

coesia

Sustainability Report

2017



Bologna, September 2018

The 2017 edition of the Coesia Sustainability Report aims to provide a transparent update on the social, environmental and economic effects of its operations. We have expanded the scope of our report to include recent acquisitions with the goal of representing Coesia's impact on sustainability at a global level. The data disclosed in the 2017 report refers to the whole Group.

Our commitment to safeguarding social and environmental issues, together with our financial results, is an intrinsic part of our culture and stems from the awareness that the value of our enterprise is deeply connected to our people and the historical and technical heritage of the areas of the world in which we operate. With this in mind, we identified some years ago and are continuing along a strategic path of creating long-term value for our customers, employees and local communities.

Caring for our people includes initiatives which develop professional competencies and improve quality of life and safety.

Mindful of the importance of acquiring the most innovative competencies, training programs have been activated at various professional levels with an average of over 40 hours per employee to ensure continuous improvement and adequate professional development.

With over 7,000 employees representing 62 nationalities, we have deployed a number of development programs aimed at consolidating a common culture founded on our Values, taking into consideration and enhancing diversity.

In these years of profound changes in socio-economic scenarios, Coesia is committed to pursuing a vision of long-term growth, focusing on people and the ability to innovate in a sustainable way.

Isabella Seràgnoli
President

Angelos Papadimitriou
CEO

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Coesia at a glance



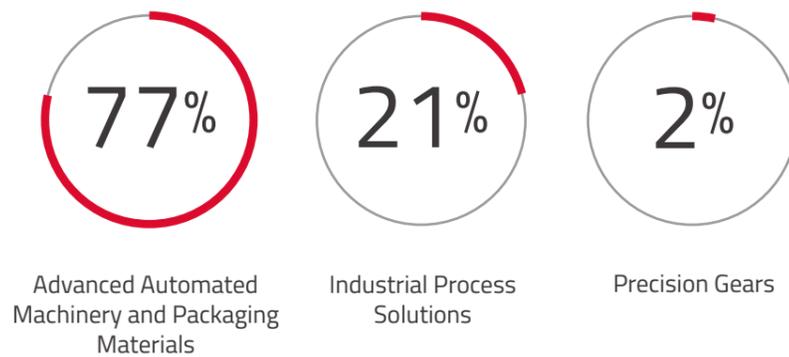
COESIA WORLDWIDE

REVENUE

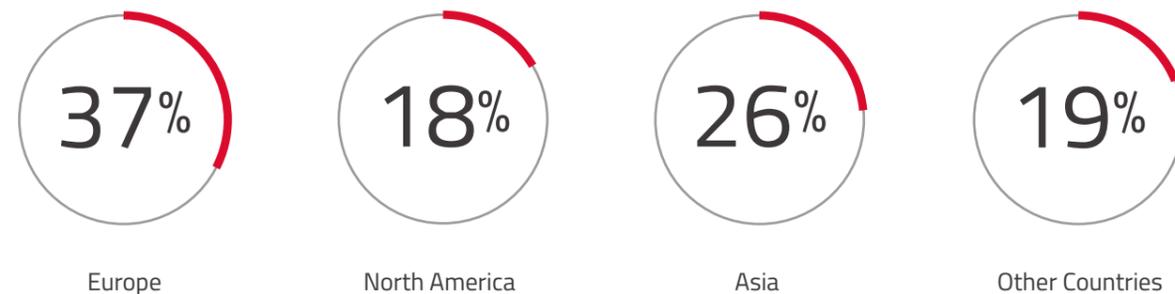


■ million euros

REVENUE BREAKDOWN BY BUSINESS LINE



REVENUE BREAKDOWN BY GEOGRAPHY

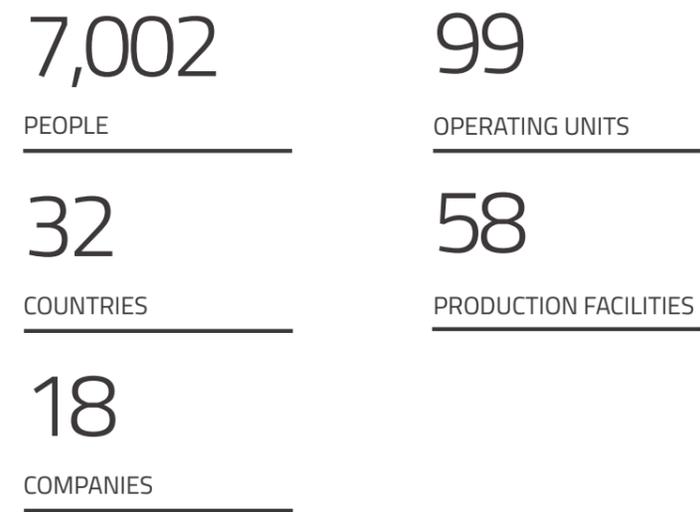


ENGINEERING INCLUDING R&D



■ million euros

OUR GLOBAL PRESENCE



METHODOLOGY

The aim of the Coesia Sustainability Report is to communicate the Group's Values, strategy and performance related to sustainable development and to give a comprehensive overview of the Company's operations, reporting financial results together with the outcome of our commitment to environmental and social issues.

The present document provides qualitative and quantitative information about the activities carried out by the Group in recent years on environmental and social aspects, focusing on last year's performance. The data reported have been collected, managed and elaborated internally. Unless stated otherwise, **all data, information and figures have global coverage: they concern Coesia S.p.A., its Companies and its legal entities as of December 31, 2017***.

* During 2017, we acquired Cerulean, Molins and MGS.

MATERIALITY ANALYSIS

The topics covered in this Sustainability Report originate from our materiality analysis. This choice is aimed at determining which topics are considered important for the Group in order to continue to create value in the short, medium and long term.

For Coesia, material aspects are those that have a significant financial, environmental and social impact on the organization and could substantially influence stakeholders' opinions and decisions.

Material issues have been grouped into three main areas:

- **Who we are:** the Group as well as the Values we believe in and our concept of ethics, which are shared at all organizational levels;
- **Our people:** a key asset for a Company like Coesia and the real strength of our Group;
- **Our future:** our focus on innovation and our relationships with suppliers and the community, with special attention paid to our environmental impact.

These issues have been analyzed and assigned a priority in terms of their impact on Coesia, in order to generate the following materiality representation and define the content of the 2017 Sustainability Report. The market and the stakeholders' needs change dynamically: for this reason, material topics have been updated to better represent the current Coesia reality and its ability to evolve over time.

Coesia confirms its efforts to continuously involve its stakeholders in order to develop a mutually beneficial dialogue and a long-lasting and responsible partnership.

WHO WE ARE

OUR PEOPLE



1 WHO WE ARE

Our choice is to follow simple but fundamental Values such as respect, responsibility, knowledge and passion. The resulting commitment is always to combine financial achievements with attention to social and environmental issues.

Coesia is a Group of innovation-based industrial and packaging solution Companies



headquartered in
BOLOGNA



fully owned by
**ISABELLA
SERÀGNOLI**

Coesia customers are leading players in a **BROAD RANGE OF INDUSTRIES** including



Coesia identified
6 CULTURAL TRAITS
to spread, develop and improve.

ACCOUNTABLE

LONG-TERM FOCUSED

EXTERNALLY FOCUSED

COLLABORATIVE

INNOVATIVE

OPEN AND TRANSPARENT



18
COMPANIES

operating in



18
DIFFERENT INDUSTRIES

providing



13
TYPES OF TECHNOLOGY

with more than



450
SOLUTIONS AND
FULL SERVICE PACKAGES

INTERNATIONAL CODE OF ETHICS ANTI-CORRUPTION GUIDELINES

Our commitment is to foster relations with partners who believe in the same **high standards of business ethics** we have set for ourselves.



MISSION

Creation of long-term sustainable economic, social and environmental value for our clients, employees, shareholder and the communities we operate in.

Our history and our future:
ambitious choices and clear Values.

A HISTORY OF EXCELLENCE AND RESPONSIBILITY

Coesia is a private Group and a **worldwide leader in innovation-based industrial and packaging solutions.** With Companies founded over 100 years ago, Coesia is currently fully owned by Isabella Seràgnoli and has expanded globally over time thanks to internal growth and its ability to acquire companies specialized in different business sectors. Indeed, even though its headquarters are located in Bologna, Italy, Coesia now includes 18 Companies with 99 units in 32 countries on five continents.



ACMA, Bologna: Assembly shop for model "713" in the early 1930s.

OUR HISTORY BEGAN AT THE DAWN OF THE 20th CENTURY

1923 – 1940

G.D, a motorcycle production company founded in 1923, was taken over by Enzo Seràgnoli in the late 1930s.

1940 – 1950

The Company shifted its focus to packaging, mainly for the confectionery and soap sectors. The first automatic wrapping machine was launched with the contribution of Ariosto Seràgnoli.

1950 – 1960

The G.D brand achieved global success and the Company became a worldwide leader in the highly automated industrial machinery sector.

1960 – 1980

G.D entered the tobacco sector with the production of its revolutionary wrapping machine, the 4350/ Pack and the Company became the unrivaled leader in the sector.

1980 – 2000

Starting in the early 1980s, the Company began to diversify its business by acquiring CIMA, ACMA, GDM and VOLPAK.

2000 – 2010

In 2002, Isabella Seràgnoli became the sole owner of the Group, which was renamed Coesia in 2005. In addition, the Group grew thanks to the acquisition of HAPA, LAETUS, ADMV, CITUS, KALIX, NORDEN and SACMO.

2010 – 2015

The Coesia expansion accelerated thanks to the acquisition of FLEXLINK, SASIB, R.A JONES and IPI. In 2012, the Coesia Engineering Center (CEC), staffed by a highly skilled team, was created to carry out strategic innovation projects. Another important step for Coesia was the publication of its first Sustainability Report in 2015.

2016

Two other Companies, EMMECI and GF, joined the Group.

2017

Coesia carried out the acquisition of three new Companies: MOLINS, CERULEAN and MGS.

THE COESIA WAY

The culture we would like to spread in order to achieve our ambitions and build a positive work environment.

OUR VALUES

RESPECT

Respect for people, rules, local communities, environmental and economic resources.

Respect implies rigor and integrity

RESPONSIBILITY

Responsibility for the consequences of one's decisions and actions, responsibility to lead by example, practice fair leadership, reward merit, nurture talent, achieve results and to be committed.

Even collective responsibility starts with individual accountability

KNOWLEDGE

Knowledge as professional and personal growth. Knowledge comes from culture, education, training, research, experience and relationships.

Sapere Aude: dare to know

PASSION

Passion for the product, innovation, excellence, beauty, work and performance.

Passion allows us to envision results even before achieving them

CULTURAL TRAITS

The first Coesia survey on culture was carried out in 2016. It enabled Coesia to identify the six cultural traits that we should spread, develop and improve to contribute to the 2020 strategy and achieve our ambitions.

ACCOUNTABLE

Foster accountability by granting trust through delegation.

LONG-TERM FOCUSED

Act to ensure business sustainability over time.

EXTERNALLY FOCUSED

Look outside to customers and external communities to adopt their points of view.

COLLABORATIVE

Realize deep integration through diversity.

INNOVATIVE

Focus on innovation to guarantee the continuous evolution of products, services and business models.

OPEN AND TRANSPARENT

Share knowledge and ideas to grow as a strong and cohesive Group.

We invest in laying the foundations for a common culture starting from our diversity.

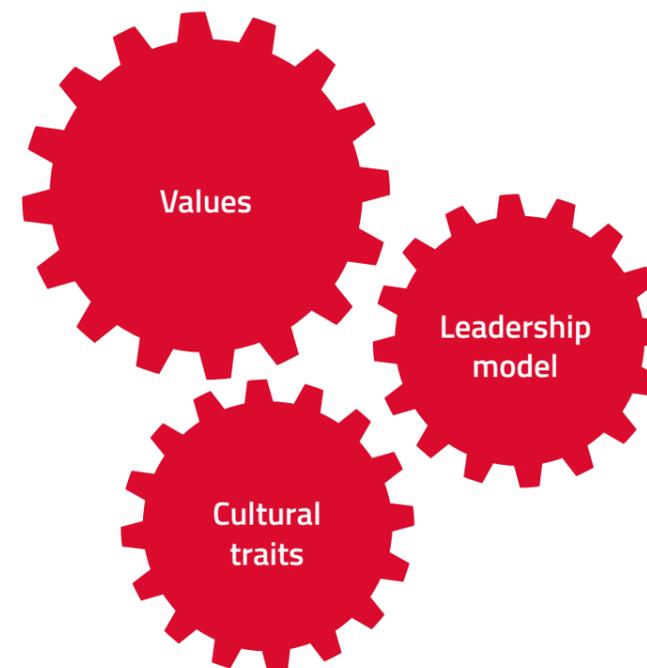
LEADERSHIP MODEL

The Coesia leadership model seeks to support the Group's strategy in line with our Values. It is like a compass pointing to a common language that identifies the key behaviors that will lead to the success of the individual and the organization.

As such, it:

- Helps increase communication and understanding of the expected results;
- Raises awareness of what is required in the different stages of individual and professional growth;
- Focuses on individual strengths and areas for improvement.

- INNOVATE
- BE CUSTOMER-CENTRIC
- MAKE DECISIONS
- DELIVER RESULTS
- INSPIRE OTHERS
- COLLABORATE
- MANAGE COMPLEXITY



THE COESIA CULTURE PROGRAM

In 2017, 350 participants took part in different workshops worldwide. Starting from 2016, we have committed to a five-year plan involving Coesia employees from all over the world in four to five workshops every year. **The goal is to ensure the widest diversity** in terms of seniority, function, role, age, gender and professional background.

Coesia: a sophisticated organization to support our businesses globally.

GOVERNANCE

Coesia's corporate Governance assigns management to the Board of Directors, the Board of Statutory Auditors and an external audit firm.

The Board of Directors, appointed on May 3, 2017, promotes corporate interests, defines strategic orientation and fosters the Group's sustainable growth.

ISABELLA SERÀGNOLI
PRESIDENT

ANGELOS PAPADIMITRIOU
CEO

The Board of Directors of Coesia consists of the following members:

ROGER ABRAVANEL

LUCA CORDERO
DI MONTEZEMOLO

FABIO GALLIA

DAVID GOSSET

LEONARDO GUERRA
SERÀGNOLI

LORENZA GUERRA
SERÀGNOLI

MAURIZIO PETTA

ROBERTO POLI

FRANCESCO TATÒ

The consolidated financial statements are annually submitted to a third-party audit company for an independent assurance process.

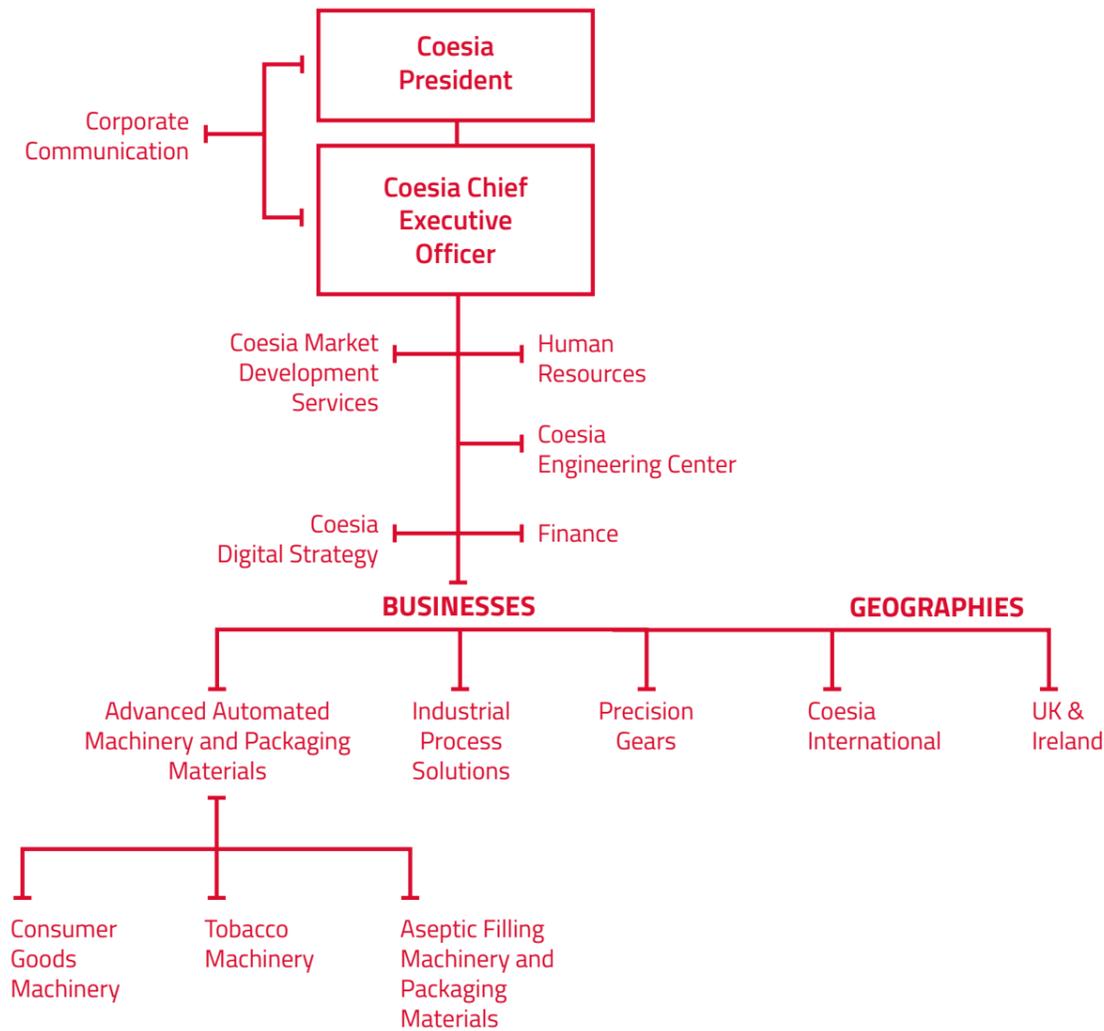
OUR ORGANIZATION

All the activities carried out at Coesia are managed by the President and the CEO. The Corporate Communication Function reports directly to them, while all other business-related activities are organized in a matrix structure.

On the one hand, the **Group Functions** include: Finance, Human Resources, the Coesia Engineering Center or CEC (our Group's Research and Development center), as well as Coesia Digital Strategy and the Coesia Market Development Services, which include Coesia Market Development, Coesia Customer Service and Global Key Account Management (GKAM).

On the other hand, there are **three main business lines** in which the 18 Companies operate:

- **Advanced Automated Machinery and Packaging Materials** includes 13 Companies that operate in the tobacco and fast-moving consumer goods industries;
- **Industrial Process Solutions** includes four Companies that provide automated solutions to enhance the efficiency of production systems;
- **Precision Gears** provides an integrated manufacturing process that meets the high standards required by the racing, automotive and aerospace industries.



Relationships between the Group Functions, Companies and Regions are particularly intense in order to develop synergies and unlock the full potential of the organization's assets.

The Coesia Group is also organized geographically by Regions.

The aim of this structure is to extend and **optimize our global footprint by tapping growth opportunities in emerging markets** and improving the Group's ability to localize its products to meet local market demands.

Most of the 18 Coesia Companies are located in Europe.

In Bologna and surroundings: ACMA, CIMA, G.D and SASIB

In Italy: EMMECI, GDM, GF and IPI

In Switzerland: Hapa

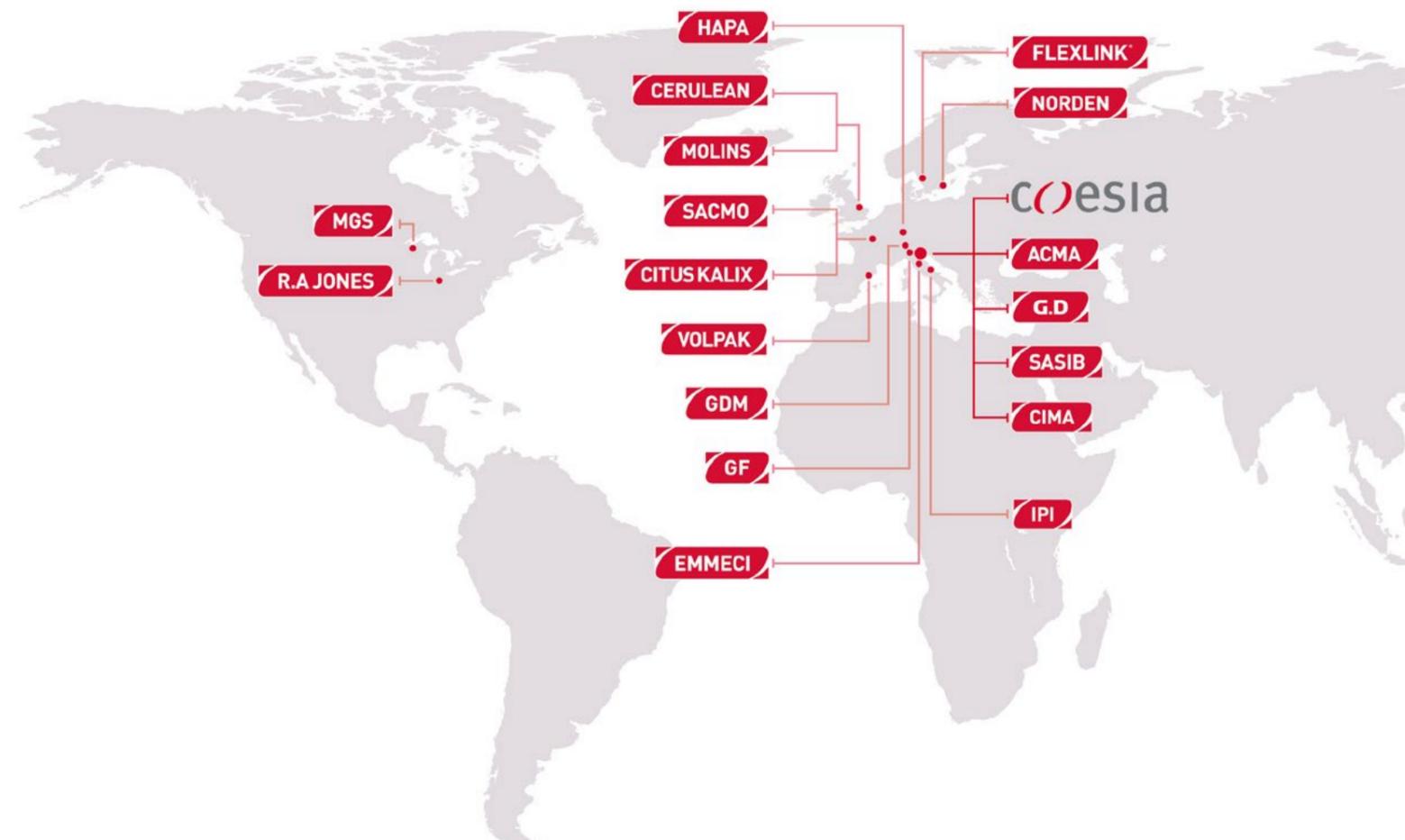
In France: Citus Kalix and SACMO

In Spain: Volpak

In Sweden: FlexLink and Norden

In the UK: Cerulean and Molins

In the USA: MGS and R.A Jones



GROUP PROFILE

The Coesia Group offers a wide range of technologies developed by its Companies to meet the demands of customers operating in different sectors.

The Coesia Companies are structured according to the following three main business lines.

TECHNOLOGIES

ASSEMBLY & COMBINING	PACKING & WRAPPING
AUTOMATED PRODUCTION FLOW	POUCHING & BAGGING
CARTONING & EOL	PRINTING & LABELING
FILLING	PRODUCT ANALYSIS
GEARS & SPECIAL PARTS	ROBOTICS
MAKING & FORMING	SOFTWARE & CONTROLS
MONITORING & INSPECTION	

INDUSTRIES

AEROSPACE	NEXT GENERATION PRODUCTS
AUTOMOTIVE	PERSONAL CARE
BEVERAGE	PET CARE
CHEMICALS	PHARMA & HEALTHCARE
DAIRY	RACING
ELECTRONICS	TEA & COFFEE
FOOD	TISSUE & HYGIENE
HOME CARE	TOBACCO
INDUSTRIAL GOODS	
LUXURY GOODS	

ADVANCED AUTOMATED MACHINERY AND PACKAGING MATERIALS

TOBACCO MACHINERY

Our cooperation with companies operating in the tobacco industry has progressively intensified over the years thanks to Coesia's ability to promptly respond to customer needs by designing and assembling machines for what are known as "new generation products" or "reduced-risk products". Moreover, Coesia is the only supplier that provides a comprehensive making-packing solution for the secondary tobacco sector.

CONSUMER GOODS MACHINERY

Several Coesia Companies operate in the fast-moving consumer goods sector, the market in which Coesia faces the fiercest competition. These Companies offer a wide range of products, enabling them to supply different sectors and be **key partners for large international corporations.**

ASEPTIC FILLING MACHINERY AND PACKAGING MATERIALS

This field is the best example of how our most advanced technology can be transferred to another market to provide our customers with a better product.

INDUSTRIAL PROCESS SOLUTIONS

As a cross-sector business line, Industrial Process Solutions (IPS) is crucial for Coesia. It provides customers with Solutions for the integration of process lines, automated flow systems, hardware and software monitoring systems as well as printing and labeling systems.

PRECISION GEARS

Coesia also serves the niche market of Precision Gears.

By serving customers operating in different industries, including racing, automotive and aerospace, the Company has steadily improved its performance over the last few years, consolidating its strong reputation for quality.

ACMA

Manufactures packaging machinery for confectionery, soap, tea, coffee and liquid products.

CERULEAN

For over 70 years, Cerulean has been synonymous with the manufacture and supply of quality, process control and measuring instrumentation for the Tobacco industry and packing and testing equipment for tube manufacturers.

CITUS KALIX

Manufactures lipstick fillers, hot filling machinery for creams and foundations, deodorant and tube fillers, cartoning machinery and feeding equipment.

G.D

Leading supplier of high-technology machinery for cigarette making and packing.

GDM

GDM is a worldwide leader in the Hygiene Disposable Industry, committed to providing innovative converting and packaging solutions for the manufacturing of baby diapers, baby pants, adult incontinence briefs and lady sanitary napkins.

GF

Leading provider of automated machinery for liquid filling and quality control systems for the pharmaceutical sector.

IPI

Provides complete solutions for the aseptic packaging of liquid products in multilayer structure.

MGS

Designs and builds state of the art packaging automation solutions with core competencies in secondary packaging, serialization and product handling. Industries of focus are pharmaceutical, life sciences, food and cosmetics.

MOLINS

Molins has been a leading company in the tobacco industry for over 100 years and specializes in the design, development and manufacture of secondary tobacco processing machinery mainly mid-speed cigarette makers, packers and handling equipment.

NORDEN

Leading supplier of high-performance tube filling systems, covering all speeds and applications in cosmetics, pharmaceuticals, toothpaste and food.

R.A JONES

Produces packaging machinery for food and consumer goods: pouch filling and cartoning, chub packaging, cup filling and sealing, aerosol machinery, bottle filling and patented solutions for improving shelf life.

SASIB

Manufactures production and packing lines for the tobacco industry.

VOLPAK

Produces packaging lines for horizontal form-fill-seal (HFFS) pouches for food, beverage, personal and home care products.

EMMECI

Leading provider in the design, production and promotion of automatic machinery and packaging solutions for premium and luxury products.

FLEXLINK

A leading factory automation expert and provider of innovative, automated solutions to produce goods smarter and safer at a lower operating cost. Main customer industries are the automotive, electronics, healthcare and fast moving consumer goods industries. Produces conveyor systems, material handling functions and industrial feeders and delivers turn-key solutions including controls and standardized robotics.

HAPA

Manufactures market-leading on-demand and late-stage customization printing systems for the pharmaceutical industry, with dynamic growth in fast moving consumer goods, food, cosmetics and medical industries.

SACMO

Designs complete lines in the packaging machinery industry, refurbishes and retrofits existing customer machinery.

CIMA

Has been producing power trains and high-performance gear transmissions for over 50 years, it is a supplier to many racing teams.

OUR SERVICES

Customer loyalty is the most fruitful investment for the future. This is why Coesia is committed to offering excellent after-sales service, which is a key success factor for all the Companies of the Group*.

Customer service means being present at a global level, providing flexibility, simplicity and continuous support.

Our customers demand much more than just spare parts or the availability of on-call technicians, which is why we are developing a comprehensive service portfolio to provide customers with a unique and valuable experience based on mutual trust and cooperation.

*For more information [click here](#)



PARTS AND MATERIALS

All Coesia Companies ensure a reliable supply of high-quality spare parts and components, especially designed for all equipment types and generations to ensure a smooth, uninterrupted production process.



MAINTENANCE SERVICES

Our highly specialized field service technicians are equipped with all the tools they need to inspect the equipment and evaluate its condition, quantify the spare parts needed and determine the required level of support for maintenance and/or repair work. In close cooperation with our customers, they can perform regular and preventive maintenance to preserve the equipment's performance and value over time.



EQUIPMENT MODERNIZATION

Coesia offers a wide range of modernization services to enhance equipments' productivity and reliability, improve the quality of products, reduce maintenance costs, meet new regulatory standards and add new functions. Our modernization services range from standard technical upgrades to complete machine rebuilds in cases in which the equipment has been disassembled or damaged or in which obsolete parts need to be replaced. In either case, performance is brought back to the original high-quality standards.



TRAINING AND DOCUMENTATION

All Coesia Companies offer tailored training courses and specific documentation in various languages to help customers develop in-depth technical competence, which is required to sustain high levels of performance, quality and productivity. Training programs can take place either at our premises or at the customer's facility.



CONSULTANCY SERVICES

Thanks to our wide experience in many applications, we can offer our customers our expertise in implementing good industrial practices to help them achieve world-class levels of productivity and generate added value through production.



PRODUCTION SUPPORT SERVICES

We are committed to providing our customers all over the world with customized, fast and effective technical support during equipment installation, commissioning, production ramp-up or full-scale operations. Our field service technicians are equipped with remote assistance tools so that support can be guaranteed anywhere in the world.

Coesia offers comprehensive and flexible service packages to support customers during their day-to-day production activities and extend the lifetime of their equipment, which also contributes to reducing their environmental impact.

MACROTRENDS

- INDUSTRIALIZATION AND URBANIZATION IN EMERGING ECONOMIES
- DISRUPTIVE TECHNOLOGIES
- GREATER GLOBAL INTERCONNECTIONS
- AN AGING WORLD

OUR BUSINESS MODEL AND 2020 STRATEGY

At the heart of our business model is a Group Governance which has the task of coordinating and guiding a sophisticated organization comprised of 18 Companies, several global Functions and ever-developing Regions.

The organization works as a whole to serve customers and share technologies and best practices.

Since the beginning of the new century, some global macrotrends have emerged, rapidly changing the way we live. Coesia wants to seize the key strategic opportunities this new scenario presents by playing the role of global leader in advanced industrial and packaging solutions. Our goal is to grow through the customer-centric innovation of products and services, creating added value for customers and the Group itself.

Coesia acts as a strategic enabler to enhance individual Company brands. In other words, it provides a lean, effective infrastructure to help each Company grow.

COESIA 2020 STRATEGY

STRATEGIC DRIVERS

OBJECTIVE

CUSTOMER-CENTRIC INNOVATION

Leverage Coesia engineering heritage in high-end while improving fit-to-purpose mid-tier solutions.

GLOBAL FOOTPRINT

Complete global footprint with best-in-industry reach and service capabilities.

GROWTH PLATFORMS

Strengthen leadership in current portfolio and grow in promising adjacent segments.

SERVICE

Step change in customer service capabilities across all businesses.

IMPLEMENTATION EXCELLENCE

Extract full impact from Company initiatives and ensure continuous efficiency improvement.

BEST GLOBAL TALENT

Continue to strengthen Coesia management team to sustain growth ambition.

Business ethics: our day-to-day commitment.

CODE OF ETHICS

The Coesia Group believes that ethical behavior should be the foundation of any entrepreneurial activity and that corporate responsibility should play a cultural role in encouraging and enhancing social relationships. The Group's Companies develop their social and environmental responsibility within the communities where they operate and contribute to improving the communities' prosperity and quality of life.

Based on our Values and our Mission, the Group's Code of Ethics reflects our beliefs and provides a tool to keep encouraging the promotion of our corporate social responsibility project in a shared, structured and continuous way across all the Group's Companies. The Code of Ethics is available on the Coesia website* and it has been shared on a global scale to make our commitment clear and transparent.

* For more information [click here](#)

Coesia's Code of Ethics and Anti-Corruption Guidelines define the way we do business. They are available in more than 10 languages to make sure that everybody in the Group understands them fully. Indeed, every new employee receives a copy of both documents when joining the Group.

Our commitment is to foster relations with partners who believe in the same high standards of business ethics we have set for ourselves.

ANTI-CORRUPTION

Loyalty, fairness, transparency, honesty and integrity are the way we do business; ethics is a cornerstone of our sustainable business activity and inspires us in our day-to-day conduct.

Additionally, as an international organization operating in different economic, institutional, social and cultural contexts, it is our responsibility to act in compliance with national and international laws and regulations.

Therefore, the Group has issued international Anti-Corruption Guidelines to promote the highest standards in all commercial relations throughout the organization.

We have also implemented an Anti-Corruption System that defines roles, responsibilities and initiatives based on the principle that everyone needs to be fully aware of our Anti-Corruption Guidelines. In addition, Coesia developed a management and control program to make sure that the Group is in compliance with the Italian legislative decree 231 issued on June 8, 2001.

In addition to Coesia's Supervisory Body (in Italian, Organismo di Vigilanza), a specific body has been

appointed to manage and control the above-mentioned system: the Anti-Corruption Committee. A whistle-blowing platform has been put in place to protect the privacy of anyone who, in good faith, reports an actual or potential violation of the Anti-Corruption Guidelines. The platform expressly prohibits any form of retaliation.

Moreover, we have developed training and awareness-raising material and initiatives to continuously update the Anti-Corruption requirements, risks and expected conduct.

Coesia is strongly committed to raising awareness of its business ethics standards by feeding a cascading communication system reaching throughout the organization.

Anti-Corruption training is provided to all managers and is also promoted among other people in the Group who can play a key role in this field. An e-learning platform is allowing us to increase the potential reach of the training program to our new employees.

RISK MANAGEMENT

The Group's Companies are exposed to risks and uncertainties that are common to international industrial businesses specialized in the design, production and sale of high-tech durable goods. Coesia is actively committed to identifying potential risk factors to minimize their impact and focus on the opportunities that derive from these assessments, which can lead to an increase in the competitive advantage of the Companies.

Coesia has established a risk and opportunity management strategy that has been integrated into the entire operating model of all the Group's Companies. Different strategic and operational risks are covered and involve, among other things, raw material prices, mergers and acquisitions and financial, legal, Health Safety and Environment (HSE), security and human resources issues.

The creation in 2017 of the Group's Privacy Committee provides a perfect example of the strategic risk and opportunity evaluation approach that is being adopted. While ensuring the compliance with the European Regulation 2016/679, the Coesia Privacy Committee

will allow for a higher level of awareness on the data accessible and usable at all levels throughout the organization.

Coesia evaluates specific sustainability risks and opportunities at both the Company and asset level, with a particular focus on aspects that could have a direct impact on the Group's businesses, such as the introduction of new energy regulations.

Reputational risks and opportunities related to aspects that could influence customers' or suppliers' perceptions of Coesia are also taken into account.

In 2017, no significant final ruling was issued against Coesia regarding non-compliance with laws and regulations in matters such as:

- Product safety
- Environmental issues
- Customer privacy and loss of customer data
- Information, labeling, provision and use of products and services.

2 OUR PEOPLE, OUR STRENGTH

We believe that people are the best engineering work ever created, with two features that technology cannot replicate: imagination and passion.



7,002

PEOPLE



from

62

DIFFERENT COUNTRIES

are the driving force behind the Company's evolution.

WELFARE INITIATIVES

provided by Coesia differ from country to country to respond to specific needs, exceeding the requirements of local legislation and with the goal of leading among our peers.



OHSAS 18001 certification covers more than 40% of our employees.

GLOBAL SELF-ASSESSMENT ON HUMAN RIGHTS



99.8%



of our population covered.

Global and local offer of



TRAINING for an average of

43 HOURS per employee.



919

NEW HIRES

with increasing female share.

+16%

OF WOMEN

in 2017 vs 2016.

Our people:
the engine of our organization.

INNOVATION POWERED BY PEOPLE

People are the key to Coesia's strength and success. It is thanks to their talent, dedication, passion and ambition to excel and to create sustainable value that the Group has been able to expand over time and establish itself as a leader in so many industries.

Thanks to its employees' creativity and skills, Coesia has always been able to put forward innovative products to its customers and achieve long-term success.

The Group wants to attract and retain the most talented people and develop them into the leaders of tomorrow by offering them the opportunity to work and live in a dynamic environment in which achievements are acknowledged and opportunities to expand their professional horizons are offered. As of December 31, 2017, the Group's internal community comprised 7,002 employees, an increase over 2016 that can be partly explained with the acquisition of Cerulean, Molins and MGS.

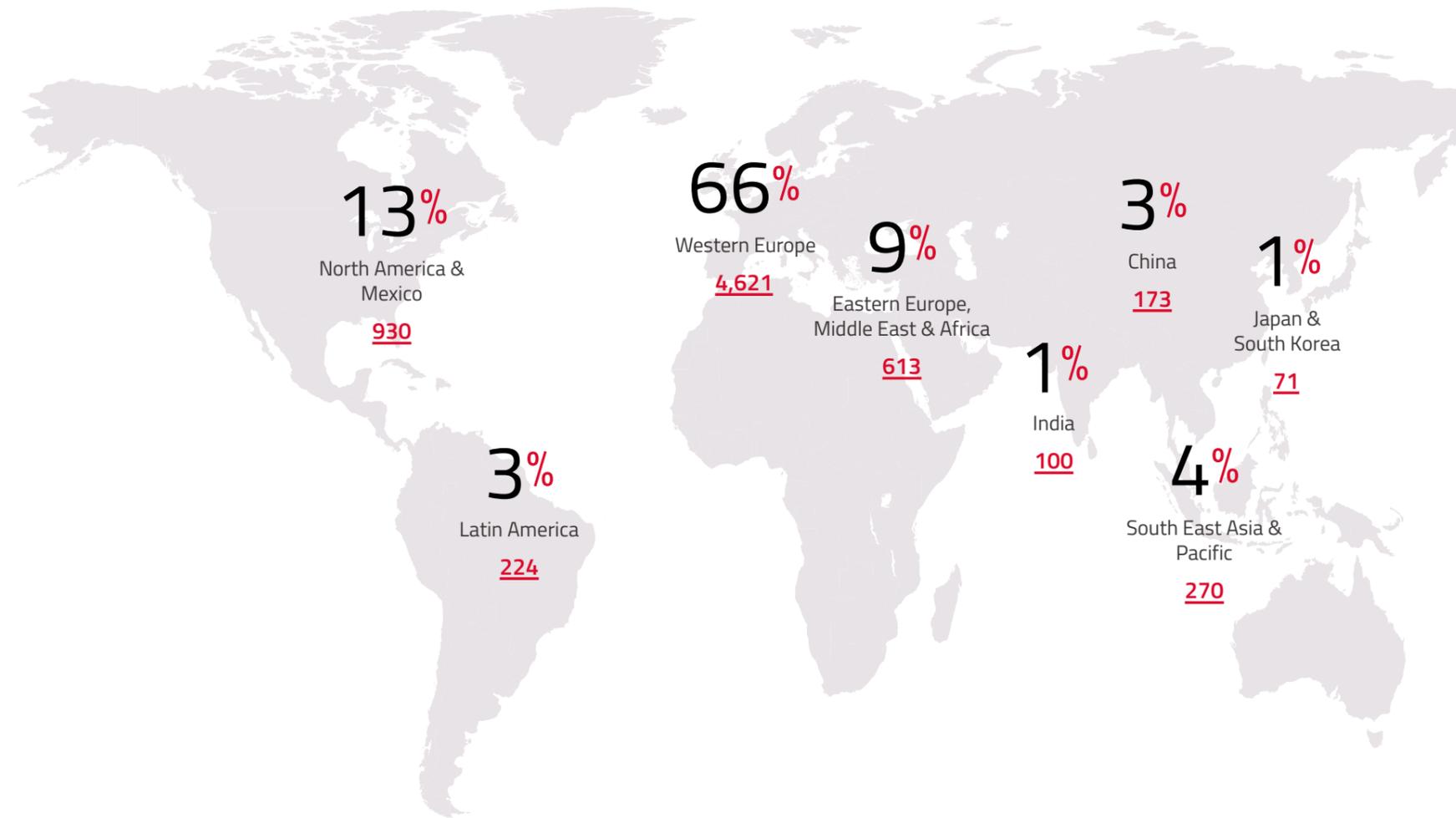
The Coesia population is spread all over the world, though the Group's Companies are mostly located in Western Europe. That is the area with the highest percentage of employees (about 66%), followed by the Americas (about 16%) and Asia & Pacific (about 9%).

More than half of Coesia's employees work in the operations area. Their activities, such as procurement, quality control, planning and testing, make it possible for the Group to implement the innovative ideas and projects conceived by the 1,372 people working in the engineering and R&D areas.

The remaining employees (about 29%) work in sales, marketing and customer service or in staff functions, including human resources, IT and finance.

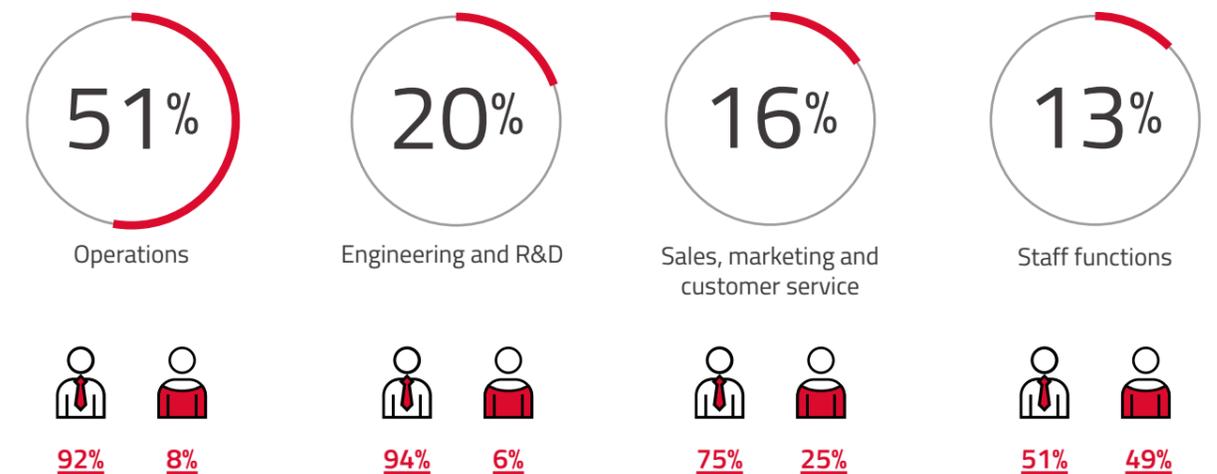
With over 7,000 employees in 32 countries, Coesia invests in its people, who have always been the driving force behind the Company's evolution.

PEOPLE BREAKDOWN BY GEOGRAPHY



PEOPLE IN OUR DEPARTMENTS

Male Female



We believe that diversity in our workforce will drive future innovation.

OUR PEOPLE: DIVERSE, STRONG, VIBRANT

As a far-reaching international organization, **Coesia seeks to respect and include every individual regardless of age, gender, religion, ethnicity or nationality.**

Indeed, diversity requires the availability of many different skills, ideas and points of view that make it possible for Coesia to meet the demands of different markets.

Like many other automated machinery companies, Coesia is facing the challenge of improving gender balance. The Group is committed to raising awareness of the positive impact of gender diversity in a global organization such as ours.

The percentage of women in the Group's workforce has been stable for years at around 15%, in line with the general trend in the automated machinery sector. In 2017, the number of women employed was 1,111, of which 41% were employed in staff functions, where the share of men and women is more or less the same.

Women and men joining the Group follow the same training path and have the same opportunities for professional growth and career development.

Gender balance is only one of many important aspects Coesia is focusing on to make sure that its employees continue to enjoy an excellent work environment, which is the only way to establish strong, long-standing relationships with its people.

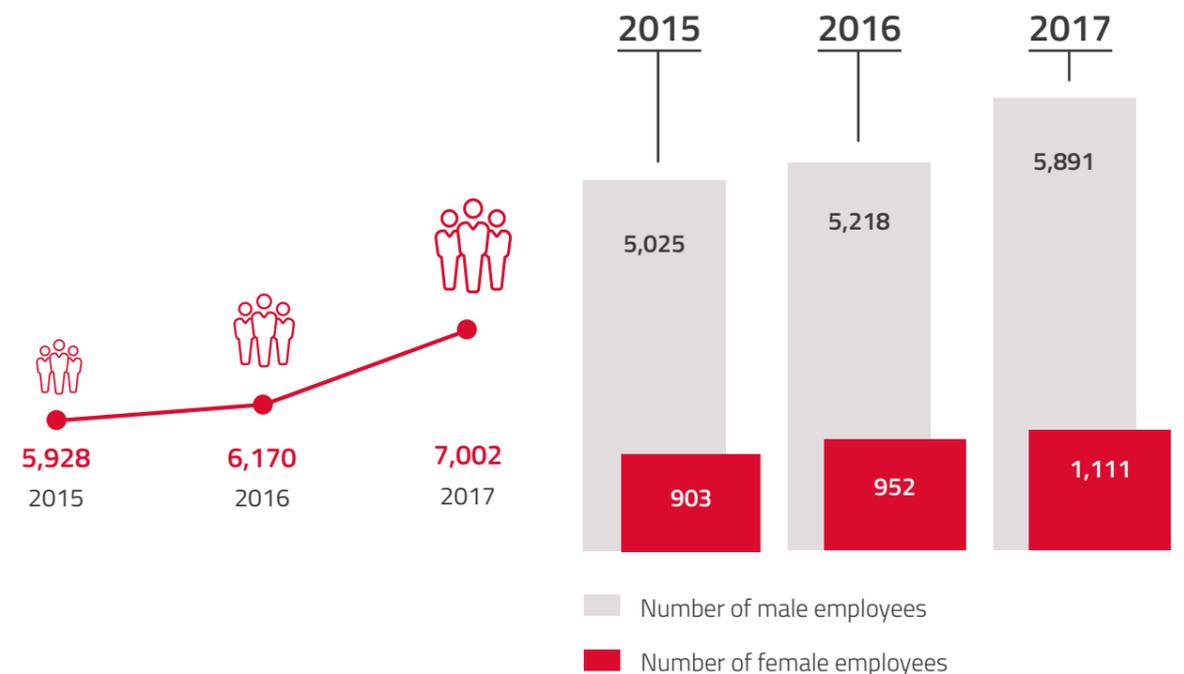
We also benefit from a balanced breakdown of employees by age. On the one hand, we rely on the solid knowledge base acquired by people with extensive working experiences, as shown by the fact that 61% of our population is over 40. On the other hand, we invest heavily in young people willing to grow professionally and contribute to the development of the Company.

We are convinced that constructive dialogue between generations is the only way they can learn from each other and strengthen Coesia's leadership.

PEOPLE BREAKDOWN BY AGE



EMPLOYEES



Speaking of young people, it is important to underline that, besides complying with all local and national laws and regulations in terms of age employment, we only employ people over 18 years of age, regardless of the country in which we are operating. The only exceptions are France and Brazil, where young students can be hired as apprentices to perform no-risk activities in compliance with the law.

The global self-assessment survey on human rights has been conducted again to collect information on the new entities in the Group, reaching a coverage of 99.8% of the Coesia population for 2017.

The aim is to make sure that aspects related to human rights, such as the absence of child and forced labor and discrimination, as well as freedom of association are preserved and guaranteed in all countries where we operate.

Coesia's population includes people of 62 different nationalities.

Improving everyday: as a Group, as professionals, as people.

BEST GLOBAL TALENT

Coesia is committed to attracting, developing and retaining the best people at an international level to ensure long-term managerial continuity and economic performance by always keeping a keen eye on the market's best practices.

Recruitment is coordinated centrally and involves not only the selection process but also employer branding activities that keep Coesia attractive and competitive on the labor market.

New employees are offered on-boarding programs so that they can seamlessly integrate into the Group and become familiar with our business.

Employees are then progressively offered training programs to develop their potential, skills and leadership in line with Coesia's strategic focus as well as collective and individual needs.

Coesia has also introduced a Talent Management System aimed at enhancing employees' achievements, potentials and skills. The goal is to guarantee opportunities for professional growth and to promote motivation and engagement by defining and monitoring performances and individual development plans.

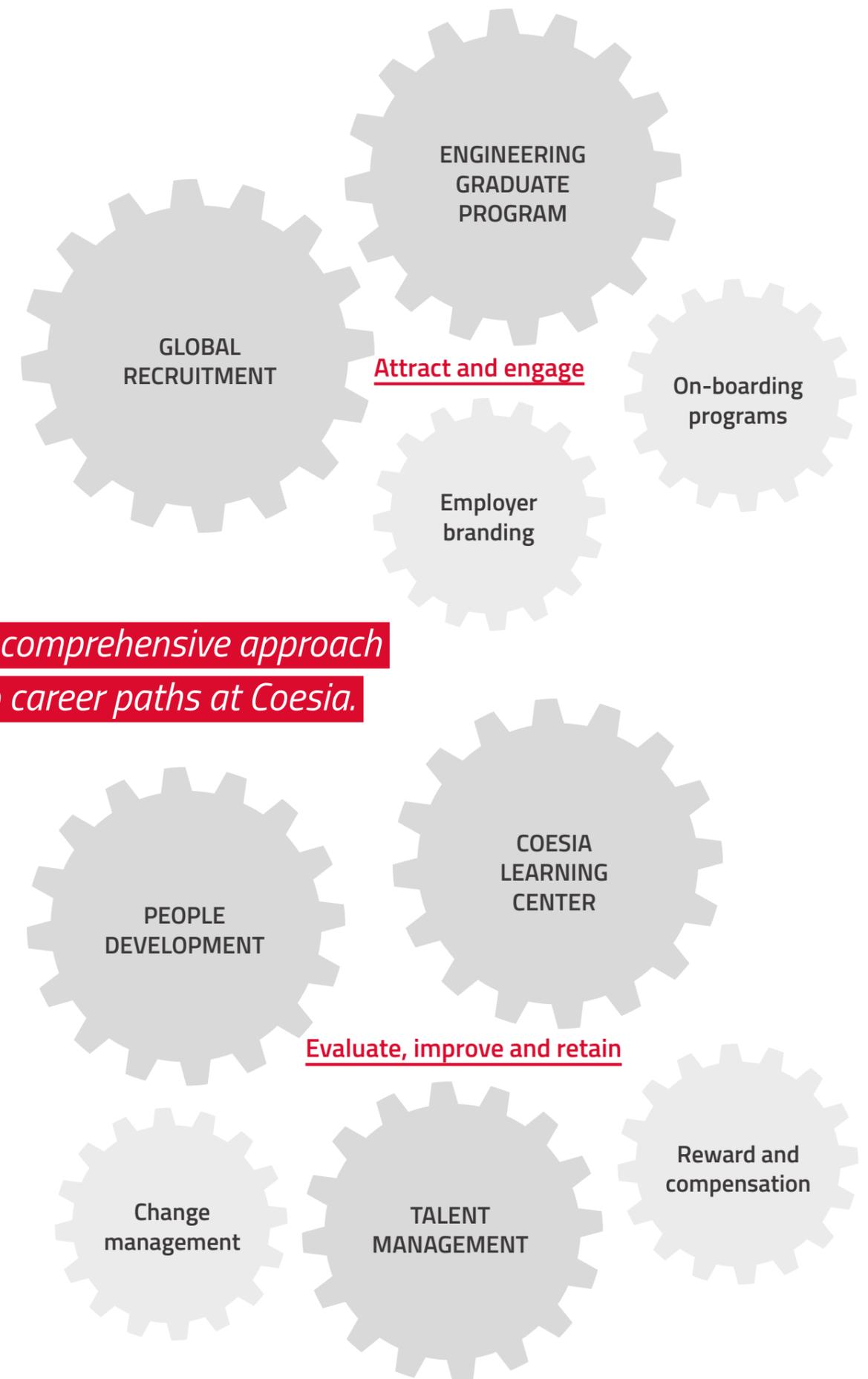
Furthermore, a system for remuneration, evaluation and the attribution of professional titles has been introduced at a global scale to guarantee internal fairness and external competitiveness so that talented new employees can be attracted and retained.

In 2017, Coesia hired almost 919* new employees, 20%* of which are women.

In the same period, the voluntary turnover rate within the Group was lower than 5%*.



*These numbers do not include the employees of the new Companies: Molins, Cerulean and MGS.



The main goal it is to identify and hire talent in line with Coesia's Values and leadership model.

BEGINNING THE JOURNEY

The **global recruiting** strategy focuses on different kinds of stakeholders, in particular students, graduates and professionals.

With regard to students and graduates, our goal is to provide them with an educational experience in the workplace to let them put their academic knowledge to the test in a real business environment. Examples include pre-graduation internships and collaboration on company-based dissertations.

On the other hand, professionals are offered the chance to discover opportunities in a very challenging and fast-growing global group like Coesia.

Finding and selecting the best candidates requires a complex combination of local and global integrated experience.

A dedicated, in-house team based in strategic geographical clusters, operating with a deep understanding of our business, culture and leadership attributes creates this unique blend of expertise.

This approach allows Coesia to have an edge in the competition for global talents and access to key skills and competencies.

In this way, all selections can be managed through the same recruiting channels and with the same tools, providing highly increased visibility throughout these steps:

1. **Application**
2. **Research and recruitment process**
3. **Preliminary interview**
4. **Technical interview**
5. **Job proposal.**

Each step is fundamental for two reasons: first, it enables Coesia to use a common database of profiles to improve the candidate's experience; and second, the human resources function can manage the selection process in a structured way in terms of communication, outcome and the like.

We also have global employer branding activities targeting both businesses and students. They include recruitment days and meetings at universities for students and events organized in the framework of trade fairs for businesses and professionals.

In this way, it is possible for us to build a pool of the "best global talent" to support Coesia's needs at an international level.

In 2016 we received an average of 14,000 CVs and around 900 selections were activated. In 2017, we received about 21,000 CVs, and around 1,300 selection processes were activated.

ENGINEERING GRADUATE PROGRAM (EGP)

The Engineering Graduate Program is a technical and managerial training program organized by the Coesia Learning Center. It targets talented new graduates in mechanical and electronic engineering from the best international universities.

The program seeks to:

- *Develop an overall culture in industrial automation and process solutions;*
- *Ensure, before hiring, complete training consistent with the main tools and processes of Coesia;*
- *Favor the proper placement within the different business areas in line with the interests, skills and competencies of the new graduate;*
- *Select talented new graduates to be placed into the various Coesia Companies and Functions.*

The EGP lasts 10 months and consists of five parts. Three modules involve classroom training in Bologna and two modules consist of real job assignments at the main Coesia organizational units.

The Group's managers act as trainers, tutors and mentors during the whole period and provide the students with a real overview of the everyday life and work environment in all of Coesia's departments.

EGP 2016/2017 AT A GLANCE

	<i>from</i>
18	7
Participants	Countries
480	800
Hours on the job in the students' home country	Hours in class for each participant
400	
Hours of international experience for each student	

PEOPLE PERFORMANCE AND DEVELOPMENT

Performance management drives the organization to high performance by leveraging the contribution of each person at Coesia and by creating a link between performance, reward systems and development paths.

PEOPLE PERFORMANCE DIALOGUE (PPD)

The People Performance Dialogue is a business process that aims to strengthen the link between the performance of the business and the contribution by every individual. Through PPD, Coesia leads its employees toward the achievement of individual, team and Company results, while fostering people development.

Through PPD, Coesia also provides employees with an objective and structured process in which meritocracy and, consequently, internal equity are guaranteed.

The very name of the process sums up its three main objectives:

PEOPLE

Leading people in their professional growth within the organization.

PERFORMANCE

Aligning individual goals with the corporate strategy, so that overall performance incorporates clear and measurable goals.

DIALOGUE

Facilitating and promoting dialogue between employees and supervisors.

PPD is focused on both quantitative and qualitative objectives in line with the business needs and behaviors that reflect the Coesia leadership model. The entire process is characterized by a continuous dialogue between supervisors and employees and includes a feedback session at the end of the year aimed at increasing individual self-awareness and defining a suitable development plan.

The coverage of PPD is gradually increasing, also with customized solutions aimed at involving the entire population regardless of their job and role. At the start, in 2013, more than 900 people were involved in PPD, whereas in 2017 around 4,300 employees took part in the process.

In 2016 and 2017, we invested heavily in communication and the involvement of employees and supervisors to further support the process.

PERCENTAGE OF EMPLOYEES PARTICIPATING IN PPD

60%

in 2015

66%

in 2016

67%

in 2017*

*Molins, Cerulean and MGS are not included in the ratio calculation.

DEVELOPMENT INITIATIVES

With the goal of creating and strengthening a one-group approach in terms of systems and processes, several development initiatives were carried out in order to enhance and retain our people.

The focus of these programs is the increase of self-awareness, knowledge and skills within the Group through the involvement of people in strategic initiatives such as the Leadership Lab and the Leadership Sandbox.

In 2017, other programs were introduced to better support people's development within the organization by offering activities aimed at fostering an innovation mindset and supporting cross-pollination (e.g., Innovation Days and mentoring and coaching programs). Coesia is also leveraging strategic partnerships with the best business schools, and using those relationships to co-design executive education programs dedicated to its leaders.

LEADERSHIP SANDBOX

Leadership Sandbox is an initiative seeking to foster the long-term development of Coesia's junior population. It involves participants in different activities in specific focus areas, including creativity and innovation, managing relationships through diversity, coaching and team building. Like the Leadership Lab, it provides visibility to Senior Management.

Around 230 people from 18 different countries were involved in these strategic development initiatives in 2017.

LEADERSHIP LAB

Every year, Coesia organizes an international Leadership Lab, involving a number of people, to mobilize the participants' collective intelligence to address issues that are relevant to the Group.

The program is structured to develop strategic out-of-the-box thinking, support teamwork in a multicultural environment and foster self-leadership in order to make sure that people become effective agents of change. It includes opportunities to get visibility with Coesia's Top Management.



COESIA LEARNING CENTER

The Coesia Learning Center manages and oversees the training initiatives with a global approach in order to:

- *Make sure that the Group's learning needs are satisfied by supporting the development of role competencies, which enable employees to grow professionally and work at their best to reach Coesia's business goals;*
- *Map the Group's learning activity at a global level, by ensuring quality, effectiveness and efficiency and by promoting innovative methodologies and tools.*

The Coesia Learning Center is supported by training needs analysis, a process that involves key people from each organizational unit with the aim of fully understanding their learning needs and having a

comprehensive and integrated overview of the information needed to finalize training plans and programs.

During the year, the Coesia Learning Center guarantees coordination and support in designing learning solutions, organizing targeted programs held by internal or external trainers and sharing the best practices within the Group.

The Coesia Learning Center provides corporate and local offer. The local offer includes IT, languages and technical training and is designed to fully respond to the specific needs of the organizational units.

Learning programs and training plans are strategic assets for Coesia's success.

43 HOURS OF TRAINING PER EMPLOYEE

As evidence of our commitment to the development of our employees, in 2017, we provided 304,109 hours of training. This means that we provided an average of 43 hours of training per employee.*

* These hours include the corporate offer and training on managerial, technical and professional skills, safety, IT, anti-corruption and languages. They do not comprise the training hours offered in the framework of the Engineering Graduate Program and Lean Six Sigma Academy.

40%

Technical skills

The total training hours provided in 2017 include both corporate and local programs and involve activities linked to the different competencies shown on the left.

37%

Languages

Indeed, in a world where scientific and technical research and innovation evolve so quickly, it is essential to keep pace with the new technologies. However, we also invest heavily in non-technical training, being aware of the importance of cross-functional skills, including soft skills and languages.

13%

Safety

8%

Corporate offer, managerial and soft skills

All-round training: this is how Coesia guarantees its long-term excellence and market leadership.

2%

IT tools

CORPORATE OFFER

The current Coesia Learning Center global offer is structured as follows:

JOB FAMILY PROGRAMS

Coesia supports the development of key job families to enable employees to work at their best in contributing to Coesia's business goals.

Our programs are customized and focus on skills and capabilities that are consistent with the requirements of specific roles.

Coesia in collaboration with the best training suppliers worldwide constantly implements the most effective tools and methodologies in line with the challenges faced by our business.

COESIA PILLARS

Coesia designs and delivers learning initiatives to ensure that its people are professionally effective.

All training content, tools and methodologies are identified with our leadership model, culture and Values in mind, as well as the main challenges and scenarios our Companies face. **We spread cross-skills, capabilities, information and competencies with the goal of enabling our people to "live" their roles in the best possible way and to grow professionally within the Group.**

COESIA MANAGEMENT SUITE

The Coesia Management Suite offers diversified learning programs that target all the managers of the Group, from Top Managers to supervisors.

The training programs focus on the connection between internal and external contexts so that participants always keep in mind the complexity, matrix organization and diversity as well as the managerial and leadership challenges deriving from them.

LEADING IN THE MATRIX

"Leading in the Matrix" addresses key roles in complexity, and aims to foster the current and future efficacy of Coesia leaders, with specific reference to the matrix organization and the challenges raised by the Coesia 2020 Strategy. Significant stakeholders within Coesia have contributed to the definition of its goals, which are:

- Foster key skills, from a 360° perspective that considers both external and internal stakeholders as well as peers and teams, to be effective in the Coesia organization;
- Explore the benefits and characteristics of matrix teams;
- Embrace roles as leaders in a matrix environment;
- Use influence and accountability, rather than authority, to achieve results with others;
- Coordinate to help team members contribute at their best.

The project was launched in mid 2017.

How we take care of our people.

WELFARE

We take care of our employees and their wellbeing by promoting initiatives at all our different sites with the aim of maintaining a good state of health as well as a balance between work and private life.

The initiatives provided by Coesia differ from country to country to respond to the specific needs of each. They are available to all employees and include social healthcare services and prevention plans, insurance (to be intended as the refund of medical fees) and periodical medical examinations.

To encourage a proactive approach to wellness, some Group Companies offer access to gyms or leisure centers and provide canteens or restaurant vouchers.

The promotion of equal opportunity in maternity, paternity and adoption matters shows the Group's commitment to encouraging both female and male employees to find a balance between work and family. Coesia provides parental leave to all its employees in compliance with local regulations.

COESIA SUMMER CAMP

The Coesia Summer Camp is an initiative for the children of employees working in the Bologna area. It was launched in 2016 in cooperation with the MAST Foundation and LGS SportLab. Activities include playing sports and participating in creative workshops to support the emotional and social development of children.

Our welfare initiatives differ from country to country to respond to specific needs, exceeding the requirements of local legislation and with the goal of leading among our peers.

A COMMITMENT TO THE WELLBEING OF PEOPLE: MAST.

Coesia's commitment to the wellbeing of its employees is exemplified by welfare services provided by the MAST Foundation. MAST is an international cultural and philanthropic institution that focuses on arts, technology and innovation. It coordinates a multifunctional center adjacent to the G.D and Coesia headquarters in Bologna.

The **MAST Foundation**, in addition to several projects and activities for the community, provides corporate welfare services for Coesia employees, creating synergy between the Group and the city.

The **Academy** is a training center for the development of a technical and managerial culture. For example, the Company's employees contribute to the Academy's external training project for young people attending schools in the community, thereby taking technological and managerial know-how beyond the Company.

The **Daycare Center**, which is divided into three nursery and two kindergarten sections, hosts children from three months to five years.

It is mainly open to our employees' children and also welcomes children from the local community in accordance with Bologna City council.

The **Company Restaurant** for Coesia employees goes beyond simply providing meals, by offering a place where the quality of the food, the free-flow service, the ingredients used and the culinary process comply with the latest guidelines and quality indicators developed in cooperation with nutritionists of the Gruber Center in Bologna.

The **Wellness Center** is supplied and managed by Technogym, a world leader in fitness equipment, and offers a wide range of services based on a model of integrated and holistic wellbeing.

Among other services, the Company's Restaurant and its Wellness Center are designed as part of a unified project in which nutrition and physical activity are deeply connected.

COESIA FOR ME

"Coesia Welfare and Engagement" is a program that was launched in 2014 with the purpose of mapping the state of Coesia's corporate welfare worldwide by collecting employees' opinions and feedback.

It includes a global survey, "Coesia For Me", that launched its second edition in 2017. The results highlighted several improvements compared to 2014.

Our employees emphasized Coesia's strengths in the areas of customer focus, diversity and welfare, while identifying communication, people development and leadership as the main areas to keep investing in. The implementation of the action plan, comprised of roughly 300 improving initiatives based on suggestions by our employees, will be carried out during 2018 and 2019.

Safety is a key driver.

SAFETY

Health, Safety and Environment (HSE) programs are essential expressions of Coesia's Values not only for employees, but also for contractors, customers and stakeholders.

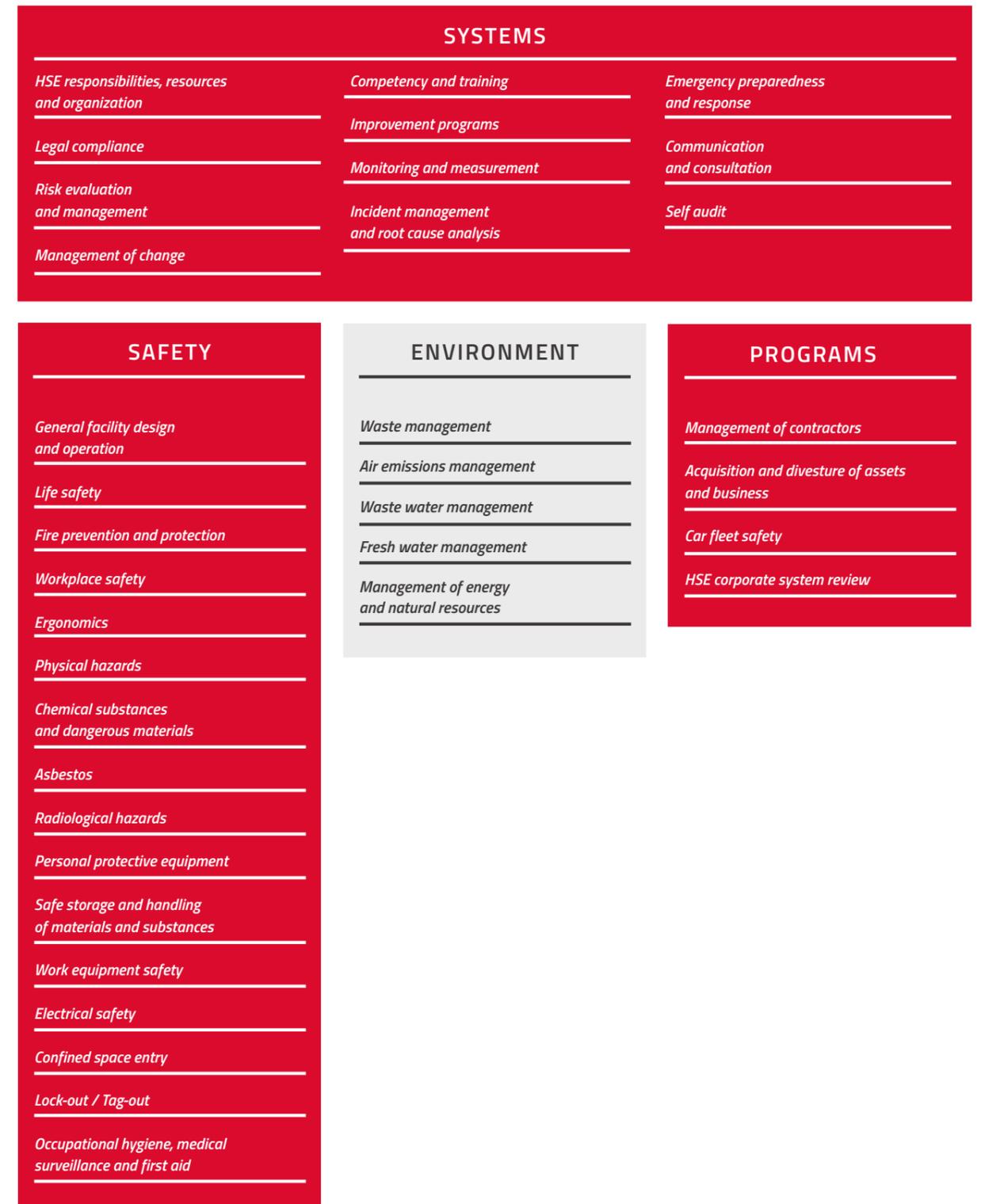
To show the Group's commitment to these Values, a Group HSE Policy was adopted in 2017 to spread a common approach on HSE management within the Group. The HSE Policy provides the specific requirements for each Company and unit of the Coesia Group.

The Policy, based on a continuous improvement approach, is structured so as to ensure:

- Safe and healthful workplaces in comfortable buildings;
- Safe plants and equipment, selected according to the highest safety standards and used and maintained correctly;
- Safe work systems, based on safe practices, in all the activities performed by the Group's employees;
- Safe people who are trained and competent in what they do.

THE HSE POLICY STRUCTURE

In line with our Values, Coesia states its commitment to the implementation of the HSE Policy to improve systems, safety, environment* and programs:



*The section dedicated to the environment is dealt with at the end of Chapter 3.

Coesia devotes time and resources to increase the safety know-how and the skills of its workforce.

THE GROUP'S HSE MANAGEMENT

With the Group HSE Policy, a number of projects have been initiated with the purpose of strengthening the HSE structure of the Group and its Companies. Tools to increase the effectiveness of safety management were developed in 2016 and became operative in the organization in 2017.

SAFE WORKPLACES

With this Policy, Coesia also sets out the requirements for workplaces, making sure that **all its facilities and buildings are safe and comfortable, thereby ensuring the employees' health and welfare.**

Particular attention is paid to the design and maintenance of workplaces and workstations.

SAFE WORK SYSTEM

The Group's Companies have developed their own procedures to ensure safe ways to work based on risk assessment and legal requirements. The programs that are connected with the HSE Policy focus on the continuous improvement of such methods.

The Group encourages the application of international standards. Indeed, as of the end of 2017, OHSAS* 18001 Safety Management systems covered more than 40% of the total population of the Group.

* Occupational Health and Safety Assessment Series (OHSAS)

SAFE PEOPLE

Trained and competent workers are the key to effective safety management within the Group.

Training about safety is a key activity that ensures a good understanding of risks and hazards, safe work practices and adequate commitment on safety management.

Coesia devotes time and resources to increase the safety know-how and skills of its workforce. Specific requirements for the HSE training management and a common training program are in place.

SAFE PLANTS AND EQUIPMENT

As a designer and manufacturer of high-tech machines, Coesia pays considerable attention to the use of safe equipment in its Companies.

Safety is a key driver for the Group, which is why specific measures complying with the HSE Policy and international and national regulations are applied to the entire lifetime of equipment.

SUPERVISORY BODY

In order to provide an effective link between safety management and the requirements of the Italian Legislative Decree 231/01, a Supervisory Body (in Italian, Organismo di Vigilanza) has been established in each Italian Company.

The activity of each Supervisory Body focuses on third-party surveillance of safety management, performance and compliance with applicable laws. The results are periodically reported to the Board of Directors and the Statutory Board.

SAFETY PERFORMANCE

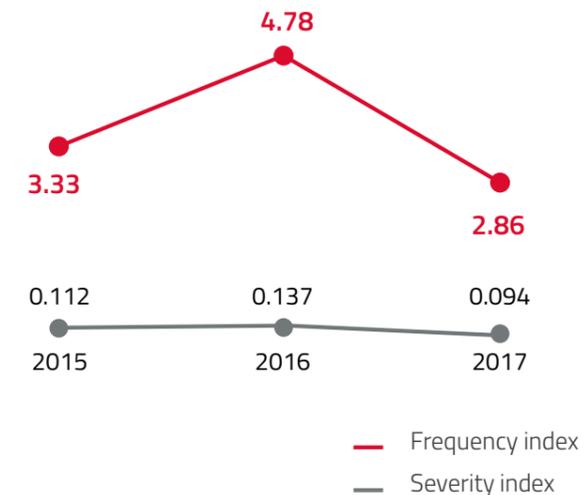
Coesia has developed a specific set of indicators to measure its safety performance, monitor the effectiveness of the actions implemented so far and plan future improvement actions.

The key indicators are:

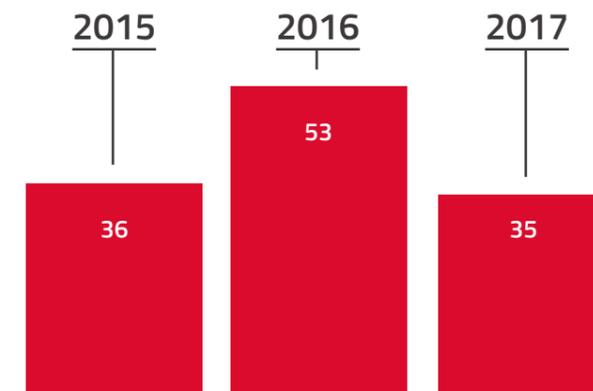
- Frequency index: the number of injuries on worked hours normalized over one million worked hours;
- Severity index: the number of lost days on worked hours normalized over 1,000 worked hours.

Structured tools to monitor, manage and plan corrective actions are in place in the whole organization.

SAFETY PERFORMANCES



NUMBER OF INJURIES



SECURITY

The security function is committed to regulating the aspects concerning the safeguard of people, as well as the tangible and intangible resources of Coesia. It does this by defining the operating rules for all security activities and identifying the roles and responsibilities of the subjects involved in this process.

Security entails the study, development and implementation of strategies, policies and operating plans to prevent, address and resolve incidents. Misconduct and negligence may result in the loss of tangible, intangible and organizational assets, or cause injury to employees, which would hurt the Company's competitiveness in the short, medium and long term.

Coesia's security risk management model is based on elements of a logical sequence that aims at:

- Identifying the context and threats by defining possible disastrous/harmful events and their frequency;
- Outlining the vulnerabilities and situations that allow events to become damaging;
- Calculating the expected loss in relation to the value of the assets at risk;
- Setting priorities for prevention according to the expected damage and the importance of the various system components;
- Determining the effectiveness/cost of the different possible measures and selecting the prevention strategy to adopt.

PHYSICAL SECURITY

Protecting the workplace from external threats requires a proper system of physical security: security guards (armed or unarmed) with wireless communication devices (two-way radios, etc.), security lighting (spotlights, etc.) and security cameras are just a few examples of how Coesia mitigates risk in this field. Indeed, unauthorized access is prevented in order to protect people, assets and intellectual property.

This comprehensive understanding of physical security and a continued vulnerability analysis system ensure a reasonable return on investment.

At Coesia, security measures include physical, cyber and travel initiatives in order to reach the target of all-round safety.

CYBER SECURITY

To achieve a secure transition toward digitalization, **Coesia continues to invest in the protection of know-how, data and digital assets.** In 2017, Coesia started to assess cyber threats specific to industrial systems, developing an integrated strategic approach to cyber risks. This is fundamental to protect a manufacturing value chain that combines operational technology (OT) and information technology (IT), the driving force behind the digitalization of industrial processes.

A deep analysis of the General Data Protection Regulation requirements identified possible gaps and helped us set up an action plan to achieve full compliance by 2018.

Moreover, Coesia continues to track the global cyber performance of the Group's infrastructure using its compelling metrics and KPIs.

Coesia has been translating complex technical parameters into an intelligible context through security ratings that are calculated and updated regularly to identify and assess vulnerabilities as well as to analyze security trends.

All updates take into account data breaches, botnets, spam, malware, unsolicited communication, user behavior and other parameters that can have an impact on security.

Evaluating security performance is key for both internal and external stakeholders.

TRAVEL SECURITY

Coesia provides information concerning security to personnel travelling abroad for business reasons, with the goal of offering not only trip solutions but also a consistent protection for our people, especially in high-risk countries.

A comprehensive program has been delivered through a system that is able to evaluate, monitor, protect and respond to any external threat. Internal skills and competencies are focused on mitigating risks to employees, Coesia's most important asset.

Effective internal processes have been put in place to deal with specific exposures and are daily reviewed in line with the business needs.

3 BUILDING OUR FUTURE

We believe that the future belongs to those who can look at the world with a broader vision that goes beyond pure technology.

14
new products were successfully launched in 2017.



COESIA'S AMBITION
is to continually improve technologies, products, solutions and processes to always be able to exceed expectations of both stakeholders and customers.



A complex network of global suppliers, all different in size and nature, makes up the Group's supply chain.

A precise and complex process leads to ensure that each machine is built according to the desired **QUALITY AND SAFETY.**



The Lean Six Sigma community at Coesia included

We promote the wellbeing of the communities where we operate.

469
Belts in 2017

~200
more Belts vs. 2016.



of our waste production is non-hazardous, with around



going into recycling.

ISO 14001 environmental management system covers more than 40% of Coesia population.

Innovation: our way of thinking,
our way of making the difference.

KEEPING UP WITH THE TIMES

Industrial research and innovation have always been the beating heart of Coesia and its Companies. Indeed, the aim of the Group is to continually improve technologies, products, solutions and processes to always be able to exceed the expectations of both stakeholders and customers.

The way innovation is created has significantly changed over the last decades.

Now, the market is driven by both customers' and consumers' needs, and innovation relies on sustainability and digitalization.

SUSTAINABLE INNOVATION

Coesia is strongly committed to integrating sustainability into each stage of design and production to deliver increasingly efficient solutions. This multi-disciplinary environment is a valuable asset for Coesia and an important catalyst for the effective use of resources.

For Coesia, sustainable innovation brings many advantages: less waste, less scrap, a lower specific energy consumption, a lower footprint, an improved work environment, more environmentally-friendly packaging materials, new packaging shapes to minimize both material consumption and logistic costs, novel technical solutions for production and packaging processes and more flexibility in format and brand changeover to optimize time and consumption at production plants.

IMPROVED WORK ENVIRONMENT

LESS SCRAP

FLEXIBILITY

LESS ENERGY CONSUMPTION

NEW PACKAGING MATERIALS

LOWER FOOTPRINT

NEW TECHNICAL SOLUTION

LESS WASTE

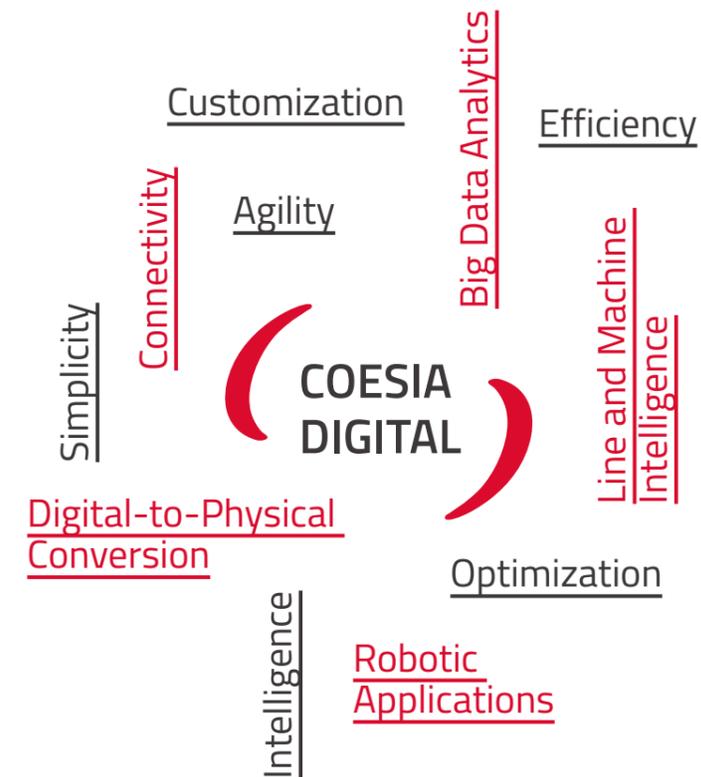
NEW SHAPES

COESIA DIGITAL

More efficient and reliable solutions can also be achieved by taking advantage of the newest digital technologies.

To keep offering customers cutting-edge products and services, Coesia is exploring the fields of connectivity, big data analytics, line and machine intelligence, digital-to-physical conversion, robotics and artificial intelligence, while prioritizing cybersecurity.

In order to fast-track the digital transformation plan and develop stronger partnerships with customers and suppliers, Coesia has set up a multi-functional team to leverage internal strengths and synergies, to ensure that customers' needs for **Customization, Optimization, Efficiency, Simplicity, Intelligence and Agility** are fulfilled through its state-of-the-art innovations.



OUR IDEA OF INNOVATION

Innovation at Coesia means a really creative and interactive mechanism that involves many players: customers, marketing, engineering and R&D.

It is an integrated process embracing all aspects from concept development and the design process to the supply of the finished product or service.

This process is applied to all New Product Development (NPD) projects that may include, among other things:

- **Disruptive innovations** that create a new market;
- **New product lines** that enable Coesia to enter an established market for the first time;
- **Line extensions** that supplement an established product line;
- **Product improvements** that improve the performance of and replace existing products;
- **Cost reductions** that provide similar performance at a lower cost;
- **Repositioning** that takes existing products and targets them to new markets or segments.

This process leads to New Product Launches every year.

FROM THEORY TO PRACTICE

OUR R&D CENTERS

At Coesia, each Company has its own R&D center with industry-specific competencies. The centers customize machines and processes, which encourage personal development and our employees' commitment.

Projects classified as NPD are reviewed by the central functions to reinforce synergies and optimize costs.

In this way, all Companies interact and cooperate constantly, enabling development of common approaches and sharing of specific technological know-how.

COESIA ENGINEERING CENTER (CEC)

The corporate Coesia Engineering Center plays a specific strategic role in supporting Coesia's Companies and fostering synergies and cross-pollination of R&D among them.

The CEC team enters into action when a technology transfer is required, the project workload exceeds the local availability of resources or the Company itself requests technical support and consultation. The CEC team carries out feasibility analyses on technical solutions, timelines, resources and costs to identify long-term trends and developments.

Moreover, the CEC supports sustainable packaging solutions to meet the needs of our most ambitious and environmentally-oriented international customers.

In 2017, the team was composed of 52 highly skilled people, including executives and project managers, mechanical and electrical designers as well as testing technicians from different Group Companies.

COESIA SOFTWARE INNOVATION (CSI)

Our industry is evolving at a constantly accelerating pace, creating the need for a new center of excellence for software: Coesia Software Innovation.

Research and innovation are part of our DNA. To strengthen our commitment even further, Coesia established the CSI in 2017.

CSI is a center of expertise, spreading innovations and knowledge in software technology within the Group. Working both long and short term, CSI drives the development of new digital business models, collaborating with all Coesia Companies to ensure a consistently high level of software novelty.

The work of the CSI team helps to build a Coesia Group where customers find a high level of software products and services, in all of the Coesia Companies.

INNOVATION NUMBERS IN 2017

1,372

People in engineering and R&D departments

14

New products successfully launched

7.4%

Of our revenue invested in engineering including R&D

EXPLORING NEW MARKETS: PRINTING FOR CONSUMER GOODS

Hapa's redcube plus printing module is at the heart of a recent innovation in the printing industry: the first digital printing solution for bottle-closure.

This solution, realized by a manufacturer of processing and quality control systems for closures, is able to print at speeds which match those of the mold technologies producing the caps. The high quality of the inline printed artwork opens up new opportunities for suppliers of the fast-moving consumer goods industry.

As a plus, the combination of two process steps, production and printing of caps, into one machine is extremely economical, as well as compact and time and space effective.

This optimization has created a line that produces caps ready to go for the customer.

R.A JONES KNOWLEDGE: REPACKAGED

In 2017, R.A Jones launched an extension of the Criterion® line of cartoners with the Criterion® CL-240. This new mid-speed model provides greater package size flexibility, enhanced safety features, quicker changeovers and upgradeable center-line capabilities.

The machine was welcomed with enthusiasm by the market which provided viability for developing additional models, such as a custom version to run plastic canisters for wet wipe products.

This model, along with the existing Criterion® CL-330 and the new intermittent motion version, will help us create a Criterion® family of machines that share common functionality and 75%-80% of common parts, providing flexibility for the R.A Jones manufacturing process.

The common parts will also provide lower costs by allowing us to order larger quantities. This should allow us to be more cost competitive moving forward.

THE COLLABORATIVE ROBOT RC10

In 2017, FlexLink launched an update on their collaborative robot, the RC10. It has a working rate of eight boxes per minute and reduces the footprint by 50% compared to industrial robots. The palletizing cell is easy to operate using a drag-and-drop tablet interface, which offers continuous operations and allows the operator to change the palletizing pattern without any unwanted stops.

A clever design and smart features shorten installation and introduction time, minimizing the setup phase.

Altogether, this gives the customer a safe, easy-to-move solution with several modification possibilities and a small footprint.

EACH MACHINE HAS ITS OWN STORY

Quality and safety go hand in hand at Coesia.

Building each machine is a precise and complex process in which each step needs to be performed within a certain time frame as agreed with the customer, while ensuring the desired quality and safety required by the sector-relevant regulations at local and international levels.

Every step in the testing process of each machine is performed by our technicians, first in our plants,

and then at the customer's premises to start regular production.

All our machines are built following similar steps.

For example, **the R.A Jones Criterion® CL-240 cartoning machine opens pre-glued manufactured seam cartons, loads products into them and closes the cartons. This model expands R.A Jones Criterion® line of cartoners, with a new mid-speed version, while ensuring performance, reliability and safety.**

The main steps are:

SUB-ASSEMBLY

The sub-assemblies of all the parts of the machine build bigger assemblies.

The CL-240 is made up of more than 3,500 unique components, assembled in its core functioning areas: product collation & transfers, article conveyor, carton opening, feeding & transport, as well as date coding, and carton closing assemblies.

MACHINE ASSEMBLY

In this stage, the sub-assemblies and other components are put together to build up the entire machine.

The above-mentioned stations are built-up as "stand-alone" units. They are then put together and linked to all the other electrical and mechanical components that enable the motion of the entire machine, powered by digital servomotors that work together as an electronic drive line.

SAFETY TEST

A safety risk assessment is performed to make sure that the proper safety measures are in place on the machine.

This includes a check of all safety mechanisms, such as guard doors, safety gates or life lines, alarms, and emergency stops. The safety team ensures that proper guarding is designed to restrict access where products enter or exit the machine.

All safety checks are signed off by the team to ensure the safety of operators working on and near the machine.

QUALITY TEST

Quality checklists and open action item lists are used to achieve the highest quality standards during the testing.

A specific procedure is followed according to the customer's requirements and specifications.

All the systems are set and adjusted in order to achieve the highest quality package. So, for example, cartons are visually reviewed for squareness, fiber tear and scratching or scuffing, to make sure they stay sealed.

EMPTY RUNNING

The machine is tested at low speed and without packaging materials (cartons, product, hot melt glue) to ensure that all mechanisms work properly and to avoid foreseeable breakage, failures and jams.

INSTALLATION AND CONNECTION

The machine is brought to life.

All electrical and pneumatic components are assembled alongside the mechanical systems. Software is installed on the machine, which is then connected to the power supply and turned on.

RAMP-UP AND FINAL TEST

All systems are tested at the same time by speeding up the machine to check its actual performance.

The CL-240 can reach a speed of up to 240 cartons per minute. All possible variables are simulated as if the machine were running a regular production. All simulation testing is done with materials provided by the customer, typically including pre-glued flat cartons, actual product and hot melt glue pellets.

Before leaving our factory, the machine is required to pass a final test. A punch list is created to make sure any last-minute changes are captured in writing.

DISASSEMBLING

After all of the punch list items are completed, the entire machine is disassembled, packed and shipped to its final destination.

We try to keep the machine intact as much as possible to make it easier and quicker to put it back together. The main cartoning machine ships in one big piece with its electric panel, designed to be mounted directly on to the main frame.

The outer article conveyor and product transfers ship in one or two pieces with their own, smaller electrical panel.

In this way, we deliver the units with the most critical functions already assembled.

DELIVERY

At the customer's location, the disassembled parts are put together and the machine is installed and connected again.

Finally, the equipment is tested with the actual product and the rest of the production line. The correct functioning of the units is tested again and all settings are adjusted to achieve the desired package quality and line efficiency.

SERVICE

Coesia provides a wide range of services in order to guarantee a high level of performance during the entire lifetime of our equipment.

For example, R.A Jones has a dedicated customer service team that provides service, training, spare parts and modernization kits to maximize our customer's investment.

We feel responsible for the safety of our technicians, who test our equipment, but also for the safety of our clients' employees who operate our machines on a daily basis.

THE COESIA WAY TO EXCELLENCE

A systematic and structured approach to continuous improvement is fundamental to guarantee business sustainability and high-quality standards over time.

For this reason, Coesia launched a multi-generation program under the umbrella of operational excellence.

LEAN SIX SIGMA (LSS)

In 2014, Coesia launched a Lean Six Sigma program, adopted globally, with the aim of providing a common platform and language for operational excellence in all businesses, functions and processes.

- Master Black Belts (MBB)
- Black Belts (BB)
- Green Belts (GB)
- Yellow Belts (YB)

The deployment strategy of the LSS program is led by the LSS Executive Council, and implemented in each organization by the champions. The latter define a program deployment plan for their organization and identify both the improvement initiatives to be launched and the right resources to be involved as project leaders (the Belts).

The number of Belts has steadily grown as a result of the increasing program deployment within the organization and also thanks to the internalization of the LSS Academy, which has managed all LSS training sessions delivered by our MBBs and BBs since the beginning of 2016.

All LSS projects have a sponsor, or process owner, who is responsible for the project's success and is called upon to act as a change agent within their business area. This ensures that the necessary resources are made available and speeds up the improvement implementations.

In 2017, 214 new Belts were trained by the LSS Academy, for a total of 469 active Belts: 26 BBs, six of which focused on customer service, 256 GBs and 187 YBs. Furthermore, 622 people across Coesia, not involved in the LSS program, have been trained about the basics of the LSS methodology during sessions of LSS Awareness training. During this past year 111 LSS projects were closed, while 215 new ones were kicked off.

Based on the LSS training and the time dedicated to continuous improvement activities, the Belts are classified as follows:

These improvement initiatives are driven by a customer-centric focus while strengthening the internal operational efficiency.

In 2017, the Operational Excellence programs helped Coesia reach its targets, further strengthening the focus and impact on the Coesia 2020 strategic drivers.

INDIRECT COSTS (INCO)

InCo is a global initiative targeted at supporting Company growth by leveraging on the control, analysis and reduction of indirect costs. Given the competitive environment and continuous business evolution, the main objective is to free up resources in order to evaluate and implement new investments, innovative projects and process improvements. Within this challenging context, the InCo program aims at eliminating or reducing non-value-adding activities, therefore decreasing those expenses that are not providing an effective contribution to the sustainability of the business.

To maintain and extend the success of InCo, Coesia promotes improvement projects and is constantly committed to supporting Companies and Regions sharing competencies and best practices in order to facilitate local initiatives. Growing a sustainable cost efficient culture within the whole Group and encouraging new and innovative ideas are the major goals of the program moving forward to the next challenges.

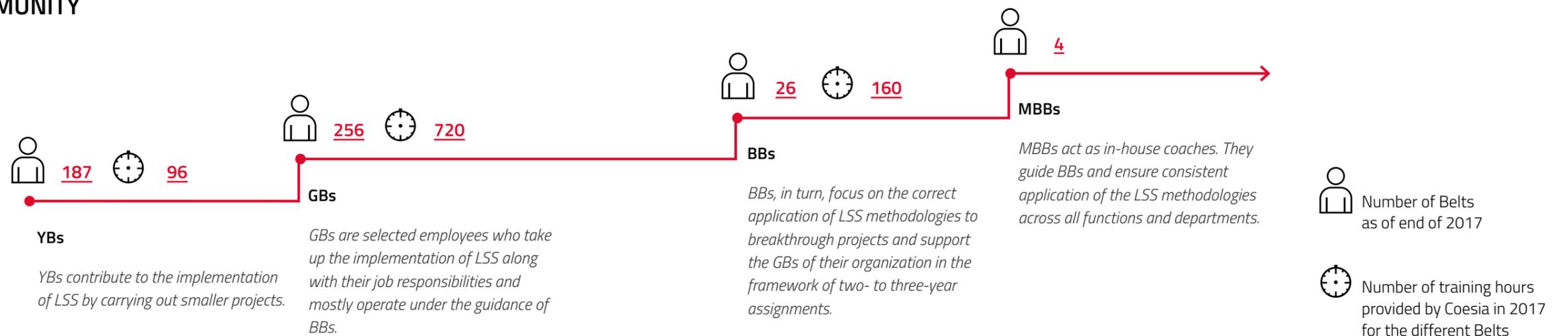
CORE BUSINESS PROCESS REDESIGN (CBPR)

Created with the aim to redesign the core processes enabler of the ambitious growth objectives of Coesia 2020, CBPR has empowered the Group with a program that drives improvements through a renewed perspective.

The push for growth through mergers and acquisitions is now sustained by a smooth and functional framework process for new Companies on-boarding. CBPR has identified a roadmap of actionable enhancements to strengthen sales processes and continuously support local organizations to meet market and customer expectations.

Looking to the future, CBPR has launched "Shape". This initiative harnesses the value of advanced big data analytics for cross departments process development.

THE COESIA LSS COMMUNITY



Our world: how we take care of it.

OUR SUPPLY CHAIN

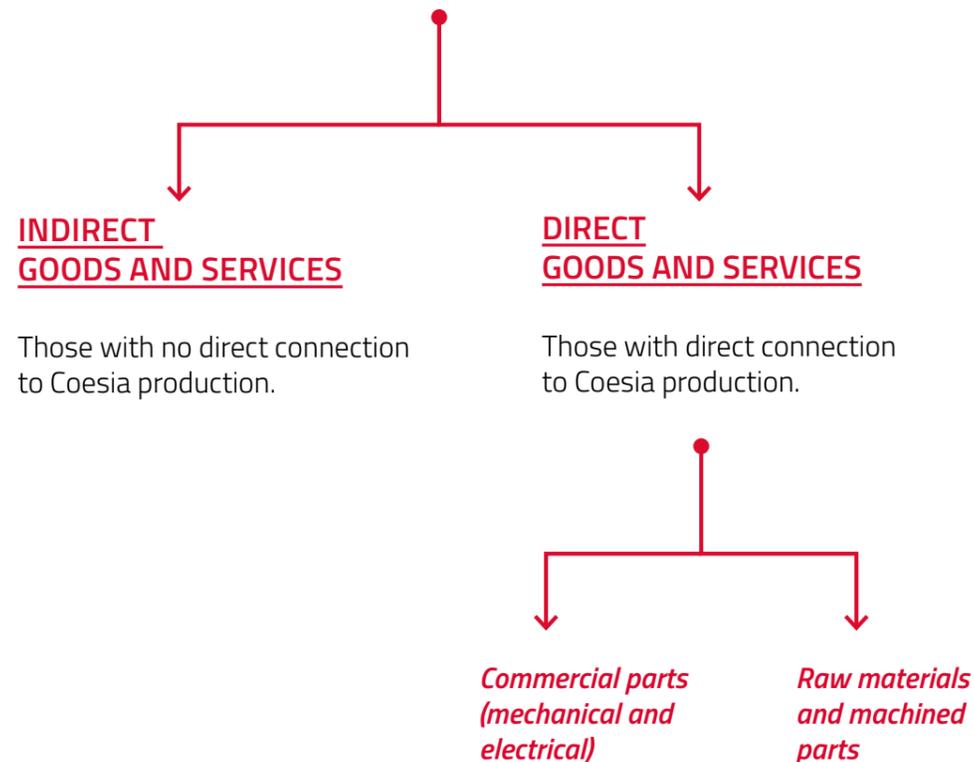
A strong and qualified supply chain is an important strategic factor in Coesia's growth and development. The Group has always preferred to develop long-standing partnerships with its suppliers and generate a higher level of quality through a targeted improvement process.

Our commitment to suppliers, especially local ones, is to support their skills and improve their performance and economic stability. Indeed, a highly connected supply chain helps us detect and respond quickly to challenges, while enabling enhanced mutual collaboration.

Coesia purchases goods and services either directly or indirectly, depending on their connection with production.

Direct purchasing involves two categories of goods: commercial parts, both mechanical and electrical, as well as raw materials and machined parts. Each has a direct connection to Coesia's production. Commercial parts are the beating heart of our machines, enabling the motion of the entire system. For this reason, suppliers must ensure the highest quality and safety standards.

Raw materials and machined parts form our know-how. The machined parts designed by our engineering departments and the raw materials we purchase for internal manufacturing guarantee the high performance and reliability of our machines.



A COMPLEX GLOBAL NETWORK

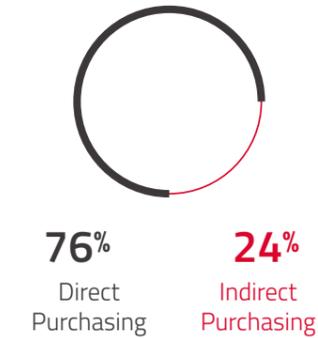
The Group's supply chain embraces many global suppliers of all different sizes and types. Direct purchasing has working relationships with roughly 6,000 suppliers, while indirect purchasing coordinates with over 6,000 more.

The Group's purchasing department manages the strategic suppliers included in the Group's vendor list. The other suppliers are managed at a Company or local level.

The Group uses standardized tools to evaluate new and existing suppliers. In particular, a vendor rating process has been developed to map the suppliers' performances. Quality, manufacturing and equipment management systems are some of the technical and quality parameters considered in this process. Corrective actions are identified to start a dialogue with suppliers for the improvement of their score and, as a consequence, the growth of the supply chain.

To standardize the purchasing procedures of the Companies, a series of general purchasing conditions have been defined during 2017 and are under implementation throughout the Group.

PURCHASING TURNOVER AND DISTRIBUTION



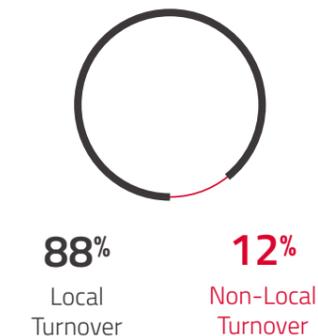
In 2017, 76% of the total purchasing turnover was connected to production.

DIRECT PURCHASING DISTRIBUTION

Raw materials, machined and custom parts accounted for 69% of total direct purchasing.



LOCAL PURCHASING



Coesia is committed to fostering the growth of its suppliers and communities by buying locally. In 2017, about 88% of the Group's direct spending on goods and services was with local suppliers.

METHODOLOGICAL NOTE

The percentage of products purchased locally has been calculated based on the total turnover. The data shown represent 99% of the direct purchase turnover, without considering intercompany transactions. A product is considered "local" if the supplier is based in the same country as the Company that acquired the product.

SUPPORTING LOCAL SUPPLIERS

Purchases by G.D account for more than 45% of the total purchases of the Group.

In 2017, about 94% of G.D's direct purchasing was made locally.

Since G.D's network of suppliers is particularly wide, many pilot projects along the value chain originate with this Company and are extended to other Companies at a later stage.

For example, a supplier's stability program was adopted by G.D during 2017, opening the way for implementation by other Companies of the Group. The aim of this stability program is to identify suppliers with potential financial problems and define supportive solutions and secure long-term continuity of the supply chain.

In addition, G.D defines tailored supporting plans, including on-site activities from Coesia and its external technical experts, the analysis of production processes and process re-organization, using LSS tools and methodologies.

For Coesia, sustainability in the value chain means looking beyond corporate boundaries to promote strategic, shared responsibility for social and environmental issues.

The challenges we face are increasingly complex and require collaboration with our partners to create added value. Our commitment to sustainability is one of these challenges.

The Suppliers' Code of Ethics clearly states our commitment to the high ethical standards we have set for ourselves in areas like labor practices, human rights, health, safety and environmental protection.

We promote employee volunteer initiatives all around the world.

OUR COMMUNITY

All Coesia Companies are committed to promoting the wellbeing of the communities where they are based by creating cooperative relationships and partnerships.

As a Group, we provide financial and in-kind support to not-for-profit organizations whose missions address social inclusion, gender issues, support for homeless people, adults and children with disabilities, older people, immigrants and refugees and aid for areas hit by environmental disasters, as well as promote scientific research, health, arts, sports, culture and education.

In particular, in 2017, many of our organizations provided financial support to cancer research, the protection of children and education.

We also promote local employee volunteer initiatives all around the world. For example, in 2017, FlexLink promoted local initiatives in the following areas: integrating immigrants into Swedish work life, cleaning gardens and parks, planting trees, renovating park equipment, as well as collecting Christmas gifts for less fortunate people, and building houses for homeless people.

In addition, FlexLink was one of the sponsors of the Barngolfen golf tournament, the largest fundraising event for Queen Silvia Children's Hospital in Gothenburg, Sweden. This event saw our employees handing out food and drinks and working as caddies for the professional golfers who participated in the tournament.

An innovative collaboration between for-profit and not-for-profit organizations.

FARE IMPRESA IN DOZZA (FID) MAKING BUSINESS IN BOLOGNA'S PRISON

Since 2010, the Coesia Company G.D has supported FID, a social enterprise that supports detainees' work training and their subsequent integration. The project was launched in collaboration with the IMA and Marchesini Group, other companies operating in the same sector and area, and the FAV (Fondazione Aldini Valeriani), an organization focusing on mechanical training.

FID has also funded the creation of a mechanical workshop where detainees work together with volunteer retirees to supply products to the companies that founded the social enterprise. This unique private initiative is an example of exchange of skills and promotion of human dignity.

CARING FOR OUR FUTURE

Education and training for younger generations.

EXPEDITIONS AND THE SUMMER SCHOOL

Expeditions and the Summer School are two projects promoted by the MAST Foundation that involve employees from Coesia's Companies.

Expeditions is a project that teaches young students from schools of the Bologna area about packaging design, industrial automation, marketing, smart objects and artificial intelligence. It provides them with a unique learning experience in technological innovation and entrepreneurship.

Starting in December 2015 with 230 students, the project expanded rapidly; about 700 students from six schools took part in the project in early 2017. The latest session, run from November 2017 to May 2018, has involved more than 1,000 students belonging to eight schools. Moreover, about 30 of our employees play a role in each session, acting as trainers, by assisting with the design and delivery of technical content and as mentors by organizing and guiding participants' visits at our Companies.

Launched in 2016, the Summer School is a training project targeted at high school students, featuring a full immersion week of workshops, classes and working groups on various innovation and technology topics, as well as recreational and team-building activities. The second session, dedicated to 3D printing and smart objects, took place in July 2017 and involved 30 students from different schools in the Emilia Romagna region.

Find out more information at www.academy.mast.org

ITS MAKER

ITS MAKER is a corporate project for high school graduates in collaboration with the Italian government, the Emilia Romagna region and other companies and training foundations.

Operating on behalf of Coesia, G.D is a founding member of the Foundation ITS MAKER, the Higher Institute for Mechanics, Mechatronics, Motoristics and Packaging for "Made in Italy" solutions.

ITS MAKER promotes technical and scientific know-how for the growth of the industrial network of the territory. Differently from academic paths, these two-year post diploma courses deliver cutting-edge professional training mainly through laboratory and practical learning. These courses churn out highly skilled young technicians for the strategic industrial sectors of the region.

Find out more information at www.itsmaker.it/en

OUR ENVIRONMENTAL IMPACT

We work to prevent and mitigate our environmental impact by continuously improving our process performance and developing new technologies.

The environmental sustainability of Coesia's operations covers several business initiatives, such as energy saving programs and related investments, car fleet management, Company mobility, requalification interventions and waste management.

To verify its environmental progress, Coesia monitors its impact by collecting data related to energy consumption, emissions, water consumption and waste production. Thanks to these systems, Coesia can define priorities and ways to intervene to guarantee its environmental sustainability over time.

Coesia's sophisticated nature is reflected in a heterogeneous system of small and medium-sized sites located in different countries around the world, though mostly in Western Europe.

Moreover, the ISO 14001 environmental management system covered more than 40% of Coesia's population in 2017.

Coesia seeks to maintain the high environmental efficiency of its sites around the world while improving the wellbeing and quality of life of its employees.

HSE POLICY STRUCTURE

As shown in Chapter 2, Coesia has adopted the Group's Health, Safety and Environment (HSE) Policy.

In addition to health and safety requirements, it includes a specific section on environmental requirements such as waste management, air emissions, wastewater and fresh water, energy and natural resources.

The most significant environmental data for Coesia are provided in the following sections.

METHODOLOGICAL NOTE

The current monitoring system involves all sites with surfaces larger than 100 square meters. All data are collected as absolute values; however, since Coesia is characterized by the sites' heterogeneity, the indicators were normalized to allow comparison of "equivalent conditions"* and evaluation of the environmental performance trends. This normalization was made on the production level (revenue).

*The reporting scope changed during 2017 following the acquisition of Molins, Cerulean and MGS and other minor refinements have been made in the footprint mapping.

ENERGY

Energy consumption is one of the most significant environmental impacts generated by Coesia.

For this reason, **over the last few years, the Group has worked to find innovative ways and best practices to improve the energy performance of its buildings.**

In some cases, architectural renovations were made on the external structure using new high-performing materials (e.g., roofing, glass walls, exterior insulation and finishing systems); in other cases, new solutions such as photovoltaic panels, LED lighting systems and solar thermal panels were installed in our plants. Another strategy focused on sustainable transportation

options for employees. In 2017, a specific mobility analysis was carried out in Bologna, where four Coesia Companies are based. It included a discussion with the municipality to identify solutions facilitating sustainable mobility for employees and an agreement with a local public transport supplier to offer discounted tickets. Coesia's energy management strategy also deals with the implementation of auditing processes and the analysis of required mandatory interventions or opportunities for investment to make sure they are in compliance with all legal requirements at a national and local level.

MAJOR INITIATIVES

2015 —————> 2017

ISO 50001 certification at FlexLink headquarter.

Coordination at European level of the **energy audits** according to the European Directive 2012/27/U.

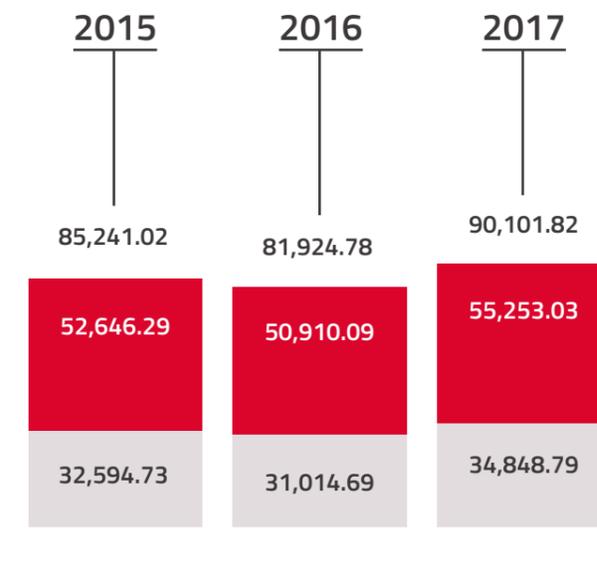
Gradual implementation of a **"Total Infrastructure and Facilities Management (TIFM)"** system to map, supervise, manage and control all plants and maintenance activities, from the request for intervention to the execution.

Introduction of a **mobility plan** for employees working at Coesia headquarters. In 2017, a survey was launched to analyze mobility habits and employees' needs.

Development of a new **Car Policy** to promote the use of hybrid models.

Three-year trends of "total energy demand" and "energy normalized by revenue" are shown in the next page. All the data have been converted into MWh (Megawatt hour) with the help of the appropriate national converting factors (Lower Heating Value, LHV).

TOTAL ENERGY CONSUMPTION

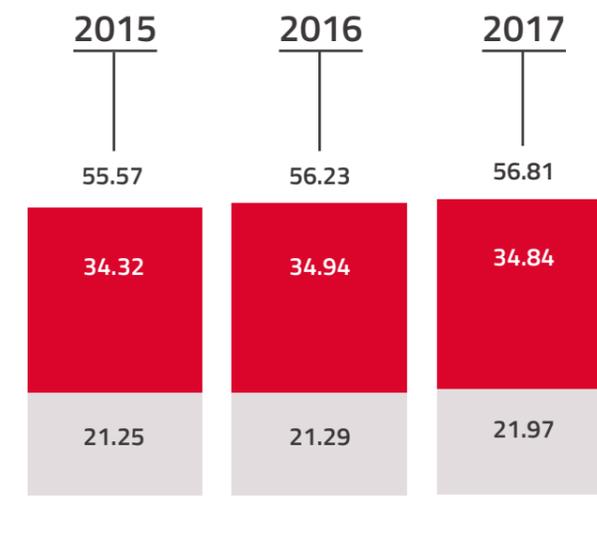


Coesia is strongly committed to the adoption of energy saving investments, such as the gradual transition to LED technologies for lighting systems, integrated software solutions for plants control and management, implementation of automatic systems for consumption measurements, gradual replacement of thermal plants with updated systems and vacuum plants and compressors with inverter equipped systems.

Nonetheless, in 2017 energy consumption registered an increase, mainly due to the unusual climate conditions that required an extensive use of energy for heating and cooling.

■ Electricity (MWh)
■ Fuel for heat (MWh)

ENERGY NORMALIZED BY REVENUE



The normalization of the data by revenue shows a slight increase (+1%) in the period 2016-2017 due to the influence of the following factors:

- Particular climate conditions that increase energy use for heating and cooling;
- Building construction that required fuel for energy production;
- Increasing of sites.

■ Electricity (MWh/M€)
■ Fuel for heat (MWh/M€)

ELECTRICITY GEOGRAPHICAL BREAKDOWN IN 2017



As shown in the figure, electricity consumption is mainly due to sites located in Western Europe (69%).

EMISSIONS

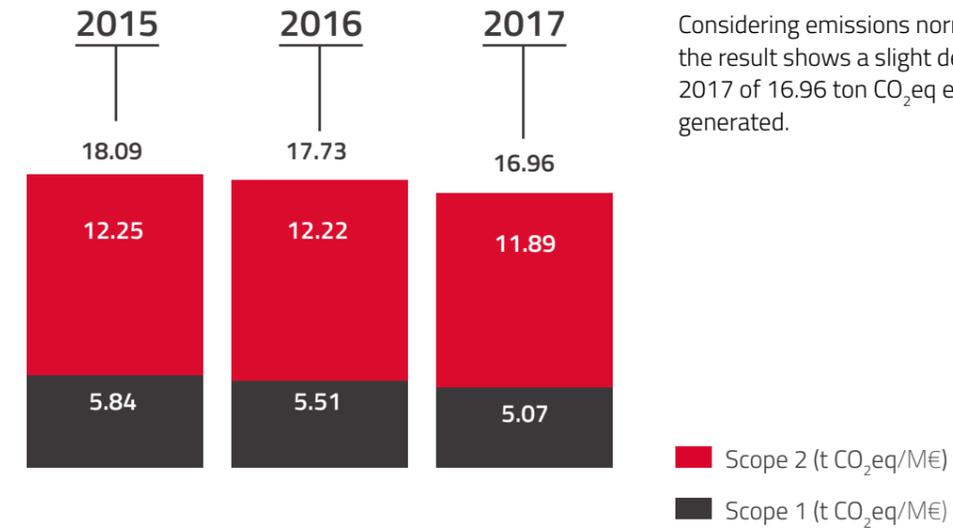
Coesia annually monitors greenhouse gas emissions, splitting them into:

SCOPE 1:
GHG emissions from sources that are owned or controlled by an organization. For Coesia, this category includes emissions from fuel consumption for heating purposes, refrigerant refilling and owned diesel, gasoline and hybrid-powered vehicles.

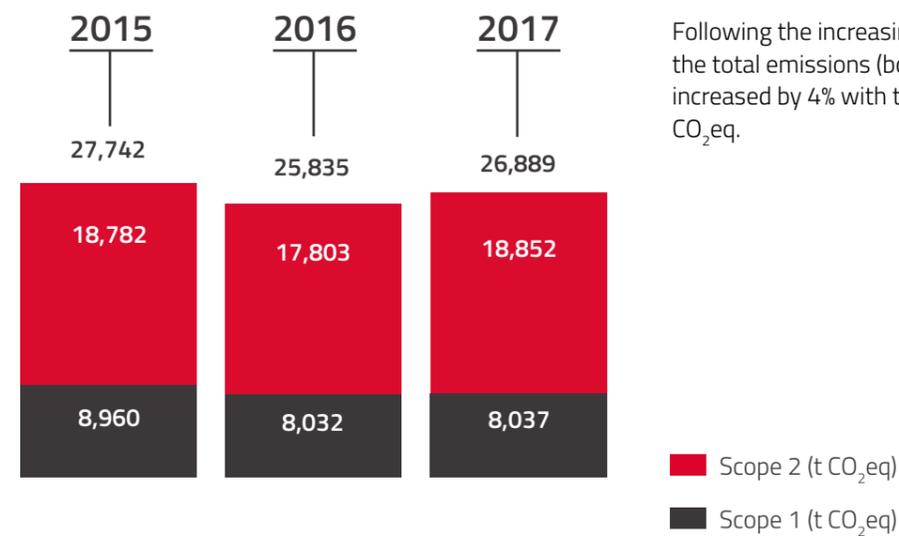
SCOPE 2:
GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling and steam consumed by an organization.

The GHG protocol (www.ghgprotocol.org) was used to report scope 1 and scope 2 emissions. In addition, Coesia is improving the process of quantifying scope 3 emissions (all indirect emissions not included in scope 2 that occur in the value chain of the reporting company, including both upstream and downstream emissions).

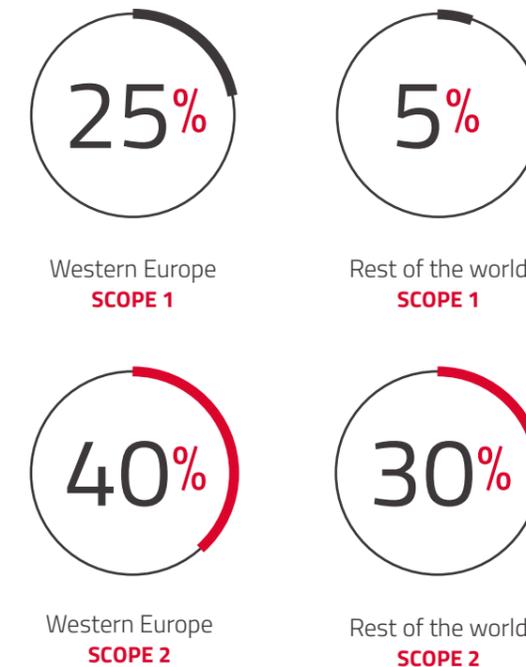
EMISSIONS NORMALIZED BY REVENUE



TOTAL EMISSIONS



EMISSIONS GEOGRAPHICAL BREAKDOWN IN 2017



The overall distribution of CO₂eq emissions in the Group is as follows:
Geographical breakdown is in line with energy demand, as shown by 65% of emissions (both scope 1 and scope 2) being linked to Western European sites.

WASTE

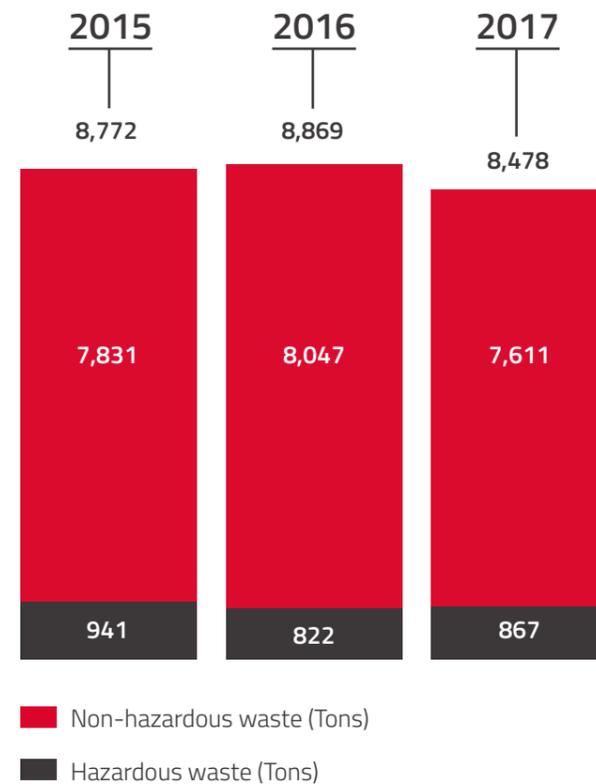
Coesia considers waste management activities as integrated into the production process of the facilities because they are strictly related to efficiency optimization.

Waste is classified and divided into hazardous and non-hazardous waste, after specific technical and chemical analysis and consequently disposed in accordance with national legislation. Every year, the total quantity of hazardous waste is consistently lower than that of non-hazardous waste (e.g., in 2017 hazardous waste was about 10% of the total waste).

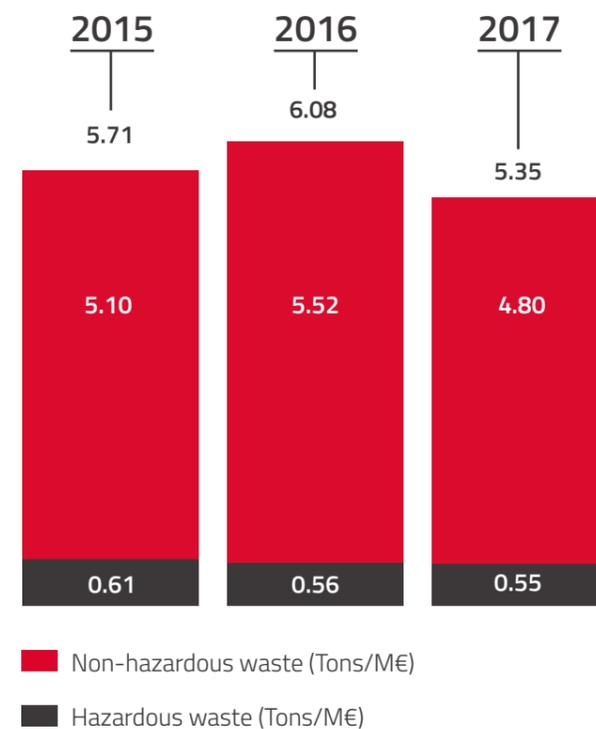
In 2017, differently from previous years, the waste production decreased slightly in terms of amount (4.4%). Taking into account the value generated, the decrease is more evident with a reduction of 12.2%.

This positive trend can be credited to good practices applied and the increasing efficiency of processes.

TOTAL WASTE PRODUCTION



WASTE NORMALIZED BY REVENUE



In Coesia only 10% of the waste produced is hazardous thanks to the type of production, the materials used and the processes implemented.

WASTE CATEGORY BREAKDOWN

Over the years, Coesia has invested in the improvement of production processes and in the recycling of materials in order to minimize the impact of waste. In 2017, about 71% of waste was sent to recycling.



WASTE GEOGRAPHICAL BREAKDOWN IN 2017



Looking at the geographical breakdown, about 91% of total waste was produced by Western European sites in 2017.

This slightly higher result, with respect to the other environmental figures, is due to the high concentration of production facilities in Western Europe.

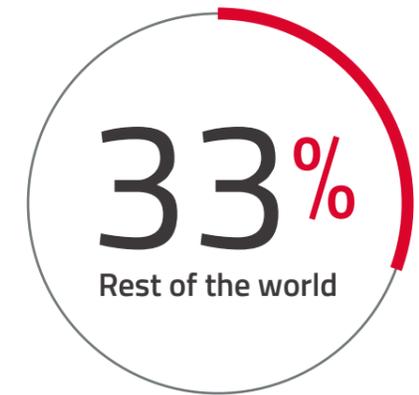
WATER

Water consumption has a less significant impact for Coesia compared to other environmental aspects. Nonetheless, we regularly monitor water consumption and work to reduce our impact on this fundamental natural resource. Water consumption at Coesia is mainly connected to production, building hydraulics and thermal plants and, to a lesser extent, to canteens and irrigation.

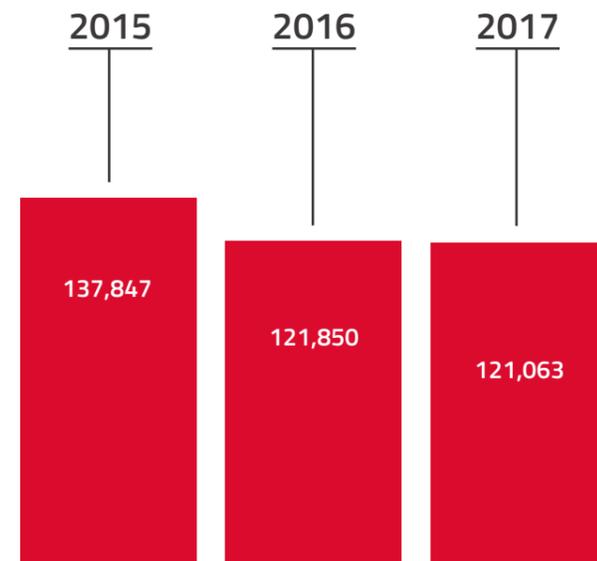
Wastewater deriving from all the activities is managed and sent to a dedicated treatment plant, as required by national law.

WATER GEOGRAPHICAL BREAKDOWN IN 2017

The water consumption, taking into account our regional distribution, is balanced between Western Europe (67%) and the rest of world (33%).



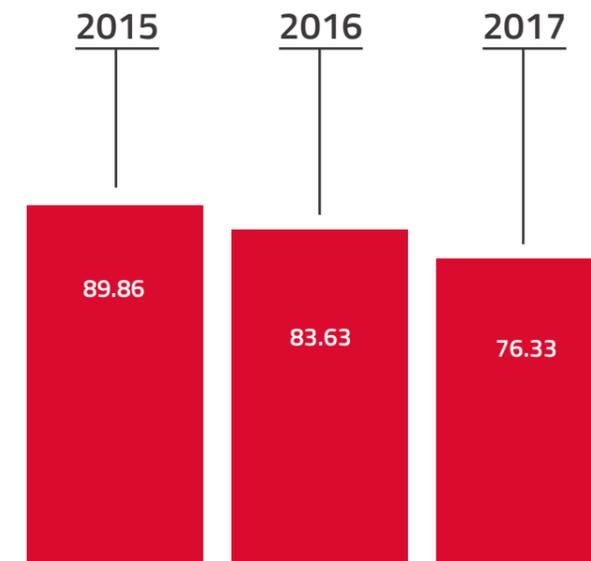
TOTAL WATER CONSUMPTION



In 2017 water consumption slightly decreased compared to the previous year. Considering the increased number of employees and the introduction of new processes and products requiring water usage, this is a positive performance.

Water consumption (m³)

WATER NORMALIZED BY REVENUE



Water consumption (m³/M€)

This Sustainability Report is the outcome of the contribution of our employees.
All information and data have been centrally collected, managed and integrated.

Feedback from readers is extremely welcome in the continuous improvement of our commitment to sustainability.

For additional information: sustainability@coesia.com

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*In line with our internal policy on environmental sustainability,
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