

# PACKING THE FUTURE, RESPONSIBLY



Nuceria  
group





## Letter from the Ceo **Antonio Iannone**

The World is turning fast, but so are our dreams: if you run fast, cut goals and great goals highlight great transformations. Over the years, I have seen many things change, but we have remained the same: we have cultivated curiosity every day, always pushing ourselves to give more and improve, without ever being satisfied.

Today we would define a dynamic company as one with determination and passion, fulfilling its future, and we ground all we do on the vision of the world that we have and what we want to become: a place of hope and opportunity.

We are driven by the conviction that a factory isn't only a productive pole, but it's above all a model of development. Investing in this development model means pursuing long-term sustainability that, today, finds even more entrenchment in the **all4labels** merger, projecting Nuceria's capital in a wider dimension.

We have strongly sponsored this merger, due to the common values, including the respect of individual identities and the protection of one's own roots, which are linked for us to the South of Italy, our hometown land.

Our land is the source of innovation, genius and creativity that has allowed us to create an effective business model, a forge of new ones projects and new products.

For all this we are grateful and intend to return to the territory the wealth of skills and resources received through beauty: because if we share beauty, we produce wealth.

A land where we notice:

**+25%**

Unemployment in Southern Italy in 2018

**+1.883.000**

Residents in the south have left home to find work, of which about were between 15 and 34 years of age

**FROM 1.4% TO 0.7%**

Negative change in GDP expected for 2019

Southern Italy hirings in 2016-2018 and still operational:

**50**

Average age at the time of hiring:

**35 years**

Number under 30 years of age at the time of hiring:

**19**

Employment increase in the last three years:

**+ 26%**

“If we want everything to remains it is, everything must change”  
- wrote Tomasi di Lampedusa.

We are happy to channel our strength and our great enthusiasm into a larger family that shares the global challenge of determining a new value for future generations in our industry with us.



member of



# FACTS AND FIGURES

**40+**

printing machines  
with the latest  
technology,  
including digital

**+300**

resources among  
professionals and  
operating technicians

energy consumption:

**-30%**

GHG emissions:

**-15%**

**4**

production sites totaling

**3**

packaging divisions

**10**

clear conduct rules

waste:

**-25%**

**+26%**

employment increase  
in Southern Italy  
in the last three years

**350.000**

kw/h self produced in 2017

**2**

supported charity  
associations

Landfill:

**0%**



## **Letter from the Marketing Director Paola Iannone**

A company is nothing other than challenges directed towards a single goal. What differentiates a company from a family is Empathy, that allows everyone's attitudes to be valued. It is gratitude with respect to what has been received that leads the entrepreneur to accomplish a project in which the human factor is increasingly decisive.

What is a company if not an indispensable drive that illustrates the strength of men and women in achieving their goals, teaching us that with talent, grit and determination, anyone can overcome great obstacles and achieve success?

We are a company that owes its great growth to the enormous human capital that feeds its engine day after day.

For this, we have always been committed to using all of our production capacities and our best technologies to offer the best possible service and products to our customers, aware that the impact of our production must always be great for People, great for Society and sustainable for the Planet.

We have demonstrated a different way of doing business: the Nuceria model. Today, our responsibility is towards our team and our land, but more than anything else, towards our children.

Being a young mother in a large growing company allows me work even more actively towards the realization of a future that meets our dreams, that of what we are, but mostly, of what we can achieve.



# BUSINESS MODEL

Tracing a path to follow and guide the strategic choices, our business model is based on simple and clear directives:

## BEING OPEN

Listening to new trends and being prepared to predict development trends by studying optimal solutions for the market and the territory makes us innovative and entrepreneurial ecosystem catalysts.

## SOUL SEARCHING

Change is an opportunity to be seized. That is why we have always promoted social change by creating partnerships with those who share our vision.

## BEING FAST

A strong ability to adapt is necessary for significant growth on different markets. And to adapt, quick and timely answers are needed to provide solutions and shape one's organization with respect to events, even when not foreseen.

## BEING INNOVATIVE

Because just doing something is not enough, you must do it well. For this reason, we are always committed to promoting sustainable solutions, careful about the future and the environment. Together with these directives, the Group has adopted others to prevent the possibility of commission of offenses and reduce the company's administrative responsibility.

## BEING HOSPITABLE

At Nuceria House (Casa Nuceria), we are committed to always renewing the welcome and shared vision of a future that has allowed time, together with affection, to create unique bonds. An area in our Salerno plant is dedicated to hospitality where visions and projects are created, where we talk about art, culture and food.

# PEOPLE LEAN THE POWER

For more than 6 years, we have embraced the Lean company organization philosophy that allows us to be more competitive and quicker in responding to the customer. Lean manufacturing is a strategy that starts from the Business Plan and translates into Shop Floor indicators.

At the base of all this is the human factor: we offer equal opportunities to all employees based on their professional qualifications and abilities, without any discrimination, adopting only more diacritic criteria.

We enhance all internal relationships and collect everyone's opinions to increasingly develop efficient workflow, both from a profitability point of view regarding quality of work for those who work within the company.

We encourage the formation of a passionate team, through a daily dialogue that sows the cohesion necessary to aspire not only to the "good" result but to the "great" one.

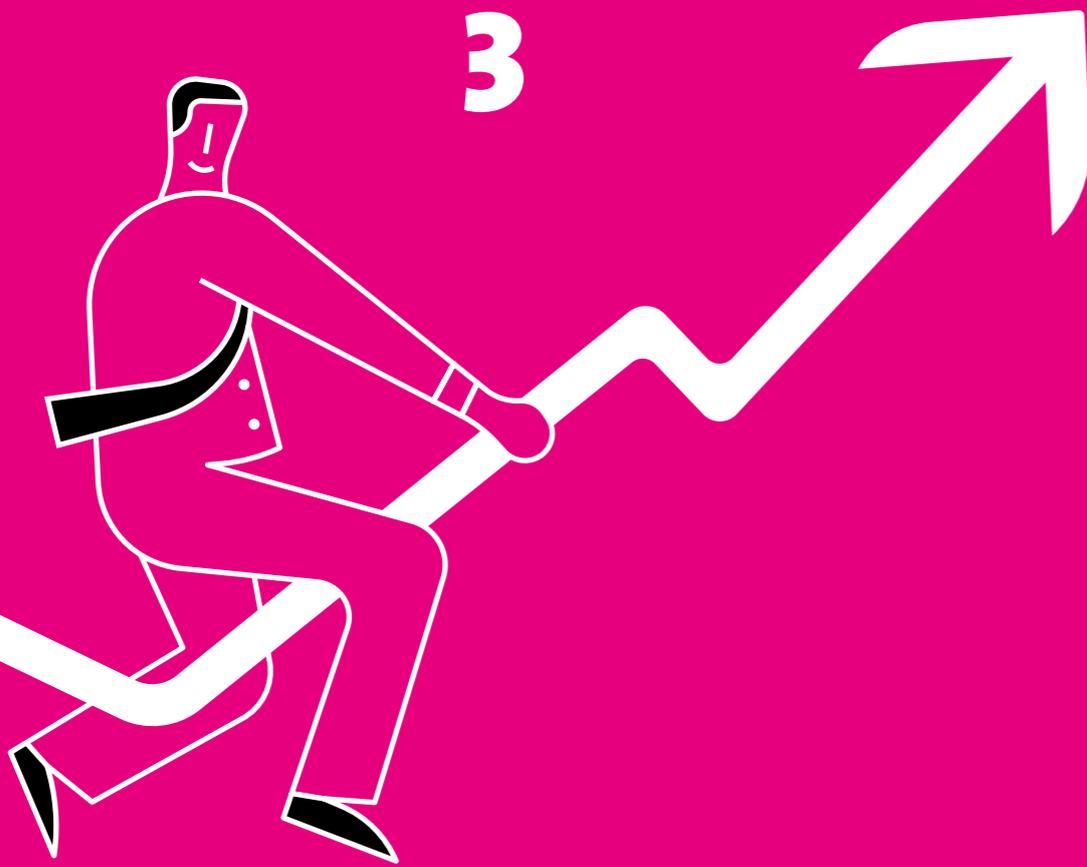
And we do it with a **decatalogue** that is an expression of our identity, which we want to spread with our enthusiasm.



**Use all the resources that you have  
at your disposition**



**Do not waste anything**



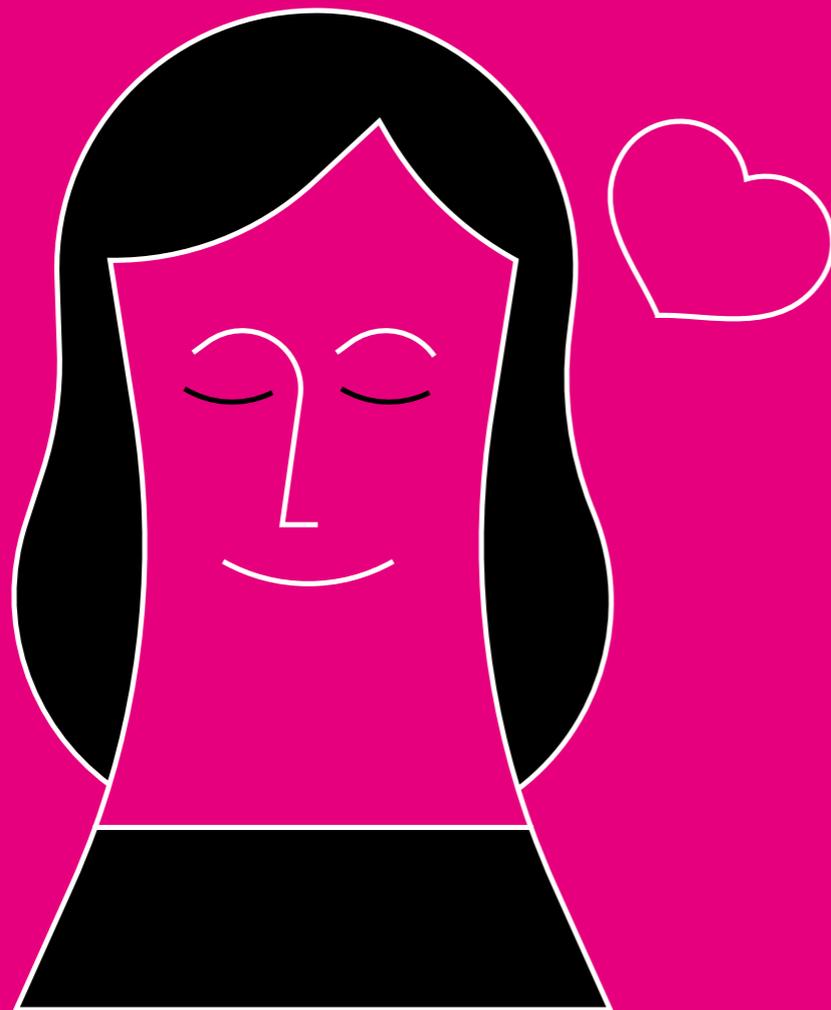
Do not search for excuses,  
but rather solutions



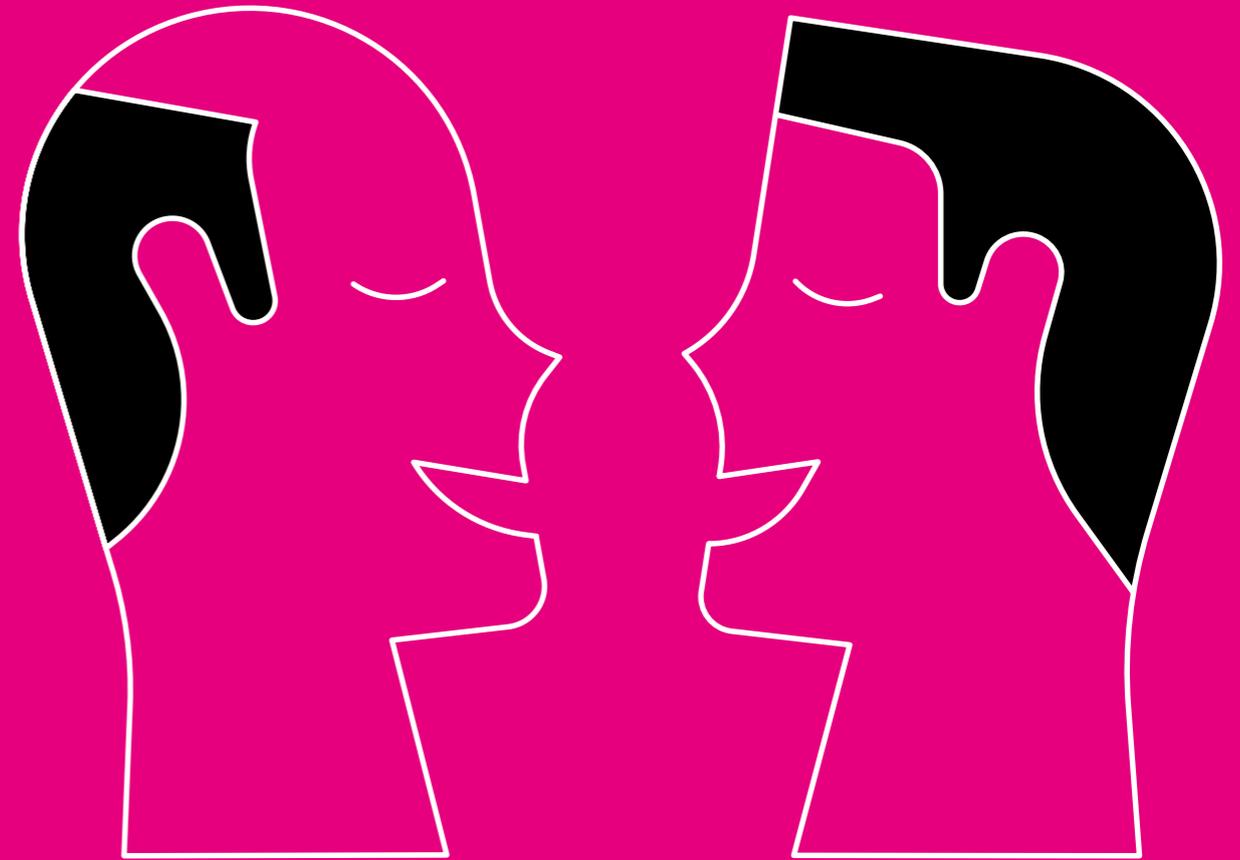
Make them simple

4

**5**



**Smile, even to yourself**



**Ask those who were before you**

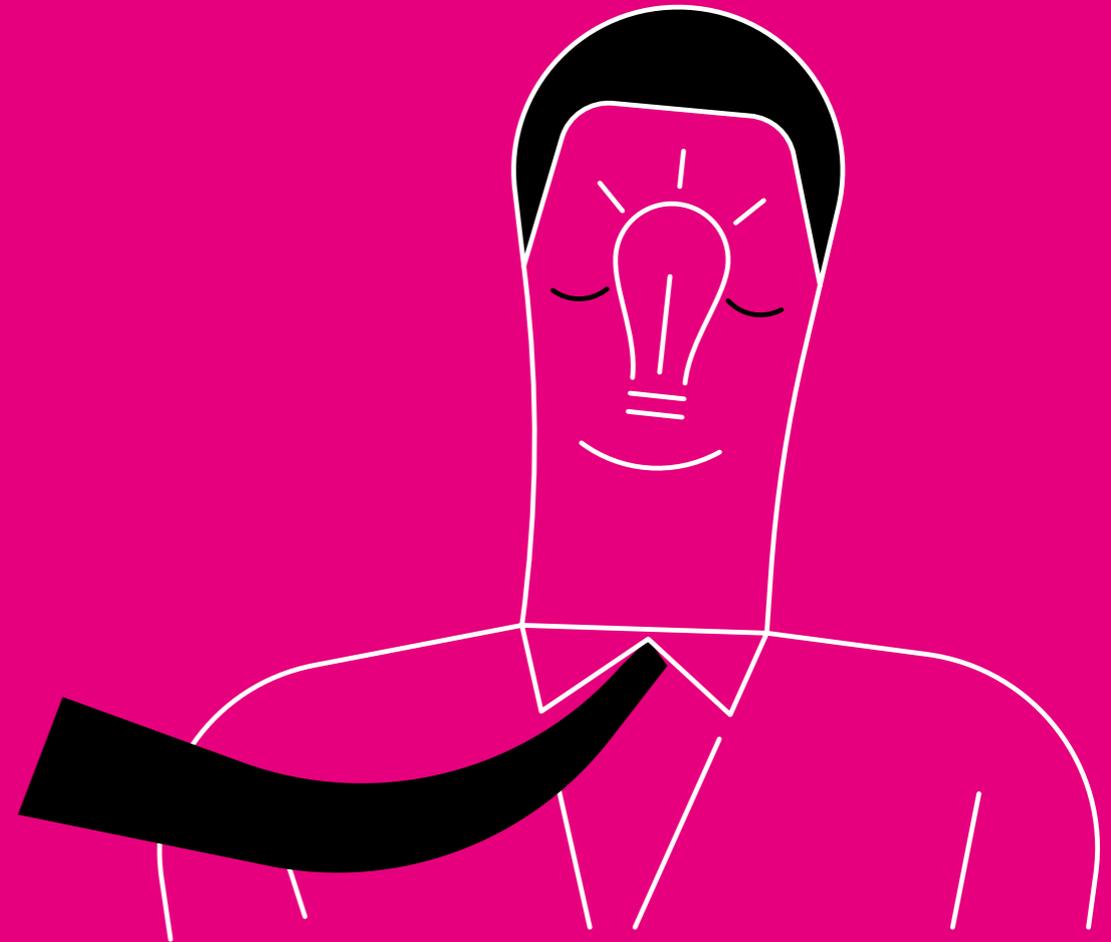
**6**

**7**



**Involve and motivate your group**

**8**



**Think! Ideas are important, as are yours.**

**9**



**Seek perfection, even in small steps**

**10**



**And help those who have come after**

# NUCERIA & FAMILY DAYS: DADDY, I AM COMING TO TAKE YOU TO WORK

On the occasion of exchanging greetings for the 2017 Christmas holidays, we invited fathers and mothers to bring their children to work in the Salerno plant to visit and experience the company and let them approach the world of “bigs” through laboratory teaching about printing and colors.



**SOLIDARITY IS THE DESIRE  
TO SHARE OPPORTUNITIES.  
GRATITUDE IS THAT WHICH  
TURNS INTO GENEROSITY  
TO PROMOTE KNOWLEDGE  
THROUGH POSITIVE  
MODELS.**



## **NUCERIA & OFFICINE BUONE**

Nuceria is an Officine Buone (Good Offices) partner, a non-profit organization that proposes a new way of volunteering innovative formats and allowing young people to donate their talent.

We have also contributed to creating the childhood tale “Mago Mantello” (Mantle Magician), conceived by Francesco Domenico Giannino, for younger readers from 4 to 10 years of age. The story is intended for pediatric oncology wards in many Italian hospitals.



## **NUCERIA & OPEN ONLUS**

Nuceria is part of Open Onlus, a pediatric oncology association that supports research for neuroblastoma treatment.

Thanks to event fundraising, we helped inaugurate a new garden and space completely dedicated to adolescents who must undergo radiotherapy in San Giovanni di Dio e Ruggi d’Aragona, the main Hospital of Salerno.

WE SEEK AND GIVE SPACE  
TO **TALENTS**, EVEN THE YOUNGEST  
ONES, TO **ENCOURAGE**  
THE DEVELOPMENT  
OF THE **ARTISTIC SENSE**  
FOR A BEAUTIFUL **FUTURE**.



## RETURN TO THE MAN

For the Salerno plant inauguration, we opened our structure photographic exhibition “Ritorno all’uomo” (Return to Man) by photographer Antonio Alaimo, a journey in 12 shots in which the boxer becomes a Life metaphor: the Boxer and the Man, the entrepreneur and Champion, the perfect balance between strategy and tactics, the daily vis-a-vis challenge to build the future, one idea at a time, one challenge at a time and one success at a time.



## VALLE DEL SARNO

Giving value to the history of our territory means giving value to its future. This is why we are the main sponsor of “Nuceria e la Valle del Sarno”, a project for the recovery and enhancement of the ancient Nuceria, coordinated by the Association ‘Il Didrammo’, to restore points of great historical value of the territory and make them again available to the public.



## PAC CONTEMPORARY PORT ART

Sometimes art changes land, so we have sponsored PAC - Porto Arte Contemporanea (Contemporary Port Art), an artistic and cultural format created by Valerio Falcone, the youngest contemporary art collector in Italy who has made art and design his passion and main source of inspiration. The project transforms the Port of Acciaroli, one of the pearls of Cilento, into an open-air museum displaying the beauty by the sea.



## Letter from **Massimo Rosati** Head of R&D and Innovation

### **SUSTAINABILITY: OBLIGATION AND OPPORTUNITY**

Sustainability is an opportunity, an imperative that, as stakeholders in the supply chain, we must pursue in every action we implement. Optimizing the use of resources by maximizing their value, is the only truly long-term sustainable business model.

The solutions on the market are: 2nd generation bio-materials, compostable or recycled materials, biodegradable, completely recyclable, etc.

The challenge resides in being able to communicate to our end users, helping them navigate the shelf and manage the end of life by having clear characteristics of environmental impacts.

The end user is mature, ready to embrace this approach. It is up to us to help them on this path. All this is to generate critical mass that allows us to optimize costs and usability.

Being responsible for a circular economy also means promoting the “Packaging Ethics Charter” as a model and guideline for industry in all aspects and areas, not in the least, that of sustainability.

All this requires a value analysis during the entire packaging life, including its life’s end that is too often neglected during the initial design stages.

If we are able to do this by working as an integrated supply chain, a new packaging “Golden Era” can begin.

# GOALS 2025

All our production system and our business goals are thought according to a green perspective.

## green materials

1 Green Projects, Research&Development, design of totally eco-compatible solutions

2 We promote the adoption of FSC and PEFC certified, light weight and recyclable materials

3 In compliance with Eu Reach Directive (Reach Directive: Ec 1907/2006)

4 Green chemistry based on solvent-less printing solutions

5 UV lamps use on each printing line

6 Increased use of digital printing in every plant

7 Corporate Social Responsibility Report

8 CTP technologies that have eliminated chemical exposures allowing a total water recycling. An internal recirculation system of the water has also decreased by 8% the use of this resource.

## green energy

1 Photovoltaic system integrated in our green plants of Nocera

2 A more ecological car park for greater savings of fuel.

3 Reducing travel by land and airborne, implementation of teleconferences.

4 Reduction of greenhouse gas emissions by 3%/year

## green policy

1 Certification FSC/ISO 14001:2004/ GMP

2 Excellent Rating according to the Carbon disclosure project and Ecovadis

3 Lean Management applied in all plants

logistics optimization of 20% with 5% reduction in consumption of fuel for transports



## go green: goals 2025

Energy consumption:

-30%

Waste:

-25%

Landfill:

0%

GHG emissions:

-15%

# ECOLOGICAL CASE HISTORIES FOR A CIRCULAR ECONOMY

The increase in consumption and world population calls for new solutions and a more creative approach to the circular economy. Like, for example, the recovery of production waste - in particular the silicon paper backings left over after the pressure sensitive labels have been applied to the flacons. Generally treated as waste and sent to landfills, the rolls of silicon paper are now recycled to become raw material for the production of cardboard.

**Leading Italian brands Italsilva and Petti partnered with us to develop labels which not only help the products sell on retail shelves, but promote cradle-to-cradle recycling of release liners.**

‘These two projects emphasizes sustainable development, minimizes waste, lowers costs attaining production with the least possible impact on the environment.

Italsilva group worked with C4G (Cycle for Green), which promotes the retrieval and processing of glassine liner waste as an alternative to landfill, incineration and down-cycling. C4G co-operates with an

## ITALSILVA



Austrian paper mill which de-siliconizes paper release liners. This has allowed C4G to create a closed loop that turns the waste into cellulose-based recycled material to be fed back into the production cycle. Each year Italsilva generates around 180 tonnes of liner waste and C4G calculates that its recycling leads to a lowering of CO2 emissions by about 360 tonnes a year.

We acted as a bridge between the two companies and the driver of the project, helping with the transformation of waste silicone backing paper into a resource for Italsilva and for the other companies who receive it as a secondary raw material to be fed back into the production cycle.’

In the case of Petti, we took on the project of restyling the company’s product line with the new core concept to ‘make the invisible visible’, and with a ‘green orientation’

## PETTI GROUP



and this came both through the collection and recycling of the company’s PET liner waste. We placed the Petti group in contact with Romei, a longstanding specialist in the recovery of industrial waste from polymer producers and converters. Petti’s liner waste was collected and sent for recycling into new industrial-grade polymer.

The material is treated at extremely high temperatures (over 2,000 deg C) and the ashes and the heavy metals are incorporated back into the end product. Petti is paid 50 euros/t for the collected liner waste.

Nuceria supported Petti both in pre-production and production stages. In 2016 alone, for an output of around 18.2 million pieces, Nuceria had generated a total cost saving – between direct and indirect costs – of nearly 40,000 euros.



## WE ARE FULL OF ENERGY

Important energy consumption essentially derives from the need that is required for printing machine functionality inside the production sites.

One of our goals is to find better solutions for our production process energy efficiency. We have purchased two company electric machines to promote short-range mobility, as a virtuous model for all employees. On our site in Milan and Salerno, the charging columns were also installed.

In **2016**, at our Salerno plant, we produced

**340.368 kWh**

of electricity, thus avoiding 180kg of CO<sub>2</sub> emissions into the environment.

We produce part of the energy we consume with photovoltaic panels with the objective of achieving

**20%**

clean energy within the next 3 years.



## Letter from the CFO Guido Ianniello

### Growth and development

Idiosyncratic concepts, often combined together and united by the feeling that they can easily coexist.

The reality is that one of the greatest challenges of the economic and financial path of the last few years has been putting them in common, in order to ensure that on one hand, there is growth in terms of turnover, cash flow generation and investments in production capacity and, on the other hand, there is development, a quali-quantitative possible concept that includes all externalities that corporate dimensions bring with them.

We have focused on growth and sustainable development.

Our process of industrial planning and control of economics is based on a results approach, which must be as sustainable as long-lasting and at the service of all company stakeholders.

We have the conviction that not everything is a number, rather there are things that are not immediately transformed into numbers: passion, values, business culture, personal care, involvement in business processes and market approach, these are not numbers and do not find a place in the chart of accounts.

But the more these concepts are part of our industrial planning and our daily strategic intent, the more they become part of all our numbers, present and

future. And the financial partners, who believe in this project, also embrace and reward this approach, helping to support the growth path.

And if investments and turnover give the dimension of growth, the element that can really guarantee growth compatibility with a long-term vision, is the commitment towards the human factor.

People shape growth, and they do it in terms of professionalism, quality of work and approach to managerial skills. This is how we imagine and build our economic and financial path. Development and sustainability.

# ECONOMICAL SUSTAINABILITY

## EBITDA:

2016



2017



## EBIT:

2016



2017



## Risultato netto di Gruppo

2016



2017



During the 2017 financial year, the Group made additional production capacity and related equipment investments of approximately 7 million euros and invested about 1.5% of its consolidated turnover in R&D projects, also creating an innovation agenda with a multi-year plan, entrusted to an autonomous R & D division.

Nuceria Group is Elite certified, a project fulfilled by Borsa Italiana / London Stock Exchange, which supports the best Italian companies for management control system management implementation that is timely and consistent with the company objectives, for using industrial planning at the level strategic, for optimizing corporate governance and transparency in economic and financial information.

Nuceria Group also released the listed minibond securities in the ExtraMOTPro Link segment of the Italian Stock Exchange in the course of 2018, as an additional step to support innovative instruments offered by financial markets to support growth and more traditionally banking ones.



## Letter from the General Manager Guido Iannone

The responsibility is a topic very important to a young manager like me that who has inherited a family company which has become a premium-level partner in the packaging industry also thanks to the merger with All4lables.

One could ask if this might have make me feel uncomfortable but I do believe that being a bold young manager, with a continue improvement attitude, has helped me to move out of my comfort zone on a regularly basis and work on new management styles with enthusiasm and dynamism.

Being courageous does not mean walking like walking on a dangerous path but investing all your

determination, your own sacrifice, your energies and capabilities to better plan and project the growth of your company. It also means having the doors always open, investing on training your team, having an open and honest communication with all your stakeholders with the objective and the clear vision to protect and promote the company values and DNA.

I enthusiastically enjoy the responsibility of having an inclusive management style, able to test new approaches, to launch new products and to always respect our stakeholders, the team and the respective roles. I sincerely hope to preserve the values that have been handed down to me, made of commitment, quality,

research, active presence in the market and empathy. I hope that there is a distinctive sign of my person in this big family, in particular with the question that the market urgently asks to us: How will be the packaging in 10 or 20 years time?

If the packaging reflects human society and values and it is like a photography of our society, how will it be modified as a consequence of the evolution of consumption, and of the sensibilities of the end-users?

We can deliver lots as a team, family and organization, preserving our vision to bring to market sustainable and innovative packaging solutions that could improve the future customers experience.

**VISION**  
**BUILDS A WORLD,**  
**SMILE**  
**WILL CHANGE IT**



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