

LANINVER SHC, S.L.

AND SUBSIDIARIES

Non-Financial Statement
as of December 31, 2021

Issued by the Board of Directors of Laninver SHC, S.L.
In the meeting of March 31, 2022

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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 2021, 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 2,600 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.
- Appointments and Remuneration Committee

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

The Delegate Committee meets monthly 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.

The Appointments and Remuneration Committee is assigned powers in relation to the appointment and dismissal of directors and senior managers and their remuneration. Approves the Group's remuneration policies. During 2021, it has held regular sessions in order to deepen and analyze decisions in the field of the HR function.

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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.

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 the COVID-19 pandemic due to increased consumption in households.

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 the last two years.

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.

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3. Increase operational effectiveness to protect the business in the case of more mature products and / or geographies.
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, environmental, regulatory, labor, consumer-related aspects, and aspects related to pandemics

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.

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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.

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 2021 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.

Adverse environment in 2021, marked by high volatility and uncertainty, with a shortage of raw materials, logistical difficulties and high energy and transport costs that have complicated the production process.

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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 2021, 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 2021, this measurement has continued to be carried out and improved for all the Group's factories.

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) 2020	Emissions (tCO ₂ eq) 2021
Scope 1	14.569 ²	16.132
Scope 2	49.086	41.064
Total	63.655	57.196

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 2021" for 2021 data and "UK Government GHG Conversion Factors for Company Reporting 2020" for 2020 data provided by "Department for Environment Food & Rural Affairs (DEFRA)".

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

² The 2020 data on Scope 1 emissions have 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 get more accurate data.

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As in previous years, a reduction in CO2 emissions is observed, derived from the reduction in Scope 2, mainly due to the increase in the use of energy from renewable sources, as part of our strategy to combat climate change, as well as different energy efficiency actions. The increase in Scope 1 emissions is mainly due to the commissioning of a new line and the expansion of a warehouse.

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.

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 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 2021 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.

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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.
- 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.
- HOLYGRAIL 2.0: INNOTECH joins this project whose objective is to demonstrate the technical feasibility of digital watermarks for the accurate classification of post-consumer packaging waste.

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 2020 and 2021 was reflected in the following table:

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	Energy consumption (GJ) 2020	Energy consumption (GJ) 2021
Gas	223.777 ³	241.107
Diesel	1.268	2.837
Propane	14.194	14.458
Electricity	626.179	629.587
Total	865.418	887.989

The evolution of the energy consumption data is derived from the facts already indicated in the previous point; mainly the installation of a new line and the extension of the production area whose conditioning slightly increases consumption.

The following table shows the evolution of main raw material consumption data⁴:

	Consumption of raw materials (t) 2020	Consumption of raw materials (t) 2021
Plastic resins	171.462	170.969
Paper and cardboard	53.201 ⁵	54.705
Total	224.663	225.674

The consumption of raw materials shows a stable trend in 2021, although a slight reduction is observed in plastic resins, which can be attributed to the optimization of structures in which our R&D and Operations teams work to make the best use of the resources.

As part of the Group's Environmental Assessment, the following table show the waste generated in 2020 and 2021:

	Waste generated (t) 2020	Waste generated (t) 2021
Hazardous waste	2.312	2.259
Non-hazardous waste	31.551	27.212 ⁶
Total	33.863	29.471

³ The 2020 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 made it possible to obtain more precise data.

⁴ 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 based on the purchases of materials made in the period. It should be noted that the data related to the Estella Division in 2021 is reported including paper, unlike the year 2020 in which only cardboard was reported.

⁵ In the EINF 2020, the data from the ESTELLA division only included data on cardboard consumption. Due to an improvement in the information systems used, in this EINF both the data for 2020 and 2021 for this division include paper and cardboard.

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As previously mentioned, the optimization of waste management is one of the lines of action of the Group's environmental management. During 2021, different projects have been carried out to reduce production losses and improvements in management that are reflected in the positive evolution of the data for both hazardous and non-hazardous waste, where the reduction is even more significant.

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 2020 and 2021 are reflected in the following table:

	Water consumption (m3) 2020	Water consumption (m3) 2021
Total	107.993	96.863

During 2021, water consumption has continued to be reduced, which represents a relevant minimization of the environmental impact in this aspect. The efficiency in the processes, the improvement in maintenance controls and the enhancement of this resource are reflected in this positive trend with a significant reduction.

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

The year 2021 has been marked by the continuity of the coronavirus crisis in which, at a social level, measures as restrictive as those experienced in 2020 have not been suffered, but the fatigue caused by the successive waves of the virus and the uncertainty of not knowing the evolution and duration of the pandemic.

Lantero Group has continued to prioritize the safety and health of workers in relation to COVID-19, adopting different protection measures.

Hygiene measures: individual protection material has been provided, the mandatory use of the mask has been established, diagnostic tests have been carried out, hygiene guidelines have been

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communicated and the cleaning and disinfection of surfaces and work equipment has been reinforced.

Technical measures: during a part of the year, the previous temperature control was maintained at the entrances to the centers, the partitions have been maintained in the work tables and the reinforcement of the control of the social distance, as well as the reduction of capacity when it has been necessary.

Organizational measures: remote work has been established for those positions that, due to their characteristics, can carry it out during the most intense periods of the different waves, mixed systems of face-to-face and remote work have been established in the de-escalation and for the first time since the start of the pandemic, a return to face-to-face work has been requested as normal. Additionally, the crisis committees that began in 2020 have been maintained and have been monitoring the incidence of the virus in the different work centers and taking the appropriate measures in each country and center.

Beyond the health aspect, there are two other aspects of vital importance to continue consolidating our value proposition to the employee:

Commitment to employment

Lantero Group's most valuable asset is its workers, a staff of professionals who work actively and diligently to satisfy the client through teamwork, operational excellence and pride of belonging.

The Group responds to this commitment by placing trust in people and betting on stable, quality employment with a high percentage of indefinite contracts, professionalization of functions and a desire for continuous improvement.

In order to continue ensuring this commitment in 2021, the Group has focused on drawing up its Strategic Plan for the next three years with the fundamental objective of providing employees, shareholders and customers with a vision of the future and guaranteeing sustainable, healthy continuity and profitable for the company. In preparing the plan, the opinion of all managers and other professional profiles has been obtained through interviews, surveys and working groups, which have been of great value for the final result.

Talent management

Talent is a fundamental pillar in the effective management of the business and in the development of the company's strategy. We are an organization that stands out for its strong technical knowledge combined with great customer orientation and service.

From the point of view of talent management, we have focused on the following main objectives:

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- Identify, value and differentiate the talent we have in the organization, which allows us to guide professionals according to their abilities and strengths, as well as create succession plans that ensure business continuity in the best conditions.
- Offer opportunities for development and professional growth through internal promotion, mobility between countries and departments or functions, participation in projects or the assumption of new responsibilities.
- Attract external talent that allows us, on the one hand, to incorporate young professionals who, taking their first steps in the business world, can become the future of the company and, on the other hand, consolidated professionals who provide us with knowledge, methodologies and complementary good practices to those we already have.
- Retain talent through a motivating and challenging professional project, fair and competitive economic conditions and a safe, respectful and trustworthy work environment.

4.1 Employment

The Group's workforce as of December 31, 2021 amounted to 2,661 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	
	2020	2021
Men	2.024	2.027
Women	610	634
Total	2.634	2.661

	Employees by age	
	2020	2021
<30	325	309
30-50	1.751	1.748
>50	558	604
Total	2.634	2.661

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	Employees by country	
	2020	2021
Spain	1.090	1.089
France	389	383
Germany	68	70
Italy	78	75
Russia	311	326
Poland	78	75
Brazil	65	65
Chile	226	229
Argentina	67	70
Mexico	163	180
USA	28	25
Morocco	71	74
Total	2.634	2.661

		Employees by professional group	
		2020	2021
Executives	Division General Management	3	4
	Plant General Management	14	12
	Corporate Management	28	26
Middle management	Manager	133	154
	Department Head	177	168
	Specialist	503	440
Staff	Supervisor	115	110
	Operator	1.661	1.747
Total		2.634	2.661

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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	2.495	36	2.531	121	9	130

The data related to this indicator with for 2020 is included in Annex I.

The following is the annual average in 2021 of employment contract modalities, broken down by gender, age group and professional group⁷:

	Indefinite contracts			Temporary contracts		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Men	1.956	6	1.962	65	5	70
Women	551	31	583	43	6	50
Total	2.507	37	2.545	108	11	120

	Indefinite contracts			Temporary contracts		
	Full-time	Part-time	Total	Full-time	Part-time	Total
< 30	252	1	253	40	4	44
30-50	1.661	30	1.691	58	-	58
>50	594	6	601	11	7	18
Total	2.507	37	2.545	108	11	120

⁷ The calculation of the average has been made based on the total workforce in 2021, with all the hiring and termination of employee contracts that occurred during the year, assigning each one a value from 0 to 1 based on the duration of the employment contract.

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		Indefinite contracts			Temporary contracts		
		Full-time	Part-time	Total	Full-time	Part-time	Total
Executives	General Management	4	-	4	-	-	-
	Plant General Management	12	-	12	-	-	-
	Corporate Management	28	-	28	-	-	-
Middle management	Manager	153	1	154	1	-	1
	Department Head	168	3	171	-	-	-
	Specialist	383	27	410	24	4	28
Staff	Supervisor	112	-	112	-	-	-
	Operator	1.647	6	1.653	83	7	90
Total		2.507	37	2.545	108	11	120

The data related to this indicator and its calculation method for 2020 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	
		2020	2021
Total		31	37

The data related to the Group's workforce are reported below in relation to the number of layoffs that occurred during 2020 and 2021 by gender, age group and professional group:

			Layoffs by gender	
			2020	2021
Men			66	51
Women			17	10
Total			83	61

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	Layoffs by age	
	2020	2021
<30	14	12
30-50	57	34
>50	12	15
Total	83	61

		Layoffs by professional group	
		2020	2021
Executives	General Management	-	-
	Plant General Management	1	-
	Corporate Management	-	1
Middle management	Manager	4	1
	Department Head	5	6
	Specialist	12	10
Staff	Supervisor	1	1
	Operator	60	42
Total		83	61

Likewise, during 2021 there have been a total of 405 incorporations to the Group.

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The analysis of the salary gap⁸ in the Group is reported below, by professional group:

		Women-to-men ratio ⁹		Wage gap ¹⁰	
		2020	2021	2020	2021
Executives	General Management	N/A	N/A	N/A	N/A
	Plant General Management	N/A	N/A	N/A	N/A
	Corporate Management	90%	97%	10%	3%
Middle management	Manager	70%	73%	30%	27%
	Department head	84%	79%	16%	21%
	Specialist	92%	79%	8%	21%
Staff	Supervisor	76%	N/A	24%	N/A
	Operator	78%	78%	22%	22%

With regard to the evolution of the wage gap data¹¹, a reduction in the gap can be seen in the groups of Directors and Managers, derived from internal movements reinforced by a culture of equality and internal equity within the Group. An increase is observed in the group of Specialists that is caused by the internal structure of the professional groups of the Group, sensitive in this matter to changes in it.

4.2 Work organization

At the Lantero Group, we maintain a commitment to our employees favoring work-life balance, facilitating flexibility at work, taking into account the special circumstances and needs of each employee.

We promote joint responsibility by both parents, as evidenced by the enjoyment of paternity and maternity leave by 25 workers in the Group in 2021 (12 men and 13 women).

⁸ The ratio of women to men and the wage gap have been calculated taking into consideration the following remuneration items received by employees in 2021: fixed salary and bonus. Other salary components have been assessed and classified as immaterial to the calculation of the indicators in question.

⁹ The women-to-men ratio has been calculated using the following formula: (Average salary woman / Average salary man) * 100.

¹⁰ The wage gap has been calculated using the following formula: 1-Women-to-men ratio.

¹¹ The wage gap has been calculated taking the workforce at the end of the year as a reference.

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Within the Group, we maintain the concern to favor labor disconnection despite not identifying a risk in the area; We want our employees to work in a healthy environment and enjoy free time so that they effectively perceive this conciliation environment.

4.3 Health and safety

Throughout 2021, exhaustive surveillance of our workers has been maintained in the health area, since new strains of COVID-19 have been detected.

With the protection of the health of our employees as a priority, the centralization of decisions in this matter has been maintained in the Group's Crisis Committee with the aim of minimizing exposure to possible contagion by COVID-19.

Work has continued at the local level within the Crisis Committee of each plant to analyze the impact of the pandemic on each of them, reinforcing the message of safety and protection to all our employees.

Likewise, teleworking has been maintained as a protection measure in all those positions in which it is possible, minimizing possible risks.

The continuity of the pandemic has led to prioritizing lines of action, especially in the Health and Safety area, but work has continued on the Annual Master Plan, launching different actions that allow us to continue building our Safety culture.

One of the most relevant actions has been the holding of specific workshops, in which topics such as Climate and Preventive Culture, Leadership and Visible Commitment and the function of Safety and Health as the engine of change were addressed; all of them focused on reinforcing the Group's training in Health and Safety.

Since January 1, 2021, the ONE SAFETY tool has been used to manage workplace accidents in the Lantero Group in all business units, where accidents, sick leave, preventive actions, property damage, and any other accidents are recorded. other event related to safety and health at work.

The implementation of this tool has been accompanied by internal training for those responsible for Health and Safety at each plant on its use to ensure its correct implementation.

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

	Accident rates (2021)		
	Men	Women	Total
Total number of accidents (with and without lost time)	131	20	151
Recordable incident rate	53,60	28,97	48,07
Lost-time case rate	22,74	7,90	19,42
Severity rate	0,54	0,26	0,48

Throughout the year 2021, it has been possible to reduce the values within the accident frequency rates with sick leave and the Severity Rate, derived from the strengthening of the preventive culture of the Lantero Group.

Both the number of total accidents and the recordable accident frequency rate have been increased by the implementation of the exhaustive control and indicator reporting model derived from the ONE SAFETY plan.

The data related to these indicators, their calculation method and their evolution with respect to the year 2020 are included in Annex III.

During 2021, no serious or fatal accidents have been registered at the Group's facilities.

In the 2021 financial year, the Group has registered a woman who suffered an occupational disease, classified in this way in line with the applicable legal provisions, while in 2020 there were two men.

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

	Total (h) 2020	Total (h) 2021
Number of hours of absenteeism	226.712	249.406

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4.4 Labor relations

The Group has a strong commitment to the legal representatives of the workers, guaranteeing freedom of association, respecting the applicable agreement in each country or, failing that, the current legislative framework on this matter. In 2021, there is a total of 104 union delegates.

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	64%
Brazil	100%
Spain	100%
France	100%
Italy	100%
México	0%

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.

In Mexico, collective agreement began in 2021 in order to sign a new Agreement, which represents a modification with respect to the previous year in terms of employees regulated by collective agreement or similar legal figure.

4.5 Training

The ability of employees to adapt, as well as the new focus on online training, has made possible to increase training hours in 2021.

Learning and training continue to be key elements for updating and developing employees in a dynamic and changing context and the strengthening of an environment of innovation and continuous improvement.

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

		Training hours (h)	
		2020	2021
Directivos	General Management	0	23
	Plant General Management	0	236
	Corporate Management	167	68
Mandos Intermedios	Manager	1.567	2.624
	Department head	5.750	4.773
	Specialist	10.304	8.223
Staff	Supervisor	2.418	3.563
	Operator	15.193	20.514
Total		35.399	40.024

4.6 Equality

The commitment to equality is maintained, reflected within the Principles of the Code of Ethics, specifically, in the "Non-discrimination" section, which establishes that the Group promotes equal treatment between men and women in what it refers to access to employment, training, the promotion of professionals and working conditions.

The Group's management ensures compliance with this principle through the complaints channel, a tool for reporting situations that may be understood as discrimination of any kind.

During 2021, progress has been made in terms of equality, drawing up new plans and maintaining control and monitoring actions.

The Group will continue to work on equality and will maintain its commitment to complying with the principles established in its Code of Ethics.

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.

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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 2021.

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 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;

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- non-discrimination;
- data protection;
- recruitment and training;
- suppliers;
- customers;
- international trade controls;
- combating corruption and bribery;
- competitors;
- conflicts of interest;
- company's resources;
- fraud;
- 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.

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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;
- 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 2021 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 2021, 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);

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- 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 2021, same as 2020, the Group allocated € 100,000 to non-profit foundations.

7.3 Subcontracting and suppliers

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 2021 is 4.599.998 €. In 2020 the amount of income tax paid was 2.047.066 €.

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The public subsidies received in the financial year 2021 amount to 134.369 €. In the financial year 2020, this amount amounted to 183.758 €.

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

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- Political	1; 2; 3; 4; 6;	103
- Risks	2.	102-15
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; 306-3
- Actions to combat food waste	3.2.	103
Sustainable use of resources		
- Water: consumption and supply	3.3.	103; 303-5
- Raw materials: consumption and measures	3.3.	103; 301-1
- Energy: consumption, measures and use of renewables	3.3.	103; 302-1

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Climate change		
- Greenhouse gas emissions	3.1.	103; 305-1; 305-2
- 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		

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- Work organization	4.2.	103
- Number of hours of absenteeism	4.3.	403-9; 403-10
- 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.	403-9; 403-10
- Professional illnesses by gender	4.3.	403-9; 403-10
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		

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- Due diligence procedures on human rights and, if applicable, mitigation, management and remedies	5.	103; 102-16
- 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

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Consumers		
- Consumer health and safety measures	7.4.	103
- Claim systems, complaints received and solutions	7.4.	103
Tax information		
- Income tax paid	7.5.	207-4
- 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 2020 – 2021

The data relating to the total number and distribution of employment contract modalities, at the close of the fiscal year 2021, are reported below:

	Indefinite contracts			Temporary contracts		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Total	2.495	36	2.531	121	9	130

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

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

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Annex II: Evolution of the average data of employment contract modalities 2020 – 2021

The annual average in 2021 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	1.956	6	1.962	65	5	70
Women	551	31	583	43	6	50
Total	2.507	37	2.545	108	11	120

	Indefinite contracts			Temporary contracts		
	Full-time	Part-time	Total	Full-time	Part-time	Total
< 30	252	1	253	40	4	44
30-50	1.661	30	1.691	58	-	58
>50	594	6	601	11	7	18
Total	2.507	37	2.545	108	11	120

		Indefinite contracts			Temporary contracts		
		Full-time	Part- time	Total	Full-time	Part-time	Total
Executives	General Management	4	-	4	-	-	-
	Plant General Management	12	-	12	-	-	-
	Corporate Management	28	-	28	-	-	-
Middle Management	Manager	153	1	154	1	-	1
	Department head	168	3	171	-	-	-
	Specialist	383	27	410	24	4	28
Staff	Supervisor	112	-	112	-	-	-
	Operator	1.647	6	1.653	83	7	90
Total		2.507	37	2.545	108	11	120

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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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Annex III: Evolution of accident data 2021 – 2020

	Accident rates (2021)		
	Men	Women	Total
Total number of accidents (with and without lost time)	131	20	151
Recordable incident rate	53,60	28,97	48,07
Lost-time case rate	22,74	7,90	19,42
Severity rate	0,54	0,26	0,48

	Accident rates 2020		
	Men	Woman	Total
Total number of accidents (with and without lost time) ¹²	115	18	133
Recordable incident rate ¹³	33,27	19,80	30,46
Lost-time case rate ¹⁴	31,53	19,80	29,09
Severity rate ¹⁵	0,80	0,38	0,72

¹² 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".

¹³ 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.

¹⁴ Lost-time case rate: No. of lost-time accidents / No. of hours worked* 1,000,000. This ratio refers to the frequency of accidents.

¹⁵ 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.