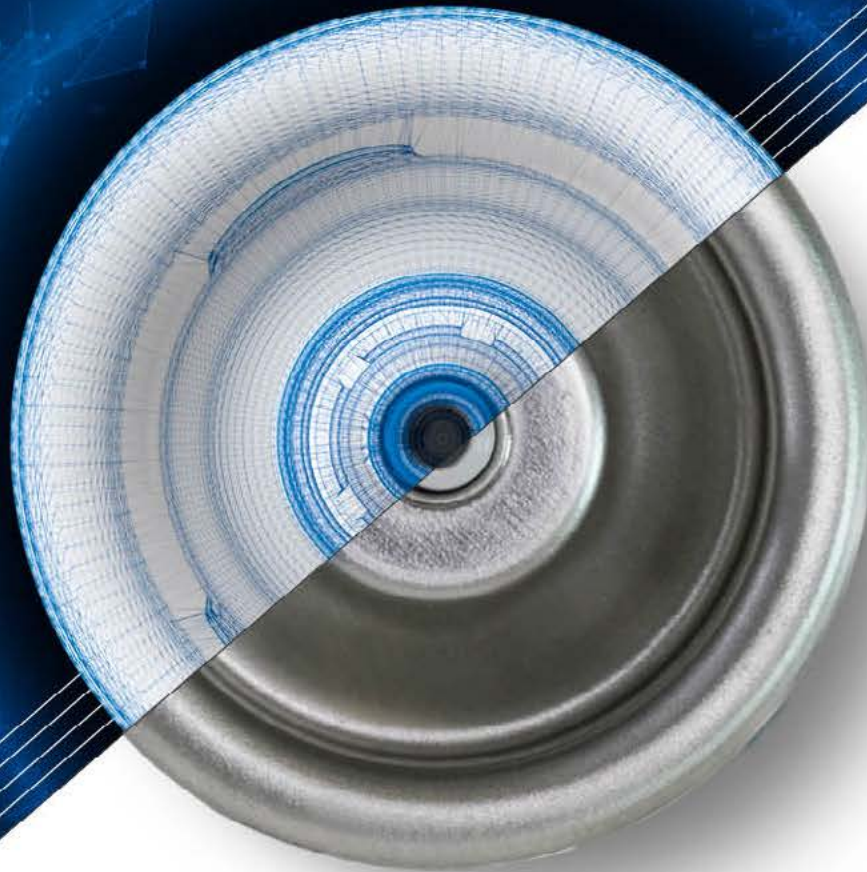


Sustainability Report 2017



 **COSTER**

June 2018 · Calceranica al Lago (TN) - Italy



OUR PEOPLE

are the **key** to our worldwide success



Meeting room in Coster 1 - Calceranica al Lago (Italy)



Martina Segatta (President)



Bernard Msellati (CEO)

Dear stakeholder,

In Coster we have always believed that our people are the key to our worldwide success and their commitment and investiveness has always been a source of inspiration.

In 2017 our internal drive brought us to fully commit to being sustainable with the issue of our first non-financial disclosure, as an additional push to an already conscious approach to production. As a leading multinational provider of spray and dispensing packaging solutions and filling equipment, we at Coster consider sustainability with the highest importance and our responsibility towards all stakeholders both internal and outside our factories. In different ways, Coster's history has always adhered to specific values - attention to research and innovation, excellence in producing with an always present vision for quality and, finally, the focus on the needs and expectations of our stakeholders, our people.

We have always committed to have a positive impact on the environment, on adhering to and supporting social and ethical practices, continuously investing in culture and education, infrastructure, technology, innovation and tangible initiatives at single facilities and at Group level.

All of these essential and key factors are inter-linked with our positive vision of the future with a confident and positive outlook, knowing that our future will be brighter by following a sustainable path.

June, 7th 2018 - Calceranica al Lago (TN) - Italy

INTRODUCTION

Sustainability as a key pillar



LGV in action in Coster 3 - Caldonazzo (Italy)

2017 has been an important year for Coster as the company committed to a more conscious path, giving the rightful consideration to Sustainability, now a strategic key pillar, designing a group level Road Map to actualize this purpose with adequate Corporate Social Responsibility actions.

“The foundations of the company’s beliefs are the fair and integrity business, respect of human rights that also reflects the commitment to continuously enhance the life in the workplace, safety, health and environment protection.”

The first milestone of 2017 has been the creation of the “Ethical Code” inside the company and through the Supply Chain, for the purpose of providing a set of commonly agreed values and principles, which reflect Coster’s commitment towards conducting business responsibly.

For what concerns the commitment towards environment and the reduction of our environmental footprint, three manufacturing facilities operate according to the ISO 14001 certified environmental management system. In 2017 the facility Coster3 joined Costerplast gaining the ISO 50001 certification, with a reduction of total primary energy consumption

of 7,5% in one year. Moreover, Coster aims at converting our production to electric injection moulding machines as, compared to the hydraulic moulding machines, there is a 50% reduction of energy consumption. Furthermore, most of the neon facilities has been replaced with LED lighting systems, with a 65% reduction of energy consumption.

Coster continuously invests on air compressor plants, cooling systems, industrial building automation and domotic, energy recovery systems for a more conscious and respectful use of energy. Moreover, in Costerplast we have decided to take a further step towards energy responsibility by purchasing electricity from ECODOC – Electric Energy from Nature. This initiative will be extended in 2018 to all the Italian manufacturing sites.

As packaging takes on a great responsibility in terms of environmental footprint, Coster has been working to achieve greater efficiency in the packaging of valves with the objective to reduce the use of cardboard box from 10% to 25%. New packaging solutions have been introduced such as reusable plastic pallets (pallbox). Moreover, Coster has new and confined ecological areas in all facilities, management of waste flow from collection to disposal and identification of containers. Furthermore, in 2017 Coster Tecnologie Speciali SpA facilities increased waste to energy from 83% to

over 99%.

People are at the centre of Coster’s policies and strategies. Coster firmly believes and counts on people’s value, therefore it is strongly committed to safeguard the human rights, guarantee the best working conditions as well as the labour practices, be active for collectivity by finding ways to do good. To assure the importance of employees’ wellbeing, two manufacturing facilities have obtained the certification for the Occupational Health and Safety Management System standard OHSAS 18001.

All facilities have been promoting different welfare initiatives including the local population in the areas where Coster operates. Training is the common way broadly adopted by Coster to create culture, spread awareness and enhance skills.

All these initiatives contributed to achieve a very reduced turnover rate, which tends to zero considering the entire Group’s figures.

INDEX

Letter to stakeholders	5 / 87
Introduction	6 / 87

WHO IS COSTER

Who we are	10 / 87
Vision, mission, values	12 / 87
Materiality & stakeholder engagement	14 / 87
Stakeholder engagement	14 / 87
Materiality Matrix	16 / 87
Company structure & Governance	18 / 87
Economic & financial performance	20 / 87
Code of Ethics	22 / 87
Fair business and Anti-Corruption	24 / 87
Freedom of association and Collective bargaining	25 / 87
Forced and child labor	26 / 87
Land rights and indigenous people	27 / 87
Commitment to sustainability	29 / 87
Sustainable development goals	32 / 87
Quality	39 / 87
Risk Management	42 / 87
Cyber risk Management	43 / 87

ENVIRONMENT

Environmental responsibility	44 / 87
Energy consumption	46 / 87
Water Stewardship	48 / 87
Waste management/recycling	49 / 87

COMMUNITY

Potential impact on local communities	50 / 87
Employees	52 / 87
Turnover rate	55 / 87
Occupational Health & safety	56 / 87
Health Promotion	58 / 87
Employee satisfaction	59 / 87

PRODUCTS

Packaging components and Filling Equipment	62 / 87
Innovation	64 / 87
Customer care	67 / 87
Supply chain	68 / 87
Suppliers	70 / 87
Raw materials	72 / 87

FACTS AND FIGURES	74 / 87
--------------------------	---------

METHODOLOGICAL NOTES	78 / 87
-----------------------------	---------

GRI Content Index	79 / 87
-------------------	---------

Who we are

Leading multinational provider of spray packaging solutions and filling equipment

Coster Group is a leading multinational provider of spray packaging solutions and filling equipment. The company addresses to all segments of the market with a complete range of standard aerosol valves and actuators, spray-caps, spray pumps and dispensers, with a global production and distribution network. In addition, Coster makes available significant design resources to its customers, many of whom are multinational firms operating in diverse consumer markets with a range of well-known brands. Coster is the world's only supplier of both aerosol packaging components and filling machinery. Coster was founded in 1963 in Milan and in 1966 moved its production in Calceranica al Lago (TN), in the North of Italy.

It currently employs over 960 people in its activities and, with its world-wide commercial and logistic network, counts more than 600 customers. Today Coster has 16 sites in 4 continents.

The company has two different headquarters: the legal headquarter is in Calceranica al Lago, Trento, in viale Trento 2, and the financial and administrative one is located in Pero,

Milan in Via Vincenzo Monti 23.

A significant portion of the Group's global production capacity is located near Trento, in Northern Italy, with its plants Coster 1, Coster 2 and Coster 3. Moreover, the company directly controls the subsidiary companies Costerplast, Tecnocoster, ACR. Coster 4 is a building owned by Coster, who owns also the structure, plants, facilities, and the process is managed by Genssarini S.r.l. for Bag-On-valves production

Outside of Italy, Coster has factories in Netherlands, Spain, the United Kingdom, Argentina, India, Malaysia and the U.S.A. In France, Germany and Brazil customers are directly served by sales and distribution centers based in Paris, Ettlingen and São Paulo.



The production of valves constitutes the main source of revenue, followed by dispensers and spray pumps. Half of Coster's (Group) production is dedicated to valves and the main geographical market areas are Europe and Latin America.

The main market sectors in which Coster operates are Personal Care and Beauty Care, which make up 70 % of revenue, followed by Pharma, Household, Technical equipment and Food & Beverage.

Coster has over 600 clients.
Its main clients are multinational companies operating in the personal care and beauty industries.



Who we are

Vision, Mission and Values

RELIABLE
EXCELLENT
INNOVATIVE

Coster has always been a reliable, excellent and innovative partner for its clients and, to further establish a forward-looking vision, Coster has decided to formalize its vision of **6 strategic and central pillars** to maintain and accomplish in a period of 7 years, which are:

Product and process innovation Central topic for Coster, as it is directly linked to market performance and competitiveness. The creation of new products and development of the existing portfolio is surely a crucial factor to reach this goal but it is not the only one. In fact, developing internal technologies to better assemble the products in synergy with the filling machinery division, the constant importance and enhancement of the R&I department and the creation of new marketing department are a prime necessity.

International Footprint

A global vision project with a worldwide network and regional centers of excellence, considering Coster's presence in the 4 Continents and in the places where the major customers operate.

Financial independence

An achievable target to reach with a long-term project combined with a more rapid and flexible decision-making process and guided by the Executive committee. Being financially independent is considered an essential factor for the Top Management, an assurance and a responsibility towards the employees who need to be aware that the company is strong and stable.

Industrial and technical excellency

Virtue recognized by clients and competitors alike and resulting from industrial mindset based on the Industry 4.0 model. Coster aims at pursuing this specific target by continuously investing in new and hi-tech sites, integrated IT solutions, machinery and tools, distinct centers of excellency.

Safety and Sustainability

A goal that Coster is fully committed to achieving. Firstly, the Company has been developing Group's standard, minimizing the impact of industrial activities, limiting the use of raw materials, reducing and rationalizing emissions and energy consumption, recycling and reusing waste, adopting an Ethical Code for the entire group, promoting social initiatives, communicating the group's policies internally, to the stakeholders and to the supply chain. Coster invests on sustainable development of products, by adopting a designing approach which considers the environmental footprint and eco-profile.

Client oriented focus

Customer satisfaction represents the prime priority of the Group. The strategy to reach this goal is based on the idea of incrementing the commercial presence of the group (through internal and external growth and commercial agreements on specific products or technologies) by commercializing in new and potential markets such as LATAM (where Coster is already present in Brasil and Argentina), USA (where Coster has a manufacturing facility in Illinois), Russia and Far East.

Materiality & stakeholder engagement

What matters and where it matters

Stakeholder engagement

The materiality analysis is a tool that Coster used to ensure close alignment between the material topics and its business decisions, increasingly integrating sustainability principles into the Company's daily activities. In 2017 the materiality analysis has evolved into a strategic business tool that:

- supports the Company in aligning its vision, purpose, brand portfolio, and regional presence with topics that are material for its stakeholders
- identifies the material topics through which Coster aims to respond to the global challenges
- with the Sustainability Program, was able to properly determine a set of targets based on potential risks and opportunities linked to the Company's activities.

In this new approach, topics are considered material if they reflect Coster's economic, environmental, and social impacts, or influence the decisions of stakeholders (in line with the materiality reporting principle in the GRI Standards).

As this is the first edition of Coster's sustainability report, the materiality analysis was made up of 20 specific aspects connected to sustainability and engaging Coster's Top Management. Coster had submitted the Materiality Questionnaire to the following Top Management functions:

- President
- Chief Executive Officer
- Chief Financial Officer
- Quality and Sustainability Manager
- Human Resources
- Group Industrial Director
- Group Technical Director
- Group Commercial Director
- Group IT Director
- Group Supply Chain & Procurement Director
- Machinery Division Director
- Site Manager Coster 1
- Site Manager Coster 2
- Site Manager Coster 3

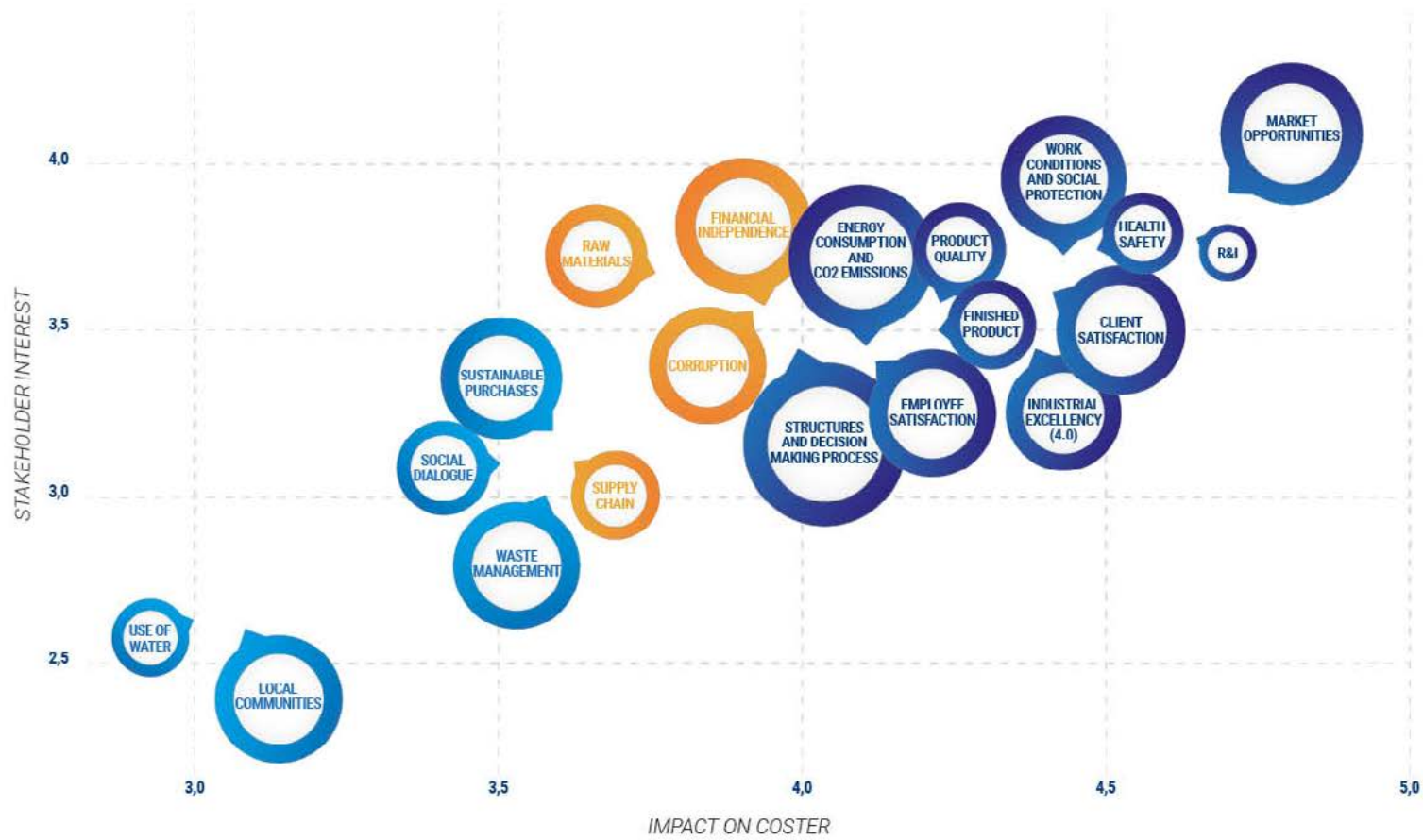
The surveyed Management had to both classify, according to their position, the importance of the aspects from a scale from 1 (not relevant) to 5 (extremely relevant). As this is Coster's first Sustainability Report, Coster decided to carry out an Internal Stakeholders Engagement, where the Management had to envision also the importance the different identified stakeholders would give to the aspects listed in the analysis, following the same classification system.

The stakeholders that have been considered relevant for Coster's operations were: clients, suppliers, employees and shareholders. Through a thorough Context Analysis, Coster identified and selected its key stakeholders with the assistance of the corporate functions managing stakeholder relations on a daily basis, and summarized in the following table:

Stakeholders	Corporate Function
Clients	<ul style="list-style-type: none"> • Sales • Marketing • Supply chain, agents, service network • Product Development and Manufacture • Quality
Suppliers and outsourcers	<ul style="list-style-type: none"> • Purchasing & Supply Chain • Quality
Employees	<ul style="list-style-type: none"> • Human Resources • Environment, Health and safety • Regional dedicated function
Trade unions and employee representatives	<ul style="list-style-type: none"> • Industrial relations
Institutions/ Community	<ul style="list-style-type: none"> • Governance • Institutional relations • Environment, Health and Safety
Ownership and Shareholders	<ul style="list-style-type: none"> • Governance • Investor Relations • Corporate affairs • Sustainability, Planning and Reporting

Materiality Matrix

Through the Materiality assessment and the output of the surveyed management, the company was able to prioritize the issues that have the most impact on the economy, society and environment, and that most influence the decision-making of our stakeholders. The analysis of these issues and their relevance resulted into a Materiality Matrix.



These topics cover all the relevant areas present in the GRI standard and where subdivided into three categories: moderately material, significantly material and crucially material.

Moderately Material:

- Use of water: adopt initiatives to reduce water consumption (in particular for cooling systems, air conditioning) and to facilitate its recycling.
- Local communities: promote initiatives benefiting local communities. Consult groups representing communities to determine priorities for social investment and activities for community development, take part in local association with the aim of contributing to public good. Encourage and support people in taking part into volunteer work for the community
- Waste Management: adopt waste disposal to increase waste recycling, reduction and management
- Social Dialogue: recognize the importance of social dialogue, also at the international level, and the structures of collective bargaining. Do not obstruct or discriminate employees who wish to adhere to these organizations to promote their interests and to bargain collectively
- Sustainable purchases: collaborate with suppliers sensitive to corporate social and environmental responsibility topics. Integrate sustainability requests along the purchasing process. Adopt policies and Solidarity Sourcing initiatives

Significantly Material:

- Supply Chain: select suppliers through environmental, social and economical criteria's. create values along the supply chain. Favor local suppliers.
- Raw materials: reduce the impact of acetalic resin (formaldehyde emission), research eco-friendly materials like bioplastics (recyclable resin, biodegradable and/or compostable materials)
- Corruption: identify the risks of corruption, implement and maintain anti-bribery and anti-extortion policies and practices. Raise awareness on corruption and how to prevent it and adopting Whistleblowing measures among the employees, representatives, contractors and suppliers
- Structures and decision-making Processes: implement processes, systems, structures or other mechanisms which enable the implementation of social responsibility principles and practices.
- Financial Independence: perform scenario assessment and adopt corporate strategies, long-term planning and decision-making processes to avoid debt

Crucially material:

- Energy consumption and CO2 emissions: implement initiatives aimed at increasing energy and transportation efficiency. Innovation and investments on technologies and products which reduce the energy
- Employee satisfaction: adopt welfare initiatives, work-life balance, remuneration and professional growth policies; Promote training and employee involvement.
- Product Quality: respect clients' quality requirements; customer and end-user safety; implement Six-sigma and Business Excellence techniques (ex. Problem-solving, process capability, Kaizen, 5S, etc...)
- Finished product: promote research and innovation on design, recyclability and alternative systems which could benefit the environment
- Industrial Excellency: advantages resulting from the production of filling lines, Hi-tech technologies and plants, implementation of the new ERP SAP S/4 HANA, creation of Group's centers of excellency
- Client satisfaction: increase the commercial dynamism and presence, assistance before and after sale. Increase the



quality of service and product.

- Work conditions and social protection: ensure that working conditions comply with national laws and norms and are coherent with international norms on labor, give adequate work conditions for what concerns salaries, working hours, weekly rest, holidays, health and safety, protection of maternity (leave) and possibility to combine work with family duties.
- Health and Safety: adopt all necessary measures to avoid work-related incidents and disease, manage risks connected to formaldehyde and any other risk factor, investments on H&S.
- Research and innovation: develop new products, customize products compatible with industrial standardization; define new productive processes, develop new packaging solutions
- Market opportunities: opportunities to purchase new market shares throw innovative products and choices (international footprint, increase territorial coverage, development of products portfolio)

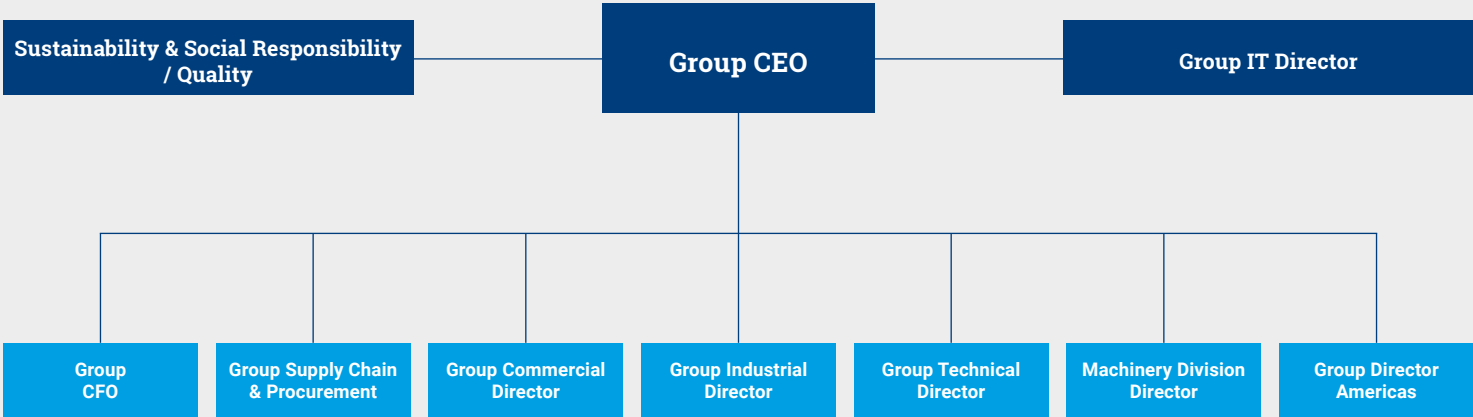
Company structure & Governance

Joint stock company



Sales and Administrative offices - Milan (Italy)

Coster is registered as a joint stock company with Bernard Msellati as the Group's CEO.



(ComEx members)

Coster believes that a trusted and robust Corporate Governance Model is essential to effectively manage the interest of all stakeholders while successfully operating in the relevant markets.

The main elements of Coster's governance structure are described below. The Board of Directors plays a central role in guiding the Company and administering the crucial decision for the Group strategy. The Board of Directors composition includes the President who represents the continuity of the family ownership in Coster's history and growth, it also includes members not belonging to the Segatta's Family who contribute with their knowledge, competence and passion to the strategic decision making process in financials and operations.

The Executive Committee (ComEx) is composed by 7 managers and is responsible for the management of the group always reporting to the Board of Directors.

The general authority to represent the company is vested in

the ComEx and the Chief Executive Officer. Coster's ComEx meets on a monthly basis and discusses on various aspects, decisions and strategies. Group Management meetings are on the other hand periodically decided and, during these meetings strategies are communicated, aligned and assessed. During 2017, there were 2 Management meetings and 13 ComEx meetings.

In 2017, the need for an official Sustainability function was met and included in the Corporate Governance Model. Hence the Board of Directors together with the Group's CEO nominated a new head of Sustainability with the responsibilities of managing any issue or decision connected to the sustainability and its three different dimensions: economic, environmental and social.

Coster Tecnologie Speciali S.p.A. already planned to achieve in 2018 an organization and management model in accordance with the Italian regulation d.lgs. n. 231 (current rev) which disciplines the administrative responsibility of the legal persons.

Economic and Financial Performance

Financial independence is a responsibility towards the employees

Being financially independent is considered an essential factor for the Top Management, an assurance and a responsibility towards the employees who need to be aware that the company is strong and stable. To this regard, Coster is proud to have a solid and robust financial state, based on clearly defined ownership and governance body committed to giving continuity to the business plan and the peculiar features of the company.

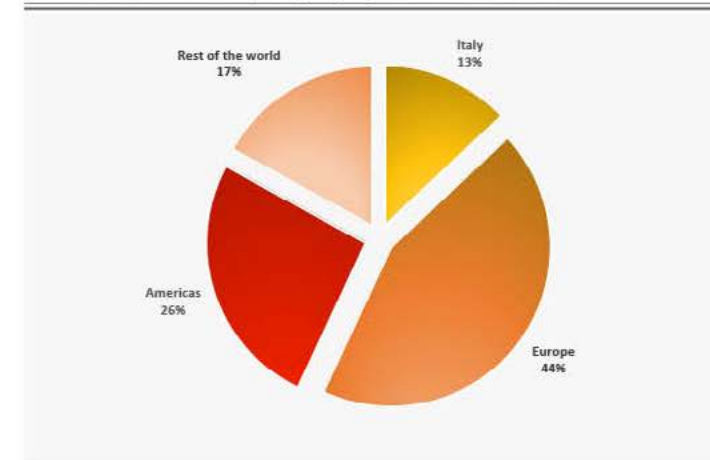
The means Coster use to keep this factor under control are the investment strategy (average Capex represents the 10% of the annual tot turnover, same result also for 2017) and regular Capex review, cashflow regular monitoring by Management, careful warehouse and stock analysis, absence of risks due to shareholding, customer's credit-worthiness and outstanding payments continuous check, financial accounts review made by external accredited company as well as for fiscal and legal assistance. The company responsibility is also carried out by means of insurance policies covering both civil and penal liability for the product and people.

For what concerns the membership to association, of Coster seeks to entertain constructive, ongoing and transparent relations with all its stakeholders, including entities and institutions.

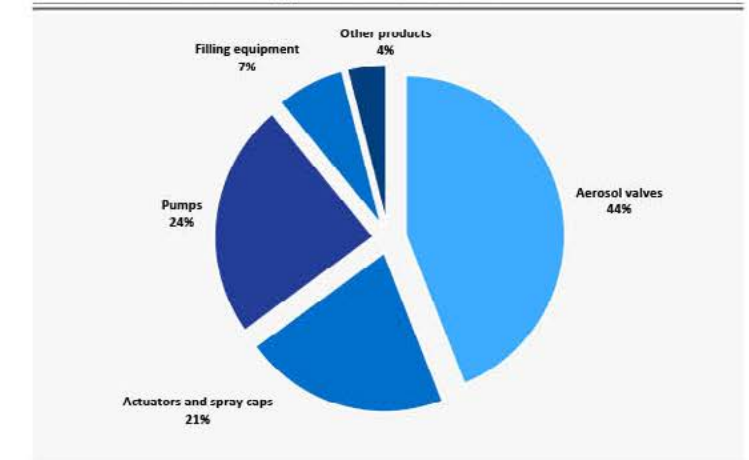
Relations with the regulatory authorities, institutions and public entities are based on ethical conduct and transparency. Coster, in relation to its business activities, has closely worked and collaborated with associations in its operational sector, spanning from the responsible use of raw materials to commercial consortium.

	2017	2016	delta
Total Revenues	201,503,404	198,359,575	3,143,829
NET INCOME	12,558,454	11,387,180	1,171,274

Turnover breakdown per geographical area [2017]



Turnover breakdown by product line [2017]



Some of the main institutions which Coster partners and works with are:

- **CONAI**, a private non-profit consortium in Italy, established by packaging producers to ensure that they achieve the recycling and recovery target of packaging waste provided for by law. Since Coster Group is a producer of plastic, aluminium and steel packaging, the Group was asked to contribute to three sub-consortiums:
 - **COREPLA**
 - **CiAI**
 - **RICREA**
 - **Polymer Science Park for Sustainable Innovation in injection moulding**
 - **Aerosol Recycling work group created by the CFA** (Comité Français des Aérosols, member of the FEA – European Aerosol Federation), with the aim of identifying the recycling channels per product types and measuring the amount of aerosols currently recycled on the French market; understand the constraints for the recycling of this specific packaging; provide recommendations to improve the aerosols

recycling % and limit the safety risks in recycling centers

- **European Hygienic Engineering & Design Group**
- **Assolombarda**
- **Associazione Industriale Trento**
- **Ibc Ass.Ind.Beni Di Consumo**
- **Federmeccanica**
- **Federchimica**
- **Institut Fur Kunststoffverarbe**

Code of Ethics

The principles of business ethics



The Code of Ethics was adopted in 2017 by the Board of Directors and is an essential part of Coster's internal control system. This document sets out the principles of business ethics that are supported by the Company and that directors, employees and those acting on the Company's behalf are required to support. **The Code of Ethics is one of the pillars of Coster's governance system, which regulates the decision-making processes and the approach used by the Company and its employees in interacting with stakeholders.** The Code of Ethics summarizes the values the Company recognizes, adheres to, and fosters, in the belief that diligence, integrity, and fairness are important drivers of social and economic development.

The Code of Ethics specifically deals with ethical issues connected to the economic, social and environmental fields.

Coster encourages its employees to actively engage in the detection and prevention of misconduct or behaviour issues

with the Code of Ethics or international, national or local legal requirements. Reporting potential violations allows Coster to investigate the concerns that have been raised and take the appropriate correcting actions, reducing the risk or damage that could have an impact on the employee in question, co-workers, the Company or the communities in which the Company operates.

Coster is furthermore committed to preventing any form of conflict of interest. All decision taken on behalf of Coster must be made in the interest of Coster. Coster's management and employees must avoid any possible conflict of interest, with particular regard to personal, financial or family considerations (i.e. the existence of a vested interest in a supplier).

Coster's management and employees shall avoid and report any conflicts of interest between personal and family

economic activities and their tasks within the company. Any situation that constitutes or might constitute a conflict of interest must be reported immediately to the direct supervisor.

Through the Code of Ethics, Coster has established appropriate and accessible communication channels available to all employees to report on the Code. The **Compliance Line** is a mean to confidentially report by email about financial, research, manufacturing, environment, health, safety, ethical matters and any other questions and suggestions relating the Code for the purpose of helping Coster to identify and address them in a positive and constructive way. Although direct discussion with one's supervisor is the preferred mode, in some circumstances an employee may feel the need for a more confidential, sometimes anonymous ability to express good faith concerns about presumed non-compliance. Reports through this option of the Compliance Line are entered directly on a secure server to prevent any possible breach in security. Coster makes these reports available to specific individuals at the Headquarters Company who

are charged with evaluating the type of problem and location of the incident, and who understand the importance of maintaining confidentiality. The team and staff are trained and committed to ensure that no report is shared with implicated parties, their peers, or subordinates. The Compliance Line report distribution process is designed so that a report is not shared with implicated parties or their subordinates.

The Compliance line was launched globally in June 2017 and is available and there have been no reports.

Fair business and anti-corruption

Commitment to fair and responsible business

Anti-corruption and fair business practices have been a central topic of the abovementioned Code of Ethics. To this regard **Coster is committed to highest standards of integrity, honesty and fairness in all internal and external affairs.** Coster is also committed to fully comply with all national and international anti-corruption laws, in particular:

- **OECD Convention on Combating Bribery of Foreign Public Officials**
- **OCSE Guidelines and Foreign Corrupt Practices Act**

Bribes, illegitimate favours, collusion, requests for personal benefits for oneself or others, either directly or through third parties, are prohibited without any exception.

Coster recognizes the importance of a competitive market and is committed to fully comply with all anti-trust and pro-consumer laws in force in all countries where it operates. Every one of Coster's management members and employees have read, understood and agreed upon the contents of

the Code of Conduct and are required to not engage in business practices (i.e. price cartels) which may represent an anti-trust violation. All information about Coster's competitors is obtained legitimately and will only be used for legitimate purposes in compliance with all anti-trust laws and regulations. To this regard, in 2017 Coster has never had any legal actions regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation.

Furthermore, all of Coster's business and commercial dealings must be transparently performed and accurately recorded in the books and records. The transparency, accuracy and completeness of the balance information have noteworthy relevance. At this regard, every employee is required to collaborate to ensure that the management facts are properly represented.

Coster's management and employees will not be engaged or involved in any activity which may imply the laundering of proceeds of criminal activities in any form or manner what-

soever. Before establishing any business relationship with a third party, Coster shall check available information (including financial information) on its proposed business partners and suppliers to ensure that they are reputable and involved in a legitimate business. Coster shall always comply with anti-laundering legislation in all countries where it operates.

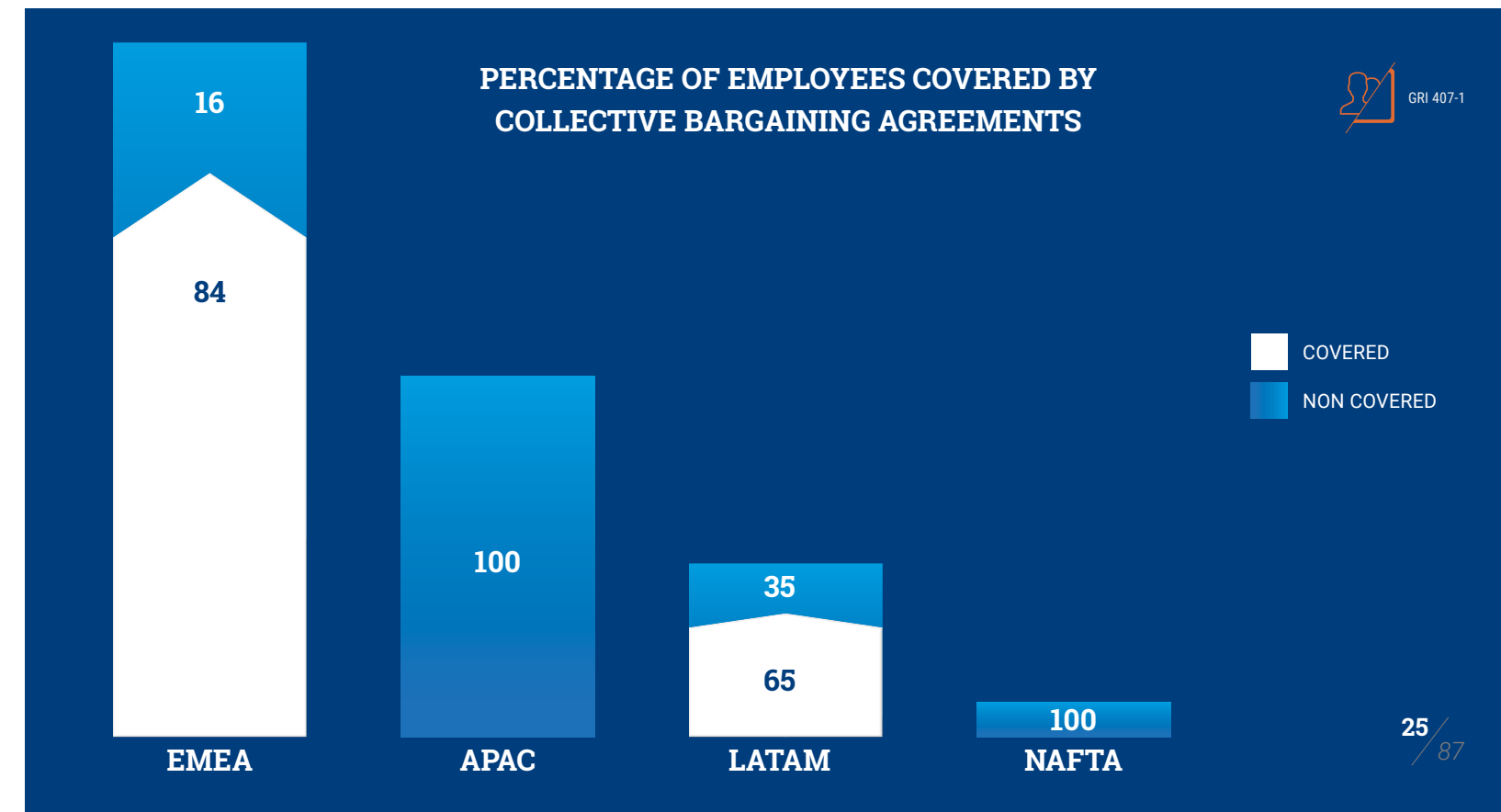
Coster's management and employees are strictly required to comply with the insider trading legislation in all countries where it operates. In particular, Coster's management and employees shall never make use of information not in the public domain and obtained as a result of her/his position within Coster in order to obtain a personal advantage or to favour third parties.

Freedom of Association and Collective Bargaining

Coster recognizes and respects the right of its employees to be represented by trade unions

According to the Code of Ethic, Coster recognizes and respects the right of its employees to be represented by trade unions or other representatives established in accordance with local applicable legislation. When engaging in negotia-

tions with such representatives, Coster seeks a constructive approach and relationship and no employee is intimidated or harassed in the exercise of her/his rights to join or refuse from joining any organisation.



Forced and Child Labour

As stated in the Code of Ethics, to the Company's knowledge Coster does not employ any form of forced, mandatory or child labour, i.e. it does not employ people below the permissible working age established by the laws of the place where the work is carried out. In any case, **no workers under the age of 15 will be employed under no circumstance. Coster is also committed to not establishing or maintaining working relationships with suppliers that employ child labour** as per the above definition.

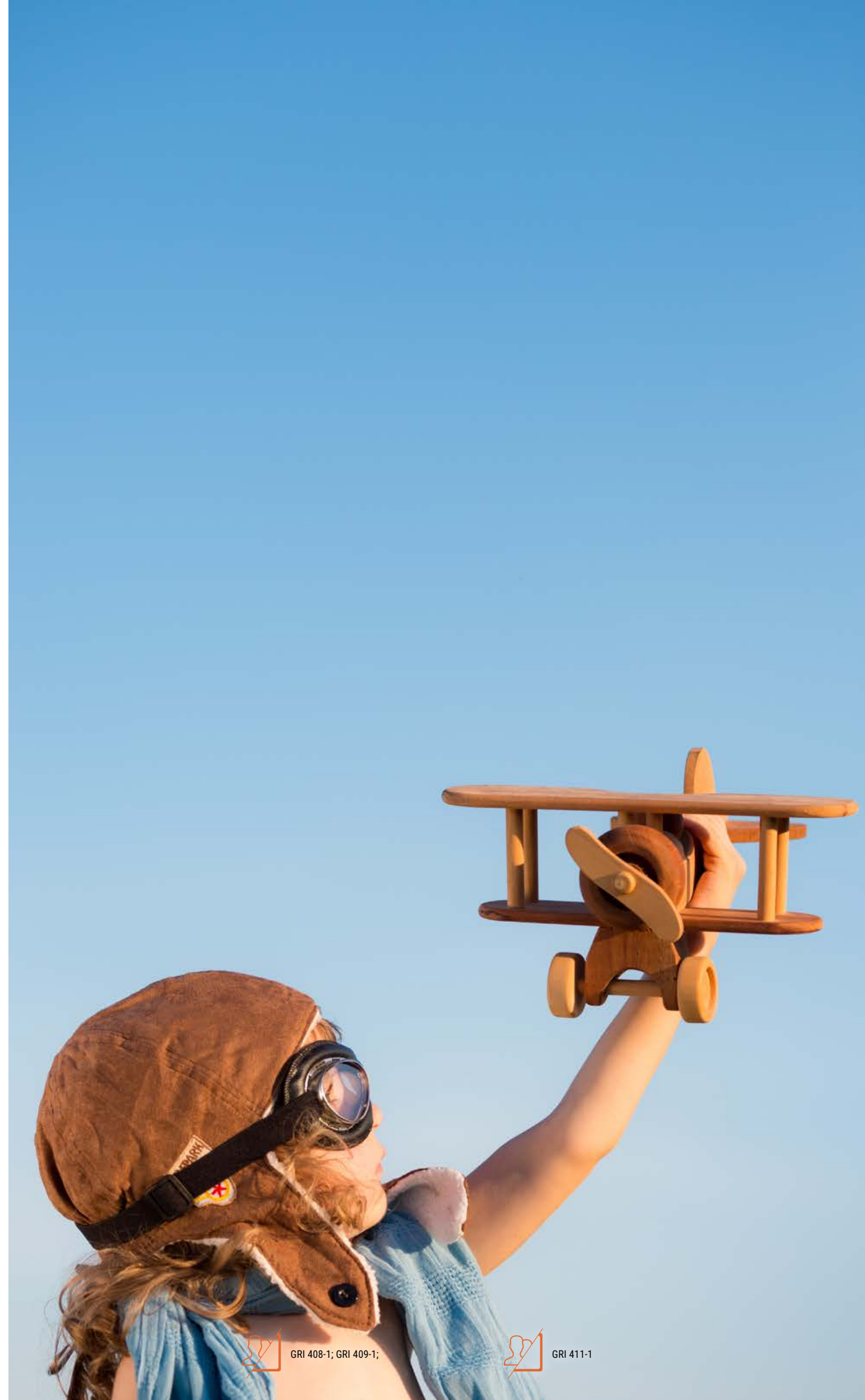
Work is conducted on a voluntary basis within Coster. Employees working within Coster do it freely and on agreed and document terms of employment that satisfy at least the applicable minimum standards of the legislation of the countries where Coster operates. All employment contracts are in a language understood by the worker.

Any form of forced labour is not accepted. Mental and physical coercion, slavery and human trafficking are prohibited., there is no use of child or forced labour at the plants of its suppliers.

Land rights and Indigenous people

Coster adopts a zero-tolerance approach to land grabs and the rights and title to property and land of the individual, indigenous people and local communities are respected. Coster adheres to the principles of **Free, Prior and Informed Consent (FPIC)** in all negotiation in regard to the property or land of the individual, indigenous people and local communities.

A due diligence is undertaken to uphold individual or indigenous people's established rights to property and land, where applicable. In 2017 and in its existence, **Coster has never received any firm of complaint concerning the rights of indigenous people.**



Commitment to Sustainability

Enhancing Corporate Social Responsibility Management

As a global leader manufacturer in the Aerosol and Dispensing Packaging business, we at **Coster consider Sustainability with the highest importance** and our responsibility towards all stakeholders both internal and outside our factories.

The Sustainability and Social Responsibility Group function translates the Governance strategies and policies into assessments, Material action plans, objectives, metrics, monitoring and Accountable reporting. ISO 26000 guidelines are taken as reference for the roadmap and tools to “make SR” with a systematic approach.

The foundations of our beliefs are the fair and integrity business, the respect of human rights that also reflects the commitment to continuously enhance the life in the workplace, Safety, health and environment protection.

At Coster we believe that an organization culture should be based on 3 key pillars:

- 1) **Be lawful and act with integrity in the marketplace**
- 2) **Respect human rights and create a positive workplace**

3) **Safeguard the environment and the health of future generation**

For this reason, Coster communicates and raises awareness throughout its sites and among its employees through specifically targeted trainings or the distribution of specific material. Specifically:

- **Stimulating our employees to collaborate in teams at all levels**
- **Building open, honest and transparent working environments**
- **Empower our employees to develop their ideas and share them to improve the quality of Coster’s production and environment**

One of the main examples of Coster’s commitment to the cause of sustainability is the Code of Ethics which was de-

livered to all employees and business partners, summarizing the operating pillars and principles which personnel and associates must comply with to ensure the company’s integrity and compliance with the national law.

Furthermore, Coster fully believes in the importance of international initiatives, such as those endorsed by the United Nations. In particular, Coster believes that the 1992 Rio de Janeiro Conference is a key initiative that must be supported where, Principle No. 16 states that:

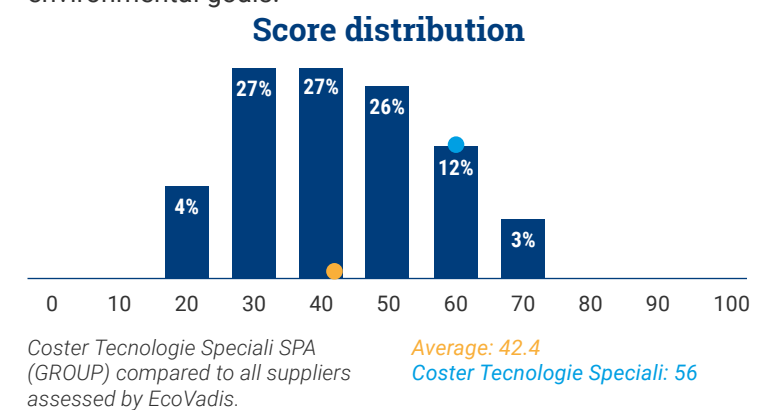
“In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.”



Hence, Coster applies the precautionary principle both in designing its products and in managing its manufacturing processes. To further ensure the compliance with the precautionary principle, Coster has set up a quality department with the aim of implementing a monitoring process, continuous collaboration with its’ suppliers to prevent hazardous accidents, etc.

To further support and show its pledge towards sustainable operations, in October 2017 Coster was awarded a **Silver Recognition Level based on EcoVadis CSR rating**. According to the EcoVadis Rating, Coster is ranked alongside the top 26% of the companies - assessed by EcoVadis - which have confirmed a Corporate Social Responsibility engagement. Moreover, Coster is in the **Top 14%** of suppliers as-

essed by EcoVadis in all categories and in **top 11%** for what concerns the category Manufacture of general-purpose machinery. This statement, other than being a recognition for CSR initiatives and group vision, is an important tool for our clients, supporting them in reaching their sustainability and environmental goals.



The sustainability management system consists of the following tools

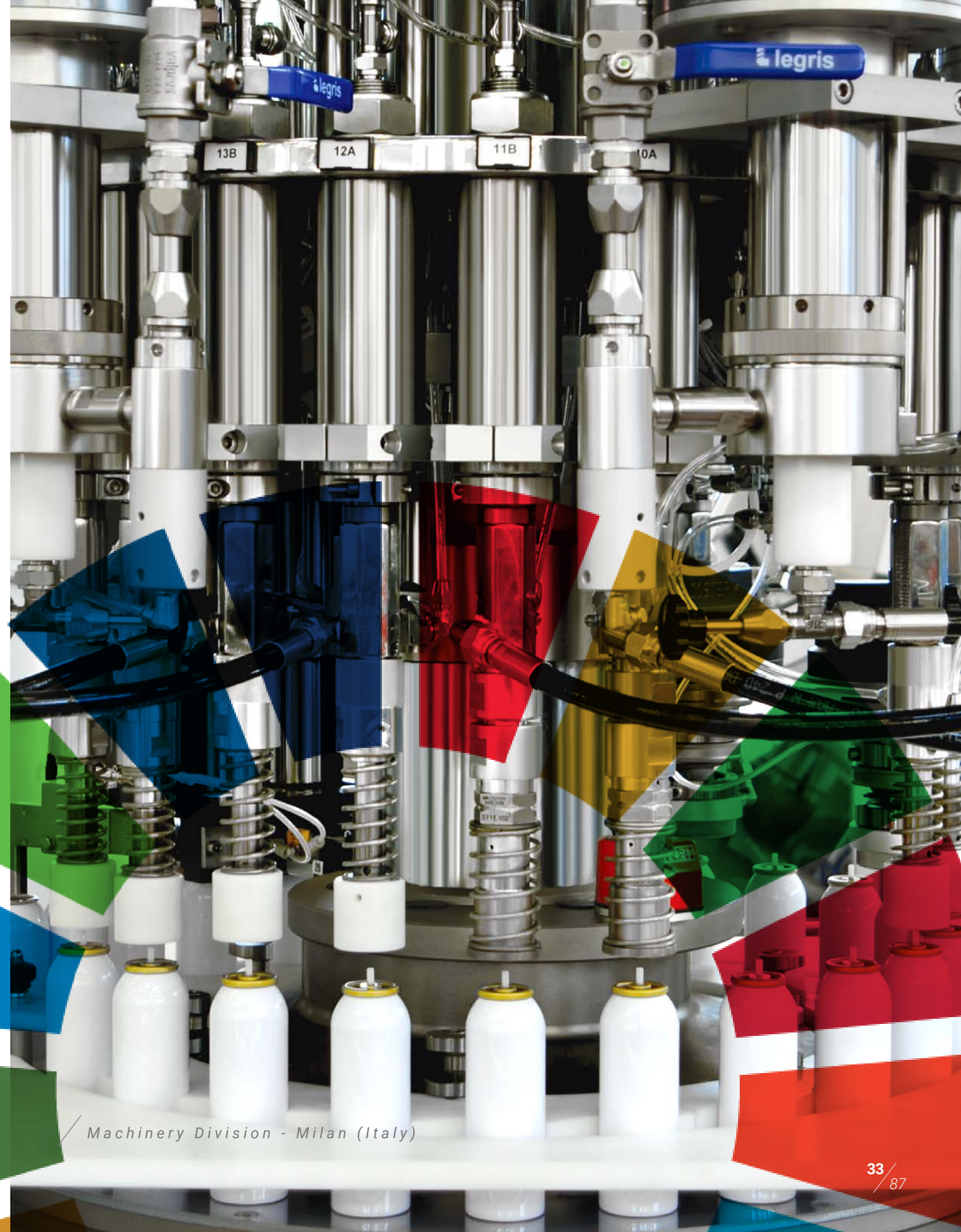
- the Code of Conduct and related Company policies, approved by the Board of Directors, which set out the Company's approach to key issues
- a set of policies to manage specific issues
- the Materiality Matrix, which defines social and environmental priorities
- the Sustainability Program, which includes initiatives, long-term targets, identifies action priorities and confirms commitments undertaken
- the annual Sustainability Report, which discloses the Company's performance on sustainability aspects, expanding on and completing the information provided in the Annual Report
- a set of approximately 20 sustainability-related Key Performance Indicators (KPIs), designed to provide maximum coverage of all the key environmental, social, and governance aspects, in line with GRI Standards
- Coster's website, where there is a dedicated top-level sustainability section presenting the contents of the most recent Sustainability actions, along with regular updates.



SUSTAINABLE DEVELOPMENT GOALS

Coster is aware that contributing to sustainable growth means building alliances with influential partners and experiences and pursues common goals. In fact, no individual organisation will be able to solve and manage the new environmental challenges and problems alone. To this end, Coster fully supports the Sustainable Development Goals, a

United Nations initiative aimed at reaching 17 different goals recognizing that ending poverty must be combined with strategies that build economic growth and addresses a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection.



Machinery Division - Milan (Italy)

Sustainable Development

Coster fully supports the Sustainable Development Goals



Ensure access to affordable, reliable, sustainable and modern energy for all

Promote inclusive and sustainable economic growth, employment and decent work for all

Build resilient infrastructure, promote sustainable industrialization and foster innovation. Technological progress is the foundation of efforts to achieve environmental objectives, such as increased resource and energy-efficiency. Without technology and innovation, industrialization will not happen, and without industrialization, development will not happen.

Ensure sustainable consumption and production patterns. - Sustainable consumption and production is about promoting resource and energy efficiency, sustainable infrastructure, and providing access to basic services, green and decent jobs and a better quality of life for all. Its implementation helps to achieve overall development plans, reduce future economic, environmental and social costs, strengthen economic competitiveness and reduce poverty. Sustainable consumption and production aims at "doing more and better with less," increasing net welfare gains from economic activities by reducing resource use, degradation

Coster's sustainability areas of commitment and most material topics are aligned with the United Nations Sustainable Development Goals (SDG's) and the objectives identified in the internationally-agreed 2030 Agenda for Sustainable Development.



	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Market opportunities		●		
Research and innovation	●	●	●	●
Health and Safety		●		
Work conditions and social protection		●	●	
Client satisfaction			●	●
Industrial Excellency		●	●	
Finished product			●	●
Product Quality	●		●	●
Employee satisfaction		●		
Energy consumption and CO2 emissions	●			●
Financial Independence		●		
Structures and decision-making Processes		●		
Corruption		●		
Raw materials	●			●
Supply Chain	●	●	●	●
Sustainable purchases				●
Social Dialogue		●		
Waste Management				●
Local communities		●		
Use of water				●



Technical Laboratory - Torelló Plant (Spain)

Quality

a Coster strength

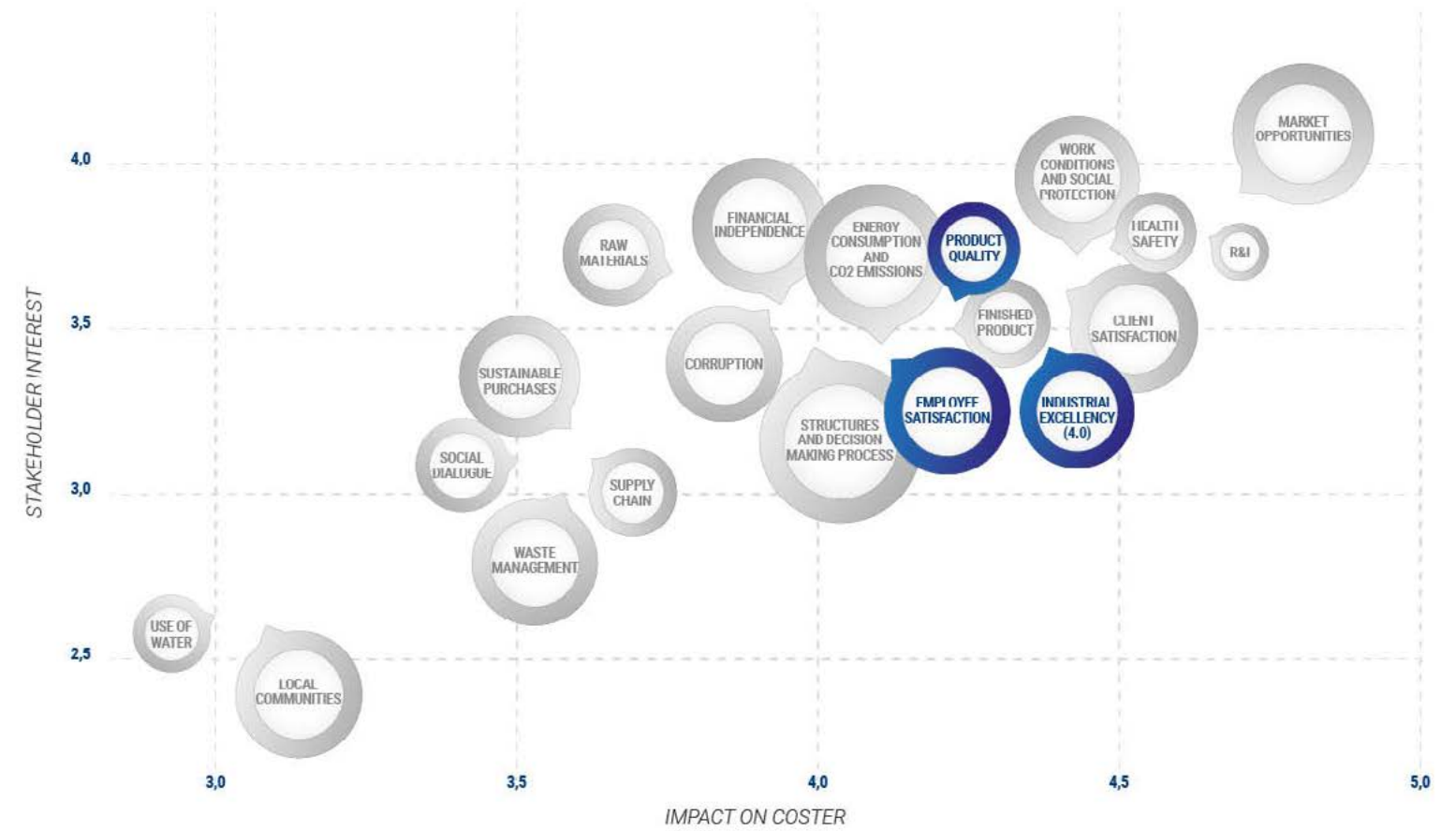
Quality has been recognized by our customers as one of the main Coster strengths. Through its years of activity, Coster has acquired an extraordinary expertise in managing the production of different types of aerosol valves and actuators, spray-caps, spray pumps and dispensers under the concepts of “specialization” by means of plants producing single product lines, “vertical integration” standing for moulding and assembly in the same facility, and “automation” covering 100% of logistic flow in production. Highly automated solution, machinery, mistake-proofing systems, visual management, human error reduction tools are supported by avant-garde IT systems (e.g. M.E.S., SPC) and adequate working environments to achieve the highest quality levels.

Coster is equipped with numerous tools and proper equipment to control product compliance. The management of these tools, together with the responsibility and records, are defined and recorded. Coster uses external certified laboratories which are qualified to calibrate and control the tools,

and the internal machinery, which are monitored by qualified employees who must follow documented records and instructions. The procedure establishes the correct method to identify, label, preserve, evaluate the conformity of the tools and management the equipment assessed as not adequate.

The quality level offered by Coster is powered and assured by robust Quality Management System, which covers the risk-based thinking, the change management, the validation & qualification approach additional to the standard requirements concurring to the objectives of product & service quality, continuous improvement and customer satisfaction. The effectiveness of the management systems is regularly assessed by the notified body and clients, who make quality audits and issue the “Supplier Evaluations”. Thus, Coster establishes an Improvement Plan and shares it with the client.

The Executive Committee reviews on a monthly and annual basis the performances and the quality inputs, then prepares

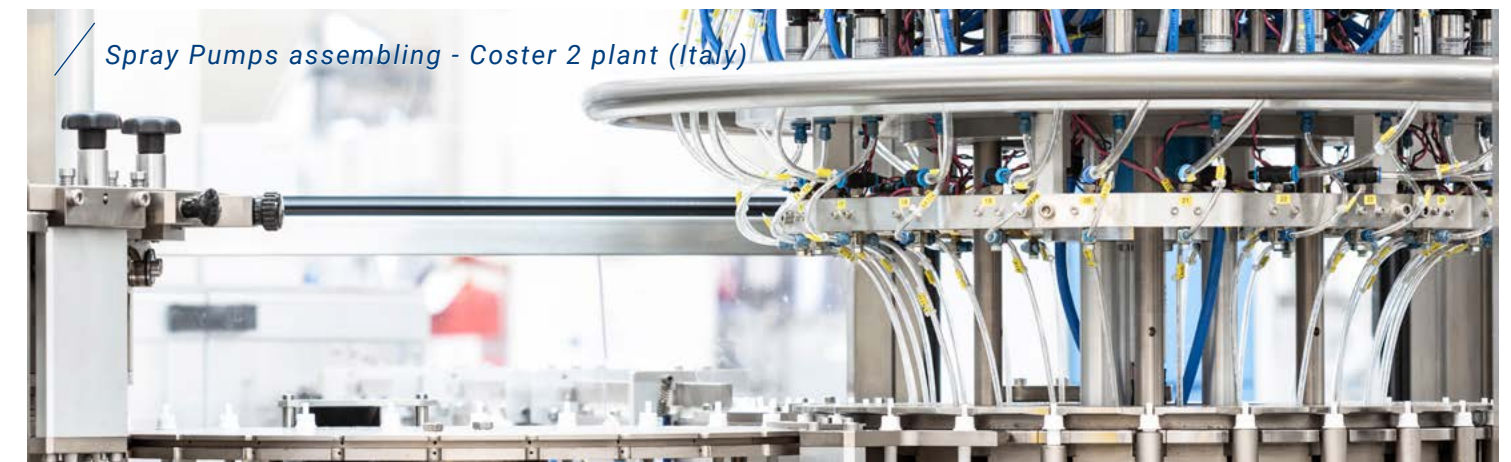


corrective or improvement actions. The Executive Committee also evaluates general assessment indexes such as the volume of trade, the economic-financial reporting, the progress of projects through their periodic reports.

A similar approach is set in place for internal audits, with the resulting corrective and improvement actions and their effectiveness is evaluated on the short- or long-term, on the impact they will have on the projects, new developments and occurrence of the non-conformities and deviations. Coster

believes that the internal audit is a valid opportunity to use the skills and to share relevant information between the auditors and the audited area.

Coster experts control all the production cycle and materials, which are rigorously tested. **All valves, actuators, spray caps, spray pumps and dispensers are produced and packed in a high-level safe and adequate environment, to assure the final consumer's safety.**



The following chart resumes the Certification status of the Coster manufacturing facilities:

	ISO 9001	OHSAS 18001	ISO 50001	ISO 22716	ISO 14001	ISO 15378	BRC
Coster 1	●			●		● <i>only centralized process</i>	
Coster 2	●			●		● <i>only clean room and centralized process</i>	
Coster 3	●		●	●			
Costerplast S.p.A.	●	●	●	●	●		
Tecnocoster	●			●			
Coster B&S (Holland)	●						
Costertec S.A. (Spain)	●	●		●	●		
Coster Aerosols Ltd Stevenage (UK)	●						●
Coster Aerosols Ltd Barlborough (UK)	●						●
Coster USA	●				●		
Coster Packaging S.A. Argentina	●						●
Coster India Packaging Pvt Ltd	●						
Coster Asia Pacific (Malaysia)	●						



QUALITY

avant-garde IT systems and adequate working environments to achieve the highest quality levels

NSCP pump still life - Coster 1 (Italy)

Risk Management

Reduce risk likelihood of occurrence

Cyber Risk Management

Fully compliant with national laws

Coster is committed to managing and mitigating the risks to our business and covers a broad range of topics, including socio-economic uncertainty; regulatory initiatives; competitive actions; industrial accidents; natural disasters; risks posed by climate change; liability claims and lawsuits; portfolio management and investor decisions; employee health, safety, and retention issues; and similar exposures among Coster's supply chain.

Risks can be defined as minor or significant and can be classified as local, regional or global risks. They are often tangible – usually quantified in financial terms – or more qualitative, such as the reputational risk among business partners, clients or shareholders. After first identifying the risks, Coster takes pre-emptive measures to reduce their likelihood of occurrence, develops plans for responding to risks should they occur, and where possible, secures insurance to cover potential losses.

Coster management group conducts on regular base a risk assessment based on bottom-up approach, beginning with

functional areas and then communicates to the local Chief Officer or to the Director having jurisdiction on the subject, who will in turn communicate the results to the Executive Committee. During this phase of assessment, facilities and functions are analysed in terms of their relative vulnerability and the potential impact of disruptions. Reputational, operational and financial risks are taken into account.

In 2017 Coster has issued the Business Contingency Policy which covers the following aspects: computer system, power and energy disruption, communication; emergency plans; raw materials and components; hot alternate sites and equipment; management continuity; personnel; insurance. Subsequently, significant global focus risks are identified and risk dashboards created to monitor major risk indicators as well as current and go-forward mitigation efforts.

In 2017 Coster Tecnologie Speciali SpA launched the activity for the implementation of the Safety Management Systems which its completion has been estimated by end 2018.

Coster is committed to collecting and processing the clients' personal data in compliance with the legal provisions in force. This includes electronic data, paper documents and verbal exchanges via phone calls and direct communications.

Within the group, information is processed and managed regarding sensitive information such as: transactions, contracts and confidential customers, staff and products.

Coster is committed to protecting such data from unauthorized or accidental alteration, loss or unauthorized disclosure. Coster ensures that the clients' data and information must be available and usable on the part of the client.

Coster is fully compliant with national laws on preserving personal data and, to this end, conforms with the D.Lgs 193/2003 in force in Italy. The procedures put in action to comply with the Italian law will be used by the other Coster sites around the world as a guideline.

To this regard, Coster is implementing the correct policies and procedures necessary to conform to the European Union's GDPR – General Data Protection Regulation, which will be enforced from May 25th 2018 onwards. The GDPR aims at aligning the different European laws concerning data management and on the user's right to have full control on information regarding them.

For what concerns interruption of business activities, Coster has established and set up measures aiming at reducing the risks and consequences caused by failure of the computer systems and communication. The cyber risk management involves:

- **Protection of data and servers: through mirroring the main data archives on-line, virtualize servers with regular back-ups**
- **Protection of communication and energy continuity**

Environment

To ask less of the planet
we're asking more of ourselves



Environmental responsibility

Coster is committed to continuously improve the environmental performance of its production processes by adopting enhanced technologies and by acting responsibly to mitigate its environmental impact.

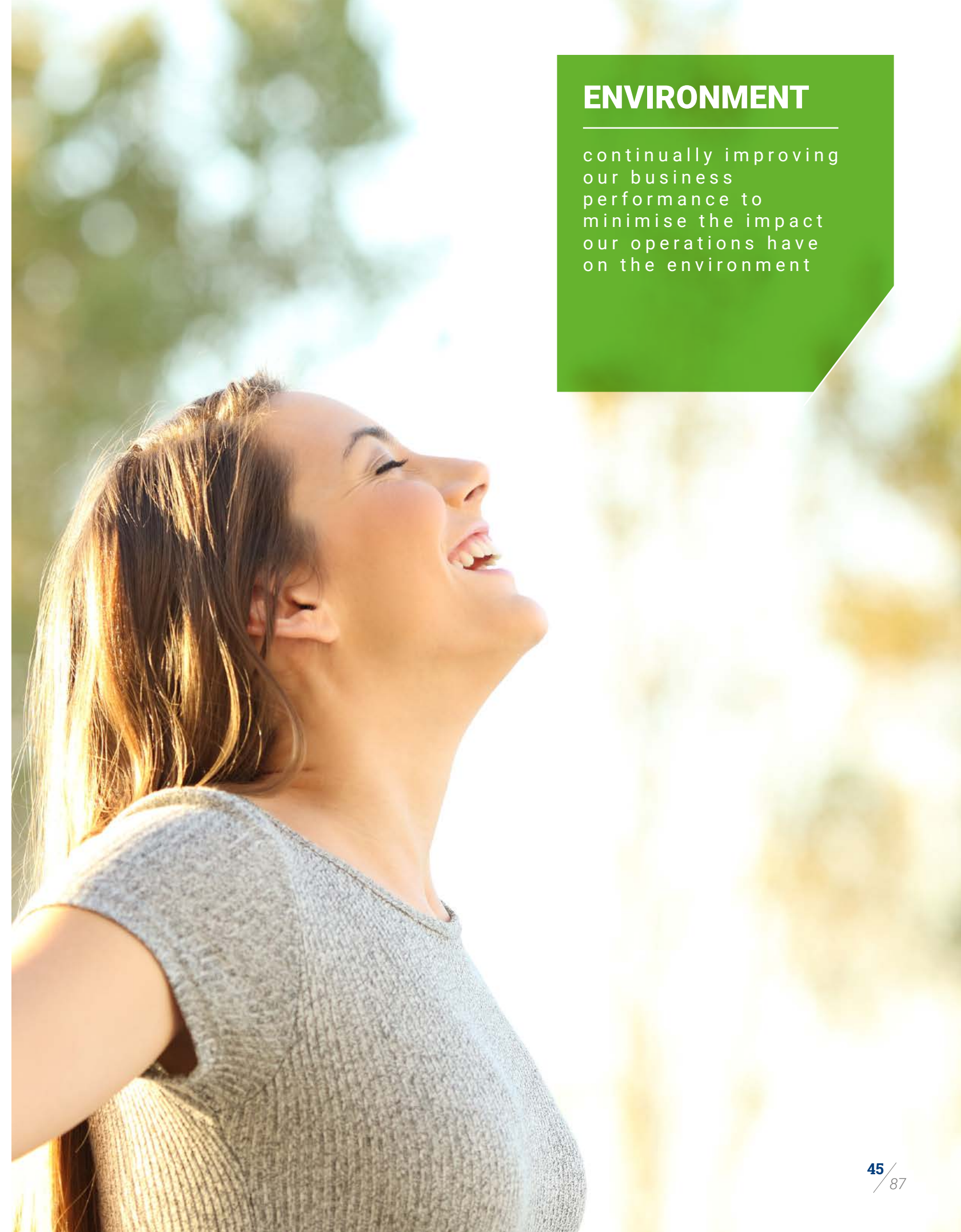
Our environment mission is to provide a better quality of life today and a more environmentally responsible world

tomorrow, by continually improving our business performance to minimise the impact our operations have on the environment.

In 2017, Coster was committed to reduce its environmental footprint and conducted various initiatives with a significant expenditure amount.

ENVIRONMENT

continually improving our business performance to minimise the impact our operations have on the environment



Energy Consumption

Seeking solutions to reduce consumption

Coster is primarily an energy – consumer company and has been seeking solutions to further reduce its consumption. Energy is provided by regional networks which rely on different partners and distribution lines. For what concerns the site located in Pero (MI), it relies on solar panels to autonomously produce energy to reduce the dependence on external energy suppliers.

The company mainly uses energy for the injection moulding process and the auxiliary systems for assembly. Hence, Coster has decided to normalize the data on electrical consumption

Energy consumption normalized for the production of 1kg of plastic – avg value for the 7 sites with inj molding facility

**2,75
Kwh**

**5,36
Kwh**

Energy consumption normalized for the assembly of 1000 items – avg value for the 10 sites with assembly process providing the data (excluded Coster B&S)

**32.493.718
Kwh**

Total energy consumption in 2017

using as a benchmark the volume on transformed plastic and the volume of assembled finished product. In this way, Coster is able to properly evaluate the trend on energy consumption for the following years.

In 2017, **Coster aims to reduce by 3% the use of energy to produce 1kg of plastic material and/or assemble 1000 pieces.** The key to achieve such a positive target is through investments in new energy saving technologies and managing properly resources and assets currently present.



Injection moulding machine - Coster 1 (Italy)

Hence, in 2017 Coster has started to implement several activities to improve energy efficiency of systems and equipment, etc.:

- Energy Baseline for site Coster3 which was issued and presented to the Management on May the 3rd 2017
- Identification of energy-consuming centres, energy significance matrix, projects for energy saving. The result of this

activity brought a 60TEP consumption reduction from 2015 up to the 1st quarter 2017

- ISO 50001 Certification Initial Audit was completed on May the 26th 2017 at site Coster3, following the first Certification obtained by site Costerplast on Jan the 25th 2016
- Electricity purchase from renewable sources (ECODOC – Electric Energy from Nature)

Although this non-financial disclosure is the first of its kind for Coster, the company was able to reach the following results in 2017 based on the previous years' performance through its first steps toward a more sustainable management of its operations:

- Installation of full electrical injection moulding machines (also replacing the hydraulic ones): 7 new machines installed in Italian facilities with a benefit of 50% reduction of the energy consumption
- In Tecnocoster facility 2 new electric assembly machines (replacing old equipment) have been installed. The connected benefits have been an overall reduction of energy and compressed air consumption, combined with the reduction of noise pollution.
- In Coster2 new air compressor plant with inverters and ON-OFF system have been installed, which brought a 15% efficiency increase
- Coster Packaging, Costertec S.A., Coster USA and Coster B&S have replaced neon with led lightening in the sites,

reaching a 65% reduction of the energy consumption for lightening.

- Coster USA has started a study for solar panels installation. Adoption of destratification fans to equalize temperature in the rooms, which brought energy saving and increased comfort.
- Costertec facility has completed the new production building. Its most notable characteristics are: all led lightening, «Free cooling» air conditioning machines (high energy efficiency), Industrial demotics with automatic control of temperature & lightening remote operated.
- Costerplast facility has installed an energy & water recovery system. The new plant recovers the water used in the moulds cooling circuit for the air conditioning system

Water Stewardship

Preserving water integrity

814.051 m³

Ground Water Consumption

Coster's Head office is located in Trentino region in the North of Italy, in Calceranica al Lago, near the lakes of Caldonazzo and Levico.

Although water is not a key element in the production process and is only used in the cooling system of injection moulding and work place conditioning, **Coster is fully aware that water is an essential element for the environments' wellbeing and has always aimed at preserving its integrity by not impacting water sources with its production.**

In 2017, Coster had withdrawn a total of **869.448 m³** of water, prevalently from ground water and wells. *Note: data not available from ACR, Pero headquarter and Machinery division, Coster Ltd.*

Coster aim is to continue this conscious approach, trying to integrate water saving activities and sensitising its employees on a more mindful use of it.

55.397 m³

Municipal Water supplies

Waste Management & Recycling

Optimal recovery and reuse with minimal waste

To reduce the consumption of raw materials and related environmental impacts, Coster has implemented procedures to pursue optimal recovery and reuse with minimal waste. We strive to recycle what cannot be reused. If neither reuse nor recovery is possible, waste is disposed of using the method available that has the least environmental impact (waste-to-energy conversion or treatment) with landfills used only as a last resort.

Coster does not produce hazardous waste and the waste disposal method depends on the CER code associated with the single item. Disposal is always handled by third-party companies or collection companies.

In 2017, Coster launched and was able to complete several initiatives aimed at improving waste management, such as:

- Arrangement of new and confined ecological areas in the facilities
- In Coster2 facility, the re-definition with the local government of the waste CER code for the assembled parts, from non-recyclable waste to mixed materials packaging. This initiative is estimated to increase from 83% to over 99% of waste to energy (from 16% to next to zero land-

fill).

- Coster SPA facilities was able to reach an agreement to confer all the «mixed materials packaging» waste to a company which grinds & separates materials, increasing the clean recovery process;
- Coster3 facility installed a new oil separator plant for the compressors condensate purification. This has been implemented to produce only clean water discharge, reducing more than 50% of oil emulsion waste;
- Coster B&S facility implemented heat recovery from air compressors, purchased hybrid company cars and started a Partnership with Polymer Science Park for Sustainable Innovation in injection molding;
- Coster Sarl takes part in the Aerosol Recycling work group created by the CFA (Comité Français des Aérosols, member of the FEA).

The aim of this group is to identify the correct recycling channels for each product types and measuring the amount of aerosols currently recycled on the French market, understanding the constraints for the recycling of this specific packaging, providing recommendations to improve the aerosols recycling % and limit the safety risks in recycling centers

Recycling

1.089.483 kg

Waste to energy

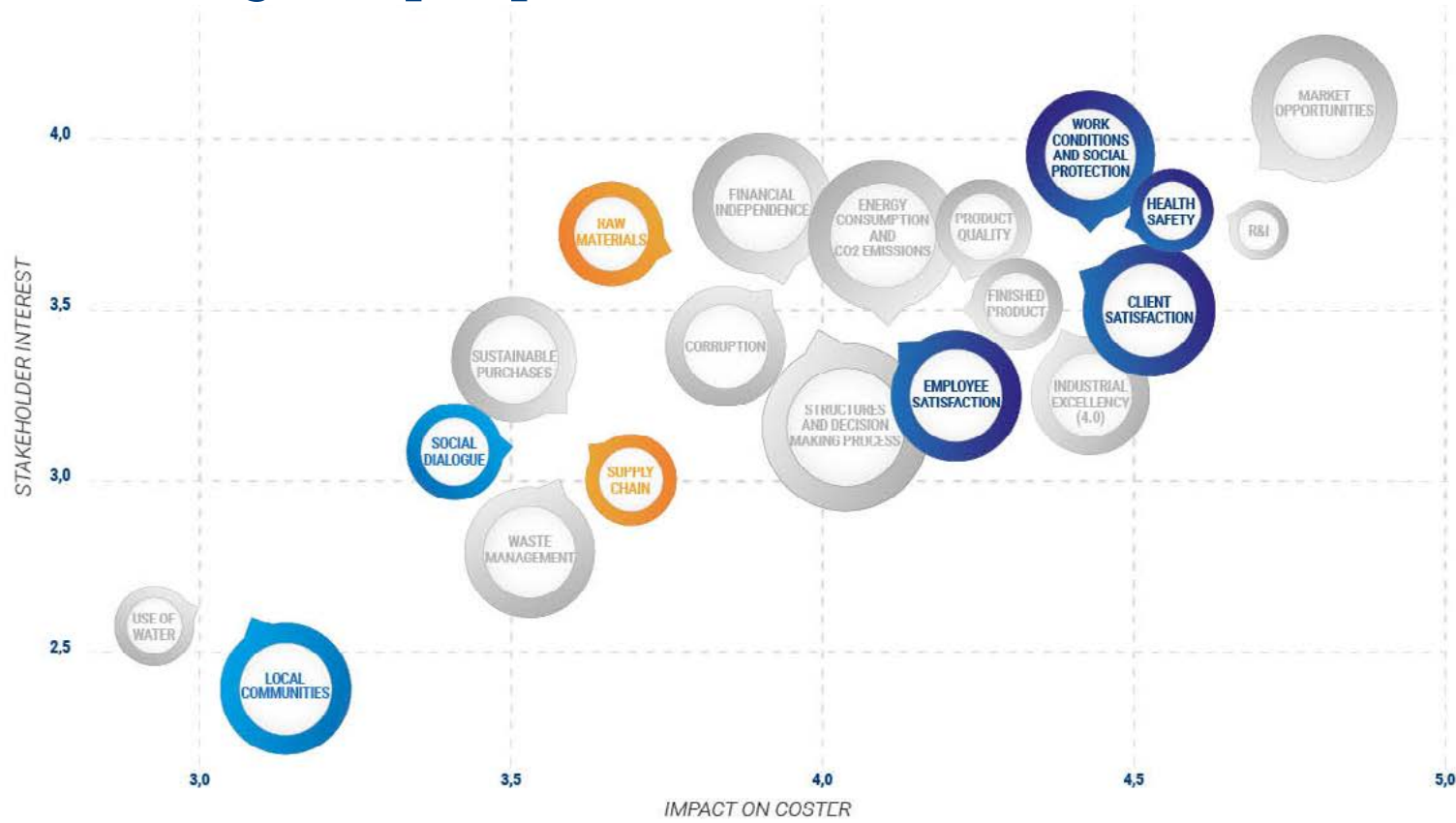
140.613 kg

Landfill

253.693 kg

Community

Valuing our people



Potential impact of operations on local communities

For more than 50 years, Coster has directly and indirectly contributed to the economic development of the local areas and communities where the group operates.

Coster's Italian facilities are located in the municipalities of Milan, in Pero, and in Trento, more precisely in Calceranica al Lago, Caldonazzo and Castelnovo. A part for Coster 1 plant is located in a residential area, the other facilities are in industrial and commercial areas with no resellers.

Coster's productive processes do not produce emissions that may affect the atmosphere, light pollution, discharges into the surrounding environment, odours, noise beyond limits imposed by law, vehicle traffic that may affect normal traffic flow. There are no records of tensions with the local administration, where as there is a mutual beneficiary relationship.

The location of the facilities does not have an impact on the surrounding areas and on the carried-out activities as the design and the maintenance status of the buildings and of the adjacent areas respect the local landscape features.

Coster's employees are mostly locals, from the sites' municipalities and the surrounding areas, and represent a relevant source direct and indirect income for the families in the area by generating employment opportunities. **By hiring local employees, Coster is also able to minimize transport-related environmental impacts.** Furthermore, Coster collaborates with local companies providing services such as maintenance, plumbing, electronic and mechanic assistance.



Coster has always been locally active and has always included the well-being of its employees and the communities including in its business policy continuous investments, modern and ergonomic structures, aiming at providing its employees with excellent working conditions (attention to their work environment and on having clean facilities) and services (canteen, dry-cleaning, etc.).



Firefighting simulation maneuvers made in Coster 1 plant by Calceranica fire brigades in 2017

Furthermore, Coster is actively involved in civil society, with different initiatives that directly involve their employees, such as:

- Coster Tecnologie Speciali SpA: workers joining public fire brigades voluntary service are given free dispensation to serve in case of emergency call during the working time.
- Donation to local public fire brigades and to Italian Onlus associations for research (cancer, dementia, Alzheimer) and

emergency (Unicef).

- Coster Packaging S.A.: collaboration and patronizing the education body of the Municipio de Pilar. Sponsorship of the Institución Fatima (people with visual and hearing diseases).
- Coster Ltd: support local charities. Sponsorship of a local children's football team

Employees

Source of passion, creativity and innovation

Coster's worldwide team of around **960 employees** brings together a diverse set of skills and experience to create value for our many stakeholders inside and outside the Company. **Employees are Coster's greatest asset and the source of passion, creativity and innovation that drives the company's business.**

We endeavour to create a rewarding, safe and healthy workplace that enables employees to collaborate in ways that transform differences into strengths, breaking down geographic and cultural barriers and developing each person's potential.

Coster is committed to reach its sustainability objectives and to do so, the Company ensures that its employees are engaged and equipped to help drive progress towards the company's sustainability's goals and objectives.

Coster expects employees at all levels to bring their knowledge, skills and experience to the job, in order to identify opportunities and act as catalysts for change. This enables the group to adapt, reacting quickly to the market and to competitive actions.

To achieve the Company's objectives, human resources supports robust processes designed to both secure the talent required by the business and to provide employees with opportunities during their entire career, from recruiting to retirement.

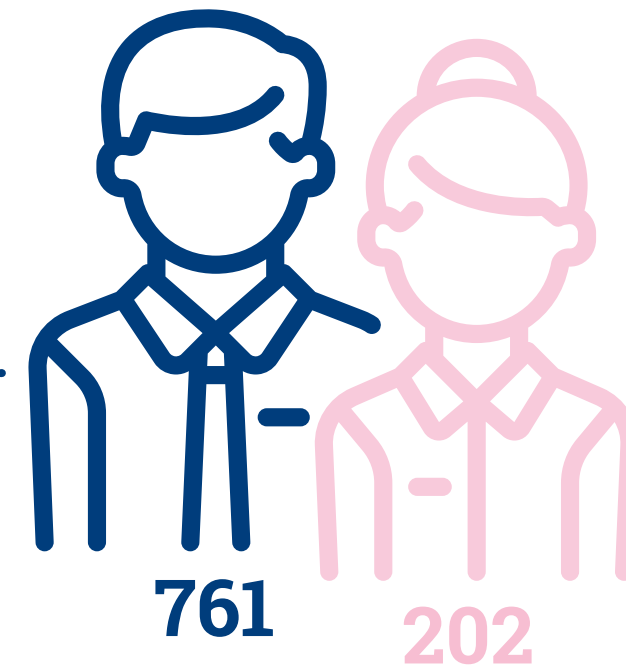
As of December 31, 2017, the Group employed 963 people and its Management in the various locations of Coster's sites are all locals, and live in the surrounding areas/provinces of the sites.

We embrace inclusion and do not tolerate discrimination in our workplace. Employees are expected to follow the Code of Ethics and behavioural expectations of Coster's Code of Ethics that details the Company's commitment to maintaining a fair secure, productive and inclusive workplace for all members of our workforce, one in which everyone is valued for their unique contributions to the Company.

Coster is committed to ensure equal employment opportunities for all members of our workforce based on merit, prohibiting any form of discrimination based on race, colour, sex, sexual orientation, gender identity, transgender status, age, marital status, religion, national origin, disability status, or other information. The company promotes equal opportunities in the workplace as a vital quality to human resource management and an indicator of long term success. In fact, Coster believes that a wider and more diverse personnel improves its understanding not only of the workplace but also of its stakeholders/customers. **The company offers employment for individuals with disabilities, counting for 1.5% of total employees in 2017.**

963

Employees



23.600 hours of training



Coster is continually improving its culture through policies, training and employee support systems to meet the needs of our changing workforce. Coster is committed to achieving 50-50 representation of women and men in all parts of our Company. The company continues to innovate in the area of global parental leave and employee flexibility. The majority of Coster's sites have a ratio of basic salary and remuneration of women to men exceeding 89% and some, such as Coster GmbH and Coster Sarl, exceed 100%, hence providing women a higher wage than men. However, some sites do not reach this standard. Firstly, Coster Asia was not able to provide the data while, Coster Do Brasil, employing only 2 males, is not able to provide a ratio. For what concerns Costerplast, the presence of female workforce is limited to a small number (7) and all work part-time*. This last factor is particularly relevant because, the above ratio considered the effective salaries (full-time vs part-time) and not the hourly compensation, which would be able to give a more realistic view of the remuneration gap (or lack thereof), which will be taken in consideration for the 2018 Coster Sustainability Report.

Coster is aligned with the vision of the United Nations Sustainable Development Goal on Gender Equality through a variety of activities that aim to advance the roles in women in the manufacturing workforce. These include, among others, formal processes to monitor the application of our core equity and fairness principles to compensation levels, annual salary reviews and promotions and work-life balance arrangements.

In 2017, Coster group considered necessary to organize Human rights assessments or reviews, such **SMETA IV PILLARS**, which does not only cover labor practice and human rights but also safety, environmental aspects and business ethics. The first audit has been conducted in October 2017 in Coster India and, subsequently, an audit schedule has been set for 2018 to cover the Coster's sites in Argentina, Spain and Italy (only Coster SpA), covering 75,3% of employees and 59% of the tot turnover.

Ratio of basic salary and remuneration of women to men

Costerpack Manufacturing	N/A
Coster SPA	94%
Coster B&S	100%
Coster GMBH	103%
Coster India	100%
Coster Packaging	100%
Coster SARL	112%
Coster USA	100%
Costerplast*	44.9%
Costertec	100%
Tecnocoster	89.7%
Coster LTD	100%



Our Sustainability Platform based on social elements, health and well-being initiatives contribute to the very low number of temporary workers and personnel turnover rates.

Turnover Rate

In 2017, Coster registered **103 outgoing male** employees and **18 outgoing women** employees, for a total of **121 employees**. For what concerns the relatively high number of resigning male employees were registered in the site in India and it was due to frequent cases of absenteeism exceeding the permit period. The significant locations of operation considered for this KPI are the Italian and Latam companies covering TOT 48% of the 2017 Group turnover.

	RESIGNING MEN	RESIGNING WOMEN	TURNOVER RATE M	TURNOVER RATE F
EMEA	16	8	0.040	0.058
APAC	83	9	0.358	0.200
LATAM	1	0	0.008	0
NAFTA	3	1	0.187	0.125
TOTAL	103	18	0.135	0.089



Quality check - Coster 3 - Caldonazzo (Italy)

Occupational health and safety

Safe and ergonomic work environment

Coster considers the promotion of health and safety as one of the priorities. For this reason, Coster aims to achieve, maintain and comply with the requirements set in this area by the applicable regulations in the countries where the Group operates with an approach based on continuous improvement, provide all employees with a safe, healthy and productive work environment.

The company provides a safe and ergonomic work environment for its employees. Most sites have recently undergone renovation or construction and the working areas are spacious, adequately lit (with led lighting), with air conditioning (where necessary) and regularly monitored for what concerns noise. Furthermore, Coster provides its employees work uniforms, laundry/dry cleaning service and individual protective equipment and devices.

Coster meets all the applicable legislative requirements for what concerns Occupational Health and safety, focusing on identifying and evaluating safety and health risks; implementing safety and ergonomics standards; increasing use of collaborative robots; promoting employee awareness and safe behaviour; encouraging a healthy lifestyle.

In particular, the Safety initiatives launched and planned for completion in 2017 have been the following:

- Coster1 facility: installation of the new molds' cooling plant (patented Bauer solution, first in Italy) with water filtering system by ultrasound. Benefits:
 - › no use of additives and antibacterials mixed with the glycol. Their chemical degradation produces equivalent formaldehyde
 - › No water treatment. Water is kept pure in a close circuit, separated by the glycol. The cooler plant is outside the facility
- Coster Packaging S.A. facility: completion of ergonomic study in all work stations/places
- Costertec S.A. facility: micro-hole ceiling installation in the new production building for noise reduction, new Lab filling room installation with avant-garde Atex, alarms and remote operated controls

The goal of achieving zero accidents is formalized in the targets set by the Company, as well as through the global adoption of an Occupational Health and Safety Management System (OHSMS) certified to the OHSAS 18001 standard.



Tecnocoster - Castelnuovo (Italy)



The expenditures in 2017 on health and safety include investments in technological innovation, remediation costs, prevention and the above-mentioned H&S management systems. During the reporting period a total of 16 employees (14 male + 2 female) were injured during the performance of their duties.

	N. injured
ACR	0
Coster ASIA	0
Coster SPA	4
Coster B&S	0
Coster Do Brasil	0
Coster GMBH	0
Coster India	0
Coster Packaging	3
Coster SARL	0
Coster USA	2
Costerplast	0
Costertec	7
Tecnocoster	0
Coster LTD	0
TOTAL	16

Health promotion



Coster offers numerous programs and services for employees and their families to promote and support individual safety, well-being and a healthy lifestyle at and away from the workplace, such as:

- Coaching and psychological support (Coster3 and Costerplast)
- Medical screening (e.g. cardiovascular check-ups), vaccination (e.g. flu vaccination), health insurance and assis-

tance in purchasing medicines

- Training on correct lifestyle (e.g. initiatives to stop smoking) and work related stress
- Assistance in buying bicycles
- Safe driving training
- Promotion of physical exercise through sports teams or clubs, and advice on how to increase daily exercise. For example, dedicating special areas of the Company to sports activities (picture from Coster Packaging)

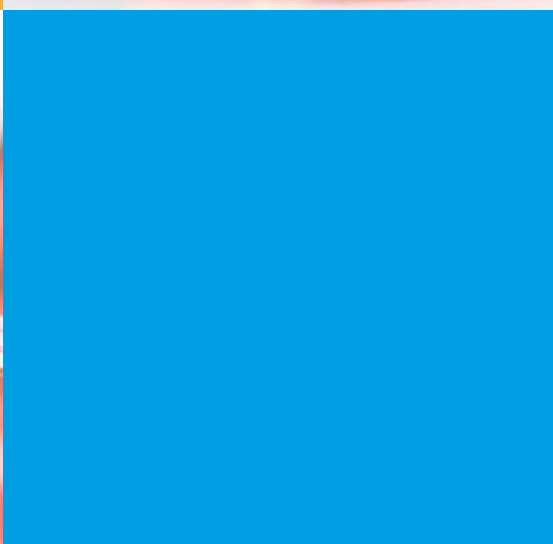
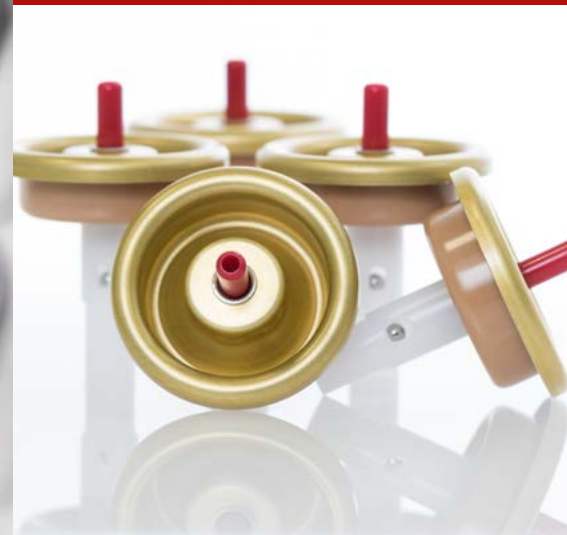
Employee satisfaction



Employees are Coster's greatest treasure and, for this reason, the group has always strived to ensure that they feel valued and are included in the decisions making process. To this regard, Coster believes that to have happy employees, it is of essential to create a satisfying and positive work place environment.

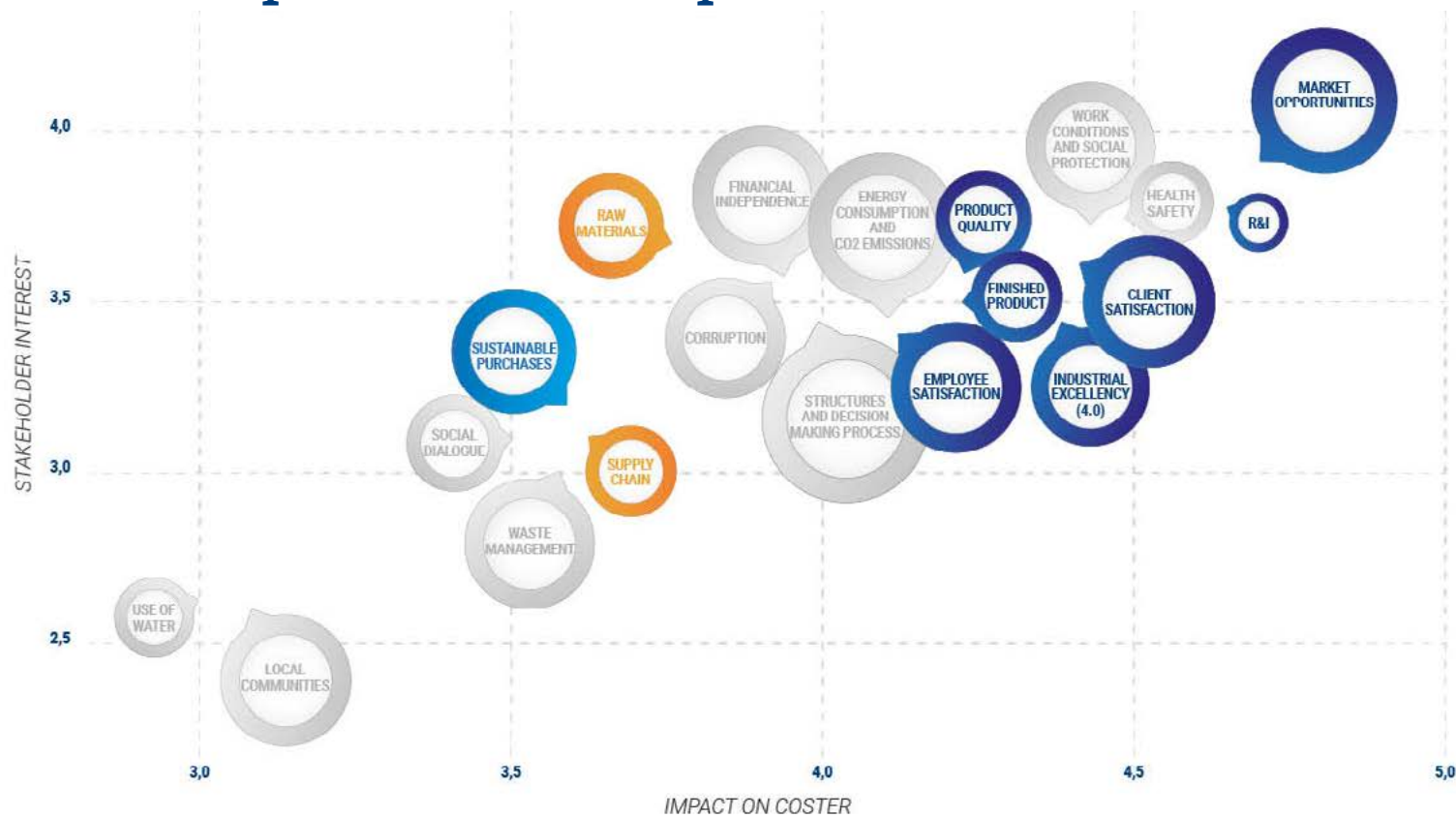
To this regard, Coster Packaging has decided to show its appreciation to its employees by organizing different activi-

ties. Other than Mother's day and Father's day, yearly Christmas boxes, school supplies for children, gifts for new born babies, gifts for the most present employee, best colleague prize "Mejor Compañero", gifts on Easter and birthdays, Coster Packaging has organized a yearly "Dia de Familia", where employees' families are invited to the site to really see how their significant other, parent or relative works.



Products

Strong and well proven reputation in new product development



Packaging components and filling equipment

Since 1963, Coster designs and manufactures high-quality filling systems for a variety of product forms, from aerosols to spray and dispensing products for personal care & cosmetics, pharmaceutical, perfumery, home and technical markets, providing a complete range of spray and dispensing packaging components such as: standard aerosol valves and actuators, special actuators, spray caps, spray pumps and dispensers.

Coster is the world's only company to produce both packaging components and filling equipment. The product range covering fully and semiautomatic lines and lab scale equipment, the manufacturing capacity of 10 complete lines per year, the features to offer tailor made solutions for pharma and aerosol applications with a special sight to new technology, bring Coster to be the second worldwide supplier. In 2017 the filling equipment covered 7% of the total group turnover.



Aerosol Valves

1 inch valves
20 mm valves
BOV: bag-on-valves
Metering valves
Special valves

Coster machines fill a variety of product forms, from aerosols to sprays and dispensing products:

- Personal Care & Cosmetics: deodorants, shaving gels / foams, sun-screens
- Pharmaceutical: MDIs, nasal sprays, saline solutions, topical aerosols
- Perfumery: perfumes, body sprays
- Home: room fresheners, iron starches, insecticides, dust and spot removers
- Technical: car repair products, paints.

Actuators & Spray Caps

Actuators
Spray caps
Special actuators & spray caps (custom)

Pumps

Spray pumps
Perfumery pumps
Dispensing pumps

Quantity (in million) sold in 2017

Valves	1.670
Special Actuators & Spray Caps	990
Pumps	440



Innovation

Striving for Excellence

Coster has a strong and well proven reputation in new product development – innovation is part of its strategy and a key driver of growth for the future. Coster knows that its success depends on its **ability to develop innovative, high-quality products that are flexible to our clients' needs in terms of aesthetics and functionality**. The Group's emphasis on products and process innovation, particularly focused on both custom and sustainable solutions with enhanced environmental footprint, plays a key role in product research and development.

Two Innovation Centres of Excellence (CoE) with more than 40 technicians involved in:

- Italy: Valves, Pumps and Actuators CoE
- Spain: Perfumery Pump CoE

Coster's innovation centres are responsible for all product development, which consists in both introduction of new stock items that responds to specific market needs and the development of custom solutions based on client's briefs.

Coster introduced the BOV (Bag-on-Valves) in the market in

the early '80s, on a technical application, and in 2017 worked to the latest innovation of AirNext, the new aerosol generation. As of today, more than 220 patents and patent applications have been filed.

Thanks to skilled teams of designers, lab technicians, sales & marketing, Coster provides complete custom solutions both for aerosol & spray systems and filling machinery able to meet every clients' needs. **Coster's R&I activities are aimed at improving the design, performance, safety, energy efficiency, reliability, consumer perception and sustainability of the Group's products and services.**

During the first sustainability-focused stakeholder engagements, Coster's top management confirmed research and innovation as one of the key material topics for the Group. The primary R&I Coster departments are located in Italy, at our head office in Coster 1 plant, in Calceranica al Lago.



Sferino Actuator developed with Coster Platform Technology



1st Industrial introduction of BOV technology in technical product

Industry 4.0

Part of the industrial vision of the ownership



Coster has always looked at Industry 4.0 as a goal and business leverage to growth from the highest levels of automation implemented in its facilities as part of the industrial vision of the ownership.

Among the four fundamental pillars of the Industry 4.0 model, represented by

- Internet of devices
- Flexible and adaptive configuration of the production processes
- Collaborative automation
- Big data

Coster has been a precursor in particular for the Internet of devices aspect. Facility systems, plants, equipment and ERP have been strongly connected and communicate by means of different protocols. Coster has also gone down the road of the paperless facility, within the scope of the Big data aspect. The Skyway project to integrate the SAP S/4 HANA as

new ERP system grants the opportunity to renew the network structures and extend the multi-devices connection.

Coster has then launched in 2017 some projects to boost the pillar of Industry 4.0 facilities modelling also with a growth in terms of flexible configuration of production processes: the production concepts introduced in the new dispenser pump and actuator manufacturing cells under construction respectively at Coster SpA (Coster2 facility) and Coster Ltd (Barlborough plant), and the M.E.S. renewal represent the current leverages Coster put in place to keep the leadership in the industrial and technological excellence.

Customer Care

Worldwide pre and post-sales technical support



Coster's customer care and the customer service lab are located in Pero. In the lab, the focus is to check the compatibility between client's and Coster's products, supporting the customer with the best delivery system selection according to the product formulation, providing training sessions to the customers and internally about aerosol, giving necessary technical support in team with the centralized technical headquarter in Trento.

Compatibility, functionality, swelling, spray rate, spray pattern, flammability, corrosion, sealing, new formulations, optimization of client's formulas and analytical tests, are conducted according to both internal Coster protocols and international standards referring to the specific test/product.

Coster customer care provides worldwide pre and post-sales technical support. This can be granted not only at the beginning but also throughout the years.

A full set of documentation for operation, maintenance and validation purposes enables conformance with regulatory requirements. Declaration of Compliance with European safety regulations and of Conformance to Atex standards for areas at risk of explosion are provided too. In 2017 the lab has conducted more than 2000 tests supporting the clients.

Coster collaborates with Universities and Research Institutions: The Faculty of Pharmacy of the University of Parma uses a Coster MDI filling machine for testing and developing formulations. Moreover, Coster has strategic partnerships with end-of-line packing machinery providers and complementary machine manufacturers. **Coster collaborates with its customers since the early stages, from development to production, installation and training**

Supply Chain

Global connected with local agility

Promoting sustainable practices in a global supply base is a complex but essential task. The sourcing and logistic management of products are critical to the way Coster takes responsibility for the social and environmental impacts of its activities. As materials move through the supply chain tiers, stakeholders at each step expect responsible management and consideration of impacts generated.

From a Coster organization point of view, Supply Chain consists in the overall management of a customer order pre and post-production. Supply Chain manages upstream and downstream relationship with suppliers and customers to deliver superior customer value at less cost to the supply chain as a whole.

In particular, Supply Chain in Coster aims at:

- Delivering the best in class service to our customers;
 - Increasing the competitiveness by reducing uncertainty;
 - From a financial point of view, to reduce our overall working capital;
 - Increase EBITDA at a Group level;
- This is possible by having direct impact on:
- Planning;
 - Logistics;
 - Sourcing;
 - Third parties Manufacturing;
 - Export;
 - Customer Service;
 - Sustainability.

Coster challenging mission to boost Supply Chain and Procurement becomes a source of fuel for Coster growth agenda; delivering sustainable for profitable growth.

Hence, in 2017 The new Group Supply Chain function has been introduced for the Corporate, reporting directly to the Group CEO in the new Organization Chart. Furthermore, Coster has implemented several activities in the supply chain management towards achieving a sustainable supply chain, subdivided into long-term and short-term projects.

Long Term Projects consisting of 12 initiatives to be implemented in a 3 year span:

- Year 2018 for the inbound/ outbound logistics optimization and logistic partnership with clients implementation, for redesigning the transportation solutions, green supply chain kick off and efficient-green packaging solution
- Production re-organization: a plan of production allocation review has been launched. Industrial optimization, transport reduction, local business strengthening are among the inputs. Ongoing projects: full pumps production in Coster India, components injection moulding in Coster Argentina, Perfumery pumps production in Coster Spain.

The short term program

- Overall assessment of logistics processes with the target to maximize the efficiency and environmental sustainability by implementing solutions that are more environmentally friendly (to reduce our carbon emissions and the number of



LGV in Coster 2 - Calceranica al Lago (Italy)

kilometers driven to deliver our products)

- Second half 2018: replacement of road haulage with bi-modal haulage road and railway for the transportation of tin plate coils from German supplier to Italian manufacturing plant. This solution will avoid about 110 trucks per year travelling from Germany to Italy, with a reduction of about 550 km of road transport each route
- Coster3 facility: study for increase of the qty of valves per box (SW and HW activity). Target is reducing the cardboard box use up to 10% (=50.000 boxes less). Completion date: end of June 2017. Activity shared in the Group ATW (Assembly Technical Workshop) as the Group industrial project of «Efficient valves layering» led by Coster B&S. Other study has been launched to evaluate robotic and anthropomorphic solutions for the most efficient end-of-line packaging into the box.
- Coster3 facility: implementation of the plant and system to replace the cardboard box with plastic reusable pallbox. This is a pilot project with major customers. Completion date: end of June 2017 for the first deliveries
- Costertec facility: reuse for internal semi-finished products of cardboard boxes containing m.cup received from suppliers. The expected benefit of this initiative is to reduce by 2% the consumption of cardboard boxes.



Coster 3 warehouse - Caldonazzo (Italy)

Suppliers

Select suppliers based on their qualifications

Coster is a converter company and does not produce any of the raw materials necessary for its production. Hence, Coster purchases materials such as plastic, metals and rubber, which are then molded and assembled to produce its wide range of items.

Coster uses over **600 suppliers** of materials, goods and services of every type, enabling the company to carefully select suppliers based on their qualifications and clients' needs, to have alternatives and monitor the benefits provided. Furthermore, an average of **68%** of overall Coster's procurement budget for all Italian companies and **75%** for Latam companies (the two major areas of operations) is spent on local suppliers - those operating in the same country as the Coster's sites - and most of them are from the EU and from Italy. The definition of significant location of operation is relevant to the turnover, covering tot 48% of the 2017 Group turnover, associated to manufacturing facility.

Both materials and suppliers are common among the other commercial competitors in the aerosol packaging sector,

many suppliers are reference multinational groups leaders in the market. Coster uses a multi-supplier purchasing network where most suppliers are able to globally distribute the same item. Coster uses outsourced suppliers for moulding plastic components and to assemble finished products. Most of these collaborators are in Italy, prevalently in Trentino region or nearby, and most of them are historical partners, some of them were created by former employees.

The vendor-list is regularly monitored and assessed by Coster's purchasing department and the Quality Assurance department drafts on an annual basis a Vendor-Rating, list used to prepare the yearly Audit Plan.

Coster has in place documented procedures used to determine the suppliers' selection, homologation and document/on-site qualification by means of audits, monitoring and manage the suppliers. Relevant documents are shared with the suppliers with the **WorkPlaceSupplier** program on Coster's extranet, which is connected to the company's intranet.



Coster expects suppliers to treat workers with respect, pay fair wages and ensure reasonable working hours. Child labour and forced labour are strictly prohibited. Coster believes it is important to apply its Code of Ethics to all suppliers, focusing on:

Human rights and working conditions:

- rejection of the use of forced or child labor in any form
- recognition of the right to freedom of association in accordance with applicable laws
- freedom from harassment and discrimination
- safeguarding of employee health and safety
- guarantee of equal opportunities, fair working conditions, appropriate working time, equal compensation, and the right to training for employees.

Respect for the environment and local communities:

- optimized use of resources
- responsible waste management
- management of Substances of Concern in the manufacturing process

- development of low environmental impact products
- use of an environmentally sustainable logistics system
- zero tolerance on land grabs
- due diligence is undertaken to uphold individual or indigenous people's established rights

Business ethics:

- high standards of integrity, honesty and fairness
 - prohibition of corruption and money laundering
- 30% of the about 600 suppliers entered in the Coster SPA vendor-list (at Pero headquarter) formally acknowledged the Coster Ethical Code by signing the commitment form. In particular, 97% of the suppliers of inventory materials have responded to the Coster commitment request, as well as all the services and non-inventory products suppliers having high impact on the quality, processes and expenditure budget (covered amount > 50%).

Raw materials

Controlled by the incoming goods inspection

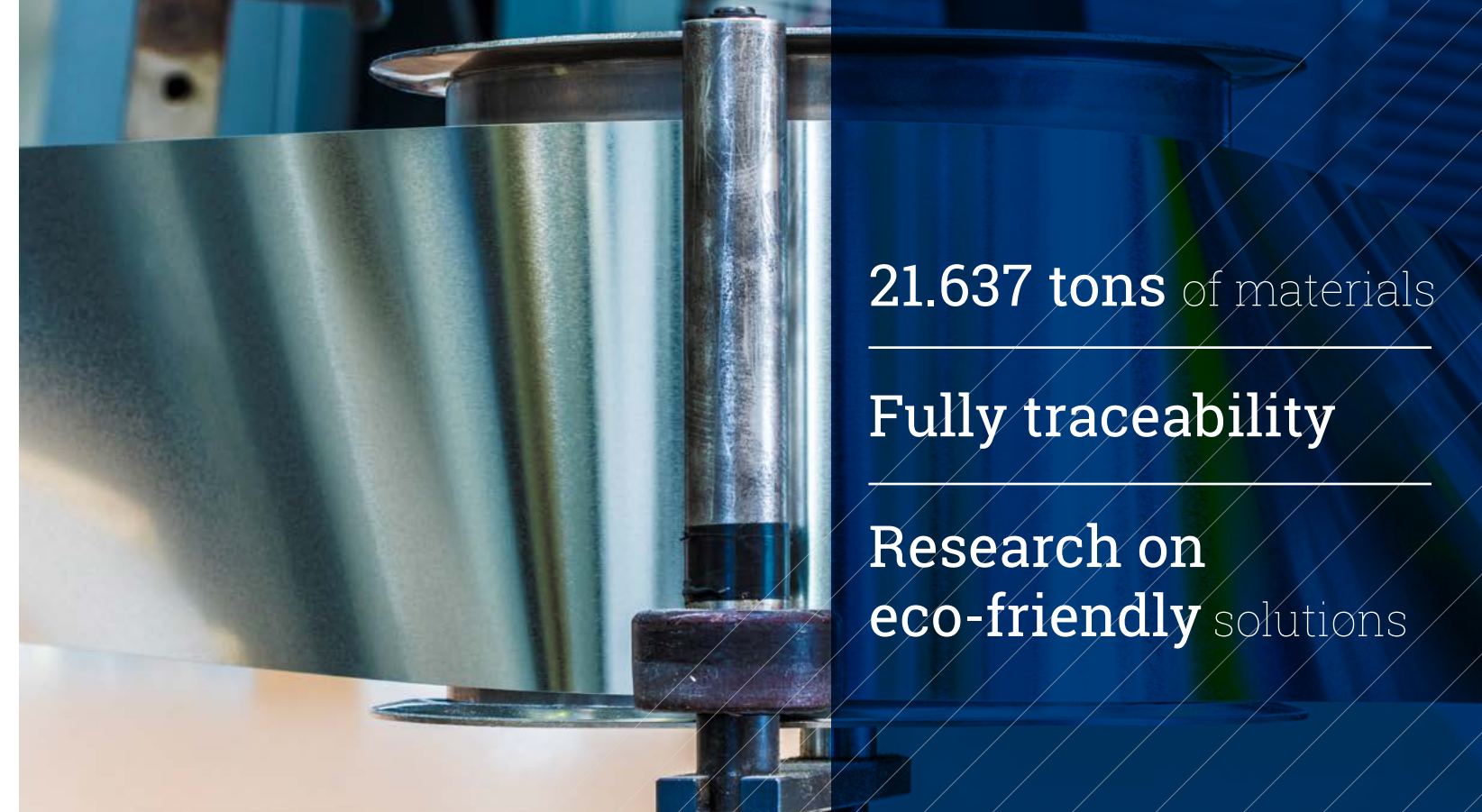
Coster mainly uses polyolefin (PE and PP), acetalic resin (POM) and masterbatches in its production process. Moreover, Coster purchases different components made from plastic (dip-tube), steel (springs and spheres), aluminium or tinplate (mounting caps and covers) and synthetic rubber (seals/gaskets).

Conscious of the impact virgin materials have on the environment, Coster is looking for bio based plastic solutions to produce spray-caps, which would be environmentally friendly, recyclable and/or compostable and suitable for its production process of cosmetics and health sector.

Considering these characteristics, this recycled material needs to comply with the applicable regulations for this sector, with the safety requirements and be a substitute to the current material used now in terms of machine-ability and performances, they will need to be functional and safe to preserve clients' trust and safety.

For what concerns components, these are controlled by the incoming goods inspection departments function, which analyses the supplies through sampling plans, test methods, control cycles, lists with flaws with AQL criteria issued by the Technical department. The process is governed by the Quality Unit (Quality assurance and technical area) while the management of OOS (Out of Stock) is handled in accordance with the applicable documented procedures.

Coster aims at identifying the proper materials by the end of 2018 and, for what concerns the production, the use of recycled resin will depend on the market's request and success. Coster aims at creating and industrializing a product that meets the clients' needs and expectations.



21.637 tons of materials

Fully traceability

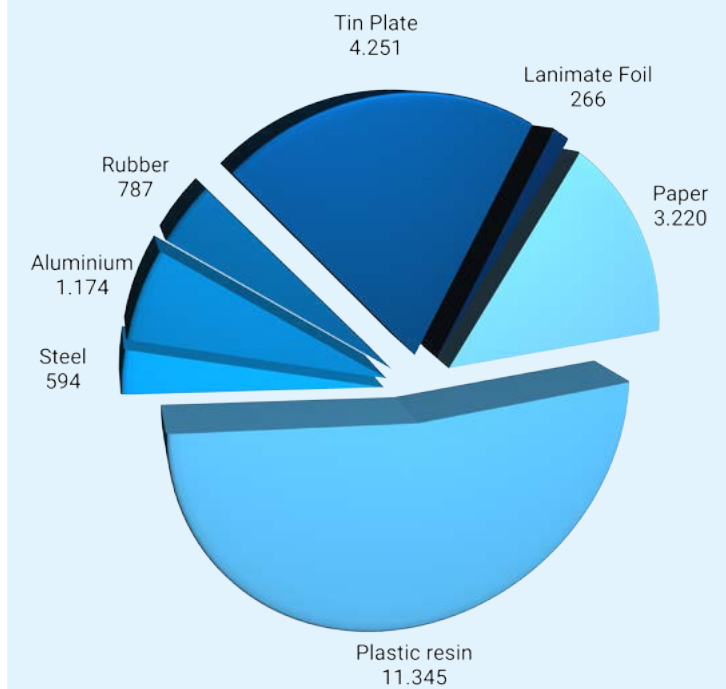
Research on eco-friendly solutions

In 2017, Coster used a ground total of 21.637 tons of material, subdivided into plastic resin, steel, aluminum, rubber, tin plate laminate foil and paper.

The abovementioned quantities are an estimation based on the quantity of single product category - using as a benchmark the most representative item in terms of sale and weight - sold by Coster Group in 2017, taking into consideration the weight of each component. For what concerns paper, Coster considered the rolling tapes of the Bag-On-Valves and the cardboard boxes used as secondary packaging, given its average content by product family and average weight for 1 kg of unladen weight.

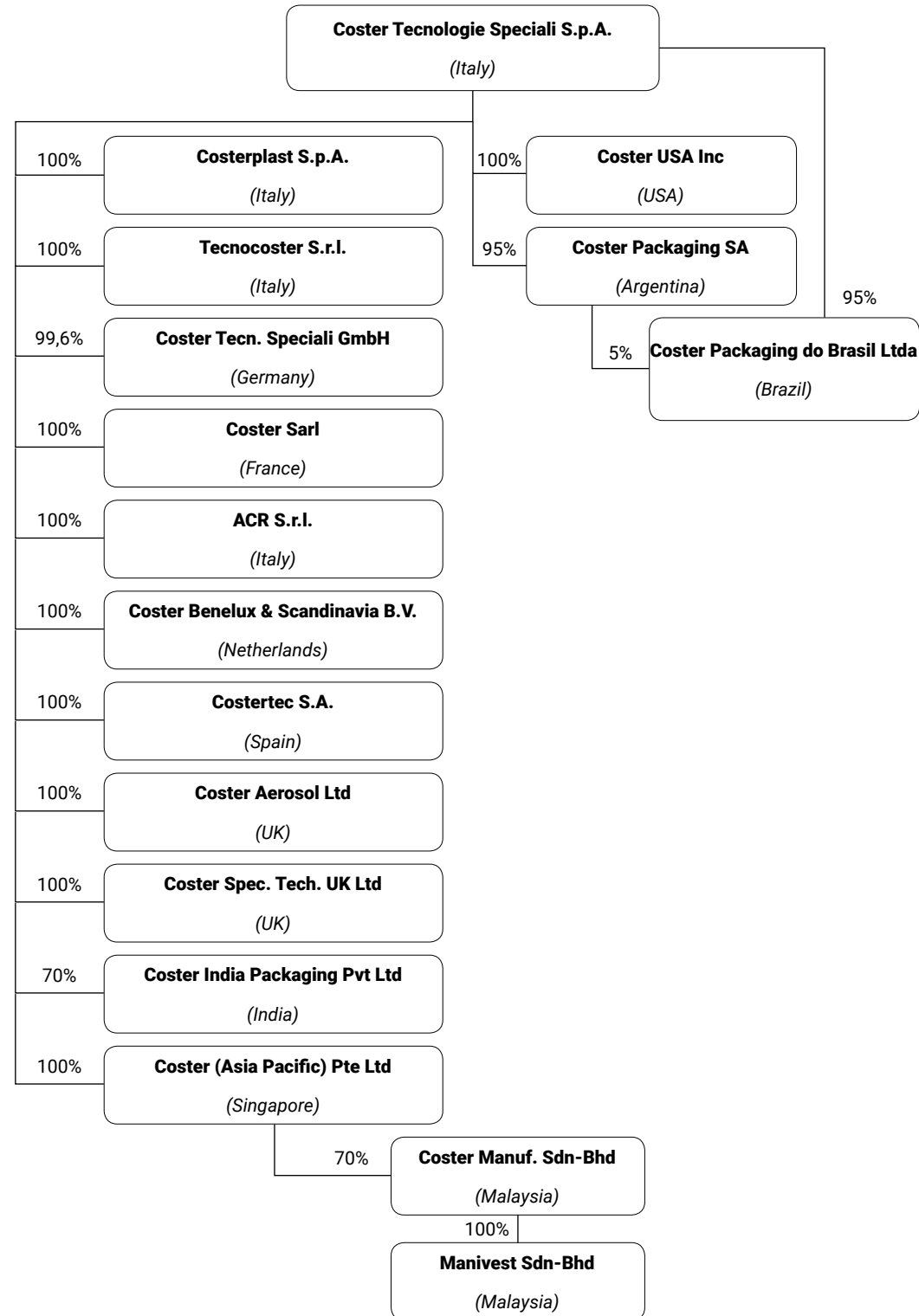


Material consumption in tons



Facts and Figures

Coster's sites overview



Workforce by Geographic Area and Gender

	Total	Male	Female
EMEA	534	367	137
NAFTA	24	16	8
LATAM	128	116	12
APAC	277	232	45

Total number of employees by employment contract by gender

	Total	Permanent	Temporary
Male	761	732	29
Female	202	189	13

Total number of employees by employment contract by region

	Total	Permanent	Temporary
EMEA	534	503	31
NAFTA	24	18	6
LATAM	128	128	0
APAC	277	272	5

Total number of employees by employment type and by gender

	Total	Male	Female
Full-Time	676	552	124
Part-Time	287	209	78

Procurement budget on local suppliers

% of procurement budget spent on local suppliers

ACR	100
Coster SPA	71,7
Costerplast	37,5
Tecnocoster	37,2
Coster B&S	5 **
Coster Packaging	75
Coster India	38,7
Coster USA	12,1
Costertec	38,6
Coster Ltd & Costerpack Manufacturing	N/A

* = sales and distribution centers purchasing from Coster manufacturing factories

** = inventory products

Total material used

	Total	Valves	Dispensers	Spray Pumps	Perfumery Pumps	Spray Caps	Special Actuators
Plastic resin	9.677 ton	1.273.000 kg	1.042.000 kg	739.000 kg	323.000 kg	3.600.000 kg	2.700.000 kg
Steel	594 ton	321.000 kg	76.000 kg	88.000 kg	109.000 kg	/	/
Aluminium	1.174 ton	1.037.000 kg	/	/	137.000 kg	/	/
Dip-tube	1.668 ton <i>Included in plastic resin</i>	1.514.000 kg	83.300 kg	47.600 kg	23.000 kg	/	/
Rubber	787 ton	741.000 kg	17.000 kg	25.000 kg	4.000 kg	/	/
Tin plate	4.251 ton	4.251.000 kg	/	/	/	/	/
Laminate foil	266 ton	266.000 kg	/	/	/	/	/
Paper	3.220 ton	8.800 kg	/	/	/	/	/

Direct (Scope 1) GHG emissions

	Fuel Type	GHG emissions [tons CO2e]	Fuel consumption	Fuel unit
Tecnocoster	Natural gas	53	28.341	m³
CUSA	Natural gas	69	36.491	m³
Costertec	Gas/Diesel oil	55	20.800	l
Coster Sarl	Natural gas	23	12.315	m³
Coster Argentina	Gas/Diesel oil	26	10.000	l
Coster GmbH	Natural gas	22	12.000	m³
Coster 3	Natural gas	142	75.748	m³
Costerplast	Natural gas	49	26.448	m³
Coster 2	Natural gas	205	108.546	m³
Coster 1	Natural gas	93	49.170	m³
Coster Asia	Natural gas	8	5.302	m³
Coster B&S	Natural gas	26	14.000	m³
Coster Ltd.	Natural gas	2	1.303	m³
Coster India	Gas/Diesel oil	27	10.335	l
Total		800	410.799	

Conversion factors were calculated based on The Greenhouse Gas Protocol Initiative data.

	Consumption	Conversion KWh
Methane	369.664 m³	3.674.460 KWh
Gas oil	41,13 m³	377.121 KWh

The natural gas is used in Coster for civil use, that is for the heating the work environment. The conversion from m3 to KWh of the natural gas has been made by considering the lower calorific power (PCI) which for the methane consists of 8570 kcal/mc, that is 9,94 kWh/mc. The methane PCI is calculated by the higher calorific power decreased by the condensation heat of the vapor phase during combustion. It is commonly used the lower calorific power because the vapor phase doesn't condensate in the combustion processes inside the boiler.

Energy indirect (Scope 2) GHG emission

Plant	GHG emissions [tons CO2e]	Energy consumption [Kwh]
Tecnocoster	1.506	3.749.312
Machinery Division	150	374.253
Milan offices	17	42.727
Coster USA	530	641.724
Costertec	378	1.299.546
Coster Sarl	3	47.776
Coster B&S	400	990.000
Coster GmbH	9	18.445
Coster 3	1.508	3.753.929
Costerplast	1.756	4.373.692
Coster 2	2.725	6.785.482
Coster 1	749	1.865.718
Costerpack Manufacturing	1.095	1.592.148
Coster Packaging	2.263	5.801.000
Coster Ltd.	82	186.311
Coster India	831	971.655
Total	14.002	32.493.718

Conversion factors were calculated based on The Greenhouse Gas Protocol Initiative data.

The emission factors were calculated considering 100% electricity consumption per plant.

Material quantity: Benchmark item used per category group

Product Group	Valves	Dispensers	Spray pumps	Perfumery Pumps	Spray Caps	Special actuators
Benchmark item	NKPM 125.827	SCP199/2000 + V05.1571	GMSP 312/100	15 MPE 56/90	V21.88/222	V04.1836 + V20.60
	150LPS	+ V07.5 120LPS	+ V08.57 +	+ V04.1224 +		
	NKWBU 470.834 +	53%	V04.1442 + V20.5	V01.160 100LPS		
	V14.46/141	Steel sphere V16.76, 47%	PP 168 LPS			
	20 D 6/100	sphere POM V16.227				

Methodological Note

Coster's 2017 Sustainability Report represents the main means of communicating to the stakeholders the Company's commitment the path towards Sustainability. Coster is developing and implementing the Corporate Social Responsibility along its chain of values, making Sustainability an integral part of its business. For this reason, Coster has adopted precise, measurable and reproducible key performance indicators (KPI), which are an objective for all corporate functions.

Unless otherwise stated, the scope (reporting period) of Coster's Sustainability Report covers information and data for the year 2017 – which coincides with the calendar year-consolidated in the Annual Report as of December 31, 2017. Coster issued this document in compliance with the GRI Standard, issued in 2016, and follows the core option. As this non-fiscal report is at its first edition, Coster believes it is of utmost importance to provide the stakeholders a yearly document outlining the company's efforts in implementing its Corporate Social Responsibility policy.

Unless otherwise specified or required by the context in which they are used:

- The terms "Coster", "Coster Group", "Group" and "Company" refer to all companies consolidated within Coster Tecnologie Speciali SpA.
- The term "customer" as used in this Report refers to the end user of our products or services

Unless otherwise indicated or required by the context, the information and data contained in this Sustainability Report relate to financial year 2017 (January 1, 2017 to December 31, 2017) and to all Coster companies worldwide falling within the scope of consolidation at December 31, 2017.

The exclusion of any geographical area, Group company, or specific site from the scope of reporting is attributable to the inability to obtain data of satisfactory quality, or to its immateriality in relation to the Group as a whole, as may be the case for newly-acquired entities or production activities that are not yet fully operational. In some cases, entities that are not consolidated in the financial statements were included in the scope of reporting because of their significant environmental and social impacts.

For any claims connected to this first non-fiscal report, please contact Andrea Raineri, Quality Assurance, Sustainability and Social Responsibility Manager by phone at +39 0461 726457, or by email at sustainability@coster.com.

Hard copies of this Sustainability Report are made by Coster using "apple paper", obtained by apple scraps resulting from its local processing. The production of apples is an excellency in the Trentino Alto-Adige region where the Coster head-quartered is based, local companies therefore decided to give a second life to the apple by developing this strictly ecologic paper.



GRI Content Index

The GRI Content Index is made up of two parts. The first contains references to the disclosures reported in accordance with the core option, based on the materiality analysis carried out in the reporting year. The second contains references to additional GRI disclosures that complete the outline of Coster's performance.

For each disclosure, the page number refers to the 2017 Sustainability Report.

GRI STANDARDS	REPORTING REQUIREMENT	COSTER'S RESPONSE
GRI 101: Foundation		
GENERAL DISCLOSURES		
GRI 102: General disclosures		
102-1	Name Of The Organization	p 10
102-2	Activities, Brands, Products, And Services	p 10
102-3	Location Of Headquarters	p 10
102-4	Location Of Operations	p 10
102-5	Ownership And Legal Form	p 18
102-6	Markets Served	p 11
102-7	Scale Of The Organization	p 11, p 21, p 53, p 63
102-8	Information On Employees And Other Workers	p 19, p 75
102-9	Supply Chain	p 71
102-10	Significant Changes To The Organization And Its Supply Chain	There have been no significant changes to the organization's size, structure, ownership, or supply chain during the reporting period
102-11	Precautionary Principle Or Approach	p 29
102-12	External Initiatives	p 32
102-13	Membership Of Associations	p 21, p 51
STRATEGY		
102-14	Statement From Senior Decision-Maker	p 5
ETHICS AND INTEGRITY		
102-16	Values, Principles, Standards, And Norms Of Behavior	p 13, p 29
102-17	Mechanisms for advice and concerns about ethics	p 23
GOVERNANCE		
102-18	Governance Structure	p 19
102-19	Delegating authority	p 19

GRI 102: General disclosures

GRI STANDARDS	REPORTING REQUIREMENT	COSTER'S RESPONSE
GRI 102: General disclosures		
102-25	Conflicts of interest	p 23
102-26	Role of highest governance body in setting purpose, values, and strategy	p 19
102-30	Effectiveness of risk management processes	p 42
102-33	Communicating critical concerns	p 23
102-34	Nature and total number of critical concerns	p 23
STAKEHOLDER ENGAGEMENT		
102-40	List Of Stakeholder Groups	p 14, p 15
102-41	Collective Bargaining Agreements	p 25
102-42	Identifying And Selecting Stakeholders	p 15
102-43	Approach To Stakeholder Engagement	p 14
102-44	Key Topics And Concerns Raised	p 16
102-45	Entities Included In The Consolidated Financial Statements	p 74
102-46	Defining Report Content And Topic Boundaries	p 14, p 15, p 16
102-47	List Of Material Topics	p 16
102-48	Restatements Of Information	p 78
102-49	Changes In Reporting	p 78
102-50	Reporting Period	p 78
102-51	Date Of Most Recent Report	p 78
102-52	Reporting Cycle	p 78
102-53	Contact Point For Questions Regarding The Report	p 78
102-54	Claims Of Reporting In Accordance With The Gri Standards	p 78
102-55	Gri Content Index	p 79
102-56	External Assurance	

GRI STANDARDS	REPORTING REQUIREMENT	COSTER'S RESPONSE	
GRI 103 Management Approach			
103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17	
GRI 103: Management approach	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40

GRI STANDARDS	REPORTING REQUIREMENT	COSTER'S RESPONSE	
MATERIAL TOPICS			
GRI 200: Economic Standard Series			
	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
GRI 103: Management approach	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 21, p 23
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 201: Economic Performance	201-1	Explanation Of The Material Topic And Its Boundary	p 21

GRI STANDARDS	REPORTING REQUIREMENT	COSTER'S RESPONSE	
MATERIAL TOPICS			
GRI 200: Economic Standard Series			
	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
GRI 103: Management approach	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 202: Market Presence	202-2	Proportion of senior management hired from the local community	p 52
	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
GRI 103: Management approach	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 21, p 23
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Coster has never supported the development of infrastructure investments and services.
	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
GRI 103: Management approach	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23, p 70, p 75
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	p 70, p 75
	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
GRI 103: Management approach	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23, p 24, p 52
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
	205-2	Communication and training about anti-corruption policies and procedures	p 24, p 52
GRI 205: Anti-Corruption	205-3	Confirmed incidents of corruption and actions taken	As of the date the Compliance Line was launched, Coster does not have: <ul style="list-style-type: none"> any confirmed incidents of corruption any confirmed incidents in which employees were dismissed or disciplined for corruption any confirmed incidents when contracts with business were terminated or not renewed due to violations related to corruption any public legal cases regarding corruption brought against the organization or its employees during the reporting period
	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
GRI 103: Management approach	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23, p 24
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 206: Anti-competitive behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	As of the date Coster launched the Compliance Line, Coster does not have any legal actions pending or completed regarding anti-competitive behaviour or violations of anti-trust and monopoly legislation. <i>For more information see page 24</i>

	GRI STANDARDS	REPORTING REQUIREMENT	COSTER'S RESPONSE
MATERIAL TOPICS			
GRI 300: Environmental Standards Series			
	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
GRI 103: Management approach	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23, p 72, p 76
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 301: Materials	301-1	Materials used by weight or volume	p 72, p 76
	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
GRI 103: Management approach	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 46
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 302: Energy	302-1	Energy consumption within the organization	b. Coster does not use fuel from renewable sources for its production process c. Coster uses electricity for the heating and cooling systems iv. Coster does not use steam in its production process d. Coster does not sell electricity, heating, cooling or steam. f. Coster uses the electricity meters present in its sites to assess the total electricity consumption.
	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
GRI 103: Management approach	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23, p 48
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 303: Water	303-1	Water withdrawal by source	p 48
	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
GRI 103: Management approach	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23, p 76
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
	305-1	Direct (scope 1) GHG Emissions	p 76
GRI 305: Emissions	305-2	Energy indirect (Scope 2) GHG emissions	CO2 emissions are a result of energy consumption used for the production process. Hence, according to a study conducted by ISPRA, Istituto Superiore per la Protezione e la Ricerca Ambientale, the CO2 equivalent for a KiloWatt is equal to 352.4 gr. Consequently, Coster's CO2 emissions amounts to 1084,61 t CO2
	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
GRI 103: Management approach	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23, p 38, p 39, p 40, p 49
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
	306-2	Waste by type and disposal method	p 49
GRI 306: Effluents and waste	306-3	Significant spills	In 2017 Coster does not have any significant spills recorded
	306-4	Transport of hazardous waste	Coster does not use any material that could lead to the production of hazardous waste.

	GRI STANDARDS	REPORTING REQUIREMENT	COSTER'S RESPONSE
	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
GRI 103: Management approach	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23, p 49
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 307: Environment Compliance	307-1	Non-compliance with environmental laws and regulation	In 2017 no cases of non compliance were identified at Coster's sites <i>For more information see page 50</i>
	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
GRI 103: Management approach	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	In 2017 there have been no new suppliers and hence Coster has not conducted any screening based on environmental criteria. However, in 2018 Coster plans to start screening suppliers based on these criteria
MATERIAL TOPICS			
GRI 400: Social Standards Series			
	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
GRI 103: Management approach	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23, p 55
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 401: Employment	401-1	New employee hires and employee turnover	p 55
	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
GRI 103: Management approach	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 402: Labour / Mangement Relations	402-1	Minimum notice periods regarding operational changes	In the European Union (EU), the Council Directive 01/23/EC stipulates that in the event of a transfer of businesses, plants, or parts of businesses or plants, as a result of a contractual sale or merger, an information and consultation procedure must be conducted with employee representatives. The procedure must be initiated a reasonable period of time prior to the transfer. Moreover, the Council Directive 98/59/EC on the approximation of the laws of the EU member states relating to collective redundancies requires the employer to hold consultations with workers' representatives whenever collective redundancies are being contemplated. For this reason, Coster's notice period is of 90 days (3 months)

	GRI STANDARDS	REPORTING REQUIREMENT	COSTER'S RESPONSE
GRI 103: Management approach	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23, p 57
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 403: Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	In 2017 a total of 16 employees were injured during the performance of their duties. For more information see page 57
	403-3	Workers with high incidence or high risk of diseases related to their occupation	Coster values its employees' safety and has enforced severe mechanisms to prevent incidents and diseases connected to the workplace – such as SMETA 4 pillars. For more information see page 57
GRI 103: Management approach	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23, p 53
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 404: Training and Education	404-1	Average hours of training per year per employee	p 53
GRI 103: Management approach	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23, p 54
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 405: Diversity and Opportunity	405-2	Ratio of basic salary and remuneration of women to men	p 54
GRI 103: Management approach	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 406: Non Discrimination	406-1	Incidents of discrimination and corrective actions taken	During the reporting period, there were no cases of discrimination identified by or notified to Coster
GRI 103: Management approach	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23, p 25
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 407: Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p 25
GRI 103: Management approach	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23, p 26
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 408: Child labour	408-1	Operations and suppliers at significant risk for incidents of child labor	p 26

	GRI STANDARDS	REPORTING REQUIREMENT	COSTER'S RESPONSE
GRI 103: Management approach	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23, p 26
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 409: Forced or Compulsory labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	p 26
GRI 103: Management approach	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 410: Security Practices	410-1	Security personnel trained in human rights policies or procedure	100% of security personnel have received formal training in human rights policies and procedures and their application to security
GRI 103: Management approach	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23, p 27
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 411: Rights of indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	p 27
GRI 103: Management approach	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23, p 54
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 412: Human Rights assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	p 54
GRI 103: Management approach	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23, p 50
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 413: Local communities	413-1	Operations with local community engagement, impact assessments, and development program	p 50
	413-2	Operations with significant actual and potential negative impacts on local communities	p 50
GRI 103: Management approach	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	In 2017 there have been no new suppliers and hence Coster has not conducted any screening based on social criteria. However, in 2018 Coster plans to start screening suppliers based on these criteria

	GRI STANDARDS	REPORTING REQUIREMENT	COSTER'S RESPONSE
GRI 103: Management approach	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 415: Public Policy	415-1	Political contributions	Coster Group does not support with donations any political party or political entities.
GRI 103: Management approach	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Not Applicable
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not Applicable
GRI 103: Management approach	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 417: Marketing and labelling	417-1	Requirements for product and service information and labelling	Not Applicable
	417-2	Incidents of non-compliance concerning product and service information and labelling	Not Applicable
GRI 103: Management approach	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23, p 43
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p 43
GRI 103: Management approach	103-1	Explanation Of The Material Topic And Its Boundary	p 11, p 16, p 17
	103-2	The Management Approach And Its Components	p 6, p 7, p 11, p 16, p 17, p 18, p 19, p 23
	103-3	Evaluation Of The Management Approach	p 38, p 39, p 40
GRI 419: Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	In 2017 Coster has not recorded any fines for non-compliance with laws and/or regulation



www.coster.com/sustainability

Hard copies of this Sustainability Report are made by Coster using "apple paper", obtained by apple scraps resulting from its local processing. The production of apples is an excellency in the Trentino Alto-Adige region where the Coster headquarter is based, local companies therefore decided to give a second life to the apple by developing this strictly ecologic paper.

