020 award in the "Marketing + Design" category for its Savin Prestige, the premium screw cap for the wine market. The competition was organised by EAFA (European Aluminium Foil Association) and rewards the main innovations in the use of aluminium for packaging. The project allows unique design customisation based on wine producers' marketing needs thanks to the use of different materials such as fabric, wood and resins, combined with aluminum, with material effects as well as embossed or negative finishes hot-stamped or laser-engraved.

Guala Closures New Zealand sponsorship at Royal Easter Show Wine Awards - Auckland (NZ)

The Royal Easter Show Wine Awards was held on March 2020 in Auckland, the oldest wine competition in New Zealand celebrating the excellence of the country's wines throughout the world. Guala Closures NZ was the major official partner, sponsoring the key awards Champion Sauvignon Blanc and Champion Wine of the Show, which went to Pernod Ricard's Church Road McDonald Series Chardonnay 2018. As part of the awards, Guala Closures NZ also recognises innovative packaging, with an award for the "best presented bottle" and this year the winner was Lawson's Dry Hills for its new Rosé, "PINK Pinot". A striking design with a silkscreen-printed, embossed closure from Guala Closures NZ.



Guala Closures of Colombia awarded for its CSR commitment

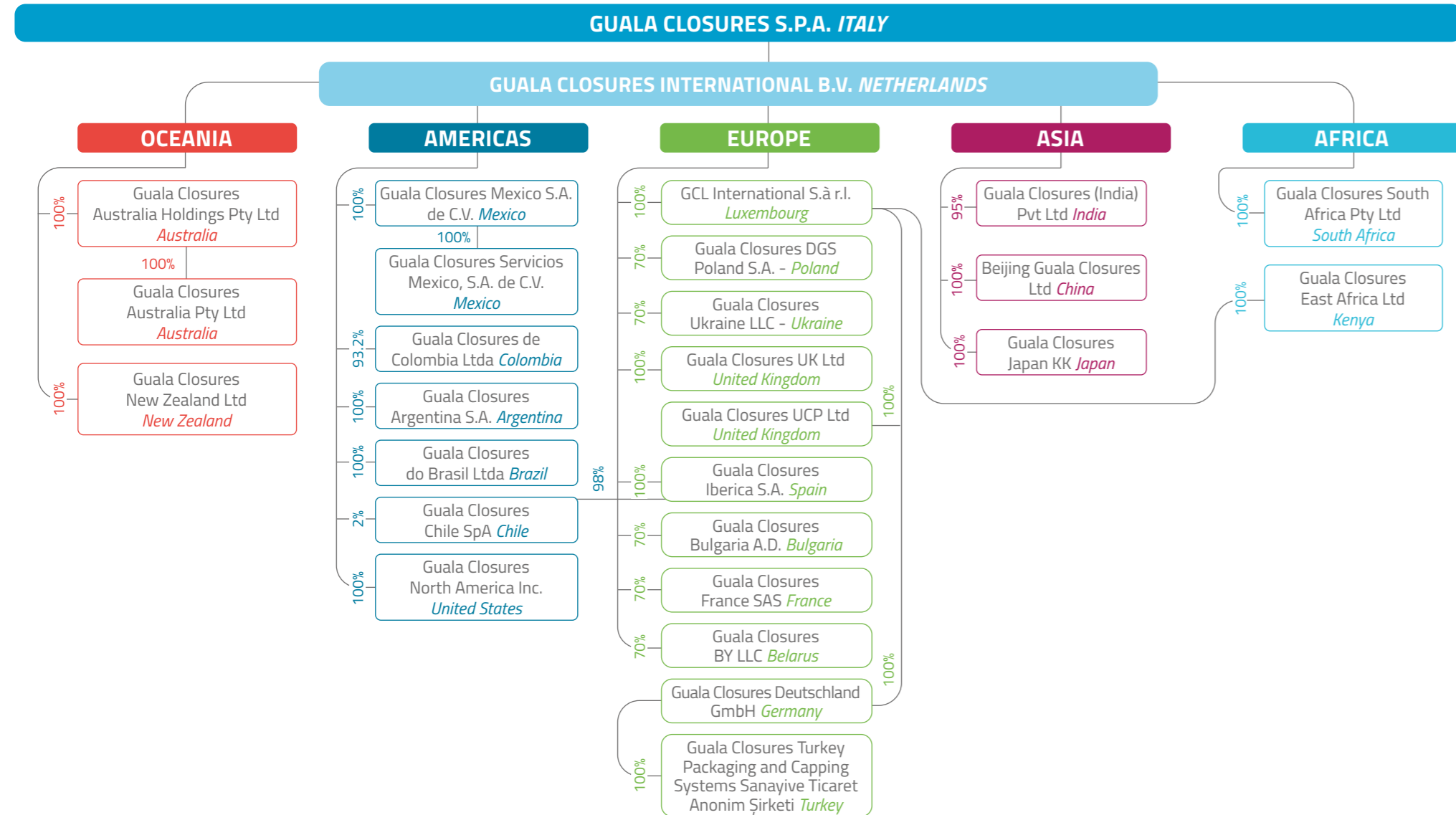
Guala Closures of Colombia have been recognised by Caldas Liquor Industry (ILC) as winners of the second edition of the Exemplary Supplier Award, an initiative framed within the Corporate Social Responsibility (CSR) component of the ILC.

In 2020, 25 of the company's suppliers were invited to participate and the environmental, socio-cultural and economic aspects of each of these companies were evaluated.

After analysing the information submitted by 12 suppliers, Guala Closures de Colombia, which produces safety caps for bottles of ILC products, and Tetra Pak, which supplies cartons for ILC, obtained the same score.



Structure of the Group



Our corporate governance



The Guala Closures S.p.A. Corporate Governance system is characterised by a set of rules, behaviours and processes aimed at guaranteeing that corporate governance is efficient and transparent and that governance bodies and control systems function effectively. The Company adheres to the principles and application criteria contained in the current Code of Conduct for listed companies, promoted by Borsa Italiana (the Italian Stock Exchange). The Governance adopted by Guala Closures must ensure fairness and transparency in management and information, as well as in the protection of all shareholders, in accordance with national and international best practices.

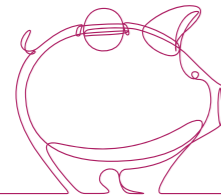
The Board of Directors has a central role, providing strategic guidance and coordinating the organisation, as well as verifying the existence of the controls required to monitor the performance of the Company itself. Moreover, it is vested with the widest powers for the ordinary administration of the Company and, more precisely, it has the power to carry out all the acts it deems appropriate in order to achieve the Company's objectives, only excluding those acts which are exclusively reserved to the Shareholders' General Meeting.





Corporate structure

- * **Guala Closures S.p.A.** is a company listed on the STAR segment of the Milan stock exchange. The ownership structure of Guala Closures S.p.A. is characterised by a significant portion of the shares being held by the market and 24.54% of voting rights being held by the Managers, out of which 24.28% are indirectly held through the company GCL Holdings SARL from Luxembourg.
- * **Guala Closures S.p.A.** owns Guala Closures International B.V.
- * **Guala Closures International B.V.**, with its main office in Holland, is the sub-holding company which directly and indirectly controls all the foreign companies belonging to the Group.



Shareholders' meeting

The Ordinary and Extraordinary Shareholders' Meeting is usually convened by the Board of Directors and has the task of deciding on whether the annual financial statements are approved and on other matters reserved by law or by the Articles of Association, such as amending the Articles of Association, increasing capital, appointing directors, assigning auditors and determining the relevant compensation, etc. The Ordinary Shareholders' Meeting occurs at least annually to approve the financial statements.



Remuneration committee

This 3-member committee (composed of a majority of independent directors) formulates proposals regarding the definition of the policy on remunerating directors and key managers of the Issuer post-merger and presents them to the Board of Directors. It periodically assesses the adequacy, overall compliance and actual application of the remuneration policies for directors and key managers, and with regard to this, establishes proposals to submit to the Board of Directors. Finally, it submits proposals to the Board of Directors on the remuneration of executive managers and other directors who have specific roles, establishes remuneration performance targets and monitors the application of the Board of Directors' decisions.



Board of Directors

Guala Closures S.p.A.'s Board of Directors is in charge of managing and deciding on the Group's strategy and organisation, as well as verifying the existence of the controls required to monitor the Group's activities.

The Board is made up of 9 members, 3 of which are independent. Among the board members, Marco Giovannini is the Chairman and CEO and holds the Group's most senior position.



Ethical / social committee

This committee is composed of the COO and the directors concerned: Purchasing, Legal Affairs, Quality, Human Resources and Sustainability. It guarantees that the Ethical / Social Policy and Code of Ethics is known and correctly implemented in all the Group's plants, with 4 objectives:

- * dissemination of Group policies and objectives on ethical / social aspects
- * definition of tools for staff training and awareness
- * definition and dissemination of Group procedures to manage the application of ethical / social aspects (internally and in relation to interested parties)
- * coordination and verification of the internal audit results with regard to ethical / social aspects



Comex (executive committee)

This committee meets each month and analyses management progress and the achievement of set objectives. It is composed of the Group's CEO, COO and CFO, as well as other key Group department Heads (Legal Affairs, Marketing, Human Resources, Administration and Finance, Management Control, Technical Departments, R&D, Purchasing, Sales, Quality and Sustainability). In addition, the Group's Country General Directors are invited periodically.



Risk and control committee

This 3-member committee (composed of a majority of independent directors) has the duty of assisting the Board of Directors in:

- * defining the guidelines for the internal control and risk management system to ensure the main risks are properly identified, adequately measured, managed and monitored;
- * periodically verifying the adequacy and effectiveness of the internal control and risk management system;
- * approving the work plan prepared by the Internal Audit Department Manager;
- * evaluating the results presented in the reports from the auditing firm and in any letter detailing suggestions, as well as in the report on the fundamental issues emerging during the audit of accounts;
- * appointing and dismissing the Internal Audit Department Manager.



Role of the Country Director

Each of Guala Closures International's subsidiaries is established in respect of national laws in the relevant country. In general, for each country in which Guala Closures operates, a company-owned enterprise exists which manages the local plant. A Country Director oversees the local activities and liaises with the Group.

COMPANY OVERVIEW
Economic figures



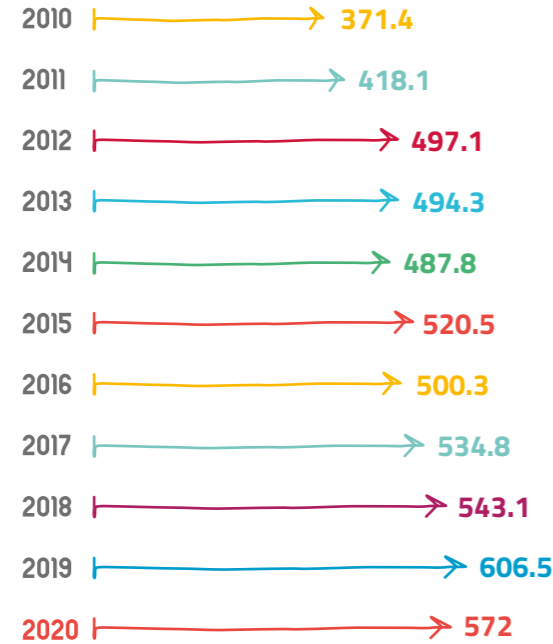
*** Turnover**

In 2020, the Group recorded a net revenue of 572 million Euros, down by € 34.5 million (-5.7%) compared to 2019 at current exchange rates. The exchange rate negatively impacted 2020 revenues by € 31.8 million following the appreciation of the Euro against almost all the currencies in which the Group operates.

With regard to these results, a positive contribution of € 23.7 million derives from the change in perimeter. The amounts for 2020 have been affected by the consolidation of Closurelogic's activities in Germany starting from February 2020 and in Turkey starting from September 2020, as well as by the consequences of the sale of a part of the Spanish activities in the PET sector to third parties, which took place in the second half of 2019 and the sale of the Italian company GCL Pharma to third parties, which took place in the second quarter of 2020.

The Group recorded a volume increase of € 12.0 million and a surplus of € 4.9 million deriving from the price increase policy; these positive effects were completely absorbed by the estimated impact from the loss in sales volumes of approximately € 41.7 million, resulting from the Covid-19 pandemic. This effect includes, on the one hand, a loss of sales volumes due to the closure of factories in compliance with specific local regulations, the ban on the sale of alcohol in some jurisdictions, the reduction in demand due to policies to restrict mobility with consequent impacts in the hotel sector and relative reduction in consumption in the on-premises and travel shop / duty free channels, and the reduction in sales due to any problems in the supply chain linked to logistical difficulties with deliveries; on the other hand, the Covid-19 effect includes an increase in sales volumes due to the increase in the security stock of some customers and sales volumes related to the increase in demand in off-premises channels (supermarket and e-commerce).

*** Guala Closures Group Turnover**
(million Euros, 2010-2020)



*** COVID crisis impacts**

2020 was characterised by the worldwide spread of COVID-19 and the consequent restrictive measures put in place by the public authorities in the countries concerned in order to contain the outbreak. In addition to the enormous social impacts, the health emergency is also having direct and indirect repercussions on the general trend of the economy and on the propensity to consume and invest, resulting in a context of general uncertainty.

The Guala Closures Group immediately implemented all the necessary actions in order to minimise the social, economic, equity and financial impacts, as well as the impacts on health and safety at work, through defining and implementing flexible action plans focused around timeliness of action.

The consequences of the pandemic can be measured both in terms of reduction in sales volumes and in terms of additional costs to ensure the safety of environments and workers. The costs directly attributable to COVID-19 are mainly related to personal protective equipment, sanitisation and adaptation of workspaces for social distancing.

*** Financial Statement Certification**

The overall economic data have been taken from the Group's consolidated financial statements. The financial statements have been certified by KPMG, which audits the contents and confirms the compliance thereof with International Financial Reporting Standards.

*** Investments**

In 2020, the Group invested € 31.8 million in order to support future growth.

The main investments in 2020 were made into plants and equipment in Italy, Poland, Ukraine, India and Mexico.



COMPANY OVERVIEW
Economic figures

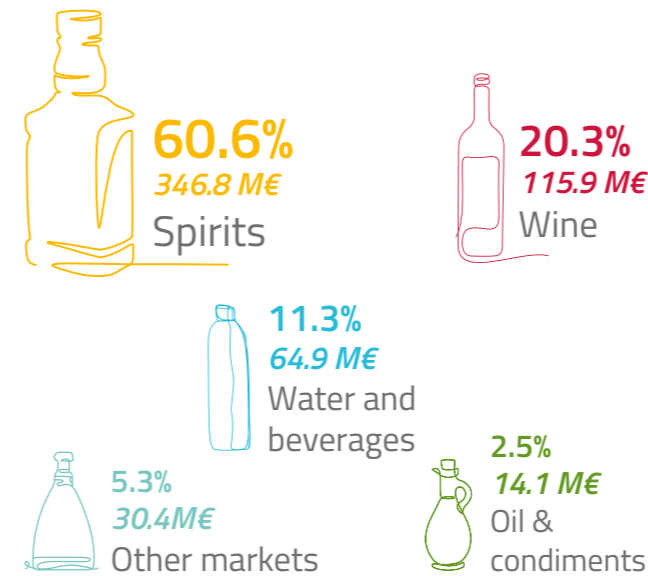


*** Revenue per type of product in 2020**

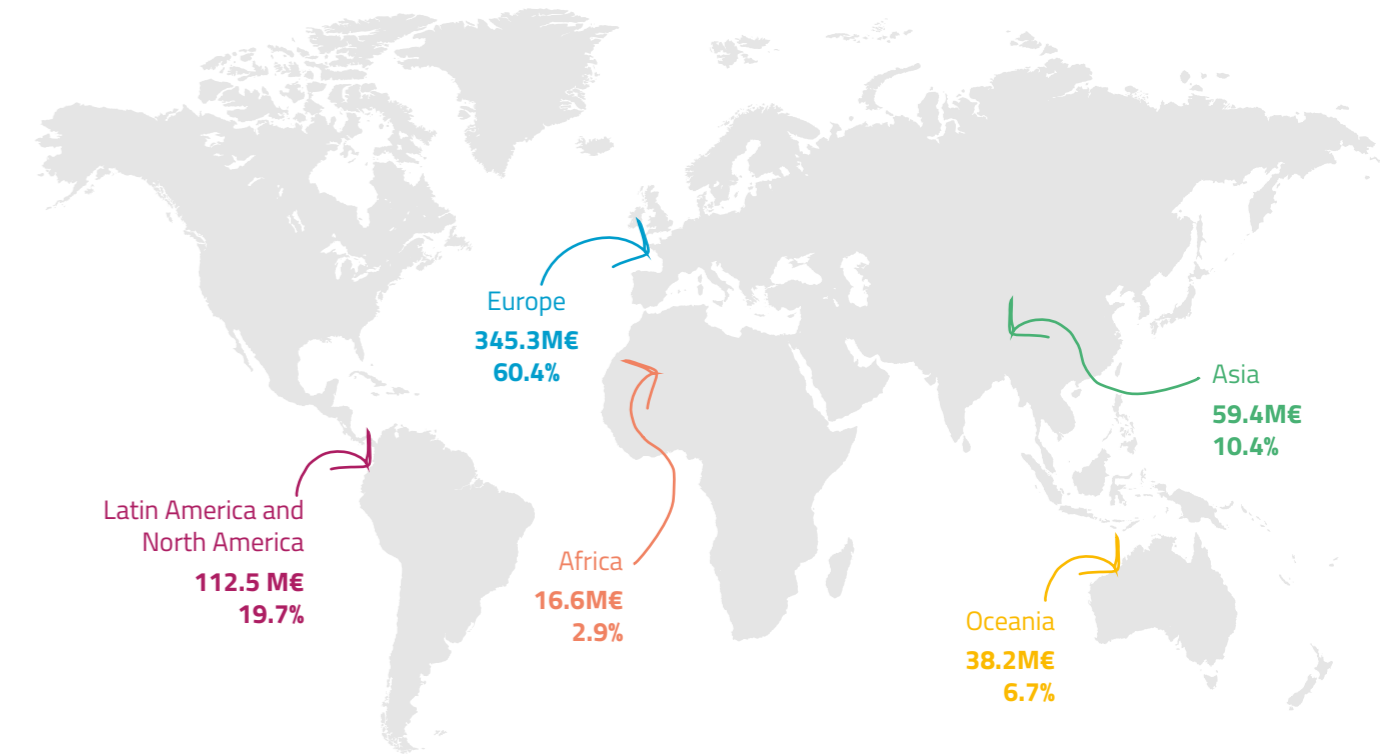


*** Revenue per market sector in 2020**

The spirits and wine markets continue to represent more than 80% of the Group's revenue. The Group's consolidated financial statements are accessible to the public on our website at: www.gualaclosures.com



*** Revenue per geographic area in 2020**



The Group is not exposed to significant geographical risks other than normal business risks.



Human Resources figures



4,852 EMPLOYEES

IN THE GROUP AROUND
THE WORLD



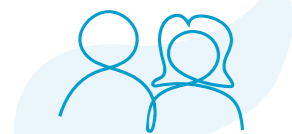
PRESENCE IN
25 COUNTRIES



25.30 HOURS
OF TRAINING PER PERSON



30 NATIONALITIES
REPRESENTED



77% MEN
23% WOMEN



**728 AGENCY
WORKERS**



Human resources figures



Guala Closures Group has 4,852 employees and 728 temporary workers. These men and women, dispersed over 30 factories and 3 sales offices in 25 countries, constitute the human capital of the company.

They are a real asset and the best resource to maintain market leadership and develop business. The Group is committed to offering them the best working conditions, stimulating and guiding them towards personal and professional growth in line with the company's culture and corporate role, while generating economic and social value. **Multiculturalism, training, engagement, awareness of diversity as a resource, and attention to health and safety** are the pillars of Guala Closures' values and policies and, thus, empower our employees and collaborators.

With the pandemic, the health and safety of our staff and families have been the top priority for the Guala Closures Group. From the first signs of the virus, we have worked together to address the situation and adapt to the developments of this unprecedented global pandemic. For this reason, we have pro-actively developed guidelines to counter, prevent and contain the spread of the pandemic in our factories. The two main areas that we have focused on to protect the health of our employees are the constant supply of medical devices and the continuous sanitation of production sites and offices.

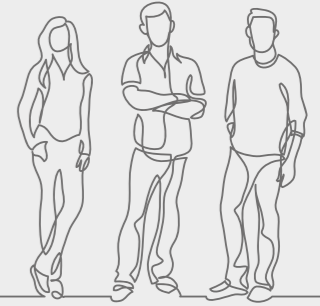
Guala Closures strives to guarantee its employees' full observance of social and ethical aspects in all the countries in which it operates, primarily focusing on three areas:

- promoting company values and continuous improvement at all levels to encourage participation and a sense of belonging;
- promoting professional growth through continuous training;
- the increasingly scrupulous protection of labour laws, respecting employees' rights and adopting rigorous policies for occupational safety, with particular attention to the developing countries in which the Group operates, focusing, above all, on the selection of a supply chain that is also aware of ethical and social issues.

Guala Closures promotes respect for work and employees by avoiding all forms of discrimination and ensuring full observance of fundamental human rights.

Guala Closures aims to foster socially ethical business activity based on the implementation and application of the following four documents:

- Social and ethical policy
- Work safety policy
- Code of ethics
- Modern Slavery Act



Number of employees per category



270
Managers

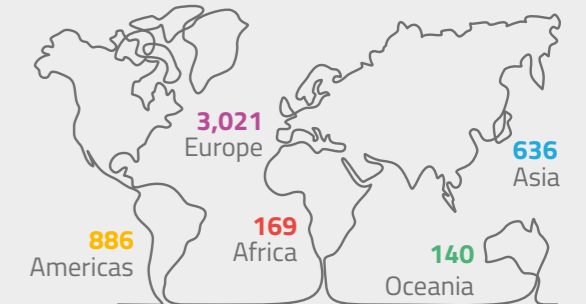


1,062
White collar



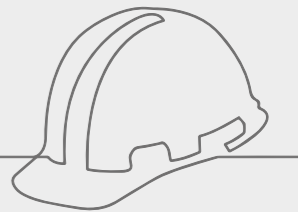
3,520
Blue collar

Amount of employees around the world



Injury rates

Frequency rate: **7.78**
Gravity rate: **0.3**



CSR VISION AND ACTION



CSR VISION AND ACTION

Our issues and challenges



Guala Closures Group operates in an environment in constant evolution. For this reason, regular, meaningful dialogue with interested parties, whether they are shareholders, customers, employees, suppliers or local communities, is essential for conducting activities in a responsible manner, identifying common priorities in terms of sustainability and opportunities for collaboration through trends and objectives common in a changing regulatory environment, minimising risks and identifying business opportunities. All of this is made possible through ongoing dialogue with our stakeholders and an understanding and recognition of their interests.

In this context, relations, dialogue and collaboration with all stakeholders are becoming increasingly part of the culture of the Guala Closures Group, in order to jointly develop commitments and projects, contributing to sustainable and inclusive growth.

In 2019, to take into account the continuous development of the Group and its entry on the Stock Exchange, we updated our materiality matrix (see on next page) by involving our internal and external stakeholders in a dialogue process. In line with the <IR> framework published by the International Integrated Reporting Council (IRCI), we identified challenges we have to face to continue creating value in a sustainable way.

We are convinced that creating an ecosystem including team members and strategic partners creates more opportunities to do good. We are committed to engaging with stakeholders at local, national and global levels: to determine where Guala Closures can contribute to significant change.

In 2020, due to the pandemic, the top management reviewed the materiality matrix. From a corporate perspective, the issue of the COVID-19 emergency is strongly linked to safety at work, customer satisfaction and transparency. All of these issues are already part of the priority quadrant and are thus recognised by stakeholders and the Group.

However, other issues are also impacted by the emergency situation. We can mention the emissions intensity, waste production or economic performance issues. All these issues have been touched by production breakdown following the pandemic. As all the issues affected by the crisis were already identified as priority or important, the matrix remains unchanged compared to the 2019 version. Finally, for the matter regarding taxes, as covered by the reporting standard GRI 207, we decided to integrate it into a future materiality update.

The pandemic has exacerbated a number of challenges that we are already facing and therefore reaffirms our desire to incorporate even more aspects of sustainable development into our development strategy. Our future sustainability programme, which will be the subject of in-depth analysis in 2021, will undoubtedly be ambitious, as the group becomes more and more aware of the positive role it can play in building a more sustainable world.

Customers and market

At least once a year we meet with our main customers and suppliers to review the results of the past year and agree on new goals;



Institutional stakeholders

The Group has established intense activity with certification and control bodies and has always shown great openness to dialogue with unions and professional associations.

Local communities

Each plant works in close contact with its circle of key local players, taking care of their needs and answering their requests.

Internal stakeholders

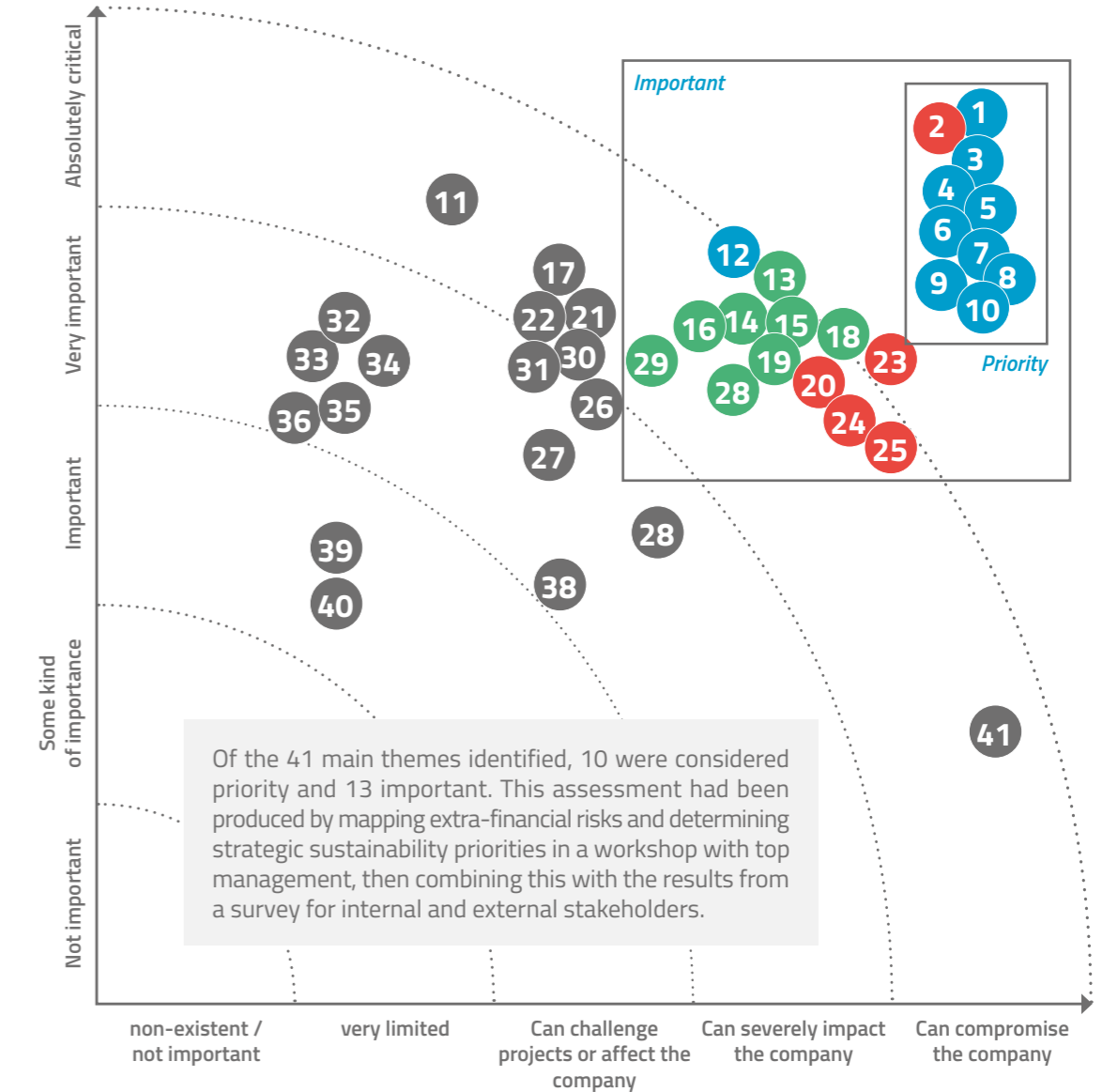
Each year, employees' performance is appraised in relation to local needs;



Our issues and challenges



- 01- Customer satisfaction
- 02- Employee safety at work
- 03- Ethics and integrity
- 04- Ethical business practices
- 05- Governance & compliance
- 06- Innovation
- 07- Corruption risk management and prevention
- 08- Economic performance
- 09- Data privacy and security
- 10- Transparency
- 11- Child labour prevention
- 12- Ethical purchasing practices
- 13- Raw material recycling
- 14- Use of harmful substances
- 15- GHG emissions
- 16- Waste from operations
- 17- Human rights throughout the value chain
- 18- Energy efficiency of operations
- 19- Preventing pollution from operations
- 20- Employee training and skills / sharing practices
- 21- End-of-life product recycling
- 22- Ethical marketing practices
- 23- Employee satisfaction
- 24- Diversity and inclusion
- 25- Employee empowerment
- 26- Material scarcity management
- 27- Employee welfare at work
- 28- Developing products with environmental benefits
- 29- Water management
- 30- Renewable energy use or purchase
- 31- Engaging suppliers in sustainable performance
- 32- Air pollution
- 33- Socially responsible investment
- 34- Employee psychosocial risks
- 35- Biodiversity preservation
- 36- Land management
- 37- Transport and travel
- 38- Employee volunteering
- 39- Support for charities and NGOs
- 40 - Support for local communities
- 41- Financial stability



CSR VISION AND ACTION

Our CSR governance



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

This CSR body was established in 2015. Its mission is to define and ensure effective implementation of the sustainability strategy and its progress. It reports to Franco Bove, the Group's COO. Composed of senior executives at both the corporate and country/factory levels, from 2020 and in line with the Diversity Charter, it will be composed of an equal number of women and men.

The Green Board therefore welcomed Claudia Banfi, Elena Carniglia, Lina Maria Ascencio, Marinella Vercellone, and Valentina Rigatti.

All Country Directors and the continuous improvement team collect the environmental, social and economic KPIs and transmit them to the Green Board in order to monitor the Sustainability Programme and greenhouse gas emissions. The body meets 2 to 4 times a year to discuss progress, listen to feedback from top management, identify challenges and suggest strategic solutions.

The organisation of CSR at a local level is voluntarily left to the free choice of the Country Directors, who implement it according to the resources and needs of local conditions. In all the Business Units, the Country Directors 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.



2011-2022:

Our Sustainability Strategy is based on three pillars, Planet / People / Profit, and 12 indicators

Energy consumption

CO₂ emissions

Waste

Raw materials

Water

Environmental management

Health and safety

Diversity

Training

Production efficiency

Innovation

Customer satisfaction

CSR VISION AND ACTION

Our CSR strategy



In every area of the Group, Guala Closures promotes and strengthens its global leadership through:

* Customer satisfaction

- Developing products that meet the needs of customers and the market
- Making production, products and processes ever more innovative
- Improving the efficiency and quality of production processes
- Ensuring a fast, effective and secure standard of service
- Safeguarding the brands and confidentiality of our customers

* Attention to the consumer

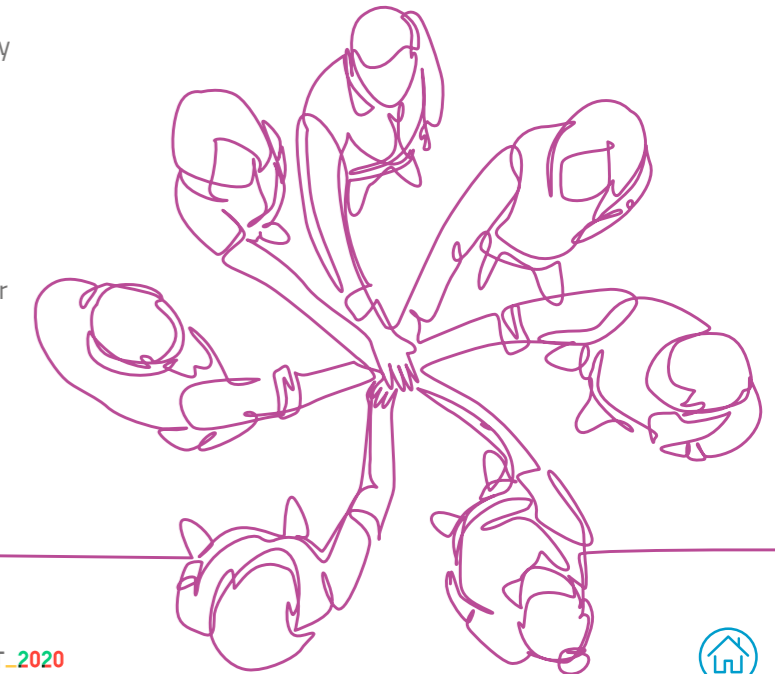
- Ensuring full compliance for our food-contact closures
- Respecting the environment with particular attention to reducing the environmental impact of production cycles
- Engaging in important initiatives for communities close to production sites

* The development of human resources

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

* Investor satisfaction

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



Our policies and framework*



All policies of Guala Closures Group are characterised by a common, 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 whilst safeguarding the environment. Policies were signed by M. Giovannini, Chairman, and F. Bove, Chief Operating Officer. Each General Manager or Country 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.

* Quality policy

- Satisfy customers: surpass their expectations, support their needs, ensure and improve efficient product use.
- Invest in people: training, communication, develop specific expertise, encourage pride in belonging to the group, recognise and celebrate results.
- Continuously check and update products, processes and production systems, encourage strong relationships with key suppliers, respect all applicable requirements and apply the concept of continuous improvement.

* Environmental policy

- Develop or improve products and processes with a view to safeguarding the environment and saving energy, reducing pollution and cutting CO₂ emissions.
- Act to engage all stakeholders in the product supply chain to be aware of environmental aspects.
- Respect for the environment is one of our priorities.

* Food safety policy

- Make safe products: hygienically suitable for contact with food, respecting legislative and regulatory requirements; communication with all members of the supply chain.
- Include compliance with hygiene and food safety standards in product development and process.
- Believe in people to guarantee food safety: effective methods of internal communication, implement, assess and improve Good Manufacturing Practices.

* Land acquisition policy

- Any form of forced land acquisition, free negotiation, payment aligned to market value.
- Recruit local personnel to work on manufacturing sites.
- Respect and protect local communities.
- Safe and suitable working environment, free of discrimination.
- Minimise the environmental impact.

* Modern Slavery Act

- Respect and protect human rights: accept no form of child labour or practices that inhibit child development.
- All work freely chosen and refuse any form of forced or involuntary work.
- Respect and protect the rights of all employees, those working in the supply chain and those involved in the business.
- Safe and sustainable working environment, without discrimination.

- Legitimate employment contract for all employees, guaranteeing a minimum wage appropriate to the country in which they work.
- Respect privacy and personal data.

* Ethical and social policy

- Recognise employees as our added value and manage human resources in a correct manner.
- Engage stakeholders involved in the supply chain to be aware of our integrity in business and commitment to sustainable development.
- Guarantee safety in the workplace and respect of the environment.

* Work safety policy

- People involved in their own safety: effectively communicate to guarantee requirements and objectives; collect observations, complaints and suggestions for improvement; develop the know-how, methods and tools necessary to maintain safe working conditions; share good practices between plants.
- Develop or improve products and processes with a view to guaranteeing and improving safety in the workplace; engage suppliers to avoid potential risk situations.
- Endorse and comply with international, national, and local laws and standards, as well as with additional requirements from stakeholders; internal representatives in charge of training, communication and first aid procedures, systematic analysis of causes of accidents or potential accidents.

* Policies available on our website

Our Ethics and integrity



Guala Closures strives to guarantee its employees' full observance of social and ethical aspects in all the countries in which it operates, primarily focusing on three areas:

- promoting company values and continuous improvement at all levels to encourage participation and a sense of belonging;
- promoting professional growth through continuous training;
- the increasingly scrupulous protection of labour laws, respecting employees' rights and adopting rigorous policies for occupational safety, with particular attention to the developing countries in which the Group operates, focusing, above all, on the selection of a supply chain that is also aware of ethical and social aspects.

The Group promotes respect for work and employees by avoiding all forms of discrimination and ensuring full observance of fundamental human rights.

We work to foster socially ethical business activity, based on the implementation and application of the following four documents:

- Code of Ethics
- Social and Ethical Policy (updated in November 2019)
- Modern Slavery Act
- Land Acquisition Policy

The cornerstones of these documents, which apply to all Group employees and with which the supply chain must comply, are:

- ensuring that all employees have a proper employment contract and guaranteeing the minimum legal remuneration;
- guaranteeing freedom of association and collective bargaining;

- not employing child labour;
- not using forced labour;
- not discriminating, ensuring equal opportunities and treatment and promoting inclusion regardless of religion, ethnicity, gender, political or spiritual beliefs, age and disability;
- ensuring adequate working conditions, treating all employees with dignity and respect, excluding the use of unusual disciplinary practices and/or corporal punishment;
- ensuring that employees and collaborators operate in healthy and safe workplaces in accordance with applicable occupational health and safety standards.
- ensuring ethical management and supplier relations.

The Group is very attentive to the exemplary behaviour of employees and to the awareness of all parties concerned with respect to company ethics and integrity.

In particular, those involved in the supply chain are required to actively comply with the Ethical and Social Policy, ensuring the full observance of ethical aspects, avoiding any potential act of corruption, intimidation or fraud, and the Group undertakes to do the same.

The relations with external communities are based on respect for people, without discrimination or exploitation, and considering the suggestions and needs of different parties.

Respect for customers, suppliers and competitors is the root of the Group's business relations. As outlined in the Code of Ethics, particular care is taken to avoid any anti-competitive practices.

The awareness and training plan for the Code of Ethics has continued in 2020, involving the relevant managers and employees.



Management systems and tools



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

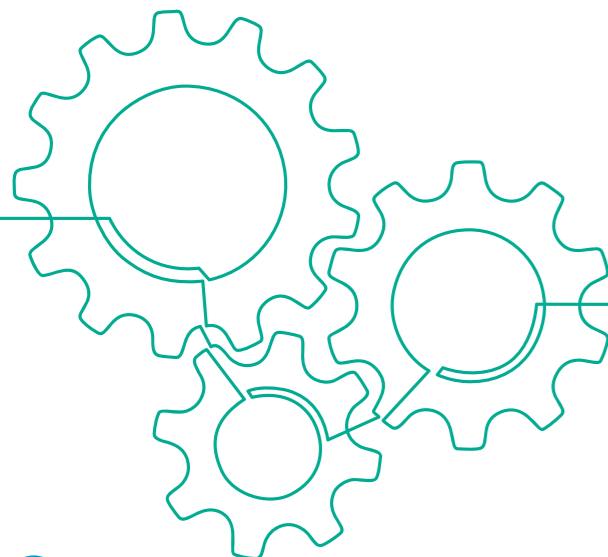
- * For Quality: ISO 9001: 2015**
"Quality management systems - Requirements"
- * For Hygiene: ISO 22000:2005**
"Management systems for food safety"
- * For the Environment: ISO 14001:2015**
"Environmental management systems - Requirements and guidance for use"
- * Safety: OHSAS 18001:2000**
"Occupational Health and Safety Management Systems - Requirements"
- * Continuous improvement: ISO 9004:2018**
"Managing for the sustained success of an organisation - A quality management approach"

Currently, almost all data on indicators are retrieved monthly. Each business unit sends its data to the Sustainability Team which checks and compiles the information into a master document. Also, the central team annually retrieves all actions and initiatives carried out on a local level and uses this information to update the current report.

In 2017, we switched from 'TEA Tool' (Tool for Environment Analysis) to 'CIS Tool'. This new software automates and streamlines the data collection process. During the year, we have completed the database and performed tests successfully. The software has been introduced worldwide. The majority of the plants have been trained to use the CIS-Tool and since 2018, a reporting campaign has been realised with this new software.

In 2008, Guala Closures performed its first life cycle analysis (LCA), a study that focused on a specific type of closure known as the Divinum. Additional LCA studies followed in 2014 with our wine and oil closures. As we progress in the years to come, we will increase the focus on reducing carbon dioxide contributors along the supply chain and production process.

Since 2016, the greenhouse gas emissions of Scope 1 and 2 have been certified every year, as required by the ISO 14064 standard. This year Bureau Veritas also certified our Scope 3 emissions.



The Group has developed a clear agenda to ensure that all Guala Closures Group plants achieve each certification. Each time the Group expands by acquiring or opening a new plant, a strategic plan is drawn up to achieve the three certifications in the shortest possible time.

COUNTRY	PLANT REF.	9001	22000	14001	SEDEX	OHSAS 18001
ARGENTINA	Chivilcoy	✓	2021	2021	✓	-
AUSTRALIA	Melbourne	✓	✓	✓	✓	-
BELARUS	Minsk	2023	TBD	2023	✓	-
BRAZIL	Sao Paulo	✓	✓	✓	✓	-
BULGARIA	Kazanlak	✓	✓	2021	✓	-
CHILE	Santiago de Chile	✓	✓	2021	✓	-
CHINA	Beijing	✓	2021	2021	✓	-
COLOMBIA	Bogota	✓	2021	✓	✓	-
FRANCE	Chambray	✓	2021	2022	✓	-
GERMAN	Worms	2022	✓	✓	✓	-
INDIA	Ahmedabad	✓	✓	✓	✓	-
INDIA	Daman	✓	✓	✓	✓	-
INDIA	Dharwad	2021	2021	2021	✓	-
INDIA	Goa	✓	✓	✓	✓	-
ITALY	Magenta	✓	✓	2020	✓	-
ITALY	Spinetta Marengo	✓	✓	✓	✓	-
ITALY	Termoli	✓	✓	✓	✓	-
KENYA	Nairobi	2021	2021	2022	✓	-
MEXICO	S.J. Iturbide	✓	✓	✓	✓	-
NEW ZEALAND	Auckland	✓	✓	✓	✓	-
POLAND	Wloclawek	✓	✓	✓	✓	✓
SOUTH AFRICA	Cape Town	✓	✓	✓	✓	-
SPAIN	Jerez	✓	✓	✓	✓	-
SPAIN	Olèrdola	✓	✓	✓	✓	-
UKRAINE	Sumy	✓	✓	✓	✓	-
UK	Bridge of Allan	✓	✓	✓	✓	✓
UK	Kirkintilloch	✓	✓	✓	✓	-
U.S.A.	Fairfield	✓	✓	✓	✓	-

Communication on Sustainability



Sustainability report



Abstracts

* 2020 An atypical year for internal and external communication on sustainability

Every year since 2011, Guala Closures has aimed to improve and promote its sustainability vision and actions. By informing, motivating and involving our employees, Human Resources has encouraged their participation in the Group's sustainability strategy. This has been a key factor in achieving Guala Closures' objectives which are defined within the Sustainability Programme.

In 2020, the health crisis has naturally made the discourse on the Sustainability Programme less prominent, only with regard to the environment however, and not with regard to the social aspect (safety, health, solidarity and the launch of the Diversity & Inclusion Chart) which has been the subject of extreme attention.

The Group regularly informs external stakeholders (customers, suppliers, shareholders...) about its commitment, actions and results, in particular through this report and the Non-Financial Declaration.

* Main corporate communication tools

Annual Sustainability Report

The first Sustainability Report was issued in 2011. Nowadays it is addressed to the employees of the Group and all the stakeholders. It contains information on the Group governance and product portfolio as well as on how the Group manages and mitigates the environmental and social impact of its business activities. The report is available in English (printed and digital version).

In addition, a report abstract is translated into the eleven languages spoken within the Group for wider distribution to employees, customers and suppliers (Belarusian, Bulgarian, Chinese, English, French, German, Italian, Polish, Portuguese, Spanish and Ukrainian).

Newsletter

ECHO is the internal newsletter which serves as the main tool to share information about projects, initiatives and key findings regarding the Sustainability Programme.

In 2020, the Group issued one newsletter for the Group, mainly dedicated to social issues – safety, health and diversity – and its innovation strategy, and one for the Italian BU.

Website

The Group's website offers an extensive amount of information, ranging from products to markets, as well as policies, the Group's Code of Ethics and information on sustainability. Company contact information also is included (www.gualaclosures.com).

Social media: YouTube / LinkedIn / Facebook

Guala Closures uses social networks to publish information and film clips to publicise and illustrate its business.

Sustainability report (full version)

- 1,500 copies printed in English
- A digital version sent to managers, clients and suppliers of the Group

Sustainability report (abstracts)

- 5,985 copies, delivered to each employee of the Group, printed in the local language (11)
- A digital version in each language (11)

Echo newsletters

- 1 printed newsletter for the Group and 1 for employees in Italy
- A digital English version sent to all managers

Posters & totem

- Material provided to each business unit around the world for display

Diversity & Inclusion Chart and video

- A 4-page leaflet, totem and outdoor, available in all the 12 languages of the Group
- A video with Guala Closures testimonials (a long and short version), available in 15 languages
- A video of COO Franco Bove for the launch of the D&I Chart



Newsletter

Your opinions and suggestions are important. Please write to us any time at: sustainability@gualaclosures.com



Our corporate CSR team



Maurizio Mittino
Sustainability Director

How are the CSR teams mobilised to define and deploy the Group's CSR approach?

The Corporate team has grown a lot in terms of knowledge and experience, increasing the relationship with plants' CSR managers. The launch of the D&I project helped to consolidate relationships by extending them to social issues. Furthermore, we strengthened Continuous Improvement activities with new resources included in the Engineering team. This made it possible to give substance to the improvement plans discussed with the local sustainability managers and define a relevant roadmap for each plant. The use of a common tool for sharing information and carrying out an audit on the consistency between indicators and objective evidence made it possible to arrive better prepared as the certification expired and reports needed to be prepared.

In 2020, how did the Covid crisis impact your Sustainability Programme and the achievement of objectives?

It was a difficult year for all of us and therefore also for our Sustainability Programme. The most impacted indicators were the environmental ones, while the social indicators resulted almost positive. Whilst the water objective has been reached and Scope 3 emissions have been reduced, energy intensity, waste, scrap and OEE indicators have worsened, mainly due to the fact that the plants were not being operated to the fullest extent, which in turn did not allow them to be used efficiently. The use of renewable energy has strongly increased (100% clean energy use in five plants in the Group).

Concerning social issues, the deployment of the Diversity & Inclusion strategy in the BUs was a great success, despite the pandemic period. This project generates real enthusiasm, strengthening links between Guala Closures people and bolstering pride in belonging to the Group. But in such a tense context, our greatest pride is to have succeeded in mobilising all the teams to ensure safe working conditions and protect all our people as well as in showing solidarity with local communities.

This CSR programme will end in 2022. But we are already working on the 2030 agenda.

The CSR Programme will end in 2022, keeping the objectives defined before the crisis but postponing some deadlines from 2020 to 2022. Concerning the future, the UN have defined 2030 as the year by which the SDGs should be achieved. The Group aims to align its targets to the UN agenda. We want to make a contribution commensurate with societal challenges. We have already planned important milestones in our process to assess our new CSR Programme. We intend

to involve all our stakeholders. We have also planned the implementation of an internal survey, addressed to all our employees, in order to measure their personal commitment to sustainability issues, the perception they have of Guala Closures' engagement and activities and the effectiveness of the tools used to communicate internally. And we'll continue to develop dialogue with our customers and other stakeholders to understand their needs and expectations. By the beginning of 2022, we'll have established a Sustainability Convention to determine the pillars of our next Sustainability Programme.



Ana Maria Ample



Elena Carniglia



Filippo Bertoni



Matteo Iaculli

The Corporate CSR team lends its expertise and support to the Business Units when it comes to using tools, bringing the entire CSR Programme to life, facilitating the exchange of good practices between Business Units and supporting innovative projects.

Sustainability representative



The 27 local sustainability representative support, direct and coordinate actions within their Business Units. They are responsible for reporting group indicators.



Nathalia Bianchi
Argentina



Kanchana Pathirana
Australia



Aleksey Lis
Belarus



Juliane Pegoretti
Brazil



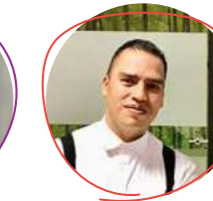
Veronica Draganova
Bulgaria



Vanessa Vergara
Chile



Hong Ming
China



Rafael Lamy
Colombia



Sylvain Gilbert
France



Matthias Gassmann
Germany



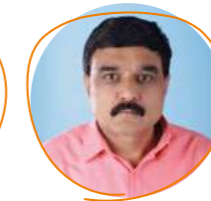
Allen Joseph
India



Dinesh Singh
India



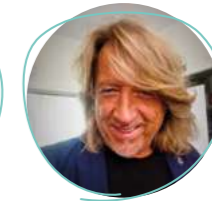
Maganlal Vadhre
India



Srinivas Patil
India



Matteo Canepa
Italy



Paolo Furiani
Italy



Maurizio Ambrosino
Italy



Daniel Wilson Ambetsa
Kenya



Tatiana Duque
Mexico



Vaibhav Sharma
New Zealand



Leszek Sulewski
Poland



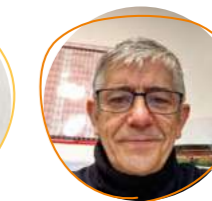
Tumi Mompoti
South Africa



Sonia Elbal
Spain



Olena Shevchenko
Ukraine



Kevin Pirie
United Kingdom



Ashley Carroll
United Kingdom



Randy Weller
USA



2016-2022 programme and indicators



Through the “Working together for sustainable growth” programme, adopted in 2016, Guala Closures Group expresses its vision for the future. Using the materiality assessment updated in 2019, we analysed the relationship between our activity and the programme of Sustainable Development Goals published by the United Nations. This analysis made it possible to gain perspective on which UN sustainable development objectives Guala Closures Group has contributed to through its activities and CSR strategy, “Working together for sustainable growth”. THE AMBITIOUS SEVEN-YEAR AGENDA: 12 INDICATORS AND 21 OBJECTIVES.

OBJECTIVES	UNITS	BASE LINE	RESULTS 2019	RESULTS 2020	FINAL RESULTS EXPECTED	SDGs
ENERGY CONSUMPTION						
-25% energy consumption per finished product (versus 2016)	GJ/t FP	17.58	16.67	17.73	13.18 GJ/t FP in 2022	
Facilitate the supply of renewable energy	BU	0	1	5 ✓	Minimum of 3 main BUs as renewable energy pilots	
CO₂ EMISSIONS						
-25% CO ₂ emissions in scope 1 & 2 (versus 2016)	teqCO ₂ /t FP	2.19	2.00	2.02	1.64 teqCO ₂ /t FP in 2022	
Indirect CO ₂ emissions (scope 3) certified		-	Done since 2017 ✓		Certification of GCG Scope 3	
Develop partnership projects to reduce usage of raw materials and transport		-		-	Partnerships to reduce the usage of raw materials and transport	
WASTE						
-20% waste per finished product (versus 2016)	kg/t FP	272	252	284	218 kg/t FP in 2022 > NEW DEADLINE	
Hazardous waste <5% of total waste produced	%	9.17	10.29	10.8	<5% in 2022 > NEW DEADLINE	
Zero waste in landfill (kg)	%	11.55	12.21	11.9	<1% in 2022 > NEW DEADLINE	
RAW MATERIALS						
Scrap < 2%	%	2.56	2.52	3.19	<2% in 2022	
Increase the quantity of aluminum which is recycled and/or has a low environmental impact		/	3 ✓		Minimum of 1 low impact supplier	
WATER						
-20% water drawn per ton of finished product	m ³ /t FP	3.95	3.41	2.83 ✓	3.16 m ³ /t FP in 2020	
ENVIRONMENTAL MANAGEMENT						
100% ISO 14001 certification	plants certified	3	19	19	All plants certified in 2022 > NEW DEADLINE	

✓ Objective achieved

2016-2022 programme and indicators



OBJECTIVES	UNITS	BASE LINE	RESULTS 2019	RESULTS 2020	FINAL RESULTS EXPECTED	SDGs
HEALTH AND SAFETY						
Zero accidents - Reduce the accident frequency indicator	number of accidents / million hours worked	9.04	7.71	5.95	4,5 in 2022 > NEW DEADLINE	
TRAINING						
100% of employees with 2 hours of Sustainability Programme training	%	25	✓	✓	100% in 2018	
Strengthen the development programme for internal resources		-	-	-	To be defined	
DIVERSITY						
Promote awareness campaigns to facilitate the integration of diverse groups		-	-	✓	Campaigns to facilitate the integration of diverse groups in 2020	

OBJECTIVES	UNITS	BASE LINE	RESULTS 2019	RESULTS 2020	FINAL RESULTS EXPECTED	SDGs
PRODUCTION EFFICIENCY						
Overall Equipment Efficiency (OEE) > 85%	%	73.8	79.3	76.3	>85% in 2022	
INNOVATION						
Develop at least 26 patentable ideas	New patents	3	18	25	26 patents in 2020	
CUSTOMER SATISFACTION						
On Time In Full delivery (OTIF) > 95%	%	83.9	89.7	89.8	>95% in 2022	
All plants SEDEX accredited	%	78	86	100 ✓	All plants in 2017	
ISO 22000 for all Group plants	Plants	15	21	21	All plants in 2022 > NEW DEADLINE	

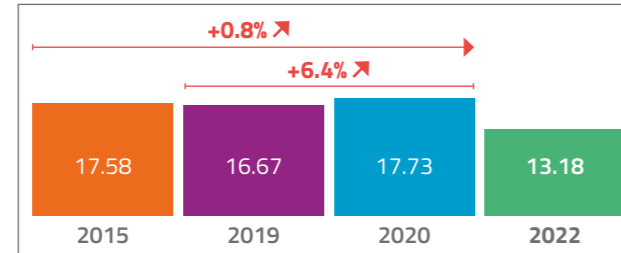
✓ Objective achieved



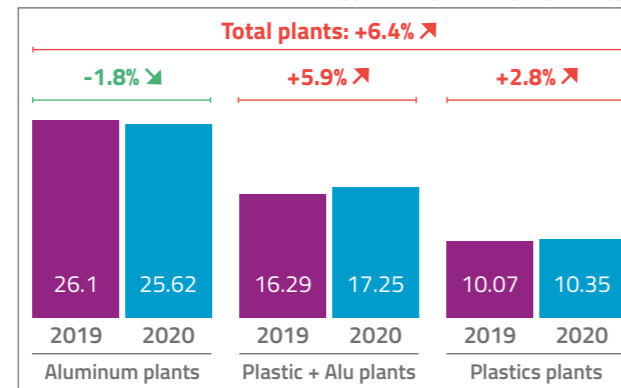
CSR VISION AND ACTION Energy consumption

* Our progress

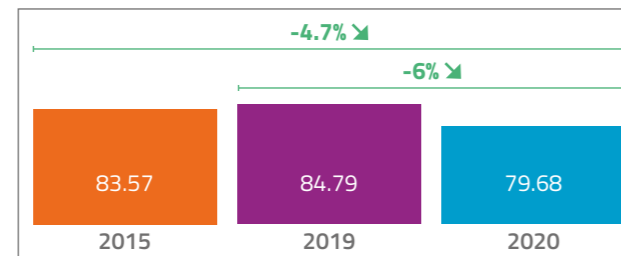
ENERGY CONSUMPTION (in GJ/t of finished product)



ENERGY CONSUMPTION (in GJ/t of finished product) per plant type



ENERGY CONSUMPTION (in GJ/million units)



In 2020, we have recorded an increase in energy intensity (+6.4%), while total energy consumption has decreased by 1.2%. This phenomenon can be explained by the effects of the COVID-19 crisis. Indeed, factories have experienced a decrease in operating at capacity while the equipment necessary for production requires a fixed minimum energy consumption. But if we consider energy intensity compared to the quantities of closures produced, the improvement is greater (-6% versus last year) due to the increase in the quantity of closures produced, balancing the reduction in product weight as well as our eco-design approach.

This year the Group has reached and even exceeded its target in terms of using renewable energy, with 5 plants operating at 100% with renewable sources and one at 80%. In the coming years, we will continue to expand the plants with energy from renewable sources.

* Highlight

Increase the share of renewable energy

In 2020, the Group counted 5 plants in Brazil, Olèrdola (Spain), New Zealand, Magenta and Termoli (Italy) which are 100% supplied with renewable energy, plus our plant in East Africa with 80% renewable energy.

The energy strategy which involves adopting renewable energies in more and more plants is paying off. The energy transition in these factories makes us less dependent on non-renewable resources and we have observed a positive effect on CO₂ emissions (Scope 2) this year.



Managing energy consumption is key to meeting our engagement on climate change and, at the same time, making production processes more efficient.

Optimising consumption plays a crucial role in energy management. For these reasons, the Group focuses its efforts on identifying the processes that have the greatest impact on energy consumption and implementing specific measures for improvement. We upgrade production machinery and systems, install equipments with improved energy efficiency, innovate in new production processes, design products which require less energy-intensive manufacturing and also experiment with new raw materials.

We study all the opportunities available for using renewable energies according to local conditions.

OUR COMMITMENTS

- 25% energy consumption per finished product by 2022 (versus 2015 baseline).
- Facilitate the supply of renewable energy



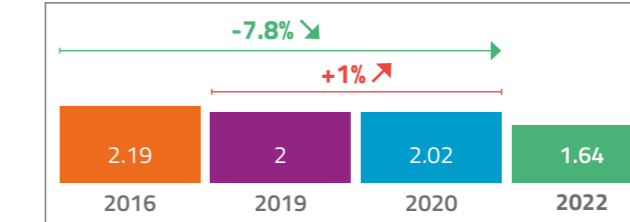
PERIMETER: all plants except Turkey



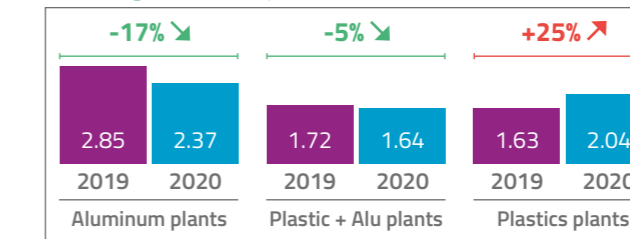
CSR VISION AND ACTION CO₂ emissions

* Our progress

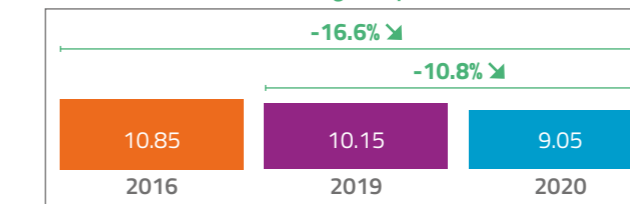
EMISSIONS SCOPE 1 & 2 (in tCO₂eq/t of finished product)



EMISSIONS SCOPE 1 & 2 (in tCO₂eq/t of finished product) – according to material processes



EMISSIONS SCOPE 1 & 2 (in gCO₂eq/unit)



TOTAL AMOUNT OF EMISSIONS (in tCO₂eq)

	Scope 1	Scope 2	Scope 3
2016	33,616	117,937	488,859
2019	37,120	130,519	456,261
2020	38,865 (+4.7% vs 2019)	118,271 (-9.4% vs 2019)	426,637 (-6.5% vs 2019)

The fight against climate change is one of the main topics dealt with in the Guala Closures Group's Sustainability Programme.

The Group is committed to reducing greenhouse gas emissions within Scope 1 and 2 (emissions deriving from our plants' activities and energy consumption at all plants from external supplies). But in order to further expand our environmental responsibility, we are also working with suppliers and partners to reduce greenhouse gas emissions under Scope 3 as far as possible.

OUR COMMITMENTS

- 25% CO₂ emissions in Scope 1 & 2 for each tonne of finished product by 2022 (versus 2016 baseline)
- Certification for Scope 3: obtain certification for the Group's indirect carbon dioxide emissions in 2017 (achieved)
- Partnership projects: with suppliers to reduce the use of raw materials and transport in 2020

PERIMETER: all plants except Turkey



In 2020, the direct global emissions of the Group (Scope 1) increased by 4.7% overall compared to last year, since a greater consumption of natural gas was recorded during the year. Indirect emissions due to energy (Scope 2) decreased by 9.4% compared to 2020, thanks to the transition of some plants to electricity from renewable sources. The intensity of emissions (Scope 1 and 2) has therefore increased by 1% due to the greater reduction in the weight of the finished product.

If we consider processes, we observe a reduction of 17% in GHG emissions (Scope 1 & 2) from Aluminum plants, a reduction of 5% from plants implementing both aluminum and plastic processes and an increase of 25% from plants implementing the plastic process, mainly due to the reduction in production.

Indirect Scope 3 emissions fell by 6.5% in absolute terms and by 8.7% in terms of emission intensity, due to the decrease in the impact of transport and the energy contribution.

The inclusion of Bridge of Allan and Worms increased Scope 3 emissions due to an increase in the raw materials used. If we consider emissions compared to the quantities of closures produced, the improvement is greater due to the tendency towards a reduction in product weight.

* Highlight

Industrial performance

We are pleased to record the good results obtained at our Spinetta Marengo plant thanks to a full year of operation for the trigeneration system which now produces energy internally (heat, cooling and electricity). With this example, we can demonstrate that industrial performance, energy efficiency and the fight against climate change are heading the same way.

Total emissions certified by Bureau Veritas for 2020.





CSR VISION AND ACTION

Waste



At Guala Closures, production plants generate different types of waste: packaging waste, waste from the processing of raw materials, liquid waste, and waste from plant activities. The Group implements a waste management system based on:

- Reducing both input and waste for a given quantity of output
- Re-using material as inputs in its production activity
- Recycling waste and scrap in order to exploit it as new raw material
- Creating energy by incineration (external practice)
- Disposing of waste in landfill when nothing is recoverable

OUR COMMITMENTS

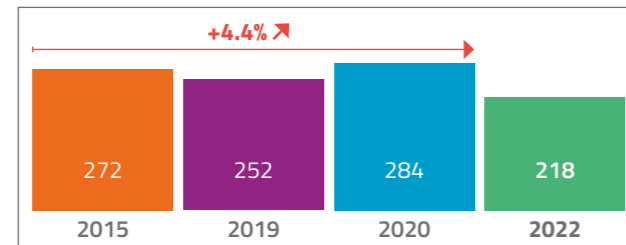
- **-20% waste production** per tonne of finished product by 2022
- **<5% hazardous waste** as part of total waste by 2022
- **<1% waste** to landfill in 2022

NB: deadlines concerning waste production per finished product and hazardous waste have been postponed from 2020 to 2022 because of the effects of the health crisis.

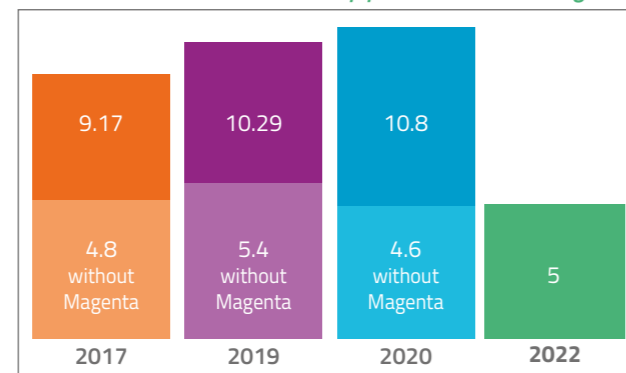
Group perimeter: all plants except Turkey

* Our progress

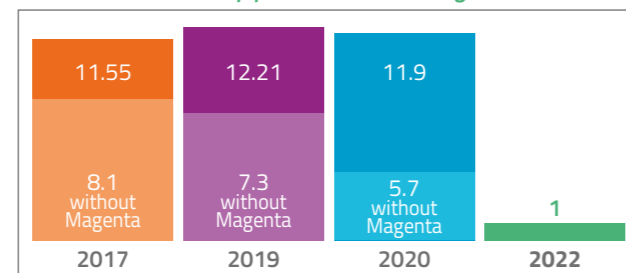
QUANTITY OF WASTE (in kg/t of finished product) - Group perimeter



HAZARDOUS WASTE (in %) - Group perimeter - w/wo Magenta



LANDFILL (in %) - Group perimeter- w/wo Magenta



Concerning waste, some indicators have increased compared to baseline: + 4.4% waste produced/tonne of finished product ; 10.8% hazardous waste, mainly due to the COVID-19 crisis.

Behind this critical result, there are precise reasons and also positive aspects to be evidenced:

- We can observe big differences from one plant to another. Plastics and aluminum processes are very different in terms of waste production. Aluminum plants generate more than 10 times more waste than plastic ones due to the technical scrap during punching.
- Following the acquisition of new plants in recent years, in 2020 the Group reorganised production all around the world and a number of lines have moved from one plant to another. These line changes require optimisation work before reaching the desired level of performance, which partly explains the increase in waste production in some BUs.
- The pandemic or COVID-19 crisis and the drop in volumes produced in some countries led to modifications in rates and machine settings, generating a higher proportion of waste produced per tonne of finished product.
- If we consider the Group perimeter without Magenta, which is not producing closures (see under Highlight) and represents more than 40% of the waste, our performance with regard to hazardous waste has been significant (4.6% in 2020, vs 5.4% in 2019 and 4.8% in 2017), as well as with regard to waste in landfill (5.7% in 2020, with 10 plants sending zero waste to landfill).

* Highlight

The special case of the Magenta plant

The Magenta plant needs to be considered differently because it doesn't produce closures, rather it transforms aluminum and provides lithography for other plants in the Group. Its activities generate more waste than others, including more hazardous and landfilled waste (63% of the Group's hazardous waste and 42% of the Group's landfill waste). Waste management is a top priority at the Magenta plant and investments had been planned for 2020, but the COVID-19 crisis meant that investment has been delayed. In 2021, with the resumption of investments, the plant will be able to count on a drastic drop in landfilled waste and its share in hazardous waste.



CSR VISION AND ACTION

Raw materials



In the industrial sector in which the Guala Closures Group operates, the use and consumption of raw materials is undoubtedly one of the most decisive factors in defining the products' environmental footprint. The Group focuses its efforts on making its products by combining a reduction in environmental impact with customer expectations, designing its closures in compliance with food safety standards and regulations.

To reduce impacts on raw material usage, the Group has adopted a strategy based on eco-design. The main raw materials used in production processes are aluminium and various types of plastic. In terms of recycling and reuse, these two raw materials differ in one important aspect: while aluminium can be repeatedly recycled without losing its structural and qualitative characteristics and the collection and recycling chain is active and effective, for plastics it is more difficult to use recycled material. This is largely due to the strict requirements governing suitability for food contact.

OUR COMMITMENTS

- **<2 % scrap** in 2022
- **1 supplier** minimum with low impact in 2020

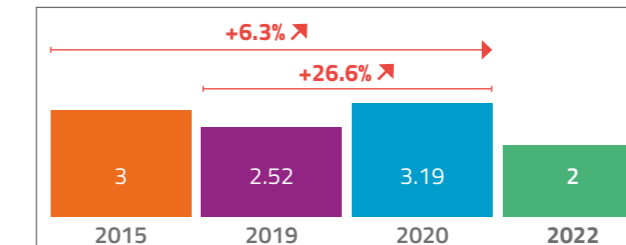


Total Group perimeter: all plants except Belarus and Turkey

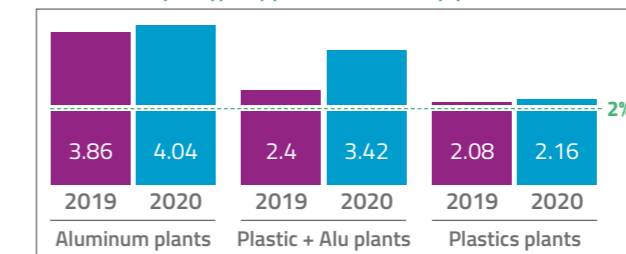
Constant perimeter: all plants except Belarus, Bridge of Allan, Chile, Dharwad, East Africa, Turkey and Germany

* Our progress

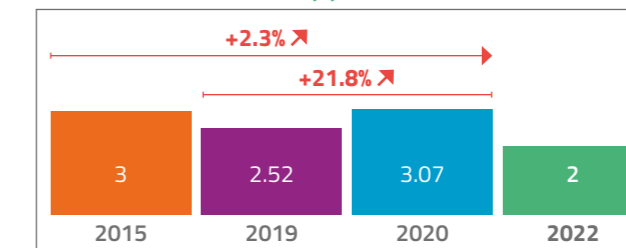
SCRAP (in %) - Total Group perimeter



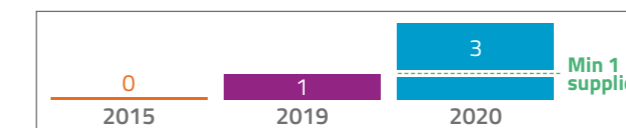
SCRAP (in %) per type of plant - Total Group perimeter



SCRAP (in %) - Constant Group perimeter



NUMBER OF SUPPLIERS WITH LOW IMPACT



Due to the COVID-19 crisis, Guala Closures' 2020 industrial operations have been enormously disrupted, causing a significant increase in scrap vs 2019.

The entire industrial process, from raw materials to finished closures, generates scrap. Semi-finished and finished products which are deemed non-compliant with the required characteristics during production, process changes, adjustments and machine fine-tuning and quality control, are rejected. Scrap is also generated by complaints, laboratory tests and obsolete stock.

In 2020, the Group's average scrap increased by 26.6% at Group perimeter and 21.6% at constant perimeter, bringing the scrap level back to the same as it was at the beginning of the Programme (2015). It's a direct result of the COVID-19 crisis, which mostly impacted the plants using aluminium, with almost no impact on the ones using plastic.

Guala Closures' strategy is clearly defined. We focused on new suppliers and new solutions to reduce the consumption of non-renewable resources. The Group has developed eco-design guidelines, without impacting the functionality and quality of the closures, through the reduction of the different families of materials present in a single product in order to facilitate recycling and increase the use of raw materials with low environmental impact. In addition, it is committed to achieving, by 2025, the presence of at least 35% recycled materials in the total of plastic and aluminum raw materials used.

Finally, we have noticed a good performance with regard to partnerships with suppliers presenting a low environmental impact (3 vs objective 1).

* Highlight

Recycled materials

In 2020, the percentage of recycled aluminium, certified by suppliers, was 51.9% of the total aluminium used. Over the years, the percentage of recycled plastic used is almost zero, due to the limitation deriving from the regulations regarding plastic products in contact with food. During the year, contact was also initiated with new suppliers of recycled polymers and plastic mouldings. Some tests were carried out especially for the production of PET bottles, one of the few plastic materials that has a large dedicated recycling chain.





CSR VISION AND ACTION Water consumption



The use of water resources within the Group's processes is limited. It is mostly involved in three industrial processes:

- cooling plastic moulding presses (usually using a closed circuit);
- degreasing aluminium coils at the Magenta facility.

As the Spinetta plant in Italy and the 4 plants in India represent 75% of the Group's water consumption, Guala Closures is paying particular attention to them.

In its Sustainable Programme, efficient water resource management and a progressive reduction in water withdrawals are two of the 12 priorities for all facilities around the world.

OUR COMMITMENTS

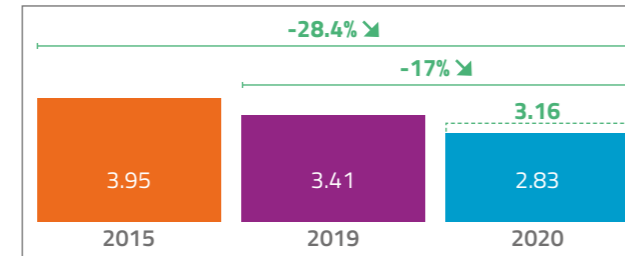
- -20% water drawn per ton of finished product in 2020



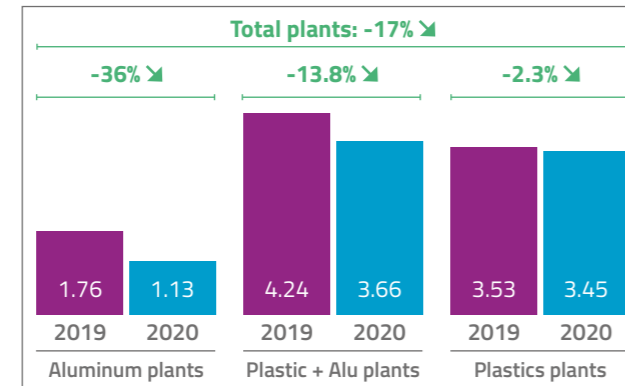
Perimeter: all plants except Argentina, Australia, Belarus and USA

* Our progress

WATER CONSUMPTION (in m³/t of finished product)



WATER CONSUMPTION (in m³/t of finished product) per plant type



The consumption of water, in relation to the finished product, has significantly decreased in relation to 2019, with a decrease of 17%. This decrease is due to the commissioning of the Spinetta Marengo trigeneration equipment (plastic + aluminium plant), the implementation of a series of projects at the Indian plants (plastics plants) and the reduction in production at the Indian plants due to the lockdown

These good results have led us to exceed our objective, initially set at a -20% reduction in consumption between 2015 and 2020. We have achieved a percentage of -28.4% in 5 years. This performance will have to be confirmed over the course of the following years, in "normal" production conditions. We will continue to put our efforts into maintaining this good level.

The amount of pollutants released into the water is minimal at most plants and therefore no specific equipment or infrastructure are provided for water discharge. However, some plants are equipped with wastewater treatment stations, where the quality and quantity of discharge are constantly monitored, applying treatments to remove any pollutants present, ensuring a level that does not cause negative impacts and is within the limits of national regulations.

All the Group's discharge is destined for municipal sewage networks, with the exception of the Bridge of Allan plant (which discharges part of its wastewater into surface water, after careful checks and treatments) and the Magenta plant (groundwater).

* Highlight

Water-saving projects in India

In India, a water consumption reduction plan has been implemented for years. In 2020, two plants ordered new equipment to improve results.

At the Ahmedabad plant, a new water-cooled chiller will replace the old one that had failed on repeated occasions. This new equipment will make it possible to save at least 600 m³ of water per month.

In Daman, the plant will replace the water chiller to reduce the breakdown time in moulding, improve productivity and save 120 m³ water per month.



CSR VISION AND ACTION Environmental Management



The Group supports each plant in developing the environmental management system, with an approach focused on risk analysis and product life cycle assessment. In addition to meeting compliance requirements, each facility has to set objectives and define an environmental performance improvement plan.

Guala Closures operates in accordance with a rigorous environmental policy. Applied to all facilities, this policy is characterised by a commitment to sustainable development, fully observing ethical and social values and product and occupational safety.

Our approach consists in obtaining the ISO 14001:2015 environmental certification for all facilities. The environmental management system helps plants to assess, monitor, report and guarantee the environmental quality of products and processes.

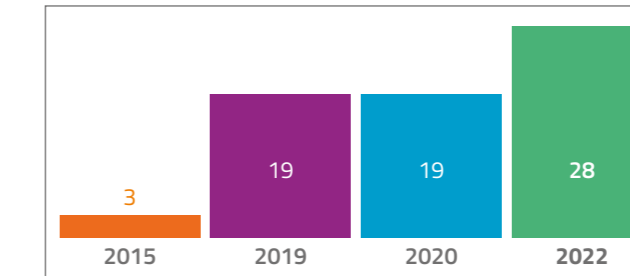
OUR COMMITMENTS

- 100% ISO 14001 certification (all Group's plants certified in 2022)

Perimeter: all plants.

* Our progress

NUMBER OF PLANTS ISO14001 CERTIFIED



Each time the Group expands by acquiring or opening a new plant, a strategic plan is drawn up to achieve the ISO14001 certifications in the shortest possible time.

In 2020, due to the Covid-19 pandemic, only remote renewal audits could take place. No on-site certification audits could be held. The certification programme deadline has therefore been postponed to 2022.

The Group has developed a tentative agenda for the next 2 years to ensure that all Guala Closures Group plants achieve their environmental certification: an audit certification is planned for six plants in 2021 and three in 2022.



Roberto Boidi

* Highlight

Interview with Roberto Boidi, Group Quality Assurance

2020 was originally scheduled to be a tough year in any case: renewal of the certification, with a new contract, new plants, initial and main audits covering all processes. An initial group of plants was supposed to have been audited from October to December 2020, before the certificates expired. But ... although all management systems are now based on a "risk approach", the occurrence and spread of the pandemic in 2020 was too big and unexpected a risk to have been completely and fully analysed in our management systems in advance. Priority was given to ensuring the health and safety of people, then to continuing production, while the certification plan was delayed and rescheduled because of sanitary protocols, with social distancing and travel reductions.

Considering that most of the plants already had the environmental system in place, with internal teams able to ensure that compliance continued and bearing in mind that, from the Headquarters, we shared templates, examples and documents to be applied locally and that we also defined a proper check-list to monitor the sites with a "remote audit" we evaluated that the risk was low and made the decision to move the audits to the beginning of 2021, from January to March (only one audit done in December 2020). Moreover, remote support was ensured for the 6 new sites to be added into the loop of the ISO 14001 certification.

A new audit plan was agreed upon with Bureau Veritas for the first quarter 2021, with a "remote audit" or on-site audit carried out by local auditors.

In 2021, we expect to monitor the sites already covered by certifications and also to implement the environmental management system at 4 Guala Closures sites. We can say that 2020 taught us how to monitor the sites remotely and this is what we are going to do when an on-site audit is not possible, in order to ensure that our sites are ready and compliant.



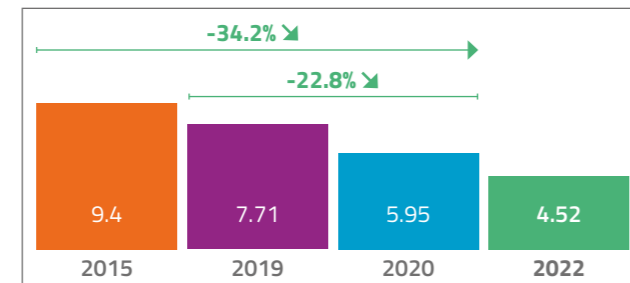
CSR VISION AND ACTION

Health and safety in the workplace

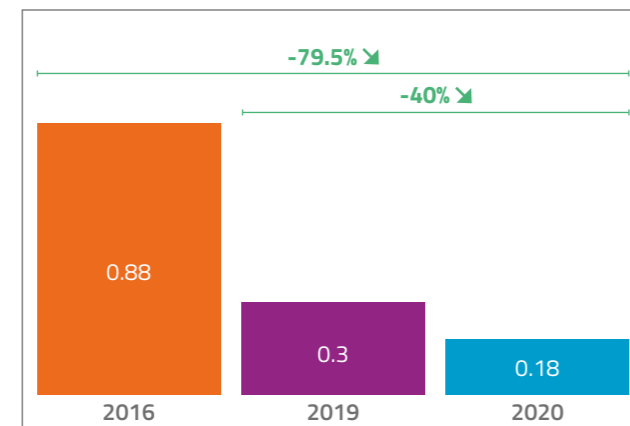


* Our progress

ACCIDENT FREQUENCY (in number of accidents / million hours worked)



SEVERITY INDEX (in number of days of accident absence over a thousand working hours)



In 2020, the Group has recorded a good improvement in health and safety indicators.

There are 13 plants without accidents, including 7 for the second year in a row. This attests to a good understanding of the prevention process and full commitment on the part of the employees at these plants.

The accident frequency rate has decreased by 22.8% compared to 2019 and 34.2% compared to 2015. With regard to accident severity, the score has dropped from 0.30 to 0.18 between 2019 and 2020, i.e. a 40% decrease in the number of accident days over a thousand working hours. During the 2016-2020 period, the severity index improved by 79.5% (0.88 vs 0.18)

* Highlight

The Group is continuing important activities in the field of Health & Safety in order to ensure that the Group Policy is fully implemented:

- safety standards that have been applied by the individual plants have been analysed in order to assess compliance with local laws and regulations by way of an e-mail survey and dedicated videocall;
- internal audits are regularly carried out with Bureau Veritas support;
- plant health and safety procedures are following continuous improvement logic;
- General Managers and Plant managers and HSE Dept. are always committed to safety and it remains a priority for the awareness and training programme.

Occupational safety, which has always been a key priority for Guala Closures, is used as one of the main performance indicators. The safety policy we have developed is based on three pillars:

- We want our employees to be involved in their personal safety. We ensure that means of communication are effective and guarantee that requirements and objectives are met. We collect comments, complaints and suggestions for improvement. We provide employees with the know-how, means and tools to keep working activities safe and we share good practices between plants.
- We always operate with a view to guaranteeing and improving occupational safety. We avoid potential risk situations and operate in compliance with the concept of continuous improvement for all activities.
- We are committed to ensuring occupational safety and respect for the environment by approving and complying with international, national and local laws and standards. Managers are mobilised daily to monitor the safety performance of all plants and systematically analyse the causes of any accidents or near-misses to ensure that they do not happen again.

OUR COMMITMENTS

- **-50% accident frequency** in 2022, while our final goal is to have zero injuries and work-related illnesses (2020 initial deadline has been postponed to 2022 due to the COVID-19 crisis)

Perimeter: all plants.

CSR VISION AND ACTION

Health and safety in the workplace



Lorenzo Ferrarese
Group HSE Director



COVID EMERGENCY

Since the beginning of the 2020 pandemic, the Group's HSE department has drawn up specific Covid-19 Protocols for the Group in order to guarantee the maximum health and safety of all employees, customers and suppliers.

With the collaboration of the structures in Italy and Luxembourg, we began to create and produce polycarbonate face shields.

These visors were provided free of charge to healthcare facilities in Italy, Spain, France and Luxembourg and subsequently made available on the market.

Despite the difficulties of 2020, the Guala Closures Group has maintained a focus on people's health and safety.

The costs attributable to Covid-19 mainly served to purchase personal protective equipment (PPE) for our employees, to sanitise the premises, to adapt the work spaces taking into account the distancing between workers and for periodic screening made available to employees. In addition, a Covid-19 insurance policy was stipulated for all Group workers with AON, a leading company of reference.

I am happy and proud that the protocols drawn up and the initiatives taken have helped the Health System and reassured employees, who were working in a safe and continuously monitored place.

This allowed the Group's offices to remain operational during the most critical phase of the pandemic.

I would like to thank all employees and managers who, with their responsible behavior and their commitment to preserving everyone's health, ensuring that colleagues remain safe in this unprecedented historical moment.





CSR VISION AND ACTION Diversity & inclusion



The Group operates at facilities and offices in 25 countries around the world, dealing with customers in over 100 countries. There are at least 30 different nationalities in the Group and more than 20 languages are spoken at the various facilities. For all these reasons, the need to incorporate diversity of thought, gender and culture into the corporate decision-making process is essential for the Group to continue to grow and achieve its objectives in a multicultural world.

The Group is committed to ensuring that each facility or office, with its own cultural characteristics, fully implements the contents of the ethical and social policy i.e. "not to discriminate, to ensure equal opportunities and treatment and to promote inclusion regardless of religion, ethnicity, gender, political or spiritual beliefs, age or disability ..."

OUR COMMITMENTS

■ Valorise diversity

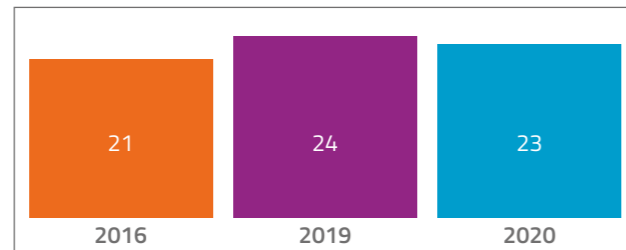
By 2020, promote awareness campaigns to facilitate the integration of diverse groups, with specific regard to gender, age and disability.



Perimeter: all plants.

* Our progress

WOMEN IN THE TOTAL WORKFORCE (in %)



Through the pillar of Diversity & Inclusion, the Group aims to promote many values: respect, multiculturalism, solidarity and ethics, as well as responsibility, business spirit, innovation and growth.

This particular year, even if we were physically separated, we were able to present the project to all our factories and we can proudly say that the commitment with which each factory welcomed and started the project is commendable. The Guala Closures Group Diversity & Inclusion Charter was officially presented in October 2020.

Vision, mission, values and objectives are reported in the Charter, which has been distributed to every employee. A video has also been produced in which people in the Group tell their own stories and describe their experiences with diversity.

The BUs and offices have deployed the communication system provided at corporate level (charter leaflet, posters, totems and video). Some BUs took the opportunity to raise awareness among all employees through events (diversity and inclusion day or week) and to strengthen the action plan associated with our commitments.

CSR VISION AND ACTION Diversity & inclusion



* Highlight

Diversity & Inclusion week at Guala Closures Colombia

Guala Closures Colombia wanted to give more meaning to this approach and bring the concept of diversity to its plant as expressed in the Group Charter. Diversity week was an opportunity to inform employees and exchange views about this topic.

The staff wanted each employee to take ownership of diversity by making them an active player. Employees had to answer two questions and then shared their answers:

- What have you learned from Guala Closures about contributing to diversity?
- Why do you feel proud to be part of the Guala Closures staff?

During the week, the diversity within the factory was highlighted on three stands showcasing different themes and photos of employees.

STAND 1: Introduction to diversity.

STAND 2: Presentation of the various types of support provided by the Group and display of the video on diversity.

STAND 3: Animation of a brainstorming activity and creation of diversity trees with "cooked" fruit by our employees.

In 2020, we note that the percentage of women in the total workforce of the Group remains stable (23%), while the percentage of women holding leadership positions increased, achieving 20.8% compared to the 18% of 2019. The Green Board is now exemplary in terms of parity since it has 6 women, 6 men and our COO Franco Bove.

Promoting work flexibility during this year of pandemic has been a great step for our Group with regard to mothers and all employees in general. Having flexible work conditions (telecommuting, reduced working hours, flexible hours, etc.) allows us all to have more time for our families. This once again showed the importance the Group places on its employees.

We are different but united: this is our strength.





CSR VISION AND ACTION

Training & continuous improvement



For the Guala Closures Group, success is linked to its human capital: the people who work in the Group, the development of their skills, their professional growth and their engagement with principles and objectives. In order to enhance this link, the Group focuses, in particular, on the development of hard and soft skills for issues such as:

- the environment
- technical skills
- hygiene and safety,
- interpersonal skills.

For this reason, each business unit has a specific training plan that facilitates the professional and personal growth of all their employees. The Group also facilitates employee engagement and welcomes suggestions and ideas that are often important in developing and improving production processes. Because the 2016-2022 CSR roadmap is ambitious, the Group conducted a special two-hour training session for all employees, dedicated to awareness of the Sustainability Programme.

OUR COMMITMENTS

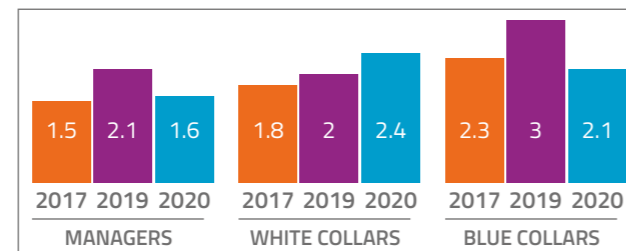
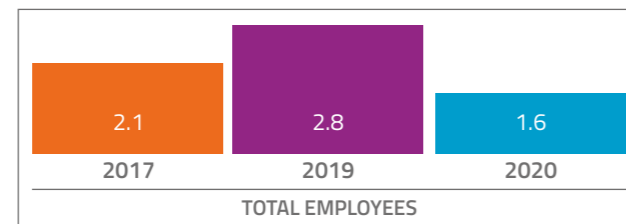
- 100% of employees aware and involved in sustainability thanks to the 2-hour sustainability learning module
- To strengthen the development programme for internal resources



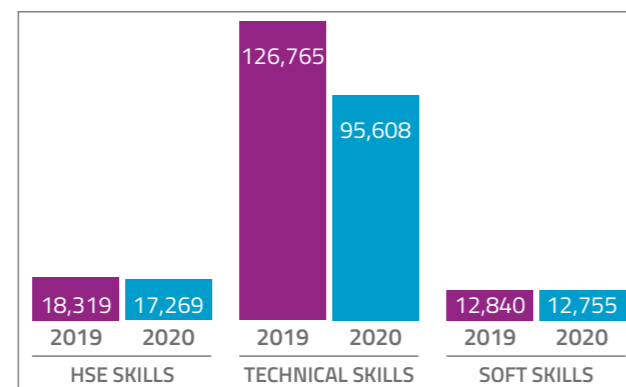
Perimeter: all plants except Belarus.

* Our progress

TRAINING HOURS / MONTH



NUMBER OF HOURS IN 2020



TRAINING HOURS PER GENDER IN 2020

MEN	23.6	WOMEN	33.7
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In 2020, we have noticed a general reduction in training hours due to the effects of Covid and the difficulties in organising face-to-face meetings while maintaining safe conditions.

We managed to maintain the volume of training hours devoted to health and safety subjects because it's the Group's top priority, even more so in the context of the pandemic in which we live.

In the same way, the volume of training devoted to acquiring or strengthening soft skills remains consistent with that of last year.

* Highlight

Environmental education

We are on a planet of finite resources. It is therefore important to increase the level of awareness of these limits so that everyone can act accordingly. Our BU in Argentina has therefore developed a project to train its employees on the importance of recycling waste. The course programme is delivered via a platform in a fun and participatory manner. A combination of videos, quizzes and other educational materials allows employees to develop their environmental skills. The digital format makes it possible to maintain this important training even in times when hygiene measures do not allow face-to-face training.



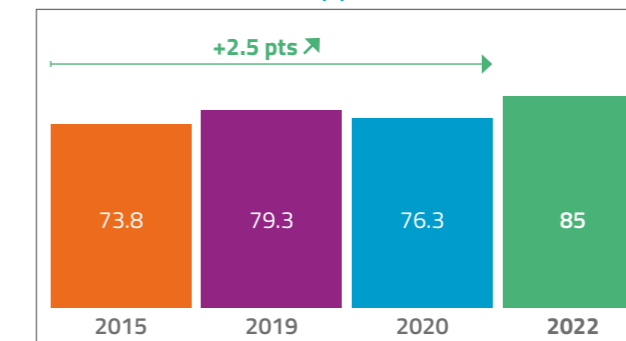
CSR VISION AND ACTION

Production efficiency

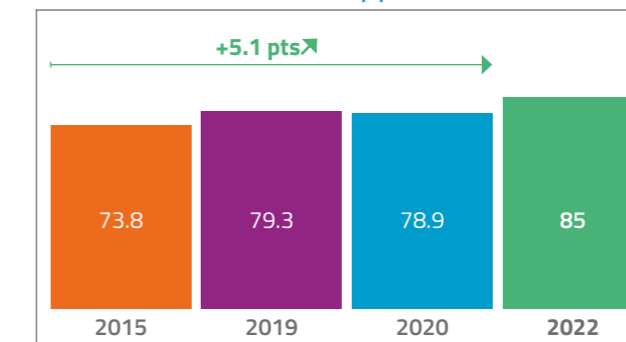


* Our progress

OEE SCORE (in %) - Total Group perimeter



OEE SCORE (in %) - Constant Group perimeter



The Group OEE (Overall Equipment Effectiveness) score is 76.3% for 2020. 33 pts have been lost compared to last year, even if the result compared to the 2015 baseline has improved by 2.5 pts. This decrease is mainly a result of integrating new plants into the Group, with these plants currently having an OEE score much lower than the Group average. If we consider the Group constant perimeter, the OEE score is 78.9% (stable compared to last year, despite the negative effects of the global health crisis).

* Highlight

Improvement

In 2020, 12 plants improved their OEE score (increase from 1 to 5 points). The main improvements came from ongoing actions related to training and maintenance efficiency. It takes all types of factories into account, since 3 are aluminum plants, 7 are plastics plants and 2 are using both materials.

In addition, 6 plants have already achieved or are above the target (85% OEE score), i.e. 2 more than last year.

OUR COMMITMENTS

- 85% OEE in 2022

Total Group perimeter: all plants except Belarus and Turkey

Constant perimeter: all plants except Belarus, Bridge of Allan, Chile, Dharwad, East Africa, Turkey and Germany



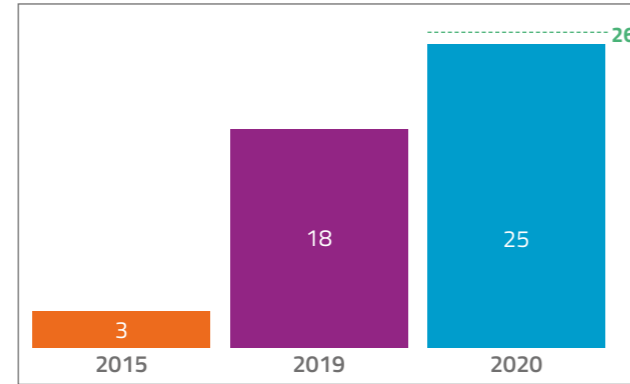


CSR VISION AND ACTION Innovation



* Our progress

NUMBER OF NEW PATENTS



In 2020, 7 new patents were developed: 2 new patents in Italy, 1 in Luxembourg and 4 design models in Italy. We have recorded 25 new patents since the start of the Sustainability Programme, with more than 170 patents and IP (intellectual properties) recorded by 2020. At the end of 2020, we are almost on target. There is no doubt that we will exceed it in the coming months.

Our two major areas of innovation are:

- Connected Closures that meet the high expectations of the market and consumers.
- Eco-design projects which develop products that consume fewer resources, are more recyclable and use new materials which have a lower impact on the environment.

OUR COMMITMENTS

- 26 new patents by 2020

Perimeter: the whole group.

* Highlight

Guala Closures Group counts five Research and Development centres all around the world:

- Spinetta Marengo (Italy)
- Foetz (Luxembourg)
- San José Iturbide (Mexico)
- Sumy (Ukraine)
- Kirkintilloch (UK)

Our researchers work in collaboration with all Group departments to support facilities, organised in three different areas: the "customer requests" team, the "widening and strengthening markets" team and the "thinking outside the box" team.

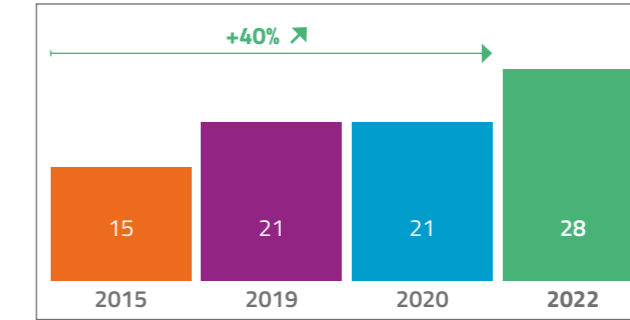


CSR VISION AND ACTION Customer satisfaction

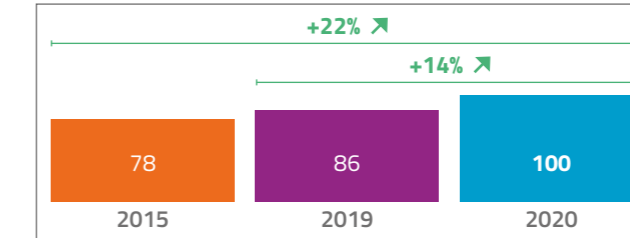


* Our progress

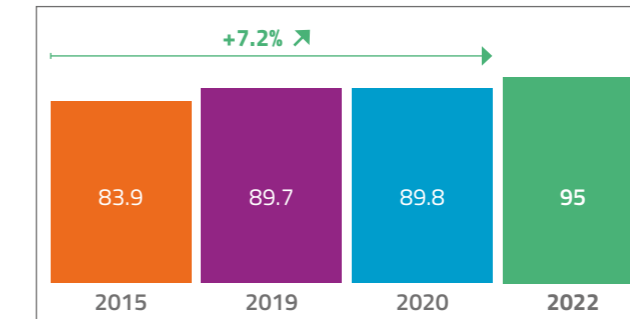
NUMBER OF PLANTS ISO 22000 CERTIFIED



SEDEX ACCREDITATION (in % of plants)



OTIF SCORE (in %)



For the Group, customer satisfaction is based on:

- systematic innovation of products and processes;
- guarantees for consumers' health and safety;
- a punctual, effective and high-quality level of service;
- trademark protection and confidentiality of relationships.

Relationship ethics is another important aspect. In order to offer objective guarantees of compliance with labour, health and safety, environmental and ethical standards, the Guala Closures Group has joined the SEDEX platform (exchange of social ethical data). Our group contributes to making the value chain transparent and subjects its installations to external SMETA audits.

The level of customer service must be punctual and effective, as well as high in quality. This requirement is measured by the OTIF indicator which considers the percentage of deliveries made On Time and In Full, compared to the total number of shipments made.

OUR COMMITMENTS

- 100% ISO 22000: all plants certified by 2022
- OTIF score > 95% by 2022
- 100% SEDEX: all plants SEDEX accredited



Perimeter: for ISO 22000 and Sedex certifications, all plants. for OTIF score, all plants except Turkey.

In 2020, 21 factories have become ISO 22000 certified, as in 2019. Every time a new plant joins the Group, it enters into a ISO 22000 certification process. This certification is mandatory for Guala Closures factories. In 2020, due to the Covid-19 pandemic, only remote renewal audits could take place. No on-site certification audits could be held. Therefore, the certification programme deadline has been postponed to 2022.

The new agenda for certification forecasts 6 new audited plants in 2021 and the last 3 by the end of 2022.

With regard to Sedex accreditation, all our plants have been included on the SEDEX platform with the aim of keeping information on all facilities updated, making it transparent to our customers. We have achieved our objective.

In 2020, the Group's OTIF score was 89.8%, stable compared to last year. In 5 years, we have progressed by 7.2%. 12 plants improved their score compared to 2019 and 9 plants are already above our 95% objectives. These results are satisfying in light of the difficult conditions due to the Covid-19 crisis.

* Highlight

Group Quality Assurance Director, Paolo Lavazza talk about customer satisfaction survey

"Guala Closures is already working on continuously improving the score with the key customers that already have a system in place to measure suppliers' performance; on the contrary, an in-house tool to measure customer satisfaction was not available at that time.

In 2020, thanks to the experience gained in Guala Closures Australia and Guala Closures Mexico, the Group Quality team, with the help of the Commercial and Legal departments, prepared a Customer Satisfaction Survey that can be utilised in all BUs.

Our survey process integrates requirements related to personal data. We don't collect personal or sensitive data, only data on the quality of our service. All Guala Closures Business Units are now ready to use this tool."





LOCAL
ENGAGEMENT

LOCAL
ENGAGEMENT

LOCAL ENGAGEMENT

Committed to local communities



WE ARE CONVINCED THAT THE GUALA CLOSURES GROUP WILL BE UNABLE TO SUSTAINABLY GROW WITHOUT THE DEVELOPMENT OF COMMUNITIES AND OUR INVOLVEMENT WITH THEM.

IN THE COUNTRIES WE OPERATE, OFFICES AND PLANTS ARE COMMITTED TO ACTING WITHIN LOCAL COMMUNITIES. IT IS ESSENTIAL FOR THE GROUP AND FOR ALL OUR EMPLOYEES TO BE IN LINE WITH VALUES OF SOLIDARITY, TRANSPARENCY, WELL-BEING AT WORK AND MANY MORE.

IN 2020, THE PANDEMIC HIT THE WHOLE WORLD. IN ALL COUNTRIES, HEALTHCARE SYSTEMS HAVE BEEN MOBILISED AND HEALTHCARE WORKERS HAVE WORKED TIRELESSLY TO HELP THOSE AFFECTED, OFTEN IN EXTREMELY DIFFICULT CONDITIONS. THE COVID-19 CRISIS HAS WEAKENED MANY POPULATIONS THAT WERE ALREADY STRUGGLING AND HAS PUSHED MANY PEOPLE INTO PRECARIOUSNESS AND ISOLATION.

AGAINST THIS BACKDROP, WE HAVE FOCUSED OUR EFFORTS ON PREVENTING THE SPREAD OF COVID-19 AND SUPPORTING THE HEALTH SYSTEM AND INITIATIVES IN OUR LOCAL COMMUNITIES. OFFICES AND PLANTS HAVE BEEN COMMITTED TO THESE VARIOUS PROJECTS WITH CONVICTION AND ENTHUSIASM.



* Supporting the health system and health workers

Some of our plants have actively contributed to supporting the health system by providing masks, materials and financial support. These initiatives were carried out during the first lockdown in particular.

- In Bulgaria, funds were unlocked so the Kazanlak hospital could purchase new respirators. It is a way of expressing our support during the COVID-19 pandemic and showing solidarity with sick people and the healthcare staff who were in great need of help.



- In Colombia, during the lockdown period from 20th March to 11th May, the plant changed its operations to produce closures for disinfectants.
- Mask donations have been made in several countries where Guala Closures is based. In Termoli, at the two Spanish plants, in Chile, in the United States etc., each factory gave masks (corporate endowment) to hospitals and municipalities.



- Furthermore, production of polycarbonate face masks was launched in Luxembourg. These were donated to healthcare facilities in Italy, Spain, France and Luxembourg. In Italy, Guala Closures made its 3D printing technology available to manufacture protective masks and now face masks are part of our product portfolio.

Working together will allow us to overcome this pandemic.



LOCAL ENGAGEMENT

Committed to local communities



* Getting involved with the vulnerable population

This year, the Group's commitment to local communities has been particularly strong, especially with regard to people in need. The pandemic has affected a lot of families both financially and socially. It was therefore important for Guala Closures to show its territorial anchorage and solidarity with local people through social initiatives.

- Around the community of the Spinetta Marengo plant in Italy, we provided financial support to the "Uspidalet Foundation" in Alessandria. We also decided to help the "Centre for Life Aid". They provide support to mothers in financial difficulty.
- In Jerez, Spain, food collections were organised at the plant's premises. This collection was mainly intended for families in financial difficulty. But anyone in need could benefit from it.
- In India, the Ahmedabad and Goa plants helped to distribute food and groceries to the local population.



BESIDES OUR COMMITMENT TOWARDS REDUCING CARBON DIOXIDE EMISSIONS, GUALA CLOSURES FUNDS REFORESTATION PROJECTS AND IS GRADUALLY SHIFTING TO ENERGY FROM RENEWABLE SOURCES. WITH THE REFORESTATION PROGRAMME, WE FOCUS ON SUPPORTING THE DEVELOPING COUNTRIES WHERE THE GROUP OPERATES (INDIA, COLOMBIA, MEXICO) AND WE ACTIVELY INVOLVE LOCAL COMMUNITIES WHO RECEIVE SOCIAL AND ECONOMIC BENEFITS FROM OUR PROGRAMMES. WE ALSO INVOLVE THE EMPLOYEES AT OUR LOCAL SUBSIDIARIES.

2011 COSTA RICA
Reforestation project in Manuel Antonio National Park (involvement and awareness of the local community).

2012 PERU
Preservation and protection of tropical rainforests, allowing the local community to cultivate autochthonous vegetables which can survive the frequent monsoons.

2013-2014 INDIA
Participation in a reforestation project and initiative in the schools "My class, my forest". Purchase of carbon credits - VCU.

2015 COLOMBIA AND BRAZIL
Launching phase of a three-year Reforestation Project in Colombia. Purchase of carbon credits (VCU) from a project in Brazil.

2016 COLOMBIA, INDIA AND BRAZIL
Year 2 of the Reforestation Project in Colombia. Reforestation Programme in India. Purchase of carbon credits (VCU) from a project in Brazil.

LOCAL ENGAGEMENT

Investing in local projects



FROM 2011 TO 2020, AROUND 230,000 TONNES OF CARBON DIOXIDE HAVE BEEN COMPENSATED THROUGH THE PURCHASE OF CARBON CREDITS AS WELL AS THROUGH REFORESTATION PROJECTS. THESE PROJECTS HAVE BEEN DEVELOPED WITH INFLUENTIAL PARTNERS AND CONTROLLED BY CERTIFIED INTERNATIONAL INDEPENDENT AGENCIES. AT THE END OF 2020, WE HAD PLANTED OVER 390,000 TREES AND GOT MORE THAN 6,500 PEOPLE INVOLVED IN THE VARIOUS PROJECTS (PERU, INDIA, COLOMBIA AND MEXICO).

2017 COLOMBIA, INDIA AND BRAZIL
Last year of the Reforestation Project in Colombia (2015-2017). Reforestation Programme in India. Purchase of carbon credits (VCU) from a project in Brazil.

2018 MEXICO, INDIA AND URUGUAY
Starting phase of Reforestation Project in Mexico (2018-2020) and a reforestation programme in India. Purchase of carbon credits (VCU) from a project in Uruguay.

2019 MEXICO, INDIA AND UKRAINE
Continuation of reforestation projects in Mexico (Yucatan) and India (Gujarat). Purchase of carbon credits (VCU) from a project in Ukraine.

2020 MEXICO, INDIA AND UKRAINE
Last year of the reforestation project in Mexico (Yucatan) and extension of the programme in India (Gujarat). Purchase of carbon credits (VCU) from a project in Ukraine.

LOCAL ENGAGEMENT

Investing in local projects





MEXICO

 **25,000 trees** planted in 2020

 **100,000 trees** planted from 2018 to 2020

 **Benefits** for biodiversity, and local **eco-systems, economical resources**

 **Project coordination** Up2green Reforestation and local support of NGOs

LOCAL ENGAGEMENT

Agroforestry project in Yucatan



* 2018 - 2020 programme impacted in 2020 by Covid-19 and bad climate conditions

2020 was the last year of this 3-year programme. Due to the Covid crisis, only 25,000 trees were planted in 2020, for a total of 100,000 trees from 2018-2020. Unfortunately, around 50% of these 100,000 trees didn't survive. One of the reasons is the unprecedented drought and excessive rainfall which happened in the eastern part of the project in 2020 (Ecocert Report - April 2021).

For this reason, we didn't calculate the CO₂ emissions offset in 2020, and we also decided to take off the offset CO₂ emissions calculated for the 2 first years of the programme (10,500 tonnes of CO₂ offset in 2018-2019).

Ultimately, to compensate for this high non-survival rate, our partner Up2green Reforestation will implement a Recovery Programme in 2021, consisting of 30,000 trees in India.

* Benefits for the communities

Despite these figures, there are many positive aspects resulting from the implementation of this project (Ecocert Report). Planting fruit trees provides clear benefits (nutrition and economy of the home, cash flow and income diversification for families).

Implementing agroforestry systems makes environmental and economic sense in the long term, and there are farmers committed to this.

Another positive impact is the involvement of communities in the project as well as the local organisations. By nature, the project makes it possible for populations to become more independent and participate more in decision-making processes and it also facilitates access to local institutions.

In any case, no negative impacts were observed in social, environmental or economic domains.



INDIA

 **15,000 trees** planted in Gujarat state in 2020

 **65,000 trees** planted in Gujarat state from 2016 to 2020

 **Benefits** for biodiversity, and local **communities**

 **Project coordination** Up2green Reforestation and a local NGO Vikalp

LOCAL ENGAGEMENT

Plantation project in Gujarat



* A strong partnership since 2016

Guala Closures Group have been partners with the VIKALP NGO since 2016. The Vikalp mission is to promote and support traditional Millet-based organic sustainable agriculture systems and plantation of fruit/forestry trees in the community in order to combat malnutrition and climate change with social justice, with a perspective to improving the livelihood of the indigenous community in the tribal belt of Gujarat.

From 2016 to 2020, with the support of the French NGO Up2green Reforestation, the Guala Closures Group and Guala Closures India funded a social plantation of over 65,000 fruit and forestry trees with approximately 2,600 families, in two districts (Dang and Tapi) in South Gujarat (INDIA)

* Beneficiaries

Most of the community members are marginalised farmers and casual agricultural labourers. Some land is owned by the government and some is privately owned. Many beneficiaries filed their claim to the forestry department to have the land which they have been farming for a long time finally put into their name They have planted the trees in their houses and their farm in private land or forest land.

* Focus on 2020

Despite the Covid 19 crisis which has strongly impacted the country, a total of 15,162 trees (90% fruit and 10% forestry) including mangos, black plum, Indian almonds, guava and lemon, ... have been planted in different 21 villages of the Songadh block and Dang district of South Gujarat with 870 beneficiaries' families.

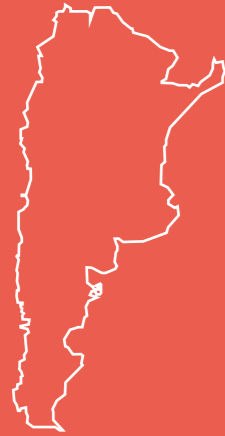


WORLDWIDE PLANTS OVERVIEW



WORLDWIDE PLANTS OVERVIEW

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LOCATED IN CHIVILCOY, OUR PLANT IN ARGENTINA PRODUCES ROLL-ON CLOSURES FOR WINE.



223 employees



5,968 m²

Regional director:
José Luis Gutierrez

Country director:
Daniel Damián García

Closures:
Roll-on for wines and spirits

Products ranges:
Safety, Roll-On Wine, Roll-On

Destination markets:
Spirits, Wine, Oil & Condiments

Local professional membership:
None

Argentina

Guala Closures Argentina S.A.

INDICATORS' HIGHLIGHTS

→ **-48.54% reduction** in GHG emissions on Scope 3 (tCO₂eq/tFP)

→ **-24% reduction** in accident frequency (accident/million worked hours)



"Today more than ever, life has to be characterized by a sense of universal responsibility... we are the mark we leave"

Natalia Bianchi, CSR Manager

Contribution for the forest curtain

This project arises from the need to contribute front the social and environmental of our local community. We donated 50 pyramidal poplars of 3.5 - 4 meters for the assembly of the necessary forest curtain in the recycling plant of the city of Chivilcoy.



Virtual courses on waste and energy

This project arises from the need to train on the importance of recycling waste. The course is delivered through a platform in which there are 3 short videos followed by a questionnaire. Thanks to the platform, we are able to maintain this important training which allow our employees to be formed on the recycling waste. This project is part of our implementation in the local community.



OUR AUSTRALIAN BUSINESS, WHOLLY OWNED BY GUALA CLOSURES, CONSISTED FOR SOME YEARS OF TWO PLANTS IN ACACIA RIDGE (CROWN SEAL) AND BRAYBROOK (ROLL-ON CLOSURES). HOWEVER, THE ACACIA RIDGE LOCATION CLOSED IN JULY 2016 AND ITS PRODUCTION OPERATIONS WERE MOVED TO WEST FOOTSCRAY.



97 employees



9,179 m²

Country director:
Tomasz Malarczyk

Closures:
Aluminium, Tinplate for wine, soft drinks, beer and spirits

Products ranges:
Roll-On Wine, Roll-On

Destination markets:
Spirits, Wine, Water & Beverages

Local professional membership:
None

Australia

Guala Closures Australia Pty Ltd



INDICATORS' HIGHLIGHTS

→ **7.6% reduction** in total waste(kg/tFP)

→ **13.2% reduction** in scrap

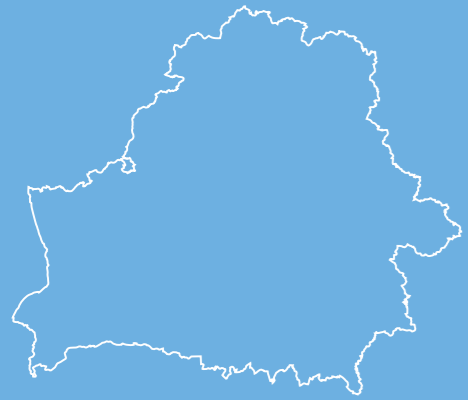
Hazardous waste reduction

In 2020, we improved our results in hazardous waste generation. This was achieved through the implementation of better practices and training of machine operators. One of the initiatives was to reduce the amount of waste coatings. We identified that operators would use a new pale each time they had to mix a colour which was unnecessary as they could often reuse the pales for a lot of the common colours. Thanks to this new practice we reduced our production of hazardous waste by 5 tons.

"Thinking sustainable, even by the smallest measures, can make an impact"

Kanchana Pathirana, Sustainability Referent





Belarus

Guala Closures Belarus Ltd



"Look after the land and the land will look after you, destroy the land and it will destroy you."

Aleksey Lis, Sustainability Referent

INDICATORS' HIGHLIGHTS

- Zero hazardous waste
- Zero waste to landfill
- Zero accident

Integration within the Group

As a new company of Guala Closures Group, we are proud to be part of a group committed in a dynamic, harmonic and sustainable business development. Being part of the Group, we'll contribute to achieve the objectives by implementing the necessary actions and initiatives relative to the indicators of the 2016-2022 Programme, taking into consideration that all of them are important and equally rated.

🌟 Diversity and Inclusion project roll-out

We have implemented a special zone dedicated to the diversity and inclusion program.

To make the program more accessible for our workers, we translated charter, poster in our two national languages: Belarusian and Russian. All our staff is convinced that D&I communication program would lead to social awareness of employees. In order to empower all employees to take part in development of social programs of the Plant, we spread questionnaire and approximately 75% of employees had already submitted it.



OUR PLANT IN MINSK PRODUCES SAFETY AND STANDARD CLOSURES FOR SPIRITS AND BEVERAGES, AND THE GROUP HAS A 70% OWNERSHIP STAKE IN THE BUSINESS.



59 employees



2,715.1 m²

Country director:
Alexander Galperin

Closures:
Safety and standard closures for spirits and beverages.

Products ranges:
Safety, Roll-On

Destination markets:
Spirits, Water & Beverages

Local professional membership:
None



Brazil

Guala closures do Brasil Ltda



"It's by caring about other people's lives and about the environment that we can plan willing future."

Juliane Pegoretti, Sustainability Referent

INDICATORS' HIGHLIGHTS

- Zero accident
- 96.2% reduction in GHG emissions on Scope 1&2 (tCO₂eq/tFP)
- 8.3% reduction of Landfil/total waste



🗑️ Reducing waste

This year, we have put in place a new reusable plastic film support. It allows us to :

- Reduce our amount of plastic waste generated.
- Reduce plastic cost by 34%
- Reduce the cost of raw material
- We estimate to reduce 100kg/month of cardboard waste



🗑️ Reverse logistics of hazardous packaging

The aim of the project is to reduce the cost of hazardous waste disposal by removing the empty packaging and reusing them for the same product or another that best suits the use. We came to this solution with our suppliers. We estimated the reduction of hazardous solid waste by 60kg per month. Thanks to this project, the plant will improve economic balance of waste disposal, environmental contamination and the use of natural resources.



THE GROUP WHOLLY OWNS THE COMPANY. THE PLANT IN SAO PAULO PRODUCES SAFETY CLOSURES.



75 employees



6,800 m²

Regional director:
José Luis Gutierrez

Country director:
Ivan De Nadai

Closures:
Safety closures

Products ranges:
Safety, Roll-On

Destination markets:
Spirits

Local professional membership:
ABRABE (Brazilian Association of Beverages)





Bulgaria

Guala Closures Bulgaria A.D.



"Everything we do matters"
Veronica Draganova, Sustainability Referent

INDICATORS' HIGHLIGHTS

- 100% OTIF Score**
(On Time In Full delivery)
- Zero accident**
- 35% reduction**
of water consumption

Air cleaning

We use chemicals products for the decoration of the closures. We have therefore decided to install an extraction hoods, in order to reduce workers' exposure to chemicals. Again, health of our people is our priority. The system will be fully functional by March 2021.



Remote equipment

In the context of the COVID-19 pandemic, the health of our workers is our priority. We have therefore, acquired a complete equipment for remote communication with our workers and partners. The aim of this project is to reduce personal contacts in order to limit the risk of contamination.



THE COMPANY IS 70% OWNED BY THE GROUP. THE PLANT IN KAZANLAK PRODUCES SAFETY CLOSURES.



253 employees



6,500 m²

Country director:
Tancho Mihaylov

Closures:
Safety for spirits

Products ranges:
Safety, Luxury, Roll-On

Destination markets:
Spirits, Oil & Condiments, Water & Beverages

Local professional membership:
None



Chile

Guala Closures Chile



"We are not what we do or what we think, we are just the footprint we leave"
Vanessa Vergara, Sustainability Referent

INDICATORS' HIGHLIGHTS

- 23.8% reduction** in scrap
- 60.8% reduction** in water consumption (m³/tFP)
- 40% reduction** in accident frequency

Local engagement

In this pandemic period, we wanted to show solidarity with the nursing staff of our local hospital. We therefore donated protective masks so that health professionals can continue to take care of themselves and of our local community and especially the most vulnerable.



42 employees



2,720 m²

Regional director:
José Luis Gutierrez

Country director:
Rodrigo Gutierrez

Closures:
Wine and spirits closures

Products ranges:
Safety, Roll-On Wine, Roll-On

Destination markets:
Spirits, Wine, Oil & Condiments

Local professional membership:
None





China

Beijing Guala Closures Ltd

THE BEIJING PLANT PRODUCES SAFETY CLOSURES. THE COMPANY IS A REGISTERED WFOE (WHOLLY FOREIGN OWNED ENTERPRISE).



48 employees



4,602 m²

Country director:
Giorgio Vinciguerra

Closures:
Safety, Snap-on and TE for spirits and oil

Products ranges:
Safety, Roll-On

Destination markets:
Spirits, Water & Beverages

Local professional membership:
Chinese Packaging Association

INDICATORS' HIGHLIGHTS

100% OTIF Score
(On Time in Full Delivery)

86.5% OEE
(Overall Equipment Efficiency)

Zero waste to landfill



" Saving water, Saving energy, rescue world."
Hong Ming, Sustainability Referent

Energy efficiency

As last year, we continue to implement our project which consists of a switch from fluorescent and halogen technology to LEDs. We are actually in phase 2. The project has taken some delay because of the relocation of the plant. We hope to reduce significantly the plant's environment footprint thanks to this new installation.

Health of workers

China has been hit very hard by COVID-19 crisis. In beginning of February, we have been forced to close the plant by Beijing city government, even if we had orders. Our staff have all returned to their city to respect the quarantine, and we have been authorized to reopen at the middle of February. Our priority was therefore to offer employees the conditions of maximum safety and

security for their return to the factory. We have implemented « emergency procedures » in order to protect our workers. We invested widely in mask, disinfectant and temperature control so the workplace will be safe.



Colombia

Guala Closures de Colombia Ltda

OUR PLANT IN BOGOTÁ PRODUCES SAFETY CLOSURES, AND THE BUSINESS IS 93.2% CONTROLLED BY THE GROUP.



79 employees



3,865 m²

Regional director:
José Luis Gutierrez

Country director:
Lina María Ascencio

Closures:
Safety for spirits

Products ranges:
Safety

Destination markets:
Spirits

Local professional membership:
Acoplásticos, CABA

INDICATORS' HIGHLIGHTS

12.3% reduction of total waste
(kg/tFP)

- 34.7% reduction in water consumption
(m³/tFP)

88.5 OEE score
(Overall Equipment Efficiency)



Water savings

This purging system of injection machines, ensure that the necessary amount of water is purged and the Chiller's water cooling system is not saturated, thus avoiding damage to the molds due to sludge plugging or fouling problems. The project highly contributes to reduce our water consumption. It is part of a wide program put in place previously to obtain the ISO 14001 certification. We, therefore, contribute to the environmental objectives of the Guala Group.

Environmental management

Since 2020, GCC is committed to the PREAD program. We are proud to have obtained the best rating, and to be part of the elite category. Of the 201 companies involved, we were among the 20 best companies in environmental management in Bogotá.



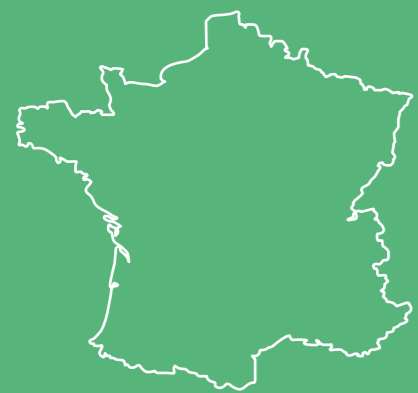
" Sustainability is the seed that we all sow so that the world flourishes without losing its essence"

Rafael Lamy, Sustainability Referent

Diversity week

As part of the Group Diversity & Inclusion Charter, we launched a special week to promote diversity within the BU. The programme of the week included a projection of the group diversity video, photos of all the company's workers and sharing the vision and mission of the Diversity & Inclusion project. The diversity week was an opportunity to inform employees and exchange views about this topic. We truly want workers to appropriate the concepts of diversity & inclusion.





France

Guala Closures France



INDICATORS' HIGHLIGHTS

→ 0% waste to landfill

→ Zero accident

"Future is in our hands"

Sylvain Gilbert, Sustainability Referent

Reduce air compressor consumption

After detecting that the air compressor remained active during production breaks, we decided to fix this problem. We have sensitized the staff to stop the air compressor during breaks or when not in use. As a result, we consume less electricity and, we have reduced maintenance costs which are based on the time of use of the equipment. This project also contributes to our good performance in reducing our GHG emissions.



Diversity and inclusion project

Guala Closure France is involved in the Group's diversity & inclusion policy. In 2020, the video on diversity has been showed to all employees.

For the first step of our approach, we decided to focus on the integration of people with disabilities, a particularly sensitive segment of the population which still encounters today in France difficulties in terms of professional integration. We want to facilitate their access to employment.

We also started internal discussion about the gender pay gap.



Germany

Guala Closures Deutschland GmbH



INDICATORS' HIGHLIGHTS

→ 0.31 m³/tFP of water consumption

→ 0% waste to landfill

→ Zero accident



"After 1 year in the Guala Group the way of working has become a continuous process with a strong focus on sustainability and technology"

Matthias Gassmann, Sustainability Referent

Becoming Part of the Guala Closures Group

The first priority after the acquisition by the Guala Group was to restart the outsourced litho-printing process. Successfully implemented in March 2020, this project had positive impact on sustainability through more efficient processes, shorter supply routes and higher quality levels. Next target was reducing the scrap rate and improving overall equipment effectiveness by high management attention, benchmarking with other Guala plants, quality improvement projects, and preventative maintenance. Last but not least, with focus on workplace safety and environmental protection, we replaced the floor sealing and storage racks in the ink and varnish warehouse to protect groundwater in case of leaking liquids, and allow safe handling.



Improve compressed air quality

Investing in 3 new refrigeration dryer systems allowed to get the pressure dew point back to the optimum operating range. This led to significant improvements in the quality of compressed air and reduced condensation in the entire system.

This will result in savings on wear parts in all pneumatic systems in the coming years and avoids the risk of contamination of closures dramatically. The new units will save more than 40.000 kWh per year.

Diversity & Inclusion project

We started last year a qualification program with the local job center, the chamber of commerce and an external training center. Our target is the qualification of talented employees which had no professional education so far. Additionally, we cooperate two with charitable institutions: one for internships for handicapped people and one for supporting occupational therapy within the institution by outsourcing simple manufacturing steps.

GUALA CLOSURES DEUTSCHLAND IS SPECIALIZED IN THE PRODUCTION OF CLOSURES FOR MINERAL WATER. OUR PLANT IS LOCATED IN WORMS.



160 employees



14,500 m²

Country director:
Peter Kürschner

Closures:
Aluminium closures for mineral water and wine

Products ranges:
Roll-On Wine, Roll-On

Destination markets:
Wine, Water & Beverages

Local professional membership:
Verband Metallverpackungen e.V. (VMV)





OUR BUSINESS IN INDIA CONSISTS OF FOUR SAFETY CLOSURE PLANTS, LOCATED IN GOA, DAMAN, AHMEDABAD AND DHARWAD

AHMEDABAD



116 employees



8,964 m²

DAMAN



86 employees



2,912 m²

DHARWAD



116 employees



3,081 m²

GOA



258 employees



17,153 m²

India

Guala Closures (India) Pvt Ltd



INDICATORS' HIGHLIGHTS

- 17.9% reduction** In water consumption (m³/tFP) in Ahmedabad
- Zero waste** to landfill in Daman, Dharwad and Goa
- Zero accident** in Daman, Dharwad and Goa

Water savings

We have implemented three initiatives to reduce water consumption:

- In Ahmedabad, a new water cooled chiller has been installed, which has already led to a 17.9% reduction in water consumption. Ultimately, we aim to reduce consumption by 75%.
- In Daman, an air cool chiller replaced a water cool chiller. This has reduced breakdowns, loss of production and water consumption. We expect to reduce water consumption by more than 120 m³ per month.
- Analysis of rainwater run-off at our Dharwad plant identified that 4,670 m³ of rainwater being drained. We took advantage of the extension works of the building to implement a rain water harvesting system that recharges the ground water. This project will have positive impact on ground water level.



Regional director:
David Stevenson

Country director:
David Stevenson

Closures:
Safety for spirits

Products ranges:
Safety

Destination markets:
Spirits

Local professional membership:
None



India

Guala Closures (India) Pvt Ltd



Renewable energy

- We have been using wind power since October 2020 in Dharwad plant, our use of this renewable energy will increase in 2021.
- We will install a solar power plant in our Daman factory which will generate 56,370 kWh annually. Because of the COVID-19 crisis, the project will be operational in the first half of 2021. This installation will reduce electricity usage, diesel consumption, CO₂ emissions and maintain compliance with local legislation.



Allen Joseph,
Sustainability Referent



Dinesh Singh,
Sustainability Referent



Maganlal Vadher,
Sustainability Referent



Srinivas Patil,
Sustainability Referent

Local engagement

In 2020, the reforestation program covers twelve villages. In total, 10,142 trees were planted, and 486 families involved.

Guala Closures India is proud to help the local community to live in a more sustainable environment.

"We continue to embed sustainability principles into every aspect of our business in India for the benefit of all stakeholders, including our employees and the communities in which we operate."





GUALA CLOSURES SPA IS WHOLLY OWNED BY THE GROUP, AND HAS THREE PLANTS: IN SPINETTA MARENGO, MAGENTA AND TERMOLI.

SPINETTA MARENGO

Country Director: Federico Donato



318 employees



20,315 m²

TERMOLI

Country Director: Federico Donato



65 employees



6,250 m²

MAGENTA

Country Director: Fabrizio Venezia



83 employees



9,000 m²

Italy

Guala Closures SpA

Support production (inter-company):

Treatment and cutting of aluminium coil sheets. Lithographic printing on aluminium sheets and tinplates (Magenta).

Closures:

Safety and Roll-on for spirits and beverages (Spinetta); Safety and Roll-on for spirits, wine, beverage and oil (Termoli).

Products ranges:

Safety, Luxury, Roll-On Wine, Roll-On

Destination markets:

Spirits, Wine, Oil & Condiments, Water & Beverages

Local professional membership:

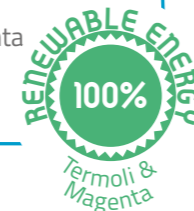
CETIE, Instituto Italiano Imballagio, Proplast

INDICATORS' HIGHLIGHTS

96.2% reduction in GHG emission on Scope 1&2 (tCO₂eq/tFP) in Termoli

32.3% reduction in water consumption (m³/tFP) in Magenta

Zero accident in Termoli



Maurizio Ambrosino, Sustainability Referent



Matteo Canepa, Sustainability Referent



Paolo Furiani, Sustainability Referent

"Sustainability awareness is the essence for a green future."



Support local community

In 2020, Spinetta Marengo donated 300 protective visors made with 3D printers for doctors and nurses. We also gave our financial and material support to several charities. They provides aids to health professionals, to mothers in difficulties, to the local communities.

In Termoli, 300 masks were donated to the municipality. In Magenta, we have been launched the 7th edition of the Christmas Lottery. All the Christmas gifts that come to Magenta from their suppliers are collected to be shared among all with the Lottery criterion. The profits from the sale of tickets are donated to charity organizations or NGOs. All these solidarity projects are important to us. We are proud to help our community, especially in those rough times.



GUALA CLOSURES EAST AFRICA (GCEA) COMMENCED OPERATION IN 2019, WITH A STATE-OF-THE-ART FACTORY LOCATED IN NAIROBI, KENYA. THE PLANT MANUFACTURES TAMPER-EVIDENT NIPCAPS FOR THE KENYAN MARKET AND ALSO EXPORTS THROUGHOUT THE EAST AFRICAN REGION.



79 employees



4,170 m²

Regional director:
David Stevenson

Country director:
Sadanand S Hanagodimath

Products ranges:
Safety

Destination markets:
Spirits

Kenya

Guala Closures East Africa Ltd

INDICATORS' HIGHLIGHTS

24.7% reduction in Water Consumption (m³/tFP)

0% hazardous waste

Zero accident



Involved in circular economy

We made a partnership with Gjenge Markers which is a company born with the first idea to collection, sort and sell plastic waste to other recycling companies. Having collected more waste faster than the recycling companies could uptake, Gjenge Markers decided to transform themselves collected plastics. They produce alternative building products. Our plant provides them with our scraps to be recycled in pavers. This initiative has received support from the United Nation and Kenya Climaic Innovation Center. We are really proud to be associated with a social local company.



"Sustainability, It's a Lifestyle. You Must Be the Change You Wish to See in the World."

Daniel Wilson Ambetsa, Sustainability Referent

Access to sanitary kits for the girl

Guala Closures East Africa is part of the « Nyanza Dignity Kits project ». 65% of Kenyan girls do not have are unable to afford sanitary pads because of the rise of poverty in the country. As a consequence, 20% of girls are missing weeks of learning. To deal with this problem, the charity provides sanitary pads to girls. Benefits of this project are to fight against poverty and girls' deschooling and to empowered them.





Mexico

Guala Closures Mexico S.A. de C.V.



“Everything you want is possible if you work on it.. Your choice”

Tatiana Duque, Sustainability Referent



INDICATORS' HIGHLIGHTS

23.3% reduction in Energy consumption/ (GJ/tFP)

49% reduction in scrap

81% reduction in accident frequency (accidents/million worked hours)

Energy optimization

We have decided to modify our shutdown procedures for the machines when there is a power outage, a discharge or stoppage of the plant. This action optimizes the re-starting of machine activities, save energy and reduces GHG emissions. An additional benefit of this project is to avoid damages in our electronic components and therefore to reduce the purchase of electronics equipments.

The Mexican law sets a Power Factor (above 90%) to the companies. When the electrical consumption has the PF below this percentage, the electrical company (CFE) applies a penalty. We have already finished the first step of our action plan and it has improved our performance. Now we are working on the short-circuit, protection, arc-flash and single line diagrams. This project not only brings us financial savings, but also in terms of energy increases the efficiency of the consumption and reduces the GHG emissions.



Accident frequency reduction

The Human Resources department reminded all the employees about the importance of following the safety protocols through two campaigns «Because I love myself, I take care of myself» and «I take care of my hands».



New Zealand

Guala Closures New Zealand Ltd



Mark Yovich, Sustainability Referent



Vhaibav Sharma, Sustainability Referent



“ Sustainable development is a fundamental change in our industry that's going to reshuffle the deck, so think globally, act locally ”

INDICATORS' HIGHLIGHTS

31% reduction in GHG emissions (tCO₂eq/tFP)

5.4% reduction in Energy consumption/Fp for plant

22.1% reduction in water consumption (m³/tFP)



43 employees



4,619 m²

Country director:
Dave Campbell

Closures:
Roll-on for Wine

Products ranges:
Roll-On Wine, Roll-On

Destination markets:
Wine, Oil & Condiments

Local professional membership:
Employers and Manufacturers Association, Auckland Chamber of Commerce New Zealand Wine Growers

Print line capacity improvement

Some prints jobs require more than one pass due to operational complexity. We first needed to analyse the reasons for these multiples passes at the print line and to propose solutions to reduce them down to a single pass. The objective is to have a reduction of 25% in total multiple passes, to improve Gross profit by more closures production and less costs and should also improve the OEE of print line as we will do less change overs on same jobs.

Use of carton improvement

The concept is to use carton more than once – to deliver cost savings and sustainability benefits. In initial scoping, Guala NZ have identified the opportunity to use the cartons a minimum two times – and possibly more. The benefits of a reduction in waste production, as well as looking at more efficient ratio between box sizes and quantities to save further cost.





Poland

Guala Closures DGS Poland S.A.



"Sustainable development not a fashionable slogan but a necessity."

Leszek Sulewski, Sustainability Referent

INDICATORS' HIGHLIGHTS

9% reduction in GHG emissions on Scope 1&2 (tCO₂eq/tFP)

0% waste to landfill

Aluminum savings



We invested in new equipment. We acquired a modern punching machine and a new pressing device which allowed us to change the aluminium sheet cutting (18x12). These two new equipment is accompanied by aluminum savings but also by a positive impact on the OEE (Overall Equipment Effectiveness) indicator which increased from 71.6% to 74.4%.



Fire protection system

We work on this project to minimize the fire risk. The idea is to improve the safety of our plant and the protection of plant assets by installing a fire protection system. It is directly integrated with the fire brigade. Thanks to these project, we have increased the insurance conditions of the company.

Introduction of absentees bonus

We want to improve engagement and involvement of people. So, we introduced a bonus to reduce absenteeism. We achieved our target. In 2019, the absenteeism rate was 6.75% during the January-August period while in 2020 it was 6.35%. Nevertheless, due to the Covid-19 we had a large increase of absenteeism because people were in quarantine.



Spain

Guala Closures Iberica S.A.



"Sustainability is the wiser way to put planet, people and profit in a balanced picture. Is the strenght and the attitude to face a liquid market, a liquid future."

Sonia Elbal, Sustainability Referent

INDICATORS' HIGHLIGHTS

58.9% reduction in GHG emission on Scope 1 and 2 (tCO₂eq/tFP) in Olerdolà

19.4% reduction in water consumption (m³/tFP) in Olerdolà

Zero waste to landfill in Jerez



JEREZ
 38 employees
 5,200 m²

OLÈRDOLA
 109 employees
 5,000 m²



Country director:
Francisco Festa

Closures:
Jerez: Safety closures
Olèrdola: Roll-on closures

Products ranges:
Safety, Roll-On Wine, Roll-On

Destination markets:
Spirits, Wine, Oil & Condiments, Water & Beverages

Local professional membership:
None

Solidarity with local communities and workers

Guala Closures Ibérica team believes the prevention is crucial in this pandemic period. We care about our workers, providing them certified masks designed with Guala Closures logo. We care about local community, donating 600 masks produced in the head office in Luxembourg, to the health workers that fight everyday against the pandemia.

Furthermore, in collaboration with the city council of Jerez, we organized with our workers a food collection for families with economic difficulties during the pandemic period.





South Africa

Guala Closures South Africa Pty Ltd



OUR PLANT IN CAPE TOWN PRODUCES SAFETY, ALUMINIUM AND LUXURY CLOSURES, AND IS WHOLLY OWNED BY THE GROUP.



168 employees



12,000 m²

Regional director:
David Stevenson

Country director:
Giuseppe Carosini

Closures:
Safety and Roll-on for spirits, wine and beverage

Products ranges:
Safety, Roll-On Wine, Roll-On

Destination markets:
Spirits, Wine, Water & Beverages, PET

Local professional membership:
Aluminium Federation of South Africa (AFSA)

INDICATORS' HIGHLIGHTS

- 19.4% reduction** in GHG emissions on Scope 3 (tCO₂eq/tFP)
- 16% reduction** in scrap
- 41% increase** in training hours (per capita)



Scrap reduction

Scrap is always a good challenge to increase the industrial performance. In 2020, we realized a survey to analyze which departments produced the biggest amount of scraps, and we targeted equipment with high rate scrap. We noticed that the side print produced lots of scraps, especially the machine Moss 3. We focused to reduce the scrap rate from 5 to 3%. A second project was developed on the SavinP line. We reduced the scrap rate from 4% to 2% in 2020.

These two projects have an impact on the whole plant although they are related to specific areas.



"2020 was a challenging year, but put Sustainability at the forefront, now more than ever. The Economy succeeds within a Society that thrives in a healthy Environment."

Tumi Mompoti, Sustainability Referent

Organization of work in pandemic context

As everyone all over the world, it was not easy to adapt to the new working conditions. We have of course followed all the rules set by the Government, and when it was safe to return to work, we have organized training sessions to know and apply new rules and regulations. Social distance with colleagues is a real challenge as we work in an area with noisy machinery, it can be difficult to communicate with each other. The scrupulous wearing of masks is then a compulsory measure. And it is also a challenge because it gets hot around the ovens where our employees work, particularly at summer season.

Guala Closures South Africa and its employees remain optimistic and everyone understands that respecting the rules is a condition of our health at work and at home. The health of our employees is a priority.



Ukraine

Guala Closures Ukraine LLC



OUR PLANT IN SUMY PRODUCES SAFETY, ROLL-ON AND LUXURY CLOSURES, AND THE GROUP HAS A 70% OWNERSHIP STAKE IN THE BUSINESS.



785 employees



24,154 m²

Country director:
Volodymyr Zayets

Closures:
Safety, Roll-on and Luxury closures for spirits, wine and beverages

Products ranges:
Safety, Luxury, Roll-On Wine, Roll-On

Destination markets:
Spirits, Wine, Water & Beverages

Local professional membership:
None

INDICATORS' HIGHLIGHTS

- 4.9% reduction** in water consumption (m³/tFP)
- 3.2% reduction** in energy consumption (GJ/tFP)
- Zero accident**



Tree Planting

We replaced damaged trees we've planted in previous years in our city (about 50 pcs.). In 2020, we planted new trees (conifers): 1 and 6 hectares not far from the nearby villages. This project, which serves our local communities, makes it possible to reforest, compensate for greenhouse gas emissions and raise awareness about respect for the environment.



"Sustainable development program provides a good motivation for personal development."

Olena Shevchenko, Sustainability Referent

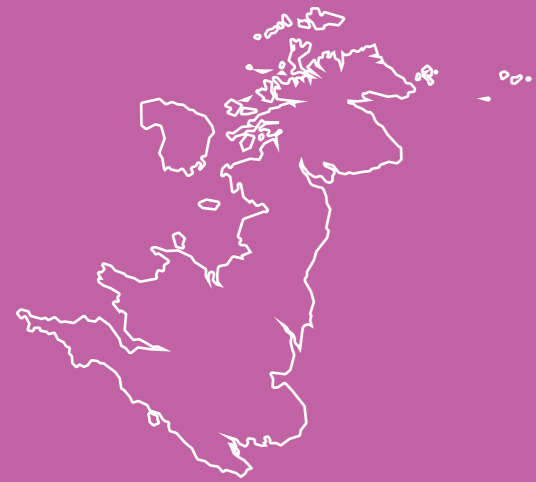
Energy saving

Energy consumption management is part of our priority for economic and ecologic reasons. To improve the plant consumption, we installed a compressor heat recuperation system. We have therefore saved gas resources (1,770 GJ), minimized heat losses, and improved the working environment of our employees.

Dual Education

We opened in 2019 several technical disciplines at the local educational institutions to prepare specialists for our production. Future specialists are trained and some of them are already working at the plant. The regional authorities supported this program in 2020 by opening the first Dual Education Center in Sumy region. We maintained this program in 2020 as we opened the first Center Dual Education in our region. This is an excellent example of the benefits to be derived from collaboration between the public and private sectors.





OUR PLANT IN KIRKINTILLOCH PRODUCES SAFETY, ALUMINIUM AND LUXURY CLOSURES, AND IS WHOLLY OWNED BY THE GROUP. IN ADDITION TO ALUMINUM AND SECURITY CLOSURES, OUR PLANT IN BRIDGE OF ALLAN ALSO PRODUCES PET BOTTLES

KIRKINTILLOCH



160 employees



9,012 m²

BRIDGE OF ALLAN



268 employees



19,881 m²

United Kingdom

Guala Closures UK Ltd



Kevin Pirie, Sustainability Referent of Kirkintilloch



Ashley Caroll, Sustainability Referent of Bridge of Allan

INDICATORS' HIGHLIGHTS

11.7% reduction in total waste (kg/tFP) in Kirkintilloch

Zero waste to landfill in Bridge of Allan

Zero accident in Kirkintilloch



" within the combined UK Guala sites, we view sustainability as a fundamental part of our day to day actions, looking to be more resourceful with our materials and lower our environmental impact. "

Country director:
Ken Moran

Closures:
Aluminium ROPP, Cork Stoppers, EST Closures, Non-Refillable Closures, Gravitas Prestige Stoppers

Products ranges:
Safety, Luxury, Roll-On Wine, Roll-On, PET

Destination markets:
Spirits, Wine, PET

Local professional membership:
None

Waste reduction

In 2020, we focused on reducing waste volumes.

- A first project consists in reducing or even eliminating single-use cardboard cartons by standardizing our internal packaging and switch to reusable ones.
- A second project will turn 100 tonnes of plastic bag and cardboard waste into bailed units that can be sold for recycling and additionally save on wooden pallets and containers currently used for transport.
- Both UK sites are changing to a common pallet design which will form a closed-loop solution as the pallets will be collected from customers and put back into the supply chain. By rationalising and getting a more cost effective local solution we have avoided further shipping and transport of pallets from elsewhere in the UK. In a second stream, we would like to introduce plastic pallets for internal use to increase re-use rather than re-cycle. The introduction of plastic will reduce the disposal/repair of wooden pallets and again provide a more sustainable solution.



THE COMPANY IS WHOLLY OWNED BY THE GROUP. THE PLANT IN FAIRFIELD, CALIFORNIA, PRODUCES ROLL-ON CLOSURES.



14 employees



1,600 m²

Regional director:
José Luis Gutierrez

Country director:
Simon Yudelevich

Closures:
Roll-on for wine and spirits

Products ranges:
Safety, Luxury, Roll-On Wine, Roll-On

Destination markets:
Spirits, Wine, Water & Beverages

Local professional membership:
None

USA

Guala Closures North America Inc.



" NYou must be the change you wish to see in the world. "
Randy Weller, Sustainability Referent

INDICATORS' HIGHLIGHTS

20% reduction in total waste (kg/tFP)

5% reduction in energy consumption (in GJ/tFP)

Zero accident



Waste sorting

For several months, we have been working on improving waste management. The objective of this project is to improve waste sorting in order to find the best valorization channels, to recycle more and to avoid pollution. Due to Covid-19 crisis, the deadlines for this project have lengthened. New machine controls will be added in 2021 and allow us to increase the rate of recycled materials.



Solidarity with local community

On a social aspect, we have made a donation of masks received from the Group to local hospitals. The pandemic has been devastating in the United States. Supporting our local community has always been important to us. That's why we decided to participate at our own level to deal with the health crisis.





* **ACCIDENT FREQUENCY INDICATOR**

The statistical frequency indicator represents the number 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.

* **CARBON CREDIT**

A permit that allows a company to emit one tonne of CO₂. The concept was established with the ratification of the Kyoto Protocol and credits may be exchanged on the relevant markets.

* **CARBON FOOTPRINT**

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

* **CERTIFICATION**

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

* **CO₂**

Carbon dioxide. It is a so-called greenhouse gas. CO₂ equivalent expresses the contribution of the various greenhouse gases to global warming in terms of CO₂, according to set conversion factors.

* **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

This is a voluntary approach adopted by companies to properly manage the environmental and social impact of their business activities. It may include monitoring emissions of any solid, liquid or gaseous substance discharged into the atmosphere that may cause pollution.

* **DIVERSITY**

Similarities and differences in terms of age, cultural background, physical abilities and disabilities, ethnicity, religion, gender and sexual orientation.

* **ENVIRONMENTAL IMPACT**

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

* **ENVIRONMENTAL INDICATORS**

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

* **FINISHED PRODUCT (FP)**

All material that leaves the plant, such as finished closures, semi-processed to be sold, raw sheet metal to be sold, lithographed sheets. When calculating the finished product for the Group perimeter, products sold between Guala Closures plants are not included in the calculation.

* **FOSSIL FUELS**

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

* **GHG**

Greenhouse gases of both natural and man-made origin, responsible for the greenhouse effect, namely the fact that the earth's temperature is rising due to the failure to disperse solar radiation. The main greenhouse gases are: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC), perfluorocarbons (PFC) and sulphur hexafluoride (SF₆). The GHG emissions are reported as follows:

> **SCOPE 1** refers to Direct GHG and is defined as 'emissions from sources that are owned or controlled by the organisation'. This typically includes all combustion from fossil

fuels in heating, industrial applications, transportation and refrigerant systems.

> **SCOPE 2** refers to Energy Indirect GHG and is defined as 'emissions from the consumption of purchased electricity, steam, or other sources of energy (e.g. chilled water) generated upstream from the organisation'.

> **SCOPE 3** refers to Other Indirect GHG, and is defined as 'emissions that are a consequence of the operations of an organisation, but are not directly owned or controlled by the organisation'. Scope 3 includes a number of different sources of GHGs including raw materials, employee commuting, business travel, third-party distribution and logistics, production of purchased goods, and emissions from the use of sold products. Based on data from companies that have conducted comprehensive assessments of their Scope 3 emissions, it is evident that Scope 3 GHGs are by far the largest component of most organisations' carbon footprint, but it is where they experience the most challenging work to influence it.

* **GRI (GLOBAL REPORTING INITIATIVE)**

An international nonprofit organisation that promotes the environmental, social and economic sustainability of organisations through a reporting schedule.

* **IPCC INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE**

This is the scientific committee formed in 1988 by two UN bodies, the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP) for the purpose of studying global warming.

* **JOULE**

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



* **LCA (LIFE CYCLE ASSESSMENT)**

Is a method to assess energy consumption and the environmental impact associated with a product/process/activity over its entire life cycle, from the acquisition of raw materials to the end of its life.

* **MANAGEMENT SYSTEM**

A management system encompasses organisational structure, responsibilities, practices, procedures, processes and resources to enable an organisation to formulate a policy and set objectives for continuous improvement that may be measured over time.

* **OEE**

A dynamic measurement that indicates the efficiency of a facility as a percentage. OEE is an acronym for Overall Equipment Efficiency.

* **RENEWABLE ENERGY**

A form of energy that is generated from sources that do not compromise natural resources and regenerate continuously. It includes the electricity and heat generated by resources such as the sun, the wind, biomasses, geothermic, bio fuels and hydrogen generated from renewable sources.

* **STAKEHOLDERS**

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

* **WELL-BEING**

The state of feeling good, healthy and happy. There are different aspects that include: physical, economic, social, psychological, life satisfaction and work.

* **2030 AGENDA FOR SUSTAINABLE DEVELOPMENT**

Adopted by all United Nations Member States in 2015, it provides a shared blueprint for peace and prosperity for people and the planet, now and into the future.

> **SDG: SUSTAINABLE DEVELOPMENT GOALS:** A collection of 17 goals set by the United Nations, at the heart of "Agenda 2030". They are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

> **GLOBAL COMPACT**

A United Nations initiative to encourage companies to align strategies and operations with 10 universal principles (on human rights, labour, environment and anti-corruption) and take actions that advance societal goals.



Please note :



In 2020, Guala Closures Group has edited a Non-Financial Declaration within the GRI framework. You can download it on: www.gualaclosures.com

The report integrates the whole CSR programme of Guala Closures Group and its 30 plants across the world, which deploy the CSR roadmap "2016-2022" and the 12 indicators at local level.

The report's scope covers our entire activities in 25 countries and 30 plants. Exceptions are marked directly into the indicators' pages if applicable.

The reporting period for all data takes place from January 1, 2020 to December 31, 2020.

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Each year, we try to make this report more transparent, efficient and comprehensible, and your opinion and suggestions for improvement are welcome.

However, even if after all the care and attention put into the making this publication any inaccuracies or imprecisions are found, we kindly ask that they be drawn to our attention by writing to:

sustainability@gualaclosures.com



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