

LANINVER SHC, S.L.
AND SUBSIDIARIES

Non-Financial Statement
as of December 31, 2020

Issued by the Board of Directors of Laninver SHC, S.L.
In the meeting of March 31, 2021

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Introduction

This Non-Financial Statement of Laninver SHC, S.L. (hereinafter the “Company” or the “Parent Company”) and its subsidiaries (hereinafter, together, the “Group”), is issued by the Parent Company’s Board of Director in compliance with Law 11/2018 of 28 December 2018 (hereinafter the “Non-Financial Information Act”), which amended the Spanish Code of Commerce, the Consolidate Text of the Spanish Companies Act introduced under Royal Decree-Law 1/2010 of July 2 and Law 22/2015 of 20 July on Auditing, in relation to non-financial information and diversity.

This Non-Financial Statement (hereinafter NFS) provides details of the main aspects of the consolidated Group’s business model and short-, medium- and long-term risks, as well as information on Environmental, social, employee-related matters, combating of corruption and bribery, and human rights for the financial Year ended 31 December 2020, based on the Global Reporting Initiative – GRI, a reporting framework recommended by the 2018 Non-Financial Information Act, adapting the content to the reality of the Group’s business model and activity.

This NFS is also part of the Group’s Consolidated Management Report but is presented as a separate document.

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1. Regarding the Group

The Group's Parent Company is a Spanish company Limited by shares and is headquartered in Madrid, Spain.

The Group operates in the container, packaging and graphic art sector. Its business is conducted in over 30 plants in 12 countries, with more than 2,500 employees.

The Group's main objective is profitable growth in its traditional markets and in new geographies and product portfolios, so as to diversify the business.

The Group's business model is based on the following pillars:

1. Ethics: all actions undertaken by the Group are founded on an attitude of respect, professionalism, honesty and integrity. The Group seeks to work with customers and suppliers that also consider ethics to be a fundamental aspect of their organization.
2. Human team: the importance of people forms part of the Group's culture. Personal growth and motivation are a strategic area.
3. Excellence: culture of continuous improvement in order to meet the most Advanced and demanding standards.
4. Sustainable Development: the Group is aware that the decisions we make today will have an impact in the future, so Economic, Environmental and social trends must be understood in all decision areas.
5. Customer service: establishing long-term relationships based on trust
6. Innovation: as a differential value that allows the Group to anticipate the needs of its customers and the market through new technologies, materials and designs.
7. Global presence: in order to grow without customers and accompany them in the expansion thanks to an international presence with production plants around the world.

1.1 Brief description of the business model

The Group has four divisions operating in different sectors:

COEXPAN: this division's core business is manufacturing rigid plastic containers for the food industry, the most important product being primary packaging for yogurts. The plants are located in Spain, France, Italy, Germany, Russia, Chile, Mexico and Brazil.

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EMSUR: this division makes flexible containers for the food industry using rotogravure and flexography printing technologies. The plants are located in Spain, France, Poland, Russia, United States, Mexico, Argentina and Brazil.

LECA Graphics: this division's core business is the production of printed cardboard boxes mainly for the pharmaceutical and cosmetics industries. The plants are located in Spain and Morocco.

ESTELLA Print: this division operates mainly in the general printing and publishing industry. Its plants are located in Madrid and Navarre. It also makes printed cardboard boxes for the food industry.

1.2 Governance Model:

The Parent Company has the following governance bodies:

- Board of Directors;
- Delegate Committee;
- Audit Committee;
- Management Committee.

The Board of Directors is formed by shareholder representatives and independent directors who hold monthly meetings.

The Delegate Committee meets fortnightly to expedite the analysis of key business decisions that must be raised to the Board.

The Audit Committee meets quarterly and whenever necessary. It oversees internal and external audit processes, as well as the control and monitoring of identified risks. It also oversees the Group's compliance and is the body in charge of controlling the criminal risk prevention plan of the Group's Spanish companies.

The Group's Executive Committee is comprised of the main executives and meets regularly to follow up on the most relevant business decisions.

Each division has a Management Committee comprised of corporate area directors and plant general managers, that focuses on all aspects of the division's own business.

1.3 Market context

All the sectors in which the Group operates have international players and competition is fierce, so business excellence and innovation as a differential factor are important to protect profitability.

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In addition, all these industries are witnessing integration and merger processes as a way of increasing critical mass and international presence.

The food container and packaging industry is continuously growing thanks to the impact of packaging improvements on the useful life of products and the avoidance of food wastage, as well as in the assurance of high hygiene standards thanks to the protection of the product. This fact has been especially confirmed during 2020 due to the increase in household consumption.

In this area, the manufacturing process must comply with demanding food safety regulation requirements due to its nature as primary packaging.

At the same time, this sector faces the challenge of protecting the environment, so the trends of recycling and developing new materials in the circular economy are especially relevant, in a way that these go along with the strategies developed by organizations and large companies, and respond to new regulations.

Furthermore, containers and packaging for pharmaceutical products require a tightly controlled production and shipping process to guarantee product traceability.

The value-added cosmetics sector requires the capacity to produce containers and packaging with high-quality finishes and sophisticated designs.

The book printing sector, highly fragmented in the past, has gradually integrated to form fewer groups so as to maintain competitiveness in a downward market due to the inrush of new media such as digital books. The market has remained stable in recent years, experiencing a slight increase during 2020.

Challenges and uncertainties arising from the COVID-19 pandemic

On March 11, 2020, the World Health Organization declared the Coronavirus COVID-19 outbreak a pandemic, due to its rapid spread throughout the world, having affected more than 150 countries. Most governments are taking restrictive measures to contain the spread, which include: isolation, confinement, quarantine and restriction of the free movement of people, closure of public and private premises, except those of first necessity and health, border closure and reduction drastic air, sea, rail and land transport.

In Spain, the Government adopted Royal Decree 463/2020, of March 14, 2020, and after its completion, Royal Decree 926/2020, of October 25, 2020, declaring the state of alarm for the management of the health crisis situation caused by COVID-19. This situation is significantly affecting the global economy, due to the interruption or slowdown of supply chains and the significant increase in economic uncertainty, evidenced by an increase in the volatility of asset prices, exchange rates and a decrease long-term interest rate.

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To mitigate the economic impacts of this crisis, the Government published various regulations with extraordinary urgent measures to face the economic and social impact of COVID-19.

The effects of this crisis as of December 31, 2020 on the Company have been limited.

In 2021, the company will evaluate the impact of the aforementioned events and those that may occur in the future on equity and financial situation as of December 31, 2021 and on the results of its operations and the corresponding cash flows to the year ended on that date, as well as its reflection in the extra-financial indicators that are the object of this report.

1.4 Business Strategy

The Group's strategy focuses on the following points:

1. Geographic diversification to allow local production in markets showing the most growth that until recently were supplied from other countries.
2. Product diversification to increase the portfolio and protect the Company's profitability in the long term.
3. Increase operational effectiveness to protect the business in the case of more mature products and / or geographies, boosting operational efficiency.
4. Professional talent development and retention to face future challenges.

2. Risk management in the Group

The Group is aware of the importance of risk analysis and risk management to guarantee the predictability of the organization's performance in all aspects relevant to its stakeholders.

Entity-level and division-level Risk Maps that identify and illustrate short-, medium- and long-term risks have been implemented by the Group.

For each risk identified, the Risk Map covers:

- detailed, specific description of the risk;
- probability of occurrence of the risk;
- impact of the risk should it materialize;
- mechanisms in place and actions taken to manage the risk;
- actions and mechanisms to be implemented in the future;
- those responsible for risk's management.

The analysis of the Group's risks divides them into four specific categories as described below. It should be noted that the specific risks within these categories contemplate, among others,

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environmental, regulatory, labor, consumer-related aspects, and aspects related to COVID-19 (on which more detail is given in section 1.3 Market environment).

Strategic Risks:

Uncertainties associated with the Company's strategy. They may have a significant impact on the Group or its divisions, so they are key aspects addressed by the Board of Directors, Delegate Committee or Executive Committee.

Among the Group's strategic risks are those related to customer concentration, the high cost dependence on raw materials as the main production expense, and talent and knowledge management.

Emerging Risks:

They derive from critical exogenous factors that affect both our Group and the general macroeconomic and microeconomic environment.

The emerging risks to which the Group is exposed include those related to economic uncertainty that could affect consumption, pandemics, regulatory changes and the country risk in some locations where the Group operates.

Operational risks:

They generally arise internally and can potentially have a high and relevant impact on a company's capacity to achieve its business objectives.

The operating risks faced by the Group include those derived from delays in the implementation of investment plans.

Financial Risks:

Risks that could affect the financial information of the Group or any of its business divisions.

The financial risks faced by the Group include those related to the effects of foreign exchange, in view of its operations in a number of countries with currencies other than the euro and high exchange volatility.

Risk Maps are reviewed annually and updated accordingly:

- Identification of new risks;
- Reassessment of existing risks (in terms of impact and probability);
- Update of actions carried out and identified actions pending implementation.

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The Audit Committee approves the Risk Maps annually and they are distributed and reported to the Board of Directors.

3. Environmental matters

Environmental management is one of the mainstays of the Group's business model and a fundamental part of compliance with applicable legislation.

Environmental protection is one of the action principles contained in the Code of Ethics and Professional Con Code of Ethics (hereinafter, the “**Code of Ethics**”).

In this regard, during 2020 it should be noted that the number of production plants certified according to international standards has continued to increase within the Group, in line with the trend showed for over a decade, with the aim of achieving a robust corporate environmental management system.

In the field of standardization, the environmental policies and systems implemented to date are certified according to the following international standards: ISO 14001: 20015, FSC, PECF, Ecovadis, Imprim`vert.

Worldlex tool

Regarding the resources dedicated to environmental issues, it should be noted that in 2020, the optimization process of the Worldlex tool continued through the execution of follow-up audits.

This tool, implemented in 2019, allows the Group to standardize and improve the identification and evaluation of legal requirements in different areas, including the environmental sphere. Likewise, it allows the establishment and achievement of increasingly ambitious objectives by having a more integrated vision of the Group's factories and activities, facilitating the identification of actions to prevent damage, as well as opportunities for improvement.

A multidisciplinary group of professionals from the Technical, Quality and Health & Safety areas and the Sustainability department, ensure environmental issues in the Group.

3.1 Pollution and climate change

The ever-growing concern for the effects of climate change and other types of pollution is resulting in the preparation of increasingly strict regulations to halt and minimize impacts. The Group has been tightening its environmental management requirements and organizing actions in an efficient and measurable way.

One of these actions involves measuring the Group's carbon footprint. In 2020, this measurement has continued to be carried out and improved for all the Group's factories.

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In this sense, in terms of emissions, the main sources of greenhouse gases associated with the Group's activity correspond to the consumption of fossil fuels in the production plants (Scope 1) and their electricity consumption (Scope 2)¹:

	Emissions (tCO ₂ eq) 2019	Emissions (tCO ₂ eq) 2020
Scope 1	15.443	14.078
Scope 2	51.387	49.086
Total	66.830	63.164

For the second year in a row, the data's evolution shows a downward trend in the evolution of Scope 1 and Scope 2 emissions, which demonstrates an improvement in the Group's processes and the effectiveness of the implemented energy efficiency measures, as well as the use of renewable energy as part of the Group's objective to fight against climate change.

As previously noted, the environmental issues identification and assessment tool (Worldlex), as well as the ongoing certification of factories under the ISO 14001:2015 standard, enables the Group to improve the implementation of concrete actions to reduce emissions, namely, the reduction of the Scope 1 and Scope 2 values under direct and indirect control.

In addition to greenhouse gases, the Group uses the resources at its disposal to identify the circumstances of existing environmental issues on a case-by-case scenario and establish preventive and adequate measures in line with available good practices. This includes other forms of contamination, such as other emissions, spills, noise and light pollution.

3.2 Circular economy and waste prevention and management

The Group is aware of the need to adapt the model for producing and managing resources, goods and services to a circular model in which waste reduction and reuse take precedence due to the closing of flows. For this reason, the Group leverages its available knowledge and resources to develop materials and improve processes that contribute to achieving this objective, as an integral part of the value chain.

Specifically, with circular economy as one of its fundamental pillars, the Sustainability Department collaborates closely with the R&D Department in the development of material and

¹ Emissions have been calculated by applying the following emission factors to energy consumption of scope 1 and 2:

Scope 1: "UK Government GHG Conversion Factors for Company Reporting 2020" for 2020 data and "UK Government GHG Conversion Factors for Company Reporting 2019" for 2019 data provided by "Department for Environment Food & Rural Affairs (DEFRA)".

Scope 2: "CO₂ Emissions from fuel combustion Highlights 2013" provided by "International Energy Agency"

The 2019 data on scope 1 emissions has been recalculated due to the adjustments explained in note 2.

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structures from an eco-design viewpoint, ranging from its origin (renewable raw materials or bioplastic) to its destination (recyclable / compostable materials).

In this regard, the activities carried out during 2020 in INNOTECH, the Group's innovation and sustainability center that specializes in integral rigid and flexible packaging solutions to answer the industry's main challenges in terms of circularity and plastic recycling, must be highlighted.

Likewise, the Group's Operations Department is also working to enhance process efficiency aimed to reduce the generated waste and thus minimize environmental impacts by creating minimization plans and improving the final destination management of waste material.

Projects and initiatives

Aware of the need for collaboration from all links in the value chain, the Group actively participates in research projects along with various organizations and Technological Institutes, to improve waste recycling processes, carrying out concrete actions to help achieve objectives in this area.

As a sign of this commitment, it is worth highlighting the ISCC Plus certification obtained by the Coexpan Madrid plant, which certifies the Group's responsible management of sustainability. Successful completion of the audit and obtaining the certificate allows the use of chemically recycled material (rPS and rPP) from mixed plastic and biobased material under the mass balance model.

Other initiatives, in which the Group participates include:

- Project LIFE - EPS SURE, related to the recycling of plastic fish trays for new food products.
- RECYQUALYPSO project, related to the optimization of post-consumer polystyrene recycling in France.
- Project H2020- BIONTOP, related to the development of sustainable containers produced with bioplastics.
- CEFLEX: Emsur continues to actively collaborate as a member of the consortium of European companies that promotes the circularity of flexible packaging in different working groups.
- CHILEAN PLASTICS PACT: Coexpan participates in this initiative framed in the global network of the Plastics Pact launched by the Ellen MacArthur Foundation.
- SCS: Coexpan continues its activity on this platform that brings together different industry agents with the aim of increasing the circularity of styrene polymers.

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Food waste

Regarding food waste, although it is not directly applicable to the activity of the organization, as it does not buy, process or sell food, nor does it have cafeterias, the Group understands that it is part of the chain and, therefore, collaborates in the reduction of food waste through the development of materials that increase the product's lifespan.

3.3 Sustainable use of resources

Energy is a fundamental resource in the Group's business. Consumption in the years 2019 and 2020 was reflected in the following table²:

	Energy consumption (GJ) 2019	Energy consumption (GJ) 2020
Gas	224.837	215.072
Diesel	7.375	1.268
Propane	18.206	14.193
Electricity	626.247	626.179
Total	876.673	856.712

The evolution of the energy consumption data show that the greatest impact on the Group's processes continues to be electricity consumption, which has decreased during 2020. Likewise, it is worth noting that the evolution is positive across the board, especially in the case of diesel, due to the change to more efficient processes.

² The 2019 gas consumption data has been recalculated this year due to an improvement in the process of obtaining and compiling information and in the information systems used locally by the Group's plants, which has allowed obtaining more precise data. The 2019 propane consumption data has been recalculated because the 2020 data has been obtained by applying energy conversion factors different from those used in the previous year. For this reason and to facilitate data comparability, the 2019 data has been recalculated using the same conversion factors as for 2020.

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The following table shows the evolution of main raw material consumption data³:

	Consumption of raw materials (t) 2019	Consumption of raw materials (t) 2020
Plastic resins	181.688	171.462
Paper and cardboard	47.035	44.461
Total	228.723	215.923

The Group's R&D and Operations teams are working to make better use of these resources. This is evidenced in the positive trend of the data, in which a reduction in consumption is observed in 2020 compared to 2019. As an example, it is worth mentioning the development of structures with thinner materials and process efficiency improvements that reduce the use of material. In this way, aligned with its objectives, the Group works every day to achieve operational excellence, based on a culture of continuous improvement.

As part of the Group's Environmental Assessment, the following table show the waste generated in 2019 and 2020⁴:

	Waste generated (t) 2019	Waste generated (t) 2020
Hazardous waste	2.519	2.312
Non-hazardous waste	27.481	31.551
Total	30.000	33.863

In the case of the evolution of waste data, an upward trend can be detected in relation with an increase in production, although the improvement in the quality of the data, which allows a more exhaustive diagnosis each year, also plays a role.

³ In the EMSUR and LECA Divisions, the consumption of materials is reported, in COEXPAN and ESTELLA an estimate of the consumption of materials has been made from the purchases of materials made in the period.

It should be noted that the data related to the LECA and EMSUR Divisions have been recalculated from the 2019 data because in the previous year, for the report of the consumption of materials in these Divisions, estimates were made from the purchases of materials made the term. In the current year, due to an improvement in the corporate information system, it has been possible to obtain the material consumption data without the need to make estimates. For this reason and to facilitate comparability of the data, the 2019 data has been recalculated

⁴ The 2019 data on non-hazardous waste has been recalculated this year due to an improvement in the process of obtaining and compiling information and in the information systems used locally by the Group's plants, which has allowed obtaining more precise data.

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On the other hand, water consumption, despite it not being a key resource in the Group's production processes, is monitored and has been included in the Group's improvement and conscientization plans. Water consumption data in 2019 and 2020 are reflected in the following table⁵:

	Water consumption (m3) 2019	Water consumption (m3) 2020
Total	123.603	107.933

During 2020, water consumption has been considerably reduced, which represents a relevant minimization of the Group environmental impact in this regard. The increased process efficiency and the enhancement of this resource are reflected in this positive trend.

3.4 Protection of biodiversity

The Group does not perform any activities in protected spaces or areas, so this aspect is considered to be immaterial as there is no direct impact on biodiversity.

In any case, it is considered that all actions aimed at protecting the environment favor the global protection of the planet and, therefore, of biodiversity.

4. Social and personnel-related matters

2020 has been marked by the health crisis of the coronavirus and its impact on workers at a labor, social and health level. From the outset, the Group has focused on ensuring that each worker can continue to perform their job in the best possible conditions while being able to reconcile personal and family life whose habits and routines have been significantly altered.

In this regard, the aspects in which the most work has been done have been the following:

- The commitment to stable and quality employment: in a scenario of high uncertainty, a decline in consumption and a business crisis, flexibility in the organization has allowed the Group to maintain a high level of employment while continuing to work in key initiatives for training, development and equal opportunities.
- Prioritize the safety and health of workers: through the implementation of remote work for all those positions are able to. Adopting and reinforcing the necessary safety and hygiene measures and protocols to minimize the risk of contagion for those workers who had to go to the work centers. The creation of crisis committees has allowed the constant and systematic evaluation of

⁵The 2019 water consumption data has been recalculated this year due to an improvement in the process of obtaining and compiling information and in the information systems used locally by the Group's plants, which has allowed obtaining more precise data.

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the conditions of each work center, the adoption of preventive measures and agile decision-making.

- Conciliation and flexibility: using various formulas that have allowed the Group to maintain the production process despite the increase in absenteeism caused by infections, quarantines, and meeting personal and family needs

- Internal communication: the Group has sought to maintain continuous and close communication at all times with employees, using various interlocutors and messages, but always very focused on the importance of the health and safety of workers and the continuity of operations.

- Acknowledgment and gratitude for the commitment, dedication and effort made by employees to maintain professional activity at the highest level despite the uncertainty and not to break the essential supply chain of which we are part in sectors as strategic as food, pharmacy or personal care.

Likewise, from the Group's Management, the commitment with the people who work in it has been strengthened by improving the information in the HR area.

Along these lines, work has begun on the digitization of the area, with the aim of reducing administrative tasks and providing an adequate basis for the coming years in which the HR function focuses on people.

As main objectives in this area, the development of people is maintained, incorporating the strengthening of corporate culture and meritocracy as the axis of personal development.

4.1 Employment

The Group's workforce as of December 31, 2020 amounted to 2,634 workers.

The data related to the Group's workforce at year-end by gender, age group, country and professional group are reported below:

	Employees by gender	
	2019	2020
Men	2.014	2.024
Women	617	610
Total	2.631	2.634

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	Employees by age	
	2019	2020
<30	340	325
30-50	1.780	1.751
>50	511	558
Total	2.631	2.634

	Employees by country	
	2019	2020
Spain	1.072	1.090
France	375	389
Germany	69	68
Italy	79	78
Russia	317	311
Poland	74	78
Brazil	56	65
Chile	252	226
Argentina	66	67
Mexico	173	163
USA	33	28
Morocco	65	71
Total	2.631	2.634

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		Employees by professional group	
		2019	2020
Executives	Division General Management	3	3
	Plant General Management	15	14
	Corporate Management	25	28
Middle management	Manager	125	133
	Department Head	184	177
	Specialist	473	503
Staff	Supervisor	108	115
	Operator	1.698	1.661
Total		2.631	2.634

The data relating to the total number and distribution of employment contract modalities at the end of the fiscal year are reported below:

	Indefinite contracts			Temporary contracts		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Total	2.485	41	2.526	93	15	108

The data related to this indicator with for 2019 is included in Annex I.

The following is the annual average in 2020 of employment contract modalities, broken down by gender, age group and professional group:

	Indefinite contracts			Temporary contracts		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Men	1.964	4	1.968	60	9	69
Women	548	38	586	27	4	31
Total	2.512	42	2.554	87	13	100

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	Indefinite contracts			Temporary contracts		
	Full-time	Part-time	Total	Full-time	Part-time	Total
< 30	276	-	276	32	3	35
30-50	1.691	36	1.727	49	-	49
>50	545	6	551	6	10	16
Total	2.512	42	2.554	87	13	100

		Indefinite contracts			Temporary contracts		
		Full-time	Part-time	Total	Full-time	Part-time	Total
Executives	General Management	3	-	3	-	-	-
	Plant General Management	14	-	14	-	-	-
	Corporate Management	27	-	27	-	-	-
Middle management	Manager	135	-	135	1	-	1
	Department Head	175	3	178	1	-	1
	Specialist	459	27	486	19	2	21
Staff	Supervisor	115	-	115	1	-	1
	Operator	1.584	12	1.596	65	11	76
Total		2.512	42	2.554	87	13	100

The data related to this indicator and its calculation method for 2019 are included in Annex II.

The data and evolution relative to the Group's workforce at the end of the fiscal year in relation to employees with disabilities is reported below:

	Employees with a disability	
	2019	2020
Total	26	31

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The data related to the Group's workforce are reported below in relation to the number of layoffs that occurred during 2019 and 2020 by gender, age group and professional group:

	Layoffs by gender	
	2019	2020
Men	77	66
Women	16	17
Total	93	83

	Layoffs by age	
	2019	2020
<30	18	14
30-50	61	57
>50	14	12
Total	93	83

		Layoffs by professional group	
		2019	2020
Executives	General Management	-	-
	Plant General Management	-	1
	Corporate Management	5	-
Middle management	Manager	4	4
	Department Head	7	5
	Specialist	9	12
Staff	Supervisor	3	1
	Operator	65	60
Total		93	83

Likewise, during 2020 there have been a total of 335 incorporations to the Group.

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The analysis of the salary gap⁶ in the Group is reported below, by professional group:

		Women-to-men ratio ⁷		Wage gap ⁸	
		2019	2020	2019	2020
Executives	General Management	N/A	N/A	N/A	N/A
	Plant General Management	N/A	N/A	N/A	N/A
	Corporate Management	97%	90%	3%	10%
Middle management	Manager	77%	70%	23%	30%
	Department head	82%	84%	18%	16%
	Specialist	82%	92%	18%	8%
Staff	Supervisor	100%	76%	0%	24%
	Operator	82%	78%	18%	22%

With regard to the evolution of the wage gap data, there is a growth influenced by the improvement in the quality of the data that allows more comprehensive data to be obtained each year, as well as by the internal structure of the professional groups of the Group, sensitive in this matter to changes in it.

4.2 Work organization

The Group promotes a work-life balance by facilitating flexibility and taking into account special needs, favoring respect for the personal and family life of our employees, who are our best assets.

Along these lines, joint responsibility is encouraged by both parents, as demonstrated by the enjoyment of paternity and maternity leave by 13 workers in the Group in 2020 (10 men and 3 women).

Despite not identifying a risk in relation to the disconnection of our employees, from the Group we work continuously to offer a healthy work environment and ensure the enjoyment of free time by them.

⁶ The ratio of women to men and the wage gap have been calculated taking into consideration the following remuneration items received by employees in 2020: fixed salary and bonus. Other salary components have been assessed and classified as immaterial to the calculation of the indicators in question.

⁷ The women-to-men ratio has been calculated using the following formula: (Average salary woman / Average salary man) * 100.

⁸ The wage gap has been calculated using the following formula: 1-Women-to-men ratio.

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4.3 Health and safety

The year 2020, from a health point of view, has been marked by the COVID-19 pandemic, which has affected the Group's activity as a whole, in all the countries where we operate.

The management of the pandemic has involved a great effort from all the people who work in the Group, and all the decisions that have been made during this period have been focused on preserving the health of our workers above any other consideration.

From the outset, measures were adopted to control the pandemic, including, among others:

- Establishment of local crisis committees in each of the plants, as well as a global Crisis Committee to coordinate decision-making and monitoring the situation in all the countries where we operate.
- Definition and implementation of action protocols in all plants.
- Establishment of Telework as a priority control measure.
- Review of the Travel Policy, both nationally and internationally. The vast majority of the measures adopted are still in force today, as the pandemic is still present in our day to day life.

As a consequence of having focused resources on pandemic management, the different lines of work of our annual Health and Safety Master Plan have had to be prioritized, but even so, the results of the main Health and Safety indicators have presented a significant improvement compared to 2019.

One of the differential factors that has allowed this improvement in results has been the greater involvement of management teams and plant managers in Health and Safety management, together with the integration of OH&S issues into the health and safety agenda. most of the Group's management meetings.

Likewise, it should be noted that in 2020 the development and implementation of the ONE SAFETY tool was completed, oriented in this first phase to the management of accidents and incidents, safety actions, and the monitoring of safety actions. , as well as those associated with the annual work plan and improvement in the reporting of data and indicators. In the future, other functionalities will continue to be added that will allow us a more efficient management of Health and Safety related aspects.

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Health and safety indicators for the plants in the Group's four divisions are set out below:

	Accident rates (2020)		
	Men	Women	Total
Total number of accidents (with and without lost time)	115	18	133
Recordable incident rate	33,27	19,80	30,46
Lost-time case rate	31,53	19,80	29,09
Severity rate	0,80	0,38	0,72

During 2020, no serious or fatal accidents have been registered at the Group's facilities.

The data related to these indicators, their calculation method and their evolution with respect to the year 2019 are included in Annex III.

In the financial year 2020, the Group has registered a total of two men suffering from occupational diseases, cataloged in this way in line with the applicable legal provisions, while in 2019 there were three men and four women.

As regards absenteeism, the number of hours during the year is shown below:

	Total (h) 2019	Total (h) 2020
Number of hours of absenteeism	226.075	266.712

Among the causes of the increase in the number of absenteeism hours, is mainly the impact of the pandemic during the year 2020.

4.4 Labor relations

The Group, aware of the important role that unions have as legal representatives of the interests of workers, guarantees their freedom of association at all times, always respecting the applicable agreement in each country or, failing that, the legislative framework in force in this matter.

In this area, it should be noted that there are a total of 104 union delegates.

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For all the countries in which there are legal provisions, all our employees are covered by the collective agreement associated with the business permit granted to the company (graphic arts, chemicals, etc.), as reflected in the following table:

	Employees covered by collective agreements (%)
Argentina	66%
Brazil	100%
Spain	100%
France	100%
Italy	100%
México	52%

Health and Safety clauses are included in all of the Group's own Agreements, as well as in the existing groups, with the exception of France, which does not contemplate it.

4.5 Training

The Group is aware of the importance of training as an element of training and development of its employees. Innovation and continuous improvement continue to be the two parameters that determine the holding of training sessions for all Group employees, depending on their position.

The total number of training hours are shown below by professional group:

		Training hours (h)	
		2019	2020
Executives	Corporate Management	423	167
Middle Management	Manager	2.611	1.567
	Department head	5.042	5.750
	Specialist	13.583	10.304
Staff	Supervisor	2.592	2.418
	Operator	16.445	15.193
Total		40.696	35.399

During 2020, online training has continued to be promoted, as well as the development of common training actions for all Group employees to improve digital skills. However, the total hours of

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training in 2020 have suffered a significant reduction. This effect is caused by the limitations and problems caused by the state of pandemic that we have suffered in this period.

4.6 Equality

The main equality policies are set out in the Principles of the Code of Ethics, specifically, in the “Non-discrimination” section, in which it is established that the Group promotes equal treatment between men and women, as regards it refers to access to employment, training, the promotion of professionals and working conditions.

Our Code of Ethics prohibits all actions that represent discrimination by reason of gender towards any of our employees. Following in this line, the Group has a Whistleblower Channel to allow situations that may be perceived as discrimination of any kind to be reported.

In this matter, the following measures taken during 2020 should also be highlighted:

- Equality measures have been strengthened, especially within the EMSUR and ESTELLA Divisions.
- The first Equality plan for the EMSUR Valencia and GESA plants has been presented, agreed with the union representation, in which the commitment of the Group, the Division and the plant itself in terms of Equality is shown.

Over the next few years, the Group will continue to develop and implement Equality Plans at the different plants.

5. Human rights

The Group has made an explicit, public commitment to respect and promote human rights in all the territories in which it operates, paying particular attention to compliance with laws on child and forced labor. This commitment is included in the conduct rules and guidelines of the Group's Code of Ethics and any breach in respect of Human Rights can be reported through the Group's complaints channel.

The Group received no reports of infringements of the UN Universal Declaration of Human Rights in any of the countries in which it operated during 2020.

The Group would apply the disciplinary measures stipulated in our Code of Ethics to any human rights violation.

6. Corruption and bribery

Ethics is a fundamental pillar of the Group's business. A number of policies and mechanisms have therefore been developed to assure that all the Group's employees act with integrity and in line

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with the ethical principles defined by Management. All actions undertaken by the Group are founded on an attitude of respect, professionalism, honesty and integrity towards all stakeholders.

The Group has implemented and communicated the following rules and policies relating to the correct attitude to be adopted by our professionals in their activities:

Code of Ethics

The aim is to identify the values and principles that must guide all professional conduct in all the Group companies, in the course of business.

This document is the specific expression of our culture and our ethical values. It contains guidelines on conduct and behavior, reaffirming our wish to keep up the highest standards of transparency and integrity.

The Code of Ethics is mandatory for all the Group's employees, irrespective of their company, hierarchical level and geographic or functional location.

The Group's Code of Ethics defines:

- ethical values that will guide our activities;
- expected conduct with our significant stakeholders;
- specific principles and behavior expected with stakeholders;
- mechanisms to enforce the Code of Ethics and channels in place to report any infringements.

The following principles are reflected in our Code of Ethics:

- commitment to human rights and employee rights;
- compliance with the law;
- environmental protection;
- health and safety;
- work-life balance;
- non-discrimination;
- data protection;
- recruitment and training;
- suppliers;
- customers;
- international trade controls;
- combating corruption and bribery;
- competitors;
- conflicts of interest;
- company's resources;
- fraud;

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- confidential information.

The Code of Ethics is officially communicated to all the Group's employees through informative sessions held to address its content and the whistleblower procedure to be followed if necessary. All new joiners are also provided with this information.

Policy on gifts and invitations

As part of the Group's commitment to safeguard both ethical behavior and its reputation and image, a policy on gifts and invitations has been defined to assure exemplary conduct by employees.

Conflict of interest policy

The Group has also prepared a conflict of interest policy including the actions or behavior that could create an actual or apparent conflict of interest and laying down the procedures to be followed in such cases.

Whistleblower channel

In order to ensure that all the Group's employees act with integrity and in line with the defined ethical principles, a communication channel has been created to report any possible irregularity, infringement or conduct contrary to ethics, the law and the rules set out in the Code of Ethics.

This channel is available to all employees and third parties.

The Group's Audit Committee receives and reviews all messages sent through the Whistleblower Channel proposes corrective measures, if applicable, and monitors the matter reported until it is finally resolved.

The Audit Committee also keeps a record of the matters reported and informs the Board of Directors whenever necessary.

7. Social responsibility

7.1 Commitment to sustainable development

In order to manage the social impacts of our activities, the Group promotes dialogue with stakeholders to identify actions that can favor sustainable development.

Main action lines:

- Promotion of local development by hiring local people or selecting local suppliers, provided this is possible in view of the post and required specifications;

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- Support for professional training institutes, universities and employment services by hiring students for practical training who often go on to become employees;
- Social inclusiveness through collaboration with non-profit foundations to hire students with social inclusion difficulties for job training;
- Social collaboration by promoting actions to allow non-financial donations.
- Volunteer actions that provide social and environmental benefits that promote the integration of employees in the corporate social action strategy.

On the other hand, it should be noted that during 2020 the most relevant actions in the social field were developed within the framework of collaboration with the Tornillo Foundation signed during 2019. This common collaboration framework proposes to promote our contribution to the construction of a better society through projects focused on three areas of action: employment, training and social action.

Due to the limitation in the realization of face-to-face activities, during 2020, the most relevant actions derived from this collaboration have been:

- Telematic training: training pills on environmental and recycling matters;
- Employability: recruitment of trainees in different departments.

7.2 Initiatives with associations or sponsorships

Bearing in mind that the Group has operations in a number of countries, some of the associations that we work with are listed below:

- AMANC (Mexican Association to Help Children with Cancer);
- Banco de tapitas (non-profit civil association that helps people with cancer);
- Blue Ladies (Institution of private assistance, helps women with cancer);
- AEDHE: Henares Business Association;
- AGM: Madrid Graphic Arts Association;
- AEGRN: Navarre;
- Confederation of Companies of Navarre;
- ANAIP: Spanish Association of Plastic Industries;
- ASPACK: Spanish Association of Cardboard Containers, Packaging and Transformation Manufacturers.

It should be noted that in 2020 the Group allocated € 100,000 to non-profit foundations.

7.3 Subcontracting and suppliers

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When purchasing and subcontracting services, besides efficiency and the fulfilment of industry standards, the Group prioritizes the observance in the supply chain of our values and requirements in relation to health and safety, environment, worker's rights, respect for human rights, ethics and integrity.

This priority included in our Code of Ethics will be incorporated into the management of our main suppliers over the next two years, through internationally recognized responsible management platforms that evaluate and promote sustainability in the supply chain, ensuring good practices in the matter. environmental, social and economic or by incorporating these standards in the general conditions of purchase.

In addition, our Code of Ethics requires our employees to ensure that supplier selection processes are objective, impartial and transparent.

7.4 Consumers

Although consumers are not direct customers, the Group is aware of the importance of health and safety and has the following measures in place:

- Certification under international food safety standards for all the plants that produce materials which come into direct contact with food (BRC Packaging, ISO 22000), thus assuring safety and compliance with prevailing food safety legislation;
- Solid quality management systems covering claims management procedures and preventive and corrective actions This assures the fast and reliable registration, analysis, resolution and containment of any departure from applicable standards.

7.5 Tax information

The total tax on profits paid by the Group in 2020 is 2.047.066 €. In 2019 the amount of income tax paid was 3.979.791 €.

The public subsidies received in the financial year 2020 amount to 183.758. In the financial year 2019, this amount amounted to 260.412 €.

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8. Regarding the Non-Financial Statement - Table required by Law 11/2018 of 28 December

In this NFS, the Group fulfils the requirements of the Non-Financial Information Law. The contents are prepared in accordance with the Global Reporting Initiative (GRI) sustainability reporting framework as a reference, trying to adapt them to the reality of its business model and activity.

In this NFS, the Group has carried out an internal materiality analysis that has taken into account the context and regulation of the sector, as well as the most relevant issues for its stakeholders, trends sectors and the best practices to determine which non-financial aspects are relevant for the Group, which has made it possible to identify the most relevant aspects on which to inform its stakeholders, as well as to respond to non-financial information requirements based on current regulation. For all those aspects that have been considered non-material for the organization, this report addresses its management approach, but does not provide detailed information on key KPIS or other quantitative indicators, as they are not considered representative of the Group's activity.

Set out below is the table required by the Non-Financial Information Act, the purpose being to indicate which section of this NFS meets the requirements of the Act and to identify which reporting standard has been applied for this purpose. Specifically, this GRI content index shows which pages of the NFS relate to each of the reporting areas identified by the Non-Financial Information Act, the GRI index used and any omissions with respect to the content covered by those indicators as per the model indicated below.

Content	Section	Associated GRI index
Business model		
- Business environment and business model	1.1; 1.2	102-1; 102-2; 102-4.
- Markets in which the company operates	1.3.	102-6
- Objectives and strategies	1.4.	103
- Factors and trends affecting the business	1.4.	103
- Political	1; 2; 3; 4; 6;	103
- Risks	2.	102-15

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Environmental matters		
Global		
- Effects of the company's activities on the environment and health and safety	3.	103
- Precautionary principle, the amount of provisions and guarantees for environmental risks	3.	103; 102-11
- Resources devoted to preventing environmental risks	3.	103; 102-11
Pollution		
- Measures associated with carbon emissions	3.1.	103
- Measures associated with light, noise and other pollution	3.1.	103
Circular economy and waste prevention and management		
- Initiatives to favor the circular economy	3.2.	103
- Measures associated with waste management	3.2.	103; 306-2
- Actions to combat food waste	3.2.	103
Sustainable use of resources		
- Water: consumption and supply	3.3.	103; 303-1
- Raw materials: consumption and measures	3.3.	103; 301-1
- Energy: consumption, measures and use of renewables	3.3.	103; 302-1
Climate change		
- Greenhouse gas emissions	3.1.	103; 305-1; 305-2

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- Climate change adaptation measures	3.1.	103
- Emission reduction goals	3.1.	103
Biodiversity		
- Conservation measures	3.4.	103
- Impacts on protected areas	3.4.	Non-material area
Social and personnel-related matters		
Employment		
- Total number and distribution of employees by gender, age, country and professional group	4.1.	405-1
- Total number and distribution of employment contract types	4.1.	405-1
- Annual average indefinite contracts, temporary contracts and part-time contracts by gender, age and professional group	4.1.	102-8; 405-1
- Number of layoffs by gender, age and professional group	4.1.	401-1
- Wage gap, remuneration for the same posts or the company's average remuneration	4.1.	405-2
- Right to disconnect policies	4.1.	103
- Employees with a disability	4.1.	405-1
Organization of working hours		
- Work organization	4.2.	103
- Number of hours of absenteeism	4.3.	403-2

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- Work-life balance measures	4.2.	103
Health and safety		
- Occupational health and safety	4.3.	103
- Occupational accidents, in particular frequency and severity	4.3.	403-2
- Professional illnesses by gender	4.3.	403-2
Labor relations		
- Organization of social dialogue	4.4.	103
- Percentage of employees covered by collective bargaining agreements by country	4.4.	102-41
- Main content of the collective agreements in relation to occupational health and safety	4.4.	403-4
Training		
- Training policies implemented	4.5.	103
- Total training hours by professional category	4.5.	404-1
- Universal accessibility for the disabled	4.1; 4.6.	103
Equality		
- Measures implemented to promote equality, equality plans and non-discrimination policy, and diversity management	4.6.	103
Human rights		
- Due diligence procedures on human rights and, if applicable, mitigation, management and remedies	5.	103; 102-16

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- Human rights violations reported	5.	406-1
- Promotion and fulfilment of ILO conventions related to the freedom of association and collective bargaining	5.	103
- Elimination of discrimination in the workplace, forced or mandatory labor and child labor	5.	103
Corruption and bribery		
- Measures taken to prevent corruption and bribery	6.	103; 102-16; 205-3
- Measures to combat money laundering	6.	103; 102-16; 205-3
- Contributions to foundations and non-profit entities	6.	413-1
Society		
Company's commitments to sustainable development		
- Impact of the company's business: employment, local development, local populations and territory	7.1.	103; 203-2
- Ongoing dialogue with local communities	7.1.	103; 102-43
- Initiatives with associations or sponsorships	7.2.	102-13
Subcontracting and suppliers		
- Inclusion in the procurement policy of social, gender equality and environmental matters	7.3.	103
- Consideration of the social and environmental responsibility of suppliers and subcontractors	7.3.	103
- Oversight systems, audits and related findings	7.3.	103
Consumers		

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- Consumer health and safety measures	7.4.	103
- Claim systems, complaints received and solutions	7.4.	103
Tax information		
- Income tax paid	7.5.	103
- Government grants received	7.5.	201-4

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Annex I: Evolution of the data related to the total number and distribution of employment contract modalities 2019 – 2020

The data relating to the total number and distribution of employment contract modalities, at the close of the fiscal year 2020, are reported below:

	Indefinite contracts			Temporary contracts		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Total	2.485	41	2.526	93	15	108

The following is the data relating to the total number and distribution of employment contract modalities, at the close of fiscal year 2019:

	Indefinite contracts			Temporary contracts		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Total	2.449	32	2.481	149	1	150

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Annex II: Evolution of the average data of employment contract modalities 2019 – 2020

The annual average in 2020 of employment contract modalities, broken down by sex, age and professional group is shown below:

	Indefinite contracts			Temporary contracts		
	Full-time	Part- time	Total	Full-time	Part- time	Total
Men	1.964	4	1.968	60	9	69
Women	548	38	586	27	4	31
Total	2.512	42	2.554	87	13	100

	Indefinite contracts			Temporary contracts		
	Full-time	Part-time	Total	Full-time	Part-time	Total
< 30	276	-	276	32	3	35
30-50	1.691	36	1.727	49	-	49
>50	545	6	551	6	10	16
Total	2.512	42	2.554	87	13	100

		Indefinite contracts			Temporary contracts		
		Full-time	Part- time	Total	Full-time	Part-time	Total
Executives	General Management	3	-	3	-	-	-
	Plant General Management	14	-	14	-	-	-
	Corporate Management	27	-	27	-	-	-
Middle Management	Manager	135	-	135	1	-	1
	Department head	175	3	178	1	-	1
	Specialist	459	27	486	19	2	21
Staff	Supervisor	115	-	115	1	-	1
	Operator	1.584	12	1.596	65	11	76
Total		2.512	42	2.554	87	13	100

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The annual average in 2019 of employment contract modalities, broken down by sex, age and professional group is shown below:

	Indefinite contracts			Temporary contracts		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Men	1.933	11	1.944	89	0	89
Women	554	23	577	37	1	38
Total	2.487	34	2.521	126	1	127

	Indefinite contracts			Temporary contracts		
	Full-time	Part-time	Total	Full-time	Part-time	Total
< 30	297	1	298	33	0	33
30-50	1.678	24	1.702	79	1	80
>50	512	9	521	14	0	14
Total	2.487	34	2.521	126	1	127

		Indefinite contracts			Temporary contracts		
		Full-time	Part-time	Total	Full-time	Part-time	Total
Executives	General Management	3	0	3	0	0	0
	Plant General Management	16	0	16	0	0	0
	Corporate Management	30	0	30	0	0	0
Middle Management	Manager	122	0	122	1	0	1
	Department head	185	2	187	1	0	1
	Specialist	425	20	445	22	1	23
Staff	Supervisor	109	0	109	2	0	2
	Operator	1.597	12	1.609	100	0	100
Total		2.487	34	2.521	126	1	127

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Annex III: Evolution of accident data 2019 – 2020

	Accident rates (2020)		
	Men	Women	Total
Total number of accidents (with and without lost time)	115	18	133
Recordable incident rate	33,27	19,80	30,46
Lost-time case rate	31,53	19,80	29,09
Severity rate	0,80	0,38	0,72

	Accident rates 2019		
	Men	Woman	Total
Total number of accidents (with and without lost time) ⁹	176	22	198
Recordable incident rate ¹⁰	97,65	35,66	84,99
Lost-time case rate ¹¹	27,19	9,73	23,62
Severity rate ¹²	0,77	0,49	0,71

⁹ Total number of accidents (with and without lost time): No. of lost-time and non-lost-time accidents recorded. The Group does not include in the calculation of this indicator accidents classed as "first aid".

¹⁰ Recordable incident rate: No. of accidents during the working day (lost-time, non-lost-time and first aid) / No. of hours worked * 1,000,000. This ratio refers to the frequency of accidents.

¹¹ Lost-time case rate: No. of lost-time accidents / No. of hours worked* 1,000,000. This ratio refers to the frequency of accidents.

¹² Severity rate: No. of working days lost due to accidents during the working day / Total no. of hours worked * 1,000. This ratio refers to the severity ratio of accidents.

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