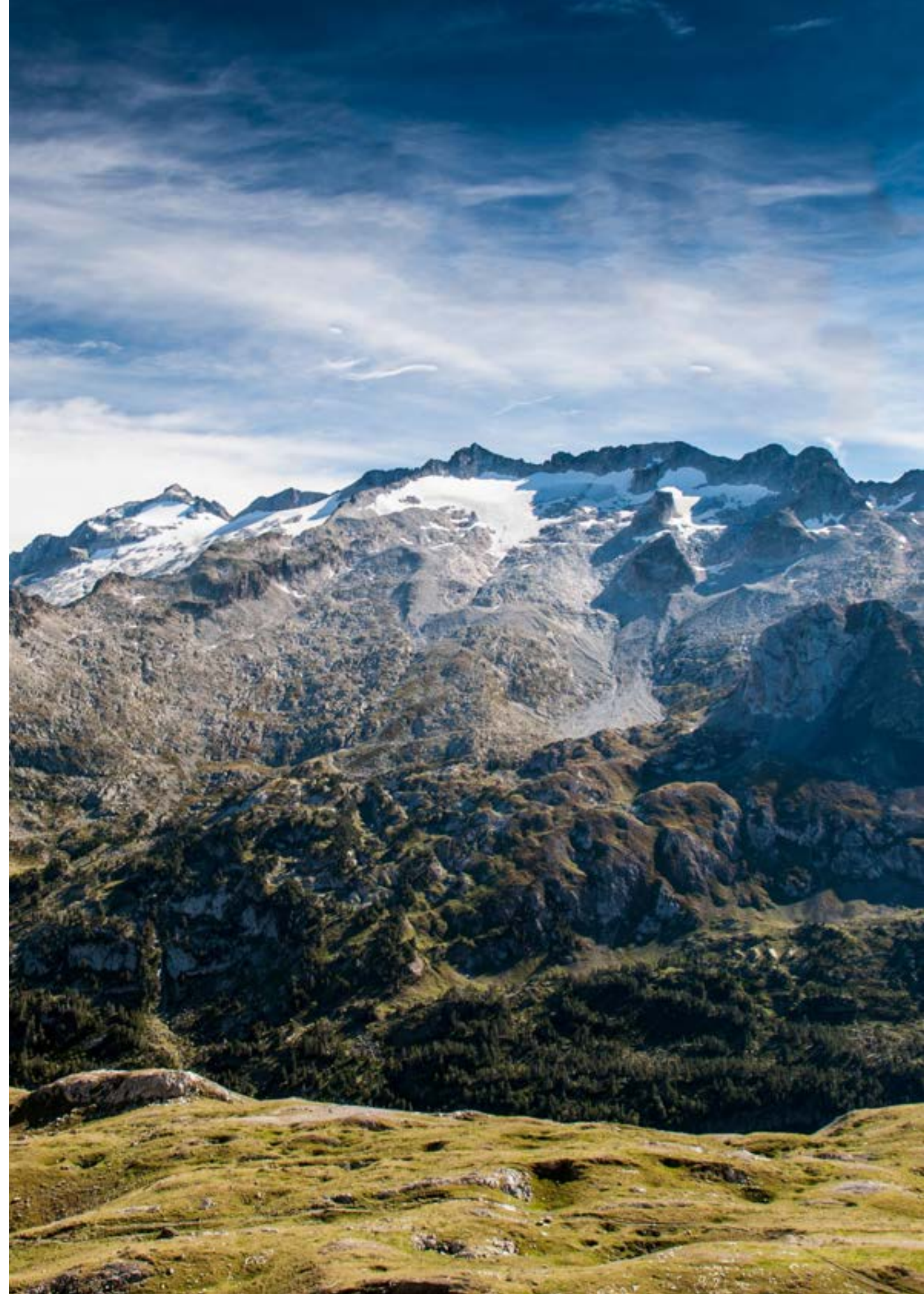


ESG

SUSTAINABILITY REPORT 2021

Aneto Glacier 2021 Symbol of the Pyrenees

The agony of one of the southernmost ice masses in Europe, located in the Pyrenees, barely 250 kilometers from the Saica Group's corporate headquarters, symbolizes everything against which, somehow, the content of this Report is measured.





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Saica Group 2021



Present in
10 countries



36.8 million GJ
of energy consumed



3.598 million euros
of consolidated sales

19.3 % growth over 2019

3,246 million
m² of corrugated cardboard



952 million
m² of flexible packaging

6.76 GJ
of electricity sold

1.04 million tons
of valued waste



26 %
EBITDA allocated to R&D&I
and current investments

10,386 employees
(+0,4 % over 2019)



1 % investment
in training (of the Group's
total salary)



12.6 index
accident rate (IFAB)



-7 % greenhouse gas
emissions
Scope 1 and 2 (compared to 2019)

3.7 million tons
of recycled paper



Material issues

Climate change, water, energy, circular economy, waste, natural resources, sustainable raw materials, residues, business model and strategy, governance, occupational health and safety, compliance, and sustainable R&D.



1943

Saica is founded: Saica Paper (Sociedad Anónima de Industrias Celulosas Aragonesas) is founded in Zaragoza, Spain.



1998

International expansion: Saica lands in France with its businesses Saica Paper and Saica Pack.



1975

Our first plants: we acquired a packaging and corrugated cardboard plant, creating Saica Pack, and an integrated waste management plant, which resulted in Saica Natur.



2000

We are pioneers in weight reduction: we have the first machine in the world capable of producing 75 g/m2 packaging paper.



1987

Pioneers in industrial cogeneration: Saica Paper becomes the first plant of its type in Spain's industrial sector.



2011

Energy recovery plant: with the inauguration of this plant we avoided sending 450,000 tons of waste from the paper production process to landfill.



2012

Expansion to the United Kingdom: opening of a new state-of-the-art Saica Paper plant in Partington.



2019

Biomass boiler: we launched the first biomass boiler, another major step in sustainability, at the Saica Paper plant in Venizel, France.



2015

Natur Cycle Plus & Saica Flex: a new plant designed for the production of low-density polyethylene opens and the Group acquires a flexible packaging plant.



2020

We began constructing constructing of our first plant in the USA, in Hamilton, Ohio, for the manufacture of corrugated cardboard packaging, with an investment of \$72 million.



2018

Our 75th anniversary: with more than 10,000 employees and a presence in 9 countries, we celebrated three quarters of a century and continued our expansion, acquiring the Emin Leydier Group.



2021

We introduced our strategic plan 'Saica 2025', which envisages an average investment of 230 million euros per year over the next 5 years.





Letter from the President

The period of 2020-2021 will be remembered as the one in which adversity took on a name of its own: COVID-19. A global virus, which not only took the lives of loved ones and altered our health, but which also substantially conditioned the way we live. The everyday workings of companies changed too, companies like Saica. We found ourselves forced to adapt our pace to such unforeseen and unpredictable circumstances. And we did.

Thanks to the determination, professionalism and commitment of a human team, we were not only able to keep our doors open. We were also able to reflect on our future. As a result, we can now proudly present our new strategic plan, 'Saica 2025'. A renewed framework for action, based on the company's mission and values, which will allow us to tackle any challenges that come our way moving forward.

Among them, a global economy that has been hit hard by the pandemic, and which has plunged us into a crisis with an unknown trajectory. It also touches on the dizzying technological advances, which invite us to decisively incorporate the 4.0 universe into our everyday tasks and customer-oriented processes.

We are also facing generational challenges, and we need tools that attract and retain talent. This is crucial in order for us to understand the globalization process we are witnessing, which is tightening the dependence and relationship between countries and, consequently, has an impact on the market.

And, of course, we must have a roadmap for dealing with everything climate change is already throwing at us, in the form of resource scarcity. We must be able to manage its limitations by changing our production and consumption patterns. Challenges that, in our case, translate into a major challenge. As it has done throughout its history, Saica wants to continue to provide the best solutions to all our stakeholder groups, whether they are customers, employees, shareholders, or the communities where we operate, and to whose development we want to continue to contribute.

In 2020, we opened another plant, increasing the number of countries where we are present to ten. The groundbreaking launch of our Saica Pack plant in Hamilton, Ohio, and its subsequent start of operation, allow the Group to fulfill its long-cherished desire of starting up its operations in the United States. This is a milestone in the company's already long history, which is complemented by a more ambitious investment plan.

We've continued to grow over these last two years. We have done so in spite of the aforementioned difficulties. But we are also supported, in addition to our employees and management team, by a solid belief: the only possible progress is built on sustainability. This is the only way Saica will continue to be seen by its stakeholders as an increasingly attractive company.

The Report you are reading is presented, in short, as proof of what has taken place during 2020 and 2021. Our goal to transform the circular economy into the paradigm for all our actions has a meaning that transcends the mere achievement of economic results.

Ramón Alejandro,
President of Saica Group



Letter from the Managing Director

During the period covered by this report, and as always, the Saica Group has been expanding and increasing in size. This is faithfully confirmed by the numbers, which prove that the Company is getting bigger and bigger. However, those of us who work here know that our size and scope should not prevent us from keeping alive our identifying traits that have always been with us: freshness, agility, flexibility, adaptability, anticipation, and team spirit. These characteristics have pushed us to successfully fulfill our mission despite the difficult and diverse scenarios in which we have operated in recent years. The world of paper is experiencing a period of change, which is reflected, for example, in a significant number of conversions of newsprint, printing and writing machines to paper for corrugated cardboard. Similarly, the packaging industry is facing new challenges linked to innovation and sustainability. And all of this takes place in a context of renewed consumer habits and purchasing patterns which constitute an opportunity for everyone, including our Company.

Our response to these new parameters is strategic. Therefore, we've come up with a plan: Saica 2025', focused on increasing growth in specific markets and achieving greater efficiency. The document includes objectives, listing the key actions required for us to achieve them, and sets out how the results will be measured. However, the most important factor for its fulfillment are the employees of Saica. Thanks to their commitment and respect for the Group's values, we believe that we are capable of caring, valuing, and challenging ourselves in what we do every day.

With their daily efforts, we will be able to continue to strengthen the three aspects that define us and that are ambitiously included in the plan: our culture of continuous improvement, robust financial capacity, and customer focus. Action guidelines together with our circular economy model to make us an internationally respected company, capable of attracting talent and new customers.

Because, as this report reflects in detail, in the Saica Group we are already a paradigm and example in terms of our commitment to the circularity of the economy. This is not only not only because of the internal benefits that it entails, but also, and above all, because by closing the circle we contribute to the achievement of the environmental and sustainable objectives of our customers and our stakeholders, always within the legal and ethical frameworks that defines us.

Enrique de Yraolagoitia,
Managing Director of Saica Group



Letter of Sustainable Development and People Global Director



Although it has been in the making for a long certain circumstances have led to the pandemic period coinciding with a challenging evolution: the one that has pushed companies such as ours to shift from concepts such as the 2030 Agenda and the fulfillment of the Sustainable Development Goals (SDGs), to a horizon consisting of three letters ESG (Environmental, Social and Governance). In other words, the three principles of environmental, social and good corporate governance, which Europe and major international investment groups -most of them from the United States- are inviting us to promote, and which are the basis of the missions of large companies, such as the Saica Group.

To commit to them means committing to the sustainability of the company, which not only cares about the what, but also about the how. The way it contributes to reduce climate change, the way it treats both its employees and its stakeholders, and the way it manages and makes decisions on these matters, respecting regulations with an ethical perspective.

The following pages detail Saica's actions on the circular economy, CO2 emissions or the water footprint, diversity, equality, human rights or occupational health and safety, and, compliance procedures, strategy designs or outright rejection of greenwashing practices, among others.

The implementation of this new ESG culture also entails a greater regulatory requirement and a higher level of transparency of all the stakeholders. And, as a result, a high level of difficulty both in terms of measuring certain parameters, and aligning them with these metrics. Therefore, for this edition, we have chosen to complement the GRI (Global Reporting Initiative) methodology with the use of the SASB (Sustainability Accounting Standards Board) method.

As has been the case since Saica was founded the Group has been and will continue to keep its its 'We Care, We Value, We Challenge' values front and center. Three concepts: caring for our future, valuing people, and taking on challenges, that are fully aligned with the ESG principles. Thanks to these values, Saica has overcome difficult situations and made difficult decisions. This is something that we've had to deal with in the 2020-2021 period and will certainly continue to occur in the coming years.

We're all about how people, the true protagonists of our story, do it. They are the key and the social energy that moves companies forward. Their commitment, determination, resilience, motivation, and values have made everything described in this report possible. Looking ahead to a future that is right around the corner and that seems complex and uncertain, compliance with a true ESG policy by each and every one of the people who make up the great Saica family and its various stakeholders will undoubtedly be one of its keys to success.

We are convinced that a company that does not care about sustainability will not be viable. We are also certain that this is the best way to be in the world and to leave an everlasting impression on it, worthy of the generations that will follow us.

Pilar Franca,
Sustainable Development and People Global Director of Saica Group



E. --- WE VALUE OUR PLANET

“

We continually strive for a sustainable development that minimizes our impact on the planet.

”

In line with our values and the decarbonization strategy included in the Saica 2025 Strategic Plan, we are continuously working towards sustainable development that minimizes our impact on the planet. We are aware of its serious consequences and of climate change, and we integrate this issue into our business model, taking measures that allow us to follow principles of circularity, efficient resource management, sustainable supply and management of the integral water cycle, and reduction of greenhouse gas (GHG) emissions, without undermining our economic and social purpose as a company. In this chapter, we will describe the principles that guide our environmental policy and our key actions in this area, which allow us to contribute to the achievement of Sustainable Development Goals (SDGs) 6, 7, 12 and 13 of the United Nations, contained in the Uni-

ted Nations 2030 Agenda, which are respectively aimed at Clean Water and Sanitation, Affordable and Non-Contaminating Energy, Responsible Production and Consumption, and Climate Action.

Firstly, in order to ensure environmental protection and to contribute to the fight against climate change across the board, we implemented an Environmental Policy in 2021, which sets out the 5 commitments we have made in order to achieve responsible management:

1

Complying with the environmental legislation in force in the countries in which we operate and anticipating the new regulations.

Promoting the transition from waste to resources, facilitating their recycling and energy recovery, following the principles of the Circular Economy.

2

3

Minimizing the impact on the environment.

Identifying and evaluating the environmental risks of our activities and facilities, continuously updating the mechanisms designed to mitigate or eradicate them.

4

5

Communicating in a transparent manner our environmental management activities and achievements, maintaining an open and cooperative attitude with our stakeholders.

OUR COMMITMENT TO THE CIRCULAR ECENOMY

The traditional linear production model has a negative impact on the environment. At Saica, we are aware of this and we are committed to a sustainable and responsible model of resource consumption, understanding that the transition towards a circular model is necessary and urgent. We embrace the principles of the Circular Economy in order to extend the life cycle of resources, which has been part of our interaction with the environment for a long time. For that matter, vertical integration model has allowed us to move forward to expand our business model, making the circular economy the driver of our long-term strategy, diversifying our services and opening up new markets. We want to focus on this commitment across all four divisions of the company, giving the circular economy the priority it deserves.

Our value proposal responds to a number of international initiatives, which aim to bring about a change in the productive model. Among them is the package of measures for the promotion of the Circular Economy of the European Union, we have been working on for years:

Economy Objectives EU Circular	Advances 2020 - 2021
70% recycling of packaging waste by 2030	We have introduced a total of 3,717,632 tons of paper for recycling into Saica Paper's processes for recycling in 2021, that's 6% more than in 2020. In addition, at our Natur Cycle Plus facility we have recycled a total of 27,335 tons of LDPE (low density polyethylene). Plus, our corrugated cardboard containers and packaging manufactured by Saica Pack are already 100% recyclable, while Saica Flex is committed to the same terms by 2025, with the goal of covering its customer offer with 100% recyclable structures.
Reducing landfill disposal to a maximum of 10% of all municipal waste by 2035 Only waste that has been treated must be deposited in landfill	With Saica Zero and Saica Circular we help our customers to give value to their waste and achieve the goal of sending Zero Waste toLandfill. We seek a second life for waste, using it as raw material or recovering it as energy. Our Group's recovery rate stood at 87.7% at the end of 2021. However, we desire to go further and achieve the goal of Zero Waste to Landfill at all facilities by 2030. While participating in the PaperChain project, a European initiative focused on finding solutions for paper industry waste, we studied the possible use of ashes from the non-hazardous waste Energy Recovery Plant, located in Saica Paper EL Burgo de Ebro, for its use in civil works, obtaining very favorable results in terms of both technical and environmental feasibility.
Promoting eco-design to facilitate product recycling	We help our customers to find recyclable and sustainable solutions for their packaging by applying eco-design principles . The success stories of Nestlé, Fyffes or the wipes market developed below are clear examples of this. This objective is aligned with Saica Flex's goal of achieving 100% recycled packaging in its production by 2025. We are also committed to introducing 5% post-consume recycled materials by weight in our products.



OUR CUSTOMERS

Saica Pack and Ecoinver create 100% recycled and recyclable packaging

At our Saica Pack plant in Barcelona, we have developed a new type of packaging for the vegetables that the agricultural company Ecoinver, produces and sells. Our specialists have worked closely with Ecoinver to make this new packaging 100% recyclable and composed exclusively of recycled materials. This solution does not reduce the quality of the packaging, as it respects the delicacy of the vegetables and helps to prevent humidity problems.

The packaging has an opening at the front, which allows customers to view the product. In addition, it is equipped with a built-in closing system: its adhesive tape allows the user to close the packaging quickly and easily. The eco-look of the box is achieved by high-quality offset printing directly on Nature Kraft paper. Its optimized design also gives it the minimal thickness of solid cardboard, and the strength of corrugated cardboard.

This collaboration with Ecoinver is another success story for Saica Pack in its daily work developing customized packaging solutions that meet the different needs of each customer and comply with circularity and environmental protection criteria.



Saica Pack presents its product Sealedtray at Fruit Attraction

In 2021, we were part of the International Fruit and Vegetable Trade Fair (Fruit Attraction) at IFEMA, Madrid. We presented our Sealedtray product there, as well as other efficient and circular solutions.

Sealedtray is part of a new range of sustainable solutions for the fresh food sector, which use a minimal amount of materials of materials, all of which can be easily recycled, so that our customers are partners in our commitment to circularity by extending the life of resources. Sealedtray is a cardboard tray made from 100% recycled light, high-strength paper, and is closed with a single-material plastic lid, which can be completely separated for recycling.

Fyffes, sustainable packaging for bananas

Our goal is always to provide our customers with sustainable solutions based on product circularity. This is the case of Fyffes, a fruit and fresh produce company, who we have worked with to replace the plastic packaging used for their bananas with sustainable, recyclable, and compostable packaging. The challenge was enormous, as these bananas are packed in tropical countries with adverse climatic conditions and very high levels of humidity, making it difficult to find a paper-based solution.

In spite of this, we developed a solution that met the highest quality standards and exceeded expectations in terms of sustainability: the Paper Flex Grouping Band is a solution based entirely on Forest Stewardship Council (FSC) certified cellulose pulp, of sustainable origin and fully recyclable, and its components are all compostable. The product is a sustainable alternative to plastic bags and packaging, contributing to a significant reduction in plastic consumption, carbon footprint, and food waste along the supply chain.

Recycled flowpack for the wipes market

At Saica Flex, we have replaced the old multi-material PET/PE (polyethylene terephthalate/polyethylene) packaging, which is difficult to recycle, with a mono-material monoPE (polyethylene) structure for the wipes sector. This new flowpack packaging system (consisting of a thin film that wraps the product, forming a sealed bag, and includes both water vapor and O2 barriers) is 100% recyclable.

This is the result of a complex and rigorous development process comprising several stages (internal converting, shaping and filling of the flowpack in the customer's packaging machine, aging test, etc.). At the same time, we are developing a mono-PP (polypropylene) mono-material flowpack solution, which is also recyclable, thus offering our customers in the wipes market the possibility to choose the option (monoPE or mono-PP) they prefer. In this way, we put the satisfaction and care of our customers front and center, while developing solutions aligned with Saica's environmental commitment.

Reducing plastic in the chocolate market

At Saica Flex, we have also implemented a new packaging for chocolates, based on rPET (recycled polyethylene terephthalate) with greater usability and protection, based on properties that contribute to the protection of the environment and circularity, where we can highlight:

- 20% reduction in material weight.
- Lid and tray can be recycled together, due to the heat seal that ensures the lid remains attached to the tray.
- Moisture resistance, resulting in less food waste.



Pascual, circular waste management

In 2021, we joined forces with Pascual, a leading food and beverage company in Spain, to successfully develop three successful models of circular waste management at our plants.

This collaboration generated a remarkable result and has allowed us to give a new life to a significant amount of waste:



“
Three successful models
of circular management
of its wastes.
”



Model for recycling and reintroduction of paper and cardboard waste:

We were able to recover 574 tons of paper and cardboard from Pascual, which were then used to manufacture 5.2 million of new boxes, which later became packaging for Pascual products.



Recycling of low density polyethylene (LDPE):

We have recovered 59 tons of LDPE, a plastic we gave a second life to in the form of 271.000 m2 of bundling film, to repackage Pascual products.



Energy recovery:

Although it is not a circular solution per se, it is still the best solution for those types of waste that, today, have landfill as their only alternative. During 2020 alone, we helped Pascual to recover 66 tons of non-recyclable plastic which, through a process of energy recovery, were converted into 136.455 kWh of electricity, equivalent to the consumption of 42 homes in Spain for a whole year.



In 2021, we continued to work to improve customer waste segregation. This has resulted in a reduced production of non-recyclable plastic -53 tons-, which, in the absence of a better solution, through the energy recovery process, produced 109,577 kWh of energy.

Alcampo: first case of Substrate Universal circular.

Saica Natur's alliance with Alcampo has resulted in the first own-brand Universal Substrate (Auchan), made from compost from its own organic waste from its supermarkets. In addition, this substrate is packaged in materials that are recycled from plastic waste from its centers.

This process is carried out in 25 Alcampo centers where organic waste is segregated in different sealed containers. Once their maximum capacity is reached, they are transported by Saica Natur to a composting plant for subsequent recovery. Thanks to this process, the universal substrate is enriched by up to 10% by the high quality compost obtained after processing, which provides a nutrient content (nitrogen, phosphorus and potassium) in a natural way, thus avoiding chemical enrichment.

Nestlé: an example of circularity in plastic

At Saica, we help Nestlé in its commitment to reduce the virgin plastic suitable for food use by one third by 2025, as well as to make 100% of its packaging recyclable or reusable by 2021. In this regard, we have succeeded in using recycled plastic in the secondary packaging (meaning, the packaging used to wrap the primary packaging) that brands use to bundle their products.

At Saica Natur we recover plastic waste from 8 of the 10 Nestlé factories in Spain. This plastic material is sent to our Natur Cycle recycling plant, where, after an exhaustive selection, washing and processing procedure, it is transformed into recycled pellets. This new resource is subsequently reintroduced in 50% of the secondary packaging or agrupation film used by Nestlé in some of its most famous brands. The use of recycled pellets instead of virgin pellets reduces the carbon footprint of the raw material by 73%, while water consumption for their manufacture is reduced by 78%.

EFFICIENT AND RESPONSIBLE RESOURCES

A fundamental part of our efforts in the fight against climate change and for sustainable and efficient development is undoubtedly the use and management of the resources we use in our work, from the beginning of the life of each material to the correct management of the waste we generate.



SUSTAINABLE SUPPLY

Efficient and responsible resource management requires consideration of the entire life cycle of our materials. Implementing sustainable sourcing practices and obtaining materials and services with the least environmental impact is an indispensable step in the development of our circularity objectives. Our purchasing decisions are based on certain sustainability criteria, always guaranteeing a balance between quality, price and service, with control and follow-up audits of our procedures. This work is undoubtedly the first step in the construction of a truly efficient and sustainable model that will lead us to a real contribution to the achievement of SDG 12.

In order to complete this task, we must have suppliers who are committed and aligned with our values and environmental commitments, establishing relationships of transparency and mutual trust. Their collaboration in this regard is essential. For more information about our relationship with suppliers, please refer to the section "We value people" in this Report.

To ensure proper selection of suppliers and the maintenance of sustainable sourcing practices, we abide by basic general purchasing principles, which are clearly referenced in our Code of Ethics and Compliance which we include in all the contracts signed with our suppliers.



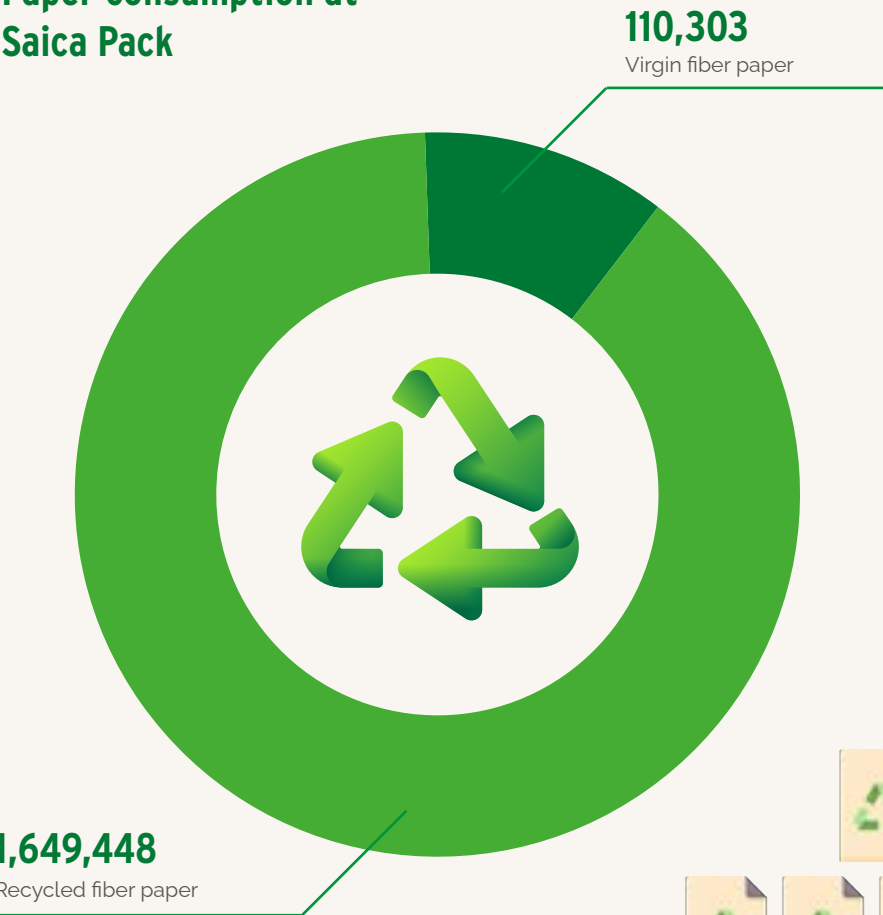
Accesit 6
Danny Stewart /Pack Edinburgh
Picture: Glencoe Valley (Scotland)

Our procurement in figures

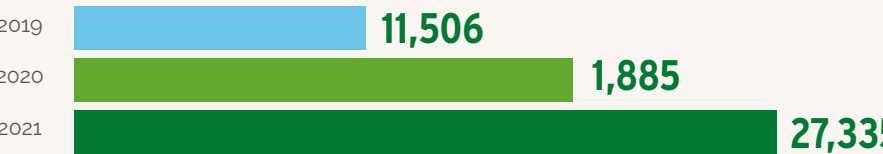
In 2021, only a 6.27 % of the paper consumed by Saica Pack in the manufacture of packaging was virgin fiber paper, while the remaining 93.73 % was recycled fiber paper . This involves an increase, in percentage terms, in the consumption of recycled fiber paper compared to 2020 and 2019 (92.44 % and 92.28 %, respectively). Similarly, we have consumed 3,717,632 tons of paper for recycling at Saica Paper. The vast majority of the paper consumed by Saica Pack comes from these paper plants, guaranteeing the highest quality paper, certified in the FSC® and PEFC™ chain of custody.

Additionally, we are making impressive strides towards recovery and transformation of LDPE waste into secondary raw material. This waste, entirely from Saica Natur, is recycled by Natur Cycle Plus. In 2019, we transformed 11,500 tons of LDPE waste into secondary raw material, in 2020 we reached 17,885 and, in 2021 we reached 27,335, an exponential growth that we want to continue to maintain in the coming years.

Paper consumption at Saica Pack



Recycled LDPE (t)



Our CDP water score

We work with CDP (Carbon Disclosure Project), a prestigious organization that helps companies to study their impact in different areas related to climate change and the management of critical resources, as well as to disclose their environmental impact.

In 2021, we obtained a "B" rating in the in the CDP score, placing us in the "Management Band". This certifies that we are acting in a coordinated manner in matters related to sustainable water management. We are positioned in the mid-range of our sector, confirming our growth in this regard, having started from a D rating in 2017 and having achieved a B rating for the first time in 2019. We continue to work towards sustainable water use.

Project to increase the water treatment capacity at the Champblain and Zaragoza plants.

Saica Paper's production process requires large quantities of water.

After passing through the paper machine, a significant amount of water combined with other organic materials, mainly starch and various fibers, remains. While one part is reused for pulp production, the other part is sent to water treatment plants (WTPs).

It is known that the amount of organic matter that reaches the WTPs is drastically reduced by anaerobic internal circulation (IC) reactors, which also have the capacity to generate biogas. This biogas is then used as a substitute fuel in our boilers, thereby reducing natural gas consumption and the carbon footprint.

Given this situation, we are strongly committed to the implementation of anaerobic reactors at all our paper plants. In 2021, after analyzing the situation of the different plants, we began to install new anaerobic reactors at the Champblain and Zaragoza plants, which also enable us to reduce discharge parameters and increase the volume of water reused in the production process. This helps us to ensure sustainable and responsible management of this water.

"
We work
to provide
efficient energy
management.
"

3rd prize
Christopher Smith / Pack Ashbourne
Picture: Glendalough (Ireland)

ENERGY MANAGEMENT

Efficient energy management is fundamental in the fight against climate change. Through the use of renewable energies and access to clean, affordable and reliable energy, it is possible to achieve the United Nations SDG 7 and, as a result, reduce social inequality, energy poverty and environmental pollution.

This framework places us before an issue of enormous importance, as we work to administer efficient energy management, seeking continuous improvement in our processes and using innovation and the latest technology. We are also committed to reducing our pollutant emissions by replacing these energy sources with cleaner ones wherever possible. To this end, we have energy recovery processes that are leading us, progressively, down the path of sustainable self-sufficiency.

Our energy management system allows us to closely monitor our overall consumption and identify areas for improvement in order to reduce our environmental footprint while optimizing our production processes. While global energy consumption increased by 3% in 2021 compared to 2020, the increase for renewable fuels was 10%, compared to only 1% for non-renewable fuels. Therefore, 16.2% of the energy we consume already comes from renewable sources, consolidating the positive evolution from 2018, when we consumed 11.15% of renewable energy. Today, almost 18% of the fuel used comes from a renewable source.

Regarding electricity, in 2021 we consumed 6,388,273 GJ, of which 16.5% was from renewable sources (1,053,324GJ), representing an increase of more than 7% compared to 2019.

Saica Natur: 100% of electricity from renewable sources

As part of our efforts to increase our sustainable electricity consumption, it is worth highlighting the milestone achieved at Saica Natur in 2020, 100% of the electricity consumed was of renewable origin, specifically from green energies such as wind, solar and hydroelectric power.

This objective has been achieved thanks to the purchase of guarantees of renewable origin, an instrument that certifies the renewable origin of electricity. Thanks to this commitment, at Saica Natur we reduced GHG emissions by 6,485 tons of CO₂, which is equivalent to the emissions generated by 1,783 Spanish households.

SUSTAINABLE MANAGEMENT OF WATER

While global energy consumption increased by in 2021 compared to 2020, the increase for renewable fuels was 10%, compared to only 1% for non-renewable fuels. 16.2% of the energy we consume already comes from renewable sources, consolidating a positive trend that began in 2018, when we consumed 11.15% renewable energy.

Our performance in 2021 in figures

Water withdrawal by business line (m³)

Paper	25,571,417
Pack	706,283
Natur	328,723
Flex	38,711
TOTAL	26,645,134

Water withdrawal per source (m³)

Surface water	17,518,832
Ground water	8,541,789
Mains water	584,513
TOTAL	26,645,134

Ratios for Saica Paper

Ratio	2020	2021
COD (kg/ton of paper)	0.809	0.739
SST (kg/ton of papel)	0.215	0.199

It should be noted that, we recycled or reused a total of 7,55 million cubic meters of the total water withdrawn in 2021, representing a notable percentage increase of 12% compared to 2019.

DQO

Chemical Oxygen Demand: measures the amount of substances (mainly organic) susceptible to oxidation. A lower COD indicates less water contamination. As can be seen, we have continued to reduce COD significantly (8%) from 2020.

TSS

Total Suspended Solids: refers to the amount of solids present, in suspension, in a mass of water. Having a lower TSS ratio, as it happened in 2021, is an indicator of cleaner water with lower turbidity.

It is worth noting that of the total water withdrawn in 2021, we have recycled or reused a total of 7,55 million cubic meters, representing a notable percentage increase of 12% compared to 2019.

Water management Recycled and reclaimed water(m3)

2021	21 vs 20	2020	20 vs 19	2019
7,572,425	5%	7,215,127	7%	6,747,740
SST (kg/ton of paper)	0,215	0,199		



FIGHTING CLIMATE CHANGE AND ATMOSPHERIC EMISSIONS

Climate change is one of the greatest threats and challenges humanity must face in the 21st century. Its disastrous consequences are already palpable and will become more serious in the near future, if we are not capable, together, of making the necessary efforts and taking the necessary actions to put a stop to it. In 2021, the United Nations Conference on Climate Change (COP26) was held in Glasgow, an edition that stressed the need to focus on decarbonization in order to achieve fundamental objectives in the fight against climate change, such as keeping global warming to 1.5°C.

In this context, Saica wants to be part of the solution to such a complex and serious problem. We are aware of our responsibility with the planet and future generations, and we have the opportunity as a company to lead the process of mitigating climate change.

We calculate our Greenhouse Gas Emissions (GHG)

Decarbonization is a material issue for our company. To address it successfully, we put together an internal decarbonization group that set long-term goals and made it a priority within our business and our commitment to sustainability.

As a first step to achieve effective decarbonization, it was necessary to know where we were starting from. For that purpose, we have carried out, for the first time, an ambitious calculation of our complete carbon footprint. So far, we have effectively calculated Scope 1 emissions (direct emissions) and Scope 2 emissions (indirect, derived from electric energy consumption). In 2020, we included in this calculation the Scope 3 emissions (other indirect emissions,

derived from the organization's activity) across the four lines of business. This calculation will allow us to identify new climate risks, as well as to establish feasible reduction targets based on a certain knowledge of the areas in which we can further reduce our emissions. In order to establish a method for calculating and reporting Scope 3 emissions, we have followed the structure, methodology and requirements proposed by the ISO 14064-1 standard. Our 2021 Greenhouse Gas Inventory has undergone an external verification process by the independent accredited entity LRQA.

Our GHG emissions in 2020 and 2021 were as follows (t. CO2eq):

Ratio	2020	2021
Scope 1	1,505,973.42	1,582,667.00
Scope 2 (market-based)	220,237.61	178,944.27
Scope 2 (location-based)	232,331.76	190,902.00
Scope 3	1,468,293.95	1,558,449.67
Total	3,194,504.97	3,320,060.94

This total is divided among the different lines as follows (t. CO2eq):

Scope		
	2020	2021
Saica Paper	1,404,128.10	1,468,422.00
Saica Pack	86,514.78	97,545.00
Saica Natur	6,158.00	6,618.00
Saica Flex	9,172.54	10,082.00

Our GHG emissions in 2020 and 2021 were as follows (t. CO2eq):

Scope 2 (market-based)		
	2020	2021
Saica Paper	174,833.79	141,302.56
Saica Pack	35,986.33	31,954.66
Saica Natur	-	-
Saica Flex	9,417.49	5,687.05

Scope 2 (location-based)		
	2020	2021
Saica Paper	171,800.89	138,277.00
Saica Pack	46,041.40	39,080.00
Saica Natur	6,551.28	6,636.00
Saica Flex	7,918.19	7,209.00

Scope 3		
	2020	2021
Saica Paper	783,541.85	816,997.15
Saica Pack	494,332.03	553,387.56
Saica Natur	21,803.53	31,215.12
Saica Flex	168,616.53	156,849.83

SCOPE 1

has been calculated based on the consumption of used: natural gas, biomass residues, non-biomass residues, B diesel, LPG and fuel oil.

SCOPE 2

has been calculated based on electricity consumption at the Group's different plants.

SCOPE 3

has been calculated based on emissions derived from the following categories:

- Transportation and distribution of goods upstream
- Transportation and distribution of fuel and electricity
- Transportation and distribution of goods downstream
- Transportation of employees to the workplace business
- Trips
- Manufacture of purchased products
- Waste disposal
- Use of services (storage)
- Expected emissions during the lifetime of the sold products
- End of product life cycle

Our CDP Climate Change Score

As with water management, we work with CDP to interpret our climate change status, understand our strengths and weaknesses, effectively communicate our efforts and positioning, and implement more concrete actions to continue to improve our performance.

In 2021, we obtained an "A-" rating in the CDP Climate Change score, placing us above the average positioning at sector (B), European (B) and global (B-) level. This put us in the "Leadership" category, recognizing our company's implementation of best practices in this area. Specifically, we achieved the highest score in the calculation of Scope 1 & 2 emissions, as well as in the implementation of emission reduction initiatives, standing out in this aspect in comparison to other companies in the sector.

Moving towards climate neutrality

Climate neutrality, which is mentioned in the European Union's objectives for 2050, consists of emitting the same amount of GHGs into the atmosphere as those absorbed by natural sinks, such as forests or oceans, achieving a zero balance. The path to this goal involves a significant reduction in emissions, proper identification of the climate risks associated with our operations, and a high level of investment in R&D&I and innovation, production processes and waste management, in order to achieve greater energy efficiency in all our operations.

In this regard, there are several initiatives and awards that endorse our commitment to decarbonization and our path towards climate neutrality:



Aymeric Pochon

Our new biomass boilers at Saica Paper France

In 2019, we opened the doors to our first Saica Paper biomass boiler at our Venizel plant in France. The plant produces the thermal energy necessary for its operation from the recovery of 75,000 tons of wood waste and 26,000 tons of sub-products from the pulp preparation process, which were previously discarded. Since the boiler's inauguration, Scope 1 emissions at the plant have been reduced by more than 70%.

Following the success of this initiative, and in line with our commitment to decarbonization and the application of circular economy principles, we plan to inaugurate a new energy recovery plant in Champblain, France, in 2022, with a biomass boiler too. We are already working on a similar project for the Nogent facility, which is expected to be installed between 2023 and 2024.

Natur Cycle Plus "Line 2" Project

Another relevant project promoted in 2020 and aimed to reduce our carbon footprint is the Natur Cycle Plus Line 2 project, a SaicaNatur recycling plant. This project involved the incorporation of a second recycling line at the plant, reaching a plastic waste treatment capacity of more than 27,000 tons per year to produce 100% recycled LDPE pellets. This is how we achieved the goal of duplicating our total production from 12,000 to 25,000 tons per year of recycled LDPE in the form of pellets.

Waste management

One of our main commitments to the circular economy is the achievement of our Zero Waste to Landfill target by 2030. This milestone is of great importance, since the conventional linear production model, based on "produce, use, and throw away", has led the planet to a situation that must be reversed. We are proud to grow as a company and take our brand to new territories. However, this implies an increase in the consumption of resources and, consequently, a greater generation of waste. Its correct management, avoiding landfill as the final destination, therefore acquires strategic importance in the framework of our commitment to generating a positive impact on the environment, which is also part of the fulfillment of SDG 12.

Zero waste to landfill

Our ambitious Saica Strategic Plan 2025 includes the goal of achieving zero waste to landfill at all Group facilities by 2030. This goal will allow us to prove our expertise by providing more efficient, customized, and innovative solutions to our customers, helping them to achieve the same objectives as us. To make this a reality, we analyze our flows from a circular perspective in order to extend the life of waste, seeking solutions and avoiding landfill by recovering, recycling and recovering it.

For that matter, all the Group's facilities continue to work to search for recovery alternatives for waste sent to landfill. Particularly noteworthy is the work of Saica Natur, whose fundamental activity is to offer environmental solutions to our customers, largely taking charge of waste management, always looking for ways to innovate in order to optimize recycling processes and collaborate with the rest of the business divisions to reach the goal of Zero Waste to Landfill. This effort is reflected in the figures presented below, which we continue to work on and that we try to improve every year in order to achieve this important objective

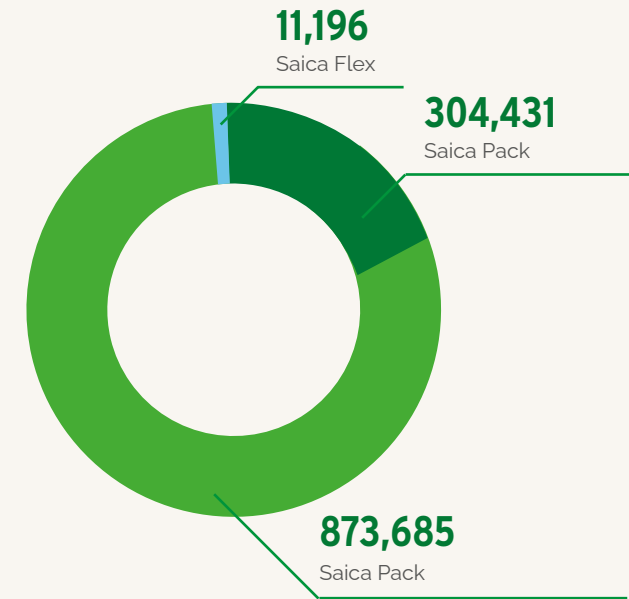
Our waste management in figures

Our activities have generated, during 2021, a total of 1,189,315 tons of waste (1,135,946 tons in 2020). Of this waste, a total of 1,042,853 tons have been recovered. This means that the recovery ratio has improved significantly in 2021, reaching 87.7% (compared to 82.4% in 2020), which brings us ever closer to our target. This sustainable resource management is one of our strongest commitments as a company and is a matter of great importance to us.

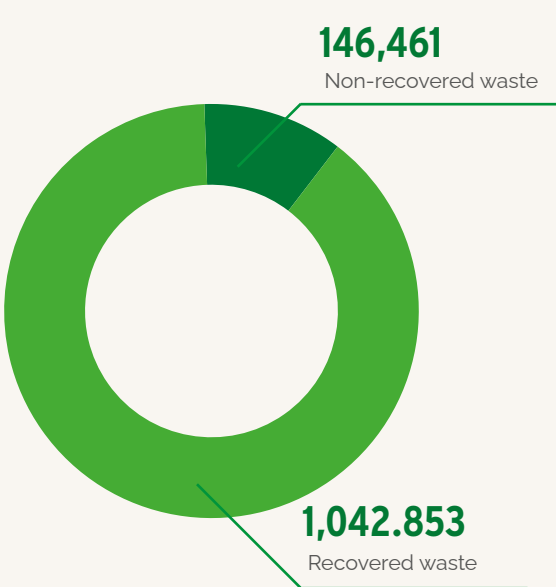
In 2021, a total of 609,085 tons of non-recyclable waste (from internal and external sources) were used as fuel in our energy recovery plants, avoiding the landfill.



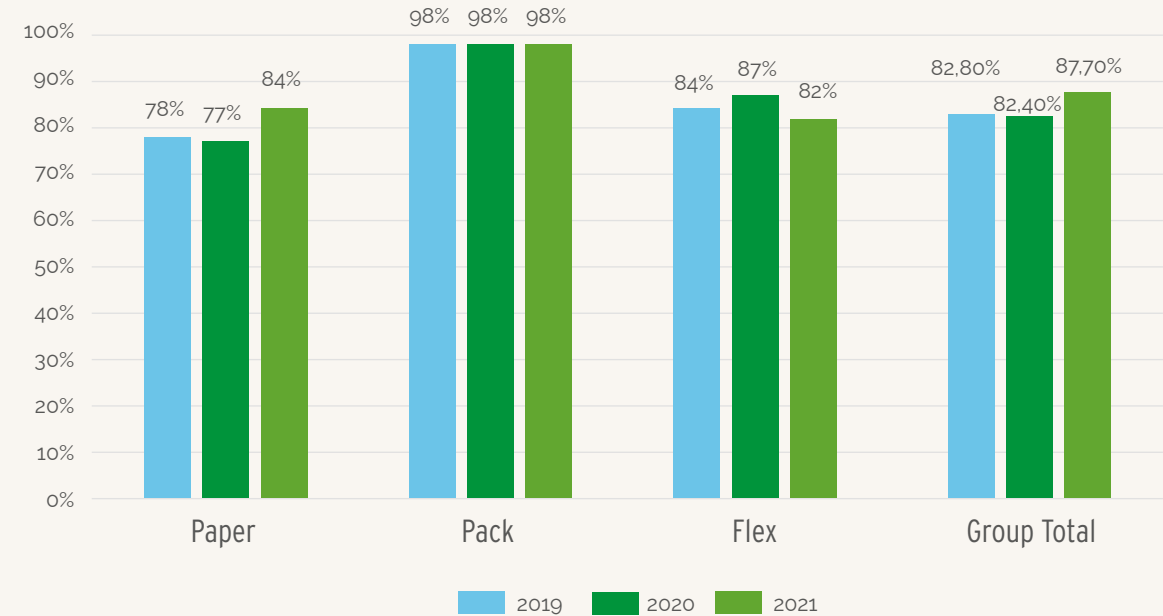
Waste generated by business division (t) in 2021



Generated waste (t) in 2021



Evolution of waste recovery (%)



S. — WE CARE ABOUT PEOPLE

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At Saica, we are all brand ambassadors and we are proud to contribute to making our company a sector leader.

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To talk about Saica is to talk about people. The difference is made by the importance of having people who share our values, providing employment opportunities across the whole organization, and recruiting individuals who are committed to our innovative and purposeful solutions.

We are also committed to creating new jobs, developing local talent, integrating diversity, attracting new businesses, and supporting sustainable practices while contributing to community development. We need people who are committed to ecological values and to the local community, people who contribute to the achievement of the company's objectives.

At Saica, we are all brand ambassadors, and we are proud to contribute to making our company a sector leader. We represent not only our products and services, but also our Corporate Values, in other words, our Brand Identity. We are proactive in terms of our contribution to a positive experience for our customers, our colleagues and other stakeholders.

Responsibility with our stakeholders

At Saica we generate long-term competitiveness by promoting the creation of value in each part of the value chain through greater efficiency, performance and responsible action with our business partners, employees and stakeholders who are part of our company.

In addition, our presence and participation in the following sector associations and organizations is key to generating a positive impact on society: The Confederation of European Paper Industries (CEPI), European Paper Recycling Council (EPRC), the Spanish Association of Pulp and Paper Manufacturers (ASPAPEL), the French Union of Industries of Paper, Board and Cellulose (COPACEL), the Confederation of Paper Industries (CPI), the Spanish Association of Cogeneration (ACOGEN), , the European Federation of Corrugated Board Manufacturers (FEFCO), the Spanish Association for Corrugated Cardboard Packing and Packaging Manufacturers (AFCO), Carton Ondulé de France (COF), Gruppo Italiano Fabbrikanti di Cartone Ondulato (GIFCO), Oluklu Mukavva Sanayicileri Derneği (OMÜD), Ecoembes, RECIPAP, REVIPAC, Flexible Packaging Europe (FPE), Circular Economy for Flexible Packaging (CEFLEX) and the Spanish Association of Purchasing, Contracting and Supply Professionals (AERCE).

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We create value through an increased efficiency and responsible behavior with our stakeholders.

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We drive prosperity for our stakeholders

For our customers

We provide sustainable packaging and packaging solutions to companies around the world. For our customers, production time and quality is everything. Our performance depends on reliable products and that meet their business needs. For this reason, we work day in, day out on innovation and solutions to improve our performance.

For our employees

The Group's 10,386 employees are our most important asset. This is why we base our culture and performance on their care, work to build trust and foster their passion for what they do. We strive to offer competitive working conditions and benefits, as well as a healthy, stimulating, and safe work environment.

For society

We provide income and employment for a large number of local businesses and communities. We contribute to the economy of the communities where we operate or produce, promoting direct and indirect local employment.

For suppliers

We strive to build strong relationships with our suppliers and other business partners, which are essential to the success of our business.

Our strategy responds to a series of issues related to due diligence in our actions, considering our entire value chain and the interests and needs of the people around us, as well as the impact we have on the world and the communities in which we operate, with the creation of shared value being key to the long-term success of our business.

SAICA PEOPLE

The Saica Group recognizes and establishes channels of communication and joint work with legal representatives of workers in all the countries where we are located. In addition, there is a European Works Council that meets twice a year. It covers topics such as the Group's economic information (budgets, results, investment plans and acquisitions, etc.), production and sales plans by business area (Pack, Natur, Paper and Flex), R&D&I, quality, environmental issues and prevention, code of ethics and regulatory compliance, organizational changes, employment and equality, and aspects of human resources management, among others.



Implemented policies in the areas of training and leadership

For the Group, the development of its employees and continuous training are key elements for the present and future sustainability of the company. For this reason, training activities are coordinated centrally through the Saica Campus, in accordance with the needs of the business and the latest industry trends. This promotes a culture of continuous training and facilitates the professional development of all employees.

Furthermore, in order to take full advantage of technology and our computer systems, a training digitization project called the Educa Project (TTS) has been implemented. Through the Saica Campus platform, we ensure the deployment of training in Procurement Processes and Procedures to all users who need it.

The expected successes of digital transformation are often talked about, but they will only happen if the entire team is able to understand and use new technologies efficiently. For this reason, we have carried out a training process, in order to fill knowledge and efficiency gaps quickly and safely. The aim is to provide all Group employees with the exact information they need in the workplace in terms of SAP Purchasing processes through interactive manuals.

The Group's portal provides access to training courses for purposes such as increasing people's independence in the performance their tasks, increasing the acceptance of digitalization projects, reducing the error rate and "improving people's lives", promoting efficiency and effectiveness, and avoiding the loss of specific know-how.

The Group develops various training programs for its employees, covering different areas of knowledge or categories: Welcome, Health and Safety, Quality and Environment, Technique, Competency Management, Polyvalence, Graduate Experts Program, Apprenticeship Program, Internship and Scholarship Program, IT Systems (Software and Tools), Languages.

Chairs

In the area of Saica's cooperation with the university and, more specifically, with the University of Zaragoza, it is worth mentioning the Family Business Chair, with the Faculty of Economics and Business, which supports research projects, and the Saica Chair of Sustainable Solutions, with the School of Engineering and Architecture.

In addition to supporting and encouraging research projects in the energy sustainability field, in 2020 and 2021 we awarded the 5th and 6th Chair Prizes, respectively, offering one student the opportunity to complete their Master's Thesis with us each year.



Leadership Program

In 2020 and 2021, two of the three initiatives of our Group Leadership Program were our main focus:

- Learning Communities, aimed at people with the same or similar organizational level within the organization and focused on the development of individual capabilities.
- Natural Team, aimed at a work team, including its managers, and focused on increasing the group's efficiency aligned with the business challenges.

In the first one, a program was designed for production managers, section and shift managers in the packing area, covering all the countries where the Group is present, with a pilot process starting in 2021 and thriving in 2022. Regarding the Natural Team initiative, in 2021 we finalized some of those started in 2019 that couldn't be finished as a result of the pandemic. On the other hand, two new groups have been started in 2022, both in the Natur area and in the Paper area.



Directive on new ways of working of the Saica Group

Employees are priorities for the Saica Group and its Strategic Plan, developing open, creative and inspirational work environments as part of our culture, based on continuous improvement, work-life balance, and the creation of organizational and flexible work frameworks. With this in mind, in December of 2021, a directive on new ways of working was approved, which includes the main lessons learned in terms of work-life balance during the pandemic and sets out a series of practices to make progress in balancing personal and professional life.

This directive, which applies to the entire Saica Group, offers an optional, recommendable, and maximum action framework, which must be endorsed and adapted to the legislation of each country.

The company shall comply in each country with the current legislation. For this purpose, the Human Resources Department and the country management or the most senior manager of the Business in the respective country will work to ensure that specific implementation measures can be put into effect on the 1st of January of 2022, within the framework set out in this directive.

- Time flexibility: Flexible start and finish times, flexibility in the organization of personal working time, with mandatory availability hours for teamwork or on-site at the work center.
- Meetings: preferably held in the middle of the day.
- Work outside the assigned work center: applied measure in staff positions that do not require substitution if they are not physically at the work center. A schedule may be established to ensure the necessary face-to-face time in offices.
- Work conditions must respect Saica's safety standards the applicable labor and preventive regulations, as well as the connection, confidentiality, and security, of the provision of the service.
- Telecommuting ("Saica Telework"): may not be performed more than 1 hour and 30 minutes away from the assigned Work Center, allowing workers to attend unforeseen extraordinary meetings.

New Equality, Human Rights and Diversity Policy

The New Policy was approved by the Saica Group on 3 December 2021, replacing the Equality Policy, incorporating new concepts such as human rights, diversity and inclusion. It was displayed and implemented in 2022.

Furthermore, the Equality Plans in force in Saica España will have to be adapted in 2022, due to the legislative changes supported by Royal Decree 901/2020, of 13 October, which regulates equality plans and their registration and amends Royal Decree 713/2010, of 28 May, on the registration and deposit of collective negotiation agreements, and Royal Decree 902/2020, of 13 October, on equal pay for women and men.

Training and awareness of these new forms of work

The aim is to implement actions aimed at training and sensitizing diverse issues, such as the use of communication tools (e-mail, Outlook, Webex, Teams, etc.), in order to increase efficiency and productivity. To this effect, team management in a VUCA (Volatility, Uncertainty, Complexity, and Ambiguity) environment is encouraged, as well as hybrid work and communication mechanisms based on how to listen to employees and how to provide them with feedback. This includes actions aimed at not "disconnecting" from the Saica brand and company.

These efforts lead to more flexible leadership, where management through trust is key, and to a measurement that aims to improve rather than to control, replacing observation with commitment. To this end, establishing the measurement indicators that identify the value contributed by people is vital, as well as being able to monitor them.

Physical workspace as a new ecosystem

The corporate space will integrate the company's offices plus its remote centers, in addition to the homes of people working in a hybrid system. Offices are used to ease teamwork, socialization, sustainability, and collaboration between areas and functions, therefore breaking down barriers.

It's intended to put people in the spotlight, the employee experience as an element of motivation and retention, as well as the value of time in the office and the promotion of collaborative and innovative environments.

In summary, this directive involves our entire organization, regardless of who leads the implementation in each country and the groups affected, so we hope it will serve as a solid foundation for building a future in the field of sustainable and efficient work that helps to improve the welfare of all Saica Group employees.

Employees with disabilities

The Group applies a series of measures in order to facilitate the inclusion and employability of people with disabilities. In addition to donations to entities and foundations such as the Asociación Tutelar Aragonesa de Especiales Discapacidad Intelectual (Atades), Saica is committed to working with Special Employment Centers to provide services to the company or supply raw materials, machinery or capital goods.

Digital disconnection

At Saica Group we are committed to promoting a work culture that facilitates and encourages a balance between personal and professional life. The establishment of availability schedules for employees is encouraged, as well as the convening of meetings in advance and during working hours. In any case, at Saica, we encourage our workers to respect meal times, vacations and rest periods, as well as calls in cases of emergency. Regarding the use of e-mails, it is encouraged not to request replies outside working hours and to use e-mail during working hours wherever possible.

Measures aimed at easing the enjoyment of work - life balance

The Group is committed to providing a balance between professional and personal life, through compliance with the applicable regulations in every country where it operates, complying with the improvements established in collective bargaining agreements, agreements with the Workers' Legal Representation and other applicable international procedures and policies.

Furthermore, in the year 2021, Saica adapted its work-life balance measures, in line with the progress of the pandemic, opting for flexibility and enabling home working for positions that allow it for a large part of the year.





Health and Safety

We value and care about our employees, and all those involved in our activities, and we are committed to continuously improving and maintaining our effectiveness in protecting their health, safety and well-being.

This commitment is enshrined in our Health and Safety Policy, renewed in February 2021, which drives us to progressively improve our health and safety performance.

We will continue to progressively move toward best practices in health and safety management and control, while ensuring that we respond simultaneously and effectively to any impending risks or challenges, such as COVID-19, and/or other pandemic or health crises that may arise along the way.

This Occupational Health and Safety policy was published in 2021. However, our commitment is long-standing, and is reflected in the work that the people of Saica have been doing every day for years. As a result, the "Zero Accidents" project was implemented between 2006 and 2013, which resulted in a reduction of our LTIFR (Lost Time Injury Frequency Rate) accident rate.

We use several performance indicators to monitor our effectiveness in achieving this. The lost time accident frequency rate (LTA FR) is established as our key performance indicator, and it's a measure of the number of accidents that have generated employee absence from work for one shift or more. These occur among every million hours worked per employee.

This indicator is used in many industry sectors and countries, allowing us to monitor internal performance trends, and to compare our performance with other companies within and outside our industry sector.

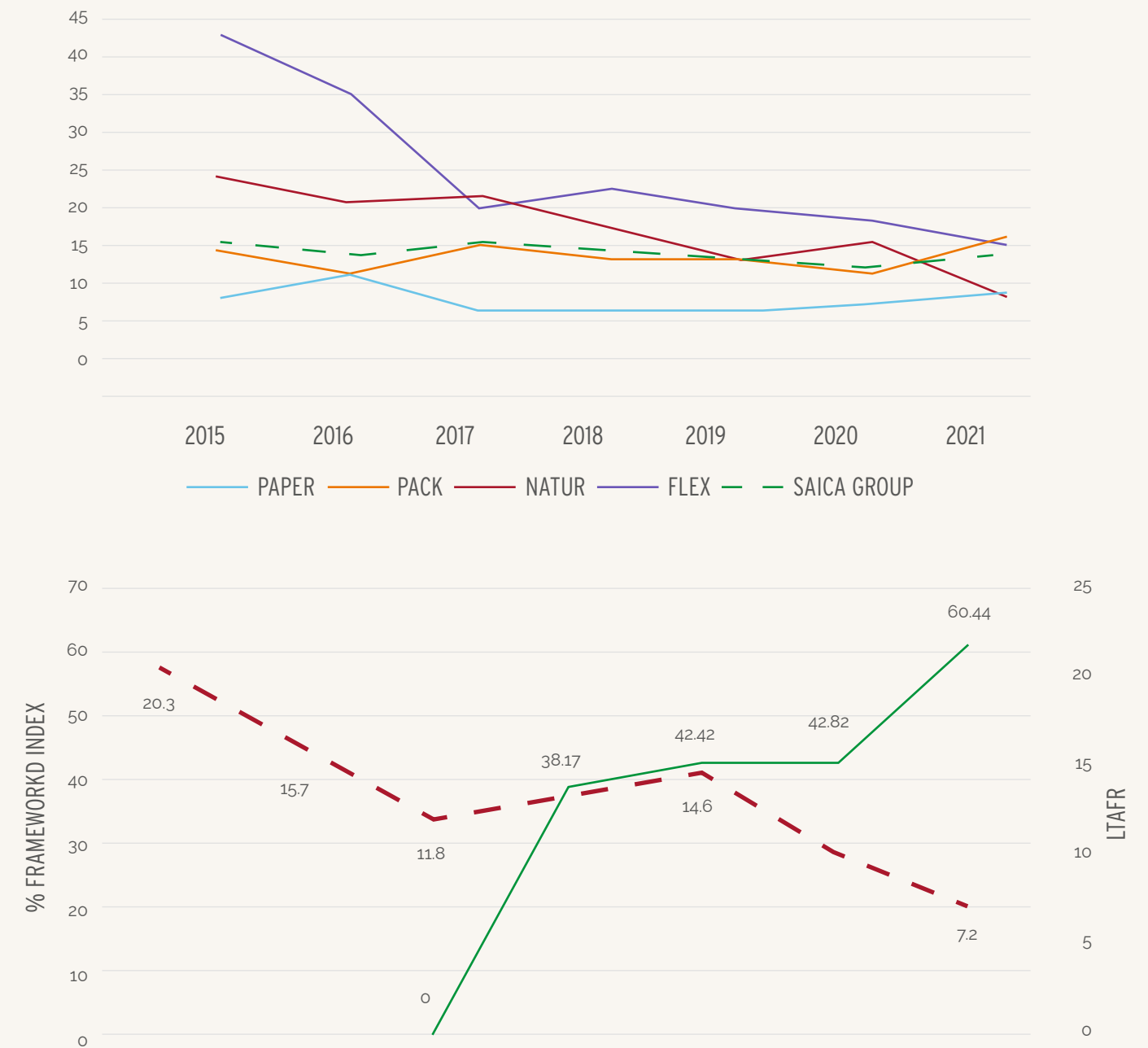
Our main H&S goal is to achieve an incremental improvement in LTA FR year on year that is sustained over the following year in each department of the company as a basis for further improvement, without neglecting the existing controls that apply to all health and safety risks. We have currently set a benchmark goal of 10% improvement in LTA FR, year on year, at each operating site and cumulatively for each business area.



"We are committed to improve and maintain our effectiveness in protecting the health, safety and well-being of our employees."

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LTA FR evolution



For this reason, the Single Health and Safety Framework (Saica H&S Framework) was developed in 2017. It includes the health and safety management, and control requirements appropriate for all business divisions and countries where it operates.

By progressively improving the implementation of the expectations set by the Health and Safety Framework, we are continuing to improve the control of health and safety risks and the effectiveness of health and safety management at all levels of the organization, and in doing so we continue to work to ensure this continuous improvement drives a progressive reduction in accidents.

Saica Natur has provided an excellent example of leadership in the introduction and implementation of the Health & Safety (H&S) framework and the use of the assessment process to understand the current situation and subsequently evaluate and plan priorities and improvement opportunities. In addition, the improvement of the

Saica Natur H&S governance (driven by the expectations of a specific management standard) decided to implement an internal audit initiative to ensure the quality of the completed assessments regarding specific framework standards.

Natur's Business Area improved the performance of the implementation of the Health and Safety Framework from 42.4% to 60.4% up to the end of the year 2021, being the highest performance and the highest progression of framework implementation for any business area. This performance was largely focused on priorities to improve the control of specific risks, including vehicle and pedestrian separation, forklifts, and intervention of energized equipment.

Saica Natur's prioritized improvement plans driven by the implementation of the H&S framework resulted in a 50% reduction in LTA FR from 14.6 in 2020 to 7.2 in 2021.

Together against Coronavirus

The spread of COVID-19 virus unleashed an extraordinary crisis with worldwide impact. Saica Group faced the crisis with very clear responsibilities:

- Ensuring the health and safety of our employees.
- Guaranteeing the performance of our facilities in order to keep the supply chain of basic necessities working, such as food, medicines, hygiene products and disinfectants, etc.
- Guaranteeing the essential environmental services to ensure the healthiness of those industries and commercial centers that remained open.

On 24 February 2020, Saica Group formed a Global Crisis Committee for COVID-19, and a Committee in each of the nine countries where it operates in Europe. Thanks to the work and involvement of all the people who are part of Saica Group, a series of preventive and organizational measures were drawn up to safeguard and watch over the health of everyone, while simultaneously mitigating the risks of spreading coronavirus in our centers.

Among the measures adopted in relation to COVID-19, it is worth mentioning the increase in hygiene measures in all workplaces, the commitment to labor flexibility, conciliation and reorganization of working hours to reduce contact, and the implementation of teleworking in every position that allowed it. In addition, all internal and external events were cancelled, as well as non-critical face-to-face training and business trips. Strict protocols were implemented to ensure people's health.

At Saica Group, we understood the importance of maintaining fluid communication with all our stakeholders, constantly explaining the steps we were taking in order to adapt to the situation with maximum guarantees. During the hardest moments of the pandemic, we launched the campaign 'We will overcome this together', a campaign inspired by the effort and work that was being carried out in all the countries where we operate, and which highlighted the work of the Saica Group at that time, with the four business divisions playing an essential role in guaranteeing the supply of basic necessities, as well as the health standards of those centers that remained open.

During this period it was also key to reinforce awareness of the main health and safety rules, and to this end, we produced a series of posters to be displayed in the factories, a guide with the main re-

commendations, which was available both to the group's employees and to anyone who was interested, we distributed safety kits for those who were teleworking and launched a series of videos in seven languages, reviewing COVID-19 protection measures and best practices in different areas vacations, work, leisure time or teleworking.

At Saica Group, we understood that we had to do everything in our in our power to get through an unprecedented crisis such as the pandemic. That is the reason why we launched and participated in numerous solidarity initiatives to alleviate the effects of the pandemic and to collaborate in the recovery. For instance:

- We joined the #AragónEnMarcha platform, promoted by the Government of Aragon, the CEOE, Cepyme, UGT and CCOO (Workers' Commissions) and we donated 800,000 euros to the fight against COVID-19.
- We collaborated with NGOs, associations, and public administrations to help the most affected people by the coronavirus crisis. We donated cardboard boxes, materials, plastic and protective equipment to organizations such as Help Without Frontiers, Un Inicio, the Fundació del Convent de Santa Clara and the Sant Joan de Deu maternity and children's hospital, which allowed the transportation of food and health aid to families and groups at risk of COVID-19.
- We participated in the project 'No Estáis Solos' (You Are Not Alone) aimed at health professionals in Seville. As part of this initiative by Ybarra Group and Gastea Trucks, solidary bags with food and hygienic products for the health personnel were donated.

- We delivered 6,600 kg of recycled pellets for the manufacture of gowns, vests and ambulance protectors for the healthcare personnel.
- We donated 700,000 masks to the city of Zaragoza, and most of them were distributed to people over 65 years of age, the population at more risk of coronavirus. The rest was distributed among public transport users, general population, vulnerable groups and other groups in the city.
- The education of young people, especially in difficult times, is the best guarantee for the future. For this reason, we provided computer equipment so that students with fewer resources could continue their education during lockdown.
- We did not forget about the hotels, bars and restaurants that were forced to close due to COVID-19. We joined the Rellou Solidari campaign, promoted by Bodegues Sumarroca, to support the reopening of the catering sector.
- We joined the #EstoNoTieneQueParar initiative, promoted by more than 2,000 companies, organizations and personalities. The aim of the campaign is to value and support all those workers and companies that contribute every day to keep the economy moving forward.

We also collaborated with local communities to alleviate the effects of the pandemic in the rest of the countries where Saica Group is present. Some of the activities that were carried out were:

- In Portugal, we delivered 2,000 boxes to the Food Bank to facilitate the distribution of basic supplies to people in need.

- In Turkey, we donated 15,000 euros to support the fight against the coronavirus.
- In the United Kingdom, we joined the Burton's Biscuits initiative to relieve the strain on healthcare workers by delivering thousands of boxes of sweets to NHS (National Health Service) workers and donated cardboard boxes for the distribution of coronavirus protection masks.
- We also collaborated with the NGO Whitley Community Development Association by donating 2,000 boxes for food distribution.
- We provided Trafford Council with sanitary and protective materials, such as masks, gloves and disinfectant gels, for use in residential homes.
- We joined the #ThisDoesNotHaveToStop initiative, promoted by more than 2,000 companies, organizations and individuals. The objective of the campaign is to highlight and support the value of all those workers and companies that contribute every day to keep the economy going.
- We have also joined the Green Recovery Alliance in support of an economic and social stimulus package to address the coronavirus crisis, which aligns with sustainability and biodiversity policies.

Employees with disabilities

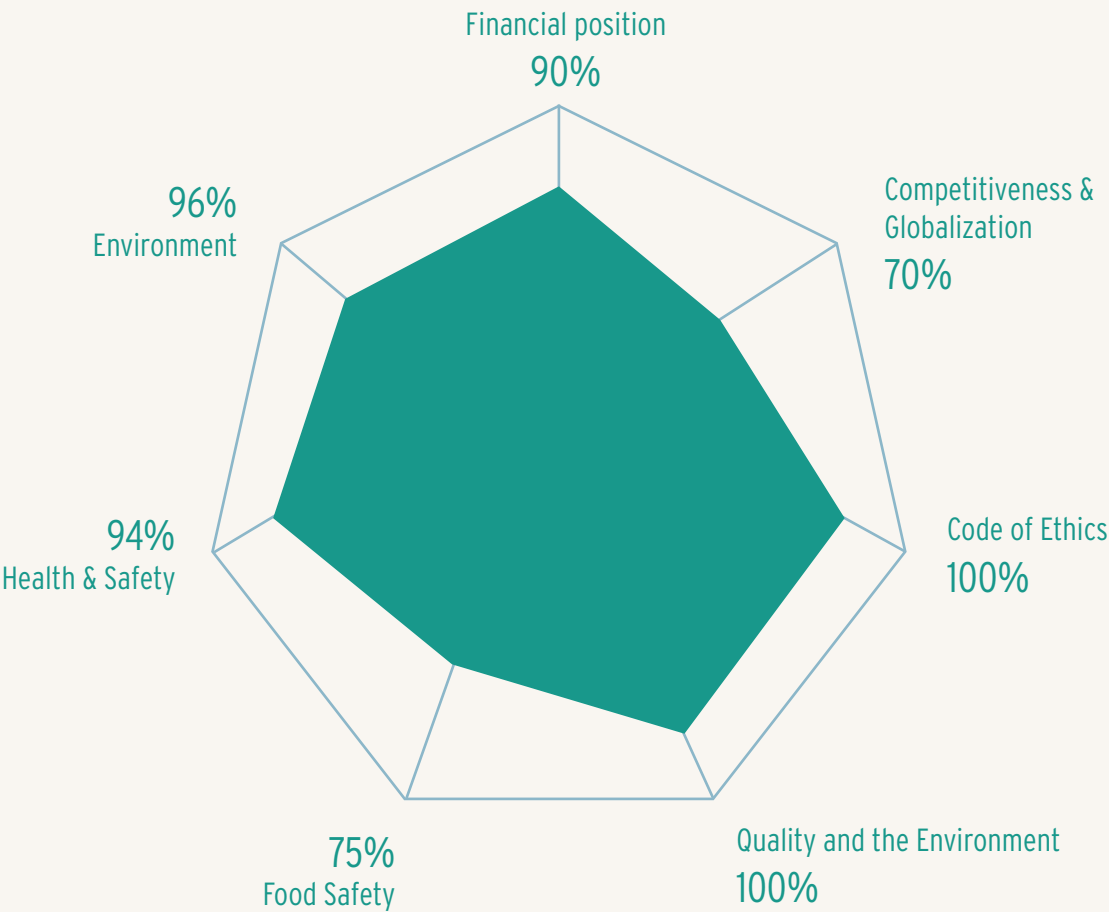
Saica advocates for the inclusion of social matters, gender equality and environmental issues in procurement policies and in the development of business activities with our suppliers and subcontractors. These basic general principles are embodied in the Code of Ethics and Regulatory Compliance in contractual relations with suppliers.

In order to ensure a real and correct integration within the local business fabric, a high percentage of purchasing operations are carried out with local and national suppliers. Furthermore, our Group shows and communicates its values through purchasing, pursuing excellence and innovation through the defined strategy in order to ensure the management of an efficient and effective management of an ESG supply chain.

Data 2021:

- Volume of purchases: EUR 625,000
- Managed orders: 112,000
- Used suppliers: 8,200
- Automated orders: 32,000

During 2020 and 2021, we had to live through an infinite number of unlikely circumstances that are basically new to the vast majority of people. We have suffered a global crisis caused by COVID-19, which had a direct impact on our supply chain (delivery stoppages, business closures and shortages of raw materials, among others), in addition to record inflation figures, which have meant a historic cost in the energy area.



Minimizing these risks and trying to prevent them from causing downtime in our production processes has been a challenge. Thus, having an ESG purchasing strategy that creates long-term links throughout the supply chain, and having a robust supplier base, as well as a large volume of information available thanks to our procedures, have allowed us to overcome this situation and gain valuable knowledge from it.

In this context, our commitment to ESG purchases has been the trigger to update the Supplier Approval Homologation Procedure, developing a so-called "complete" analysis to approve all potential suppliers considered critical and/or strategic for our production processes.

This is one of the main mechanisms for identifying supply chain risks, without ever losing sight of sustainable growth in our purchasing processes. This new Procedure evaluates parameters such as: the supplier's economic, financial and risk situation; competitiveness and globalization; the Code of Ethics; quality and the environment; health and safety issues; and food safety.

Example of a real case of " Full Homologation ":

Special features of our relationship with our suppliers:

- Pandemic management: thanks to robust Procurement processes, process monitoring and risk analysis. Even during the worst moments of the pandemic, none of the numerous suppliers we have open relationships with has seriously failed in their responsibility to supply, so our production processes have not been affected.
- Supplier evaluation: although it is a very mature process at Saica Paper in the three countries Spain, France and the UK, where it has been implemented since 2013, the following new features have been incorporated into the evaluations carried out in 2020 and 2021: suppliers have been included in the evaluation, "Non-conformities" have been included as an additional pivot of the evaluation criteria, and the evaluation has been extended to Saica Natur and Saica Pack, encompassing all countries. In 2022, it will be extended to Saica Flex.

SAICA			SAICAPAPER			SAICAPACK			SAICANATUR		
RATE	Nº	%	RATE	Nº	%	RATE	Nº	%	RATE	Nº	%
A	772	88,63%	A	254	91,04%	A	432	88,71%	A	129	81,13%
B	90	10,33%	B	20	7,17%	B	52	10,68%	B	29	18,24%
C	8	0,92%	C	5	1,70%	C	2	0,41%	C	1	0,63%
D	1	0,11%	D	0	0,0%	D	1	0,21%	D	0	0,0%
Total	871	100,0%	Total	279	100,0%	Total	487	100,0%	Total	159	100,0%







	€ 573mm (69,00%)	€ 217mm (61,28%)	€ 318mm (75,29%)	€ 38mm ¹ (70,49%)
Evaluated volume				
Evaluated suppliers	871 (14,72%)	279 (14,55%)	487 (14,55%)	487 (11,80%)
Users	503	128	289	90
Questionnaires	4,021	902	2,400	719
% Effectiveness	99,73%	100%	99,83%	100%

- The objective is to include parameters that are aligned with our ESG Procurement strategy in our Procedure and to update it, as we have done with the homologation.
- Boosting digital transformation: the main objectives of the Procurement department are based on the analysis of internal processes that are susceptible to automatization through different ways and tools. Robotic Process Automation (RPA) is a technology useful for the creation, deployment and management of software robots that emulate human actions, interacting with digital systems and software, streamlining workflows, making processes more profitable, and generating satisfaction and productivity for people, by eliminating the most routine and less value-added tasks.
- Pricing Agreements - MRP: every year, we make more than 32,000 automatic orders, freeing the Purchase department from this task. In order to do so, we sign a framework agreement with the supplier and then enter it into the system, automating purchases with a unit value of less than €1,000. This development allows us to free up our team's time so they can develop and add value to other tasks.
- Purchasing Portal: at Saica Group we are still committed to sustainability in our processes as a fundamental element in our strategy. For this reason, the Purchasing department has developed a Purchasing Portal, in order to standardize relevant documentation for everyone in the Group, both buyers and internal customers, and all departments can be connected to each other (framework agreements that affect several plants, departmental reports from different business areas that require collective work, other relevant information, etc.).
- Suppliers Portal: In the process of digitizing the departments' processes, we are working on the development of a Supplier Portal, which will allow us to carry out the supplier approval homologation process efficiently. This tool will allow a complete digitalization of the process with full traceability, will provide a detailed management of the self-registration database (including potential suppliers), will increase transparency in management, and will facilitate the expansion of the elements available to assess the supplier grouped in the same tool (contracts, KPIs, evaluations, incidences, certifications, etc.), among others.

Purchasing Procedure Audits

We are fully committed to transparency and good business practices, in order to avoid the risks inherent in any decision making. For this matter, our Group Purchasing Procedure is always active, which we extend across all our plants, verifying compliance annually through both external and internal audits. Due to the situation originated by COVID-19, part of the audits that were carried out on site have been exceptionally performed remotely.



	2017	2018	2019	2020	2021
 Spain	20 Audits	17 Audits	13 Audits	14 Audits	14 Audits
 France	5 Audits	6 Audits	6 Audits	9 Audits	9 Audits
 Portugal	4 Audits	5 Audits	9 Audits	4 Audits	4 Audits
 Italy	1 Audits	2 Audits	1 Audits	2 Audits	2 Audits
 UK	5 Audits	1 Audits	1 Audits	2 Audits	2 Audits
 Benelux		1 Audits	2 Audits	1 Audits	1 Audits
	35 Audits	32 Audits	32 Audits	32 Audits	32 Audits

Future projects - Objectives 2022:

- Extension of Supplier Approval:

In a first phase, the process has been implemented in Iberia, in the four business areas. In subsequent phases, the goal is to extend the Approval process to the rest of the areas and countries of the group.

- Suppliers Evaluation Procedure Update:

As a general framework for the update, the inclusion of parameters aligned with ESG values is considered.

- Goal RPA (Robots) KPI's Saica Pack:

In order to continue automating repetitive tasks, we are working on the development of the RPA that will collect quarterly KPI's for clichés and dies (two of the main Pack families). The aim is to combine the tasks of three processes:

1. List of consumption and prices of dies and clichés sent by suppliers.
2. Contrast of the information received against SAP data extraction.
3. Analysis of the financial reports of the main suppliers, as well as those with potential interest.

COMMUNITY AND LOCAL DEVELOPMENT

We continue to increase our collaboration at all levels in the geographic areas in which we operate. We want to continue integrating ourselves into the community and develop as active members of it. Based on continuous contact and through different channels (meetings, participating in events, etc), we continue to maintain a constant, transparent and close dialogue, which allows us to learn about its needs, interests and concerns. By doing so, we can respond by improving their well-being through sustainable social management. We seek to increase not only the economic but especially the social impact of our activity, through the generation of employment, the promotion of local supplier networks or the consumption of local services.

We maintain and develop our vocation to be "a good neighbor" and our commitment to sustainability goes beyond our operational level, so we promote and participate in local initiatives, involving our employees and building a culture of teamwork and collaboration.

Among our milestones for the contribution to community and local development, we highlight:

Our fundamental principles:

Our code of ethics and our values give purpose to the Saica Group, which seeks to contribute to the development and well-being of the communities where it operates, offering its products and services in a profitable and efficient manner, promoting attractive employment opportunities and investing in its staff through training and support. Under dialogue with our stakeholders, consistent with our corporate values and especially with a focus on "sustainability", through direct hiring, contracting of materials/services with special employment centers, supporting with donations (tangible and intangible), encouraging volunteering, and through awareness and communication.

Inclusive social sustainability:

Based on its family origin, economic sustainability and environmental leadership (Circular economy), at Saica we want to work on INCLUSIVE social sustainability, especially for the most vulnerable groups. According to our values, our Code of Ethics and our equality policy, we believe that the SDGs (Sustainable Development Goals) are the key to bringing maximum value to the community in building a better sustainable future. Our goals include:

- Prioritization of local communities. Through labor market inclusion, we support them through education and training, as well as employment.
- We focus preferentially on vulnerable collectives: children, female victims of violence, the elderly and people with different capabilities. With the promotion of social integration, we help our partners in situations of poverty, health and accessibility to resources.
- We support intersectionality: simultaneous turnout of any of the various causes of discrimination.
- We seek strategic alliances, we believe in a job well done and in the long term, and we rely on experts.



Development and local cooperation activities:

VI Edition of the Saica Lecture

With the goal of being a vehicle to promote and encourage research projects that provide sustainable solutions applicable to the industrial sector, this lecture also seeks to create synergies between the company and the university, and to boost the R&D&I and the development of the labor market. Saica has consolidated its collaboration with the School of Engineering and Architecture of the University of Zaragoza, annually recognizing students who show high motivation to work in this field. As in previous years, the award is open to all graduates in Engineering or Science, enrolled in a master's degree at the University of Zaragoza. The winning project was "Analysis of solutions for CO2 capture and its application in industrial processes in Paper Industry processes". This distinction offers a cash prize to be able to work on the project pre-seated at the lecture and a six-month paid internship at Saica, in order to carry out the master's thesis on a technical project within the company.

Forest of the Zaragozanos

A commitment to health and sustainability: more than 250 workers and their families participated as environmental volunteers in the creation of the Bosque de los Zaragozanos. This is a collaborative and circular economy reforestation project, which plans to plant 700,000 trees, one for each of the inhabitants of Zaragoza, in the coming years. True to its commitment to sustainability, health and nature, and in collaboration with the Zaragoza City Council and Ecodes, Saica organized days in which the employees themselves and their families, through environmental volunteering, who reforested the environment. In total, our participants planted 5 hectares and about 4,000 trees and shrubs. With this action, the future will be much more sustainable. The project also is aligned with the values of circular economy, taking advantage of the organic waste generated in the city to make compost and substrate for the new trees. The Zaragoza forest aims to redesign the map of the city, adding new green areas equivalent to 1,100 stadiums such as La Romareda, and will contribute to reducing Zaragoza's carbon footprint by some 251,768 tonnes of CO2.

Partnership for Childhood Vaccination

As part of our policy of alliances, we have joined efforts to help save the lives of millions of children who are exposed to serious diseases every day because they do not have access to vaccines. Childhood vaccination is one of the greatest health challenges on a global scale, and even more so in recent years, marked by the COVID-19 pandemic. To this end, and with the goal of reducing child mortality and protecting the health of communities, we have joined efforts with "la Caixa", together with Gavi, the Vaccine Alliance, to increase access to immunization in poor countries. Our contribution has been used to distribute the pneumococcal vaccine in Mozambique and Ethiopia to prevent pneumonia, the greatest cause of child mortality from infectious diseases on a global scale.



Inclucina

The Inclucina Club is a pioneering inclusive haute cuisine project, starring young people with intellectual disabilities, turned into "special chefs", who demonstrate that cooking is a valuable educational resource. Distinguished chefs of the Aragonese gastronomy selflessly join this initiative, training and teaching them to elaborate creative recipes, which are published in a recipe book that they put into practice in the annual Gala of the Inclucina Club. Our president participated by supporting the inclusive culture, in order to promote the values of these young people and that they learn, directly from the chefs, creative and different working techniques in the kitchen. A way of demonstrating their abilities, encouraging their integration into the workplace and eliminating barriers to intellectual disability. All money earned is passed on to educational projects of social inclusion of ATADES.

Donations of material to protect against COVID-19

In the last two years, the Saica Group has actively supported the fight against COVID-19, through donations and collaborations with administrations and social entities. Thus, for example, the company designed, manufactured, and donated more than 700,000 masks to the Zaragoza City Council for its citizens, as well as more than 100,000 cardboard and more than 100,000 cardboard ear savers, for subsequent donation to medical centers and hospitals. At the same time, it donated 800,000 euros for the purchase of material needed to combat the effects of the virus. In addition, it maintained its commitment to society, ensuring the operation of all its installations, which were essential to ensure that the supply chain of basic products (food, medicines, hygiene products, etc.) was not broken, as it is considered an essential industry.



Other Corporate Social Responsibility shares:

- **Equality**, remains one of our priority goals. We contribute to the communities around us, with initiatives such as courses for literacy training for women or teaching basic culture to adults, donations of blood, food, school material, etc...
- We have increased donations of computer equipment to schools near our productive centers.
- At the academic level, we continue to support local schools through mentoring activities for high school students. We support by specifically awarding those proposals tied to the SDGs and sustainability, with literary and film distinctions, in order to share knowledge and give opportunities to the best students and creators.
- The Saica Group has renewed its commitment to the Picarral Foundation, with which it has been co-

- Collaborating for years to support, through education and employment, the inclusion of groups in disadvantaged situations. It also worked for equal opportunities for all people, to prevent social exclusion, through training and socio-occupational insertion. The goals of this action include training, job creation and accompaniment.
- Safety with a solidarity reward: we support Caritas and the Ozanam Foundation. The employees of Saica Corporativo chose to collaborate with the labour of the social and charitable work of Caritas and the Foundation Federico Ozanam, by means of a donation. The financial endowment was achieved thanks to safety was achieved through the commitment of all workers. As a reward for the involvement of the staff in the continuous improvement of safety at work, points were awarded. These points were exchanged for money for social causes.

SOLUTIONS FOR OUR CUSTOMERS

SAICA NATUR

Saica Natur awards two eco-labels to acknowledge the efforts of its customers to support the circular economy:



Commitment to recovery: verifies companies that manage, through reuse, recycling or recovery operations, a percentage equal to or greater than 95% of their generated resources.



Zero to landfill: recognizes companies that achieve a percentage equal to or higher than 95% net recovery of the waste they generate.

SAICA PAPER

The Concept Trailers project



Customer focus is one of the main objectives of Saica's strategic plan. One of the most important levers on which the Supply Chain department relies is the reduction of the number of customer complaints due to wet spools. This is why Saica has worked with the various logistics operators and trailers manufacturers to use a type of trailer that has technical improvements that make it much more watertight, in order to prevent the paper spool from getting wet during transport. At the same time, they have improved ergonomics to avoid safety risks during manipulation. These trailers are called "Concept trailers" and were initially designed and implemented in the United Kingdom (Saica Paper Partington), and later in Spain and France. The fleet of these types of vehicles that logistics operators make available to Saica is 35 in Spain, 21 in France and 80 in the United Kingdom. In addition, it is expected that in the coming months 10 more units will be added.

Automatic stock of Paper Spool in El Burgo de Ebro (AAR)

Innovation is a key factor for the survival and long-term success of the Saica Group's divisions. Saica Paper started in 2017 the project of a new Automatic Stock of Spool (AAR) in El Burgo de Ebro (Zaragoza), whose first phase came into operation in 2019 and which has consolidated its performance during the period covered by this report.

The project was designed in order to achieve two key goals:

1. Improve customer satisfaction, reaching the highest levels in improving OTIF (On Time In Full), shortening delivery times and improving the quality of Saica's products, due to less damage in manipulation.

2. Improve the supply chain model by developing new stock-based models, such as VMI (Vendor Managed Inventory) and MTS (Make To Stock).

The automatic stock allows you to react quickly to changes in the market and customer demands, while enabling you to deliver multiple products faster. In turn, it increases spool storage capacity, reducing truck waiting and loading times and making logistics flows more efficient. Finally, it also makes it possible to achieve the highest levels of safety for drivers in loading operations.

In its first phase, the stock had a capacity of 31,000 tons of paper spools from the MP8 and Mg machines. The second, which was scheduled to come on line in 2022, adds a capacity of another 34,000 tons of spools from MP10.

SAICA PACK

B2B project for Saica Pack

The goal of the project was to provide a unique platform for Saica's customers, not only providing a new and contemporary application, but also an efficient, scalable and easy-to-use method to facilitate the usual tasks that customers perform, such as creating orders, stock consults, project creation, etc.

Saica's new B2B portal will be available for use both via web browser and through an app available for download on Android and iOS, and will allow the following functionalities:

- Customers will be able to view all the information and carry out the necessary procedures quickly and easily, through a single platform (from any device: computer, cell phone or tablet).
- Information always updated through personal user access.
- To offer a unique platform for Saica's customers that not only offers a new and contemporary application, but also provides an efficient and scalable solution.
- Solutions for our customers.
- Saica Naturaleza. Environmental solutions and waste management.

SAICA FLEX

At Saica Flex, we develop and produce high quality flexible packaging for the food and non-food industry, always with the motto "one need, one packaging" in mind. Currently, we have a total of 11 plants in 5 countries, including: Spain, Luxembourg, Italy and the Netherlands, with a total production of 952,000,000 m² of flexible packaging and aggregate sales of € 207,000,000.

Flexible packaging is an essential part of the products we consume every day and plays a key role in conservation and protection of food. At Saica Group we are committed to sustainability and pursue the goal of designing products that can be easily to design products that can be easily separable and recyclable, so that they can be reintroduced back into the value chain.

“Customer orientation is one of the main goals of our strategic plan.”





G. ————— WE CHALLENGE OURSELVES AS A COMPANY

“
Innovation is an essential
part of our business model
and our way of being.

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INNOVATION AND QUALITY IN RESPONSE TO THE MARKET CHALLENGES

Innovation is an essential part of our business model and our personality. We live in a changing market that brings with it new challenges, especially in terms of sustainability. That's why we, we listen to our customers, analyze market trends and demands, and we accordingly, using outstanding technology and a innovation across all our production, operational and logistical processes. We seek to provide innovative, sustainable, and customized solutions to each and every challenge and client.

We have an R&D&I department, from which we seek to optimize our processes through continuous improvement, based on four areas of development:

- 1) **Product development:** we respond to the challenges posed by our customers, providing support, through research in physics and chemistry, to the development of new recycled paper products for the manufacturing of corrugated cardboard packaging, and flexible packaging and structures. We work hand in hand with the best technological institutes, which allows us to offer expert advice on packaging, through advanced transport tests where we measure, by means of simulation, the resistance capacity of the packaging in a logistics chain.
- 2) **Technology development:** we lead collaborative projects with equipment suppliers, original equipment manufacturers (OEMs) and machinery manufacturers, which provide us with the best technology to create new products and services and improve the efficiency of our processes, ensuring product quality. We also develop new technologies through the design of original equipment together with our external partners.
- 3) **Knowledge and skills development:** we work in multidisciplinary teams that enable us to reach our goals in all fields and incorporate R&D&I into our staff programs. We proactively promote innovations, sharing knowledge with the rest of the organization to facilitate synergies across all our processes.
- 4) **Business development:** we gain access to new markets by diversifying our business. Through this strong commitment to sustainable innovation, we contribute to achieving SDGs 9 (building resilient infrastructures, promoting sustainable industrialization and encouraging innovation).



Our new R&D&I Center in El Burgo de Ebro

One of the most relevant examples of our long-standing commitment to research, development and innovation, which is clearly expressed in the Saica 2025 Strategic Plan, has been the recent construction of the R&D&I Center in El Burgo de Ebro. The center, which has more than 4,000 m2 of laboratories and offices, allows us to have a space for R&D&I, according to the current size of our company, both in terms of people and equipment and testing systems.

In this new center, which brings the vast majority of the Group's R&D&I together, it will be possible to carry out any and every project, which concerns one of our four areas. The center has specific areas for advanced mechanical characterization of materials, analytical chemistry, characterization of paper pulp and raw materials, analysis of adhesives for corrugated cardboard, climatic chambers for testing packaging for agricultural plots in high humidity, a printing laboratory and surface characterization of paper and cardboard, among others. In addition, the laboratories will be used to ensure that first-level technical assistance is made available to customers, thus fulfilling one of the main missions of R&D&I within the Saica 2025 Strategic Plan. All this makes it one of the most complete private laboratories in Europe in the packaging sector.

The building also hosts Saica Pack Iberia's National Development Center, a space geared towards collaborative work with Saica Pack's customers, from where corrugated cardboard packaging projects are developed with a special focus on innovation and optimization, taking into account the entire value chain of our customers.

A sustainable center

Innovation without sustainability is misguided exercise. For this reason, and given that our activities are focused on circular economy and the integral use of resources, the R&D&I Center itself is a true reflection of our goals and has been designed in such a way that its energy consumption and services are close to zero.

Thus, air conditioning is carried out using several geothermal wells that supply the first energy input to the TABS system (Thermally Active Building System), in order to achieve the appropriate temperature conditions in the building. TABS is a system consisting of plastic pipes embedded in the building itself that tempers floors and ceilings in such a way as to minimize additional energy consumption for air conditioning. Another example of integrated resource utilization is the buffer tank system designed to store gray water and rainwater, which will later be reused in the building's toilets and irrigation system. This system achieves significant water savings.

In this way, we have been able to provide a spacious and sustainable center to continue to carry out the ambitious innovation and development projects that characterize our Group and at the same time give greater impetus to our ESG objectives across the board.

Advancing in digitization

As part of our commitment to innovation, digital transformation plays an important role. Specifically, we are making important advances at Saica Paper, focusing on finding tools that, by the use of artificial intelligence, artificial vision or big data, allow us to establish new control strategies that make our processes more efficient. Similarly, work is being done in the maintenance area to apply digitalization to predictive maintenance.

The first digitalization projects being undertaken are focused on optimizing the use of two of our main raw materials: recovered paper and starch. These projects are being developed in the production lines of MP9 in El Burgo de Ebro and MP4 in Venizel, France. In the coming years, we plan to prepare the rest of the production lines to develop these same successful projects, as well as to explore new applications for digitization.

“
We focus on finding tools that, using artificial intelligence, artificial vision, or big data, allow us to make our processes more efficient.
”

A sustainable center

The e-commerce sector is experiencing exponential growth, with a significant impact on the packaging sector in general and especially in corrugated board. The reason is simple: corrugated board has damping properties that make it perfect for the distribution required for e-commerce.

On this basis, we developed the ECOSAICA project, funded by the Ministry of Science, Innovation and Universities, which was born with two fundamental goals:

- Obtaining new corrugated cardboard packaging designs specially adapted to e-commerce for fragile products.
- Definition of a series of tools to support the development of corrugated packaging, from the point of view of impact protection.

For the development of the ECOSAICA Project, we focused on the wine sector, with great commercial importance, a great potential for growth in e-commerce distribution and with challenging logistical complexities. Our attention is specifically focused on packaging for the sale of wine bottles. We collaborated with ITAINNOVA, a company with extensive experience in dynamic analysis for product development, which has allowed us to use engineering, experimental and software tools of the highest level. As result of this collaboration, we designed test protocols consisting of fall sequences, where both the height of the fall and the position of the packaging are controlled, and vibration sequences. In addition, sensors and signal analysis software have been developed for advanced impact monitoring, analyzing in detail how the packaging design and cardboard

composition modifications were adapted to the fragility level of the transported bottle and the distribution circuit to which its on-line sale was associated. In this way, it is not only possible to know whether the solution ensures that the product does not break, but it is also possible to make quantitative comparisons between the different designs. As a result of this process and additional analysis and tests that allowed us to replicate real distribution environments, we developed a catalog of solutions for wine bottle marketing, creating new packaging designs that guaranteed different levels of protection for the bottles, ensuring solutions of cost, manipulation, resistance and an optimal and customized experience for the customer.

One of the solutions designed consists of an all-corrugated cardboard packaging, capable of guaranteeing a similar level of protection to that offered by the previously used configuration based on bubble wrap. In this way, through innovation we also have an impact on the environment, helping to reduce plastic consumption at different levels of the value chain of companies.

SperT and its impact on the efficient design of packaging solutions

We have developed the SperT software, which is already installed in all of the group's offices. Its goal is to integrate into the design cycle the criteria related to the structural performance of corrugated cardboard packaging, facilitating an improved level of optimization in terms of the combination of paper and cardboard constituent waves, offering an efficient solution that meets all the requirements requested by the customer.

The software on which the tool is built has been developed in-house and is based on the use of artificial intelligence, combined with the databases available at Saica as well as advanced structural simulation tools. From our R&D&I area, we are working on the incorporation of new functionalities and the implementation of improvements to keep it up to speed with the pace of the market, integrating new technologies in the field of structural prediction.

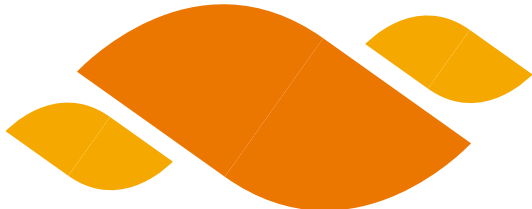
While finding an optimal packaging design is a major technical challenge, the standardized use of this tool in all Saica Pack plants facilitates efficient material selection across a wide range of models within the Saica Pack catalog. In this way, it is possible to ensure product integrity at all stages of the logistics chain, while offering the customer a fully sustainable and competitive solution.

Saica Pack Thrapston produces more than 1 million m2 of cardboard in 24 hours

Innovation in our production processes allows us to be more efficient and respond more quickly to our customers' needs. Proof of this is the T1M (Thrapston 1 Million) challenge set by the team at the Saica Pack plant in Thrapston, England, which succeeded on two occasions in exceeding a production of 1.15 million m2 of corrugated board in 24 hours. During those 24 hours, a dedicated team of professionals supervised the production, also respecting a strict social distance as a protection mechanism against COVID-19. The shared success of all the people involved in this challenge was possible thanks to their hard work and also to the advances in innovation and automation in production and logistics processes, which have enabled us to meet and overcome great challenges.



Iceland



MANAGEMENT AND GOVERNANCE
SYSTEM SAICA
CORPORATE GOVERNANCE

Our commitment to sustainability is present at all levels of the Group. To manage this commitment and implement best practices in good governance, we have established sound corporate governance, which embodies Saica's values. This facilitates the transfer of the Group's commitment to sustainability and the ethical, material and financial tools to implement it through specific actions, while driving the Group forwards to achieve its business objectives. Only in this way can we generate the necessary framework to carry out the energy efficiency and circularity, social development or innovation projects mentioned throughout this report.

The company is a third-generation, unlisted, family-owned, company, which has a defined protocol that regulates the family-company relationship with the Administrative Council of the holding company and the industrial group, highlighting the delegated committees of the appointments and remuneration committee, the Audit Committee and the compliance committee.

Our Administrative Council, chaired by Ramón Alejandro, is the Group's highest governing body, and has had among its most recent functions the approval of the ambitious Saica 2025 Strategic Plan. The Council ensures compliance with the goals set forth in the Plan, as well as with the mission and values of our company in all its operations.

The Council of the holding company is appointed by the general shareholders' meeting and has a representation of the different branches of shareholders, either directly by family members, proprietary councils, or through independent councils. This Council appoints the members of the Administrative Council of the industrial group, Saica, on which there is 22% gender diversity, five independent councils, three shareholders and one independent executive. The Nomination and Remuneration Committee, which includes representation of family and independent councils, appoints the delegated commission of the administrative Council, which is composed of three members and a diversity of 33.33%. This committee in turn appoints the other members of the group's management committee, which is the highest executive governing body and has a 25% diversity.

When the terms of office of the councils expire, the opportunity to increase diversity is evaluated, and the areas of risk and greatest impact on the organization are identified, in order to have expert people of recognized prestige in a specific field. In both councils there is a maximum age limit.

Regarding the evaluation of the highest governance body's performance, the general shareholders' meeting annually evaluates the performance of the holding company's management body, which in turn, on behalf of the shareholder, evaluates the performance of the industrial group's governance body.

The Appointments and Remuneration Committee, in turn, annually evaluates the Executive Committee and the proposal it makes to the rest of the members of the Management Committee. It is in this committee that the performance evaluation of each of the members, possible salary increases in their fixed salary, based on performance and market positioning, and the evolution of the variables, based on the goals defined, are decided

Regarding the communication of matters of importance, there is a



governance system structure from the level closest to the customer, which is the plant, to the board of directors, where the closest level to the customer, which is the plant, up to the Administrative Council, where relevant issues including those related to sustainability, are raised in each of the functions or areas.

In addition, measures to ensure awareness of sustainability, performance and risk issues are implemented through the compliance committee, which reports to the audit committee and legal Compliance committee.

In the Group Management Committee, the sustainability and people department was created in 2016, which brings issues related to this matter to the agenda of the Group Management Committee and follows up on them.

The compensation of the members of the Administrative Council of the holding company is approved by the general meeting of shareholders and the councils of the industrial group are approved by the holding company, through a decision of its administrative body.

In turn, every three years, on average, the Appointments and Remuneration Committee of the Board carries out a market study on remuneration, compensation and benefits, with an international expert company, to benchmark each of the positions of the Group Management Committee, which allows it to make decisions regarding positioning in relation to the market, and the remuneration structure and its distribution in fixed and variable remuneration and benefits. This committee is also the one that decides new appointments to this committee or changes, salary increases and evaluation of the variables that are decided. The compensation committee is made up of shareholder councils and independent directors.

Composition of the Management Committee

The Group Management Committee, made up of the main management teams, is responsible for ensuring the correct implementation of Saica's Strategic Plan, making sure that the goals are met.



Ramón Alejandro
President



Enrique de Yraolagoitia
Managing Director



Susana Alejandro
Director of Strategy and Corporate Development



Cristina Cardona
Legal Director



Carlos Mancholas
Director Finance, IT and Purchasing



Pilar Franca
Director of Sustainable Development and People



Guillermo Vallés
Managing Director of Saica Natur



Federico Asensio
Managing Director Saica Paper



Pascal Giraud
Managing Director of Saica Pack



Miguel Ángel Dora
Managing Director Saica Flex



Miguel Ángel Jiménez
Research Director, Development and Innovation



Francisco Carilla
Industrial Project Director

POLICIES THAT GUIDE OUR ACTION

Saica's activity is guided by principles, policies and frameworks that ensure that we instill a culture of corporate responsibility across all our lines of business. In 2020 and 2021, we have updated and expanded our corporate governance parameters, incorporating more aspects of non-financial impact in order to adapt and anticipate material issues of concern to our stakeholders.

In this regard, the content of the Quality, Environment, Health and Safety, and Equality, Human Rights and Diversity policies has been updated, in addition to renewing the image of each of them.

Communication of the Group's policies to all staff is key and represents an opportunity to convey goals, discuss current or future projects, and relate all of this to the ideas contained in the policies presented. In all cases, it must be ensured that the message reaches the entire world. In this regard, whenever possible, priority will be given to direct communication at meetings, publication on bulletin boards or internal dissemination.

Code of Ethics and Compliance

To protect our long-term expectations of success, as well as the reputation of our business, it is imperative that we have high ethical standards, behave responsibly and comply with regulations. As result of this conviction, we have an extensive Code of Ethics and Legal Compliance, applicable to all people working in Saica, in Saica subsidiaries or in joint projects controlled by Saica.

The Code sets the guidelines for ethical management and behavior in our company. Specifically, it sets out those principles that are considered to be in line with the ethical values that characterize our company, provides the mechanisms and indications necessary to comply with them and establishes the consequences of breaking them, as well as the mechanisms for reporting unethical behavior.

Specifically, the Code contains information on the following areas: health and safety in the workplace; diversity, inclusion and non-discrimination; performance and compensation; human rights; safeguarding our assets; data protection and privacy of workers information; reputation; anti-corruption; conflicts of interest; competition; dealing with customers, suppliers and partners; respect for confidential information and proprietary rights of others; quality; environment; chain of custody; social welfare.



Environmental policy

Sustainability at Saica begins in the company's values: we care about the future; we provide value and we accept challenges. These values guide our decision making and integrate sustainability into our culture.

We carry out our activities in the most sustainable and innovative way possible from the design phase of products and services to the end of their useful life, promoting the change towards a sustainable model based on the Circular Economy.

Our commitments lead the way on responsible management:



Working on the continuous updating and improvement of our management system provides us with the best tools to achieve our goals and contribute to the enjoyment of our planet for present and future generations.

Enrique Yraolagoitia
Managing Director
Saica Group
Date



Equality, human rights and diversity policy

Sustainability at Saica begins in the company's values: we care about the future, we value people, we add value and we accept challenges. These values guide our decision making and integrate sustainability into our culture.

Our contribution to Saica's sustainability, within a broad concept of 'ESG' (Environmental, Social and Governance), which takes into account responsible management aimed at improving economic, environmental, social performance and good governance, is aimed at creating a favorable environment that guarantees decent work. The company's management is based on a series of measures that have been formulated on the basis of respect for human rights and the labor legislation applicable in each of the countries in which we operate.

Therefore, the Saica Group is committed to :



In short, this task, which involves all levels and areas of our organization, can only be approached successfully based on respect for Saica's values, the principles of our Code of Ethics and Legal Compliance, as well as the Equality Plans or similar protocols that are implemented in the different centers and countries.

The Managing Director of the Saica Group fully accepts and shares the contents of this Policy.

Enrique Yraolagoitia
Managing Director
Saica Group
Date



Quality Policy

We define quality as the agile fulfillment of the needs, requirements and expectations of our customers and other stakeholders.

This policy, which applies to Saica's centers, services and operations, is defined from the vision and values that govern our activity and constitutes a commitment understood and acquired by all employees.

Our commitments mark the path to excellence:



By following these principles, all Saica employees contribute to the satisfaction of our customers and, consequently, to the company's leadership in the packaging and waste management sector.

Enrique Yraolagoitia
Managing Director
Saica Group
Date



Occupational Health and Safety Policy

At Saica Group, we value and care about all people. Our policy aims to demonstrate exemplary commitment to the health, safety and welfare of all those involved in or affected by our activities. This commitment is based on three health and safety goals:

- Define precisely what we expect from our managers to promote both exemplary performance and continuous improvement in the management, control and execution of Health and Safety Programs.
- Equip our teams and their managers with the capacity and resources to meet these expectations.
- Create a culture in which everyone understands these expectations and supports their fulfillment by always showing a duty of care for themselves and others.

To achieve and sustain these strategic goals, we are committed to:



Enrique Yraolagoitia
Managing Director
Saica Group
Date

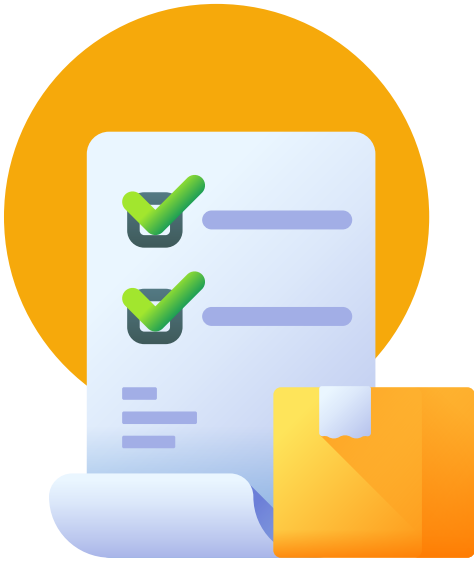
Code of Ethics and Legal Compliance

In addition to these policies, which have recently been reformulated within the framework of our Anti-Corruption and No Bribery Policy, we have developed guidelines that have taken the form of the following policies:

- Conflict of Interest Policy
- Tax Compliance Policy
- Non-Retaliation Policy
- Anti-Modern Slavery Policy

Likewise, we have the following directives:

- Ethics and Compliance Committees Directive
- Directive of Ethics Committees in each jurisdiction
- Antitrust Directive
- Donations and hospitality Directive
- Privacy Directive



ETHICS AND COMPLIANCE

Ensuring the ethical behavior of all members of the Saica community is a tangible matter for our company. We want to create a safe, comfortable work environment that maximizes the well-being of everyone. To achieve this goal, we must continually think of the best solutions to ensure maximum ethical and legal compliance, so that the actions and principles contained in our policies and our Code of Ethics serve to create the attractive, fair, and sustainable company we want.

Therefore, we carry out a constant review of our Compliance management system, created in 2014. This system sets the guidelines for the prevention of illegal acts and the adequacy of our conduct to the ethical standards already described in this chapter. Its legal compliance function has been developed through these actions:

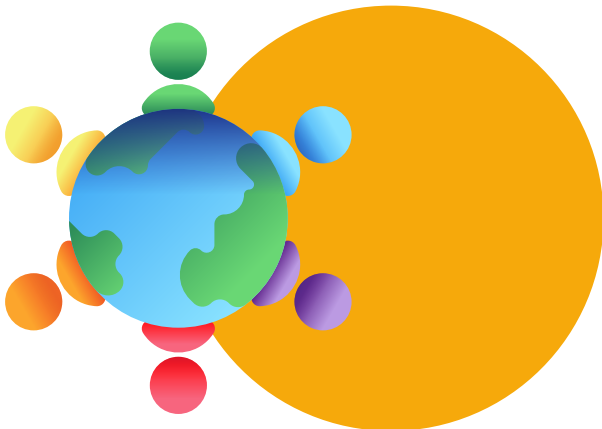
1. Expanding its scope.
2. Designing new policies.
3. Refining its risk identification methodology and control measures.
4. Creating incentives that guarantee the identification of each and every one of the people who make up the Saica Group, with the legal compliance principles of our code.

All of this is the result of a continuous process of reflection, review of concepts, commitment, and critical perspective that characterizes us.

One of the fundamental bodies for achieving these objectives is the Ethics and Legal Committee (CE&LC). Its composition, functions and responsibilities are set forth in the Compliance Management System Regulations. It should be noted that there is a CE&LC in each country in which we operate. These CE&LCs are in constant coordination and consultation with the CE&LC of the Group.

The functions of the CE&LC include identifying risks and preparing action plans to prevent and mitigate them, management of complaints (for more details on this aspect, see the following section of this chapter), and reporting annually to the Audit Committee of Saica's Administrative Council on the activities related to the Legal Compliance function carried out during the year, including possible cases of illegal acts that may be detected.

The Audit Committee, in turn, is a delegated body of the Group's Board of Directors and its main function is to ensure the correct application of the Group's Internal and Compliance Regulations.



Complaint management

We have an internal complaint channel, available to any collaborator or external person who interacts with us on our corporate website www.saica.com. Through it, you can easily communicate any non-compliance with our Code of Ethics and Compliance Standards. Compliants can be made via e-mail or in writing. In any case, these are always treated with confidentiality and rigor by the country's CE&LC.

In 2021, we managed a total of 25 complaints, all of which were investigated and concluded by the competent departments.

Zero tolerance against corruption

At Saica, we do not tolerate any inappropriate conduct and have zero tolerance for any illegal behavior. For this reason, we have an Anti-Bribery and Anti-Corruption Policy. This policy, which is applicable to our entire Group, defines the applicable assumptions regarding corruption and bribery, as well as the key principles for preventing, detecting and reacting to the commission of acts that could constitute this crime.

Compliance risk management

In order to achieve effective legal and ethical compliance, it is necessary to have a clear understanding of the main risks that exist for our company in this area, so that we can then draw up action plans to prevent and mitigate them. For this reason, we regularly update our compliance risk map and action plan associated with each one of them. The main risks identified in this area are:

- Risk of excessive automation of procedures. To mitigate this, we launch global risk map reviews every year and insist on the evidence collected to reach one or the other conclusion, in order for the teams to approach risk analysis in a proactive way.
- Risk of committing illegal acts due to ignorance of the rules. To mitigate this, we run compliance training programs (from onboarding to specific training for commercial teams), which in 2021 reached 3,079 people.
- Risk of disconnect between operations and the legal compliance function. To mitigate this, we hold meetings with all business committees to ensure that their leaders continuously question their teams on compliance issues that may affect them.

In addition, we take other actions to optimize our management of these risks. For example, we carry out risk mapping for each Group company, maintain reporting meetings between the compliance teams in the different countries and the Group's compliance committee, schedule presentations of risk maps and compliance with the Action Plan to the management committees of each division, and update the relevant policies to keep them current and useful. We involve all our employees in risk management, which we consider a team task, in which each and every person has a part to play.

Our contribution to the SDGs

This Report is structured around the ESG principles, which the Saica Group has reached as a result of a necessary evolution: that marked by the 2030 Agenda for Sustainable Development, adopted by all Member States of the United Nations, and by the definition of the 17 Sustainable Development Goals (SDGs). With the aim of eradicating poverty, protecting the planet and ensuring the prosperity of humanity, the SDGs continue to appear as a guide against which the sustainable and responsible practices of the Group's four business divisions continue to be measured. Saica's strategies focus on the ESG foundations but are guided by the SDGs.

The Saica Group is aware that changing the world requires everyone's collaboration and that we will not get very far on our own. Only through collaboration and alliances can we contribute to the well-being and development of the societies in which we operate, promoting equal opportunities and a more sustainable and planet-friendly economy.

The contribution to the fulfillment of the SDGs made by the Saica Group, in the period between 2009 and 2022, is specified as follows:



Saica Group contribution to the SDGs 2009-2021



We are committed to achieving the goal of **Zero Waste to Landfill by minimizing material losses.**

- Natur Cycle
- Burgo 2020
- Energy Recovery Plant
- Sustainable packaging in the U.S.A.
- Sustainable solutions in the United-Kingdom
- Acquisition and entry into new markets

> € 1,253 M



We provide every one of our employees with **fair and dignified employment.**

- Our goal is to invest 1.5% of total staff salaries into training
- Graduate Expert Program
- 75% of our vacant positions are covered internally



Reducing the consumption of natural resources by reducing our emissions and **increasing the use of cleaner energy sources.**

- Biomass boiler in Venizel
- Biomass boiler in Champblain
- Biomass boiler in Nogant

>€ 1,253 M



Innovation is what drives our business forward and allows us to offer added value to all our stakeholders.

- Stock of last generation
- Renove, Nirvana and Space Plans
- Venizel Vert

> € 827 M



The **health, safety and well-being of all our employees are of the highest priority at Saica Group.**

- Saica's health and safety framework

> € 171 M



Improve all our **water treatment plants while maximizing the recycling of water** in the different stages of the production process.

- Water treatment plants

> € 827 M

MATERIALITY ANALYSIS

The materiality study points out the importance of considering and reflecting on the relevant economic, environmental, social and governmental impact of our organization, and their substantial influence on our stakeholders' decisions. In this way, materiality is the threshold that defines the priority emphasis. To ensure that our company's sustainability work focuses on the most important issues, we continuously monitor trends in the sector, changes in legislation and stakeholder input. For all these reasons, at Saica we update our materiality assessment on a regular basis.

Therefore, in 2021 we carried out an update of the analysis performed in 2019. Trends and needs in the sector vary rapidly, and it is our duty to know what our stakeholders demand and what positive and negative impacts our activity may have.

The materiality analysis is based on a study of the internal and external relevance of 37 potential material sustainability issues divided into 7 concepts: Business and Governance, Ethics, People (Human Capital), Social Impact, Supply Chain, Environmental Protection and Innovation.

We defined internal relevance based on the prioritization of each topic by the people who are part of Saica (management and employees), as well as on the internal analysis of the company itself and its current business strategy (Saica 2025 Plan). We define external relevance as the importance given to each topic by stakeholders external to our company (customers, competitors, suppliers, ESG prescribers like (GRI (Global Reporting Initiative), UN or SASB (Sustainability Accounting Standards Board), sectoral prescribers -ASPAPEL (Spanish Association of Pulp, Paper and Cardboard Manufacturers), CPI (Confederation of Paper Industries), CEPI (Confederation of European Paper Industries) and Flexible Packaging Europe- and the media).



The materiality study is thus carried out with a two-fold approach:

- Financial approach (internal relevance): assessing how external causes (new regulations, climate change, societal expectations, economic developments, etc.) affect Saica's business, development, performance and reputation to obtain the named financial materiality.
- Socio-environmental approach (external relevance): analyzing how Saica's activity affects the environment and society, in order to obtain the denominated materiality of impact.

With these inputs, we prepared a materiality matrix in which we included the importance of each topic internally and externally, placing internal relevance on the X-axis and external relevance on the Y-axis. Thus, the topics identified as having the greatest materiality are those located in the quadrant located in the upper right-hand corner of the graph below.

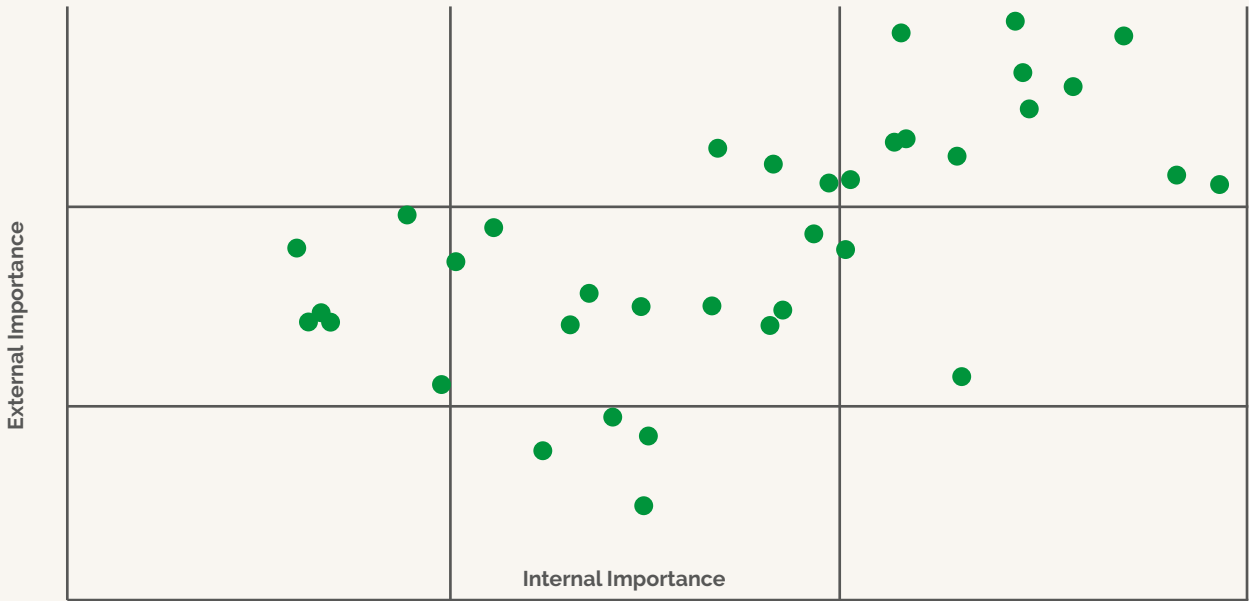


Table X: Saica materiality matrix updated in 2021.

The material aspects identified are as follows:

Ratio	2020	2021
Environmental Protection	30	Water resources management (optimization and responsible use of water)
Business and Governance	31	Waste management (proper waste management, waste control, recycling of both waste and products)
People	1	Business model and strategy (maturity of the company's strategy, as well as its updating to new market demands)
(Human Capital)	14	Occupational health and safety (prevention of occupational risks)
Ethics	9	Compliance and anti-corruption
Environmental Protection	27	Climate action and decarbonization
Environmental Protection	28	Energy efficiency and use of renewable energies (carbon footprint calculation, compensation and reduction plans).
Environmental Protection	29	Rational use of natural resources
Environmental Protection	32	Circular economy (circular economy projects, reuse of waste, processing of derivatives, etc.)
Supply Chain	22	Sustainable raw material / Sustainable forest management
Business and Governance	2	Corporate governance (healthy company leadership)
Innovation	35	Sustainable R&D (products and services)

“

Sustainable R&D, followed by the circular economy and optimal responsible management of water resources are at the top of our materiality analysis.

”

We also identified 5 axis that, although they do not fall within the quadrant of maximum materiality, are emerging and therefore have a level of relevance that should not be overlooked. These aspects are close to the maximum materiality quadrant and are highlighted in a lighter shade of blue in the matrix itself:

AXIS	Number	Emerging issue
People (Human Capital)	13	Inclusion, equity, and diversity
People (Human Capital)	17	Attracting, retaining, training, and developing talent
Environmental Protection	26	Environmental management system
Business and Governance	3	Risk and opportunity management
Ethics	11	Human rights

The full list of the issues analyzed is as follows:

Business and Governance:

1. Business model and strategy (maturity of the company's strategy, as well as its updating to new market demands.)
2. Corporate governance (healthy company leadership.)
3. Risk and opportunity management.
4. Financial performance.
5. Sustainability culture (transmission of ESG/sustainability knowledge to the company's stakeholders, with an emphasis on employees.)
6. Management of the company's communication and reputation (communication strategy and policies, for management and improvement of corporate reputation with stakeholders).
7. Strategic alliances to achieve the company's goals (use of sectoral alliances, business alliances, third sector, etc.)
8. Expansion, new markets. Ethics
9. Compliance and anti-corruption.
10. Active dialogue with stakeholders.
11. Human rights (respecting and contributing to the compliance and defense of the human rights of stakeholders.)
12. Transparency and confidentiality.
13. Inclusion, equity, and diversity.
14. Occupational health and safety (prevention of occupational risks.)
15. Employees welfare.
16. Pride in belonging.
17. Attracting, retaining, training and talent development.
18. Employment.
19. Social impact
19. Commitment to local communities, social action, and third-sector involvement.

20. Corporate volunteering.
21. Training and environmental awareness: promoting recovery and recycling.
- Provisioning Chain
22. Sustainable raw material / sustainable forest management.
23. Value chain traceability (having control over the entire value chain, including subcontracting.)
24. Sustainability alignment with the value chain (selection of suppliers based on ESG criteria.)
25. Rationalization of purchases (ensuring that the resources procured are those necessary for the fulfillment of the business objective and that they comply with the minimum impact Environmental protection.)
26. Environmental management system.
27. Climate action and decarbonization.
28. Energy Efficiency and use of renewable energies (calculation of carbon footprint, compensation, and reduction plans.)
29. Rational use of natural resources.
30. Water resources management (optimization and responsible use of water.)
31. Waste management (proper waste management, control, recycling of both waste and products.)
32. Circular economy (circular economy projects, waste reprocessing, by-product processing, etc.)
33. Use of hazardous chemicals in the productive process
34. Biodiversity (actions to mitigate, conserve and promote biodiversity in the areas where Saica is most active.)
- Innovation
35. Sustainable R&D (products and services.)
36. Digitalization and automation (IoT.)
37. Constant exploration of new technologies (AI, Blockchain, Open Innovation...)

AWARDS AND RECOGNITIONS

Aragon Company Gold hallmark

In 2021, we obtained the renewal of the Aragon Company Seal of Excellence in the Gold category, awarded by the Government of Aragon through the Aragonese Development Institute (Instituto Aragonés de Formento, IAF). This seal is given in recognition of high level of commitment to business excellence and social responsibility.

Among the most relevant good practices highlighted by the IAF in its report for the period 2017-2021, it is worth mentioning the automatization of the El Burgo de Ebro warehouse and our innovative behavior based demand forecasting model of customer orders. The institute also highlights the purpose clearly deployed to the sustainability we have, the good relationship with all our stakeholders, our commitment to transformation and innovation, and the creation of value for our company.

Our performance has improved with respect to the previous evaluation, in which we obtained the Gold hallmark, and we are working to continue demonstrating our commitment to excellence and sustainability excellence and our commitment to sustainability with the promotion of the Saica 2025 Strategic Plan.

FlexoStars 2021 Medal

We won the FlexoStars 2021 award in Chamonix, France. This accolade, one of the most important in the flexographic printing industry, recognizes Saica Pack Beaune and, for the first time, Saica Pack Montsûrs, as major players in the printing of corrugated packaging in flexography, thanks to a machine that allows us to print up to 6 colors on matt, semi-coated or coated paper, thus offering a complete range and consistent print quality.

Recognition as a “company with heart”

The Saica Group, through one of its business divisions Saica Pack, has been recognized as a “company with heart” by Caritas Valencia, thus valuing the various acts of solidarity that the company has carried out during 2020 and 2021 with this social entity. Among them, and in line with its 60th anniversary slogan “being close to those who need it most”, we have helped people in vulnerable situations, aggravated by the coronavirus pandemic.

Lean & Green Award

During this period, we have also been awarded the Lean & Green star. This award from the European Lean & Green initiative, coordinated in Spain by the Association of Manufacturers and Distributors, AECOC (Asociación de Fabricantes y Distribuidores), recognizes companies that reduce CO2 emissions in their supply chains by at least 20%.

The reduction has been achieved after implementing an ambitious action plan for the period 2015-2019, with measures ranging from improved transport planning and a reduction in the medium distance to the use of more efficient vehicles and a commitment to sustainable means of transport. In addition, important investments have been made to promote energy efficiency and digitalization, such as the creation of the automatic stock at the El Burgo de Ebro plant.

Thanks to these actions, it has been possible to reduce emissions by more than 22,000 tons of CO2, an achievement that has been audited by EY (Ernst & Young).

The reduction of greenhouse gases is part of the company's ongoing commitment to sustainability, a commitment to cleaner economic models that is embodied in three goals: Decarbonization, recyclability of its products and, zero waste to landfill.

Lean & Green is a European-wide initiative that aims to help organizations achieve greater sustainability in their logistics processes through collaboration between the members of the supply chain. In Spain, AECOC, the Association of Manufacturers and Consumers, is in charge of promoting and managing the initiative, in line with the goal reached at the Paris Agreement to achieve neutrality in the carbon emissions by 2050.



“

The Aragon Company Gold hallmark, the Flexo Stars ‘Company with heart’ award and the Lean & Green Star are among the awards won by the company.

”

ANNEX I: ABOUT THIS REPORT

This Sustainability Report includes the results of the Saica Group's global economic, social and environmental activities for the period from January 1, 2020 to December 31, 2021. The scope of this Report covers all those countries where the Group has significant operations and includes Spain, France, the Netherlands, Ireland, Italy, Luxembourg, Portugal, the United Kingdom and Turkey. The

economic-financial information includes the data of the companies in which we have a majority participation, in accordance with the principles for the preparation of the consolidated financial statements and listed in the table below:

Celulosa Aragonesa Public limited company (Saica)	Saica Pack Dublin	Saica Natur Sud, S.a.s.	Daniel Aguiló Panisello, S.a.
Saica Pack, S.L.	Saica Paper UK Ltd	Sci Lias	Papelera Del Ebro, S.a.
Saica Pack Uk Limited	Sci Chemin Des Margis	Saica Natur S.L.	Saica Natur Uk Ltd
Saica Pack EL, S.a.s.	Saica Natur Balears S.L.		
Saica Natur Norte S.L.			Natur Cycle Plus 2020, S.L.
		Saica Flexible, S.a.u.	Saica Flex Uk Ltd
Saica Pack Turkey	Aragocias S.a.		Saica Pack Sakarya
Saica Pack Portugal			Cartonarte - Indústria De Cartonagem, Lda.
	Lemapack	Saica Natur Portugal	Saica Paper France, S.a.s.
Saica Flex Netherlands Bv	Saica Pack Italia	Saica Pack France	Hellema
Saica Flex Italia, S.p.a.	Saica Services	Saica Flex Luxembourg, S.a.	Saica France, S.a.
Saica Pack Ireland U.c	Saica Pack Transformateurs		



Regarding the information on activity/production, human resources and environment indicators, the information reported corresponds to the companies in which the Saica Group practice operational control, with contracted staff assigned to them, and with a significant impact on the environment, apart from those indicators whose scope and coverage are specified throughout the Report.

The process of compiling all the information of this Report has been carried out based on the information extracted and consolidated through the different systems available to the company, such as SAP, Enablon and our inhouse process management software. The information contained in this report has been reviewed by the Saica Group Management Committee. This Sustainability Report of the Saica Group has been prepared based on the Global Reporting Initiative (GRI) standards, known as GRI Standards, and includes a GRI Content Index (Annex III). Following these guidelines, this report has been prepared based on the material aspects identified for the Saica Group and its stakeholders, providing a complete overview of all the company's operations. The Saica Group's Sustainability Report has not been subject to external verification.

We have also applied the GRI reporting principles (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability) to ensure the quality and fair presentation of the information, enabling users of this Report to make informed evaluations and decisions about the company's impacts and our contribution to sustainable development.

The Saica Group's Sustainability Report has also been prepared in accordance with the standards of the Sustainability Accounting Standards Board (SASB), specifically considering the standard for the "Packaging" sector and including the corresponding SASB Content Index - Packaging (Appendix IV).

ANNEX II: INFORMATION ON OUR SOCIAL AND ENVIRONMENTAL PERFORMANCE

OUR SOCIAL PERFORMANCE

Table X: Number of employees

	2019	2020	2021
Spain	3,793	3,808	3,830
Portugal	747	720	749
France	2,405	2,382	2,383
Italy	434	455	485
United Kingdom	2,372	2,360	2,301
Ireland	223	225	232
Turkey	210	197	206
Luxembourg	81	88	87
Netherlands	80	83	84
United States	0	2	29
Total	10,345	10,320	10,386
	2019	2020	2021
Saica Natur	1,401	1,420	1,431
Saica Paper	1,388	1,467	1,472
Saica Pack	6,437	6,385	6,457
Saica Flex	1,119	1,048	1,026

Table X: Diversity and equality (% employees)

	2019	2020	2021
Women	17%	17%	17%
Men	83%	83%	83%
	2019	2020	2021
<30 years	12%	11%	11%
30-50 years	58%	5%	56%
>50 years	30%	32%	33%
	2019	2020	2021
Machinists	65,8%	65,5%	64,9%
Administrative staff	19,6%	19,2%	19,8%
Technicians	9,1%	9,2%	9,6%
Controllers	4,3%	4,5%	4,5%
Managers	1,2%	1,3%	1,3%

Table X: Quality of employment (% employed)

	2019	2020	2021
Indefinite-term contracts	94%	94%	94%
Fixed-term contracts	6%	6%	6%
	2019	2020	2021
Full time job	95%	96%	96%
Part-time job	5%	4%	4%

Table X: Health and Safety

	2019	2020	2021
	GROUP		
Safety Index (SI)	22.5	23.8	21.3
Lost Time Injury Frequency Rate (LTIF)	11.8	11.2	12.6
Severity Index (GI)	0.48	0.5	0.5
	SAICA NATUR		
Safety Index (SI)	22.7	30.7	23.7
Lost Time Injury Frequency Rate (LTIF)	11.8	14.6	7.2
Severity Index (GI)	0.48	0.7	0.5
	SAICA PAPER		
Safety Index (SI)	16.6	11.5	12.3
Lost Time Injury Frequency Rate (LTIF)	5.3	6.4	8.1
Severity Index (GI)	0.38	0.2	0.3
	SAICA PACK		
Safety Index (SI)	23.3	25.1	22.3
Lost Time Injury Frequency Rate (LTIF)	11.9	10.5	14.6
Severity Index (GI)	0.5	0.6	0.5
	SAICA FLEX		
Safety Index (SI)	25	22.7	23.5
Lost Time Injury Frequency Rate (LTIF)	18.8	17.3	14
Severity Index (GI)	0.51	0.5	0.5

OUR PERFORMANCE ENVIRONMENTAL

Table X: Raw material consumption (t)

	2019	2020	2021
Paper for recycling	3,532,180	3,497,975	3,717,632
Recycled fiber paper	1,517,138	1,503,189	1,649,448
Virgin fiber paper	126,876	125,244	110,303
LDPE for recycling	11,506	17,885	27,335
Virgin plastic	36,753	40,435	38,952
Starch powder	236,515	223,546	238,146
Starch slurry	28,567	54,526	55,720

Table X: Energy consumption (GJ)

Table X: Fuel consumption

	2019	2020	2021
Consumption of non-renewable fuels (GJ)	26,860,041	25,480,051	25,817,450
Natural gas	23,976,528	22,914,727	23,350,581
Diesel	170,341	197,790	207,767
Fueloil	3,262	9,268	8,974
LPG (liquefied petroleum gas)	23,943	53,014	72,868
Non-biomass waste	2,685,968	2,305,252	2,177,260
Consumption of renewable fuels (GJ)	4,455,125	5,051,090	5,542,173
Biogas	1,161,133	1,483,305	1,536,485
Biomass waste	3,293,992	3,567,785	4,005,688
Electricity consumption (MWh)	1,723,424	1,713,601	1,774,520
Steam consumption (MWh)	3,763,071	3,652,693	3,825,310
Electricity sold (MWh)	1,934,229	1,797,320	187,603
Total energy consumption (GJ)	36,627,446	35,774,480	36,761,306

Table X: Water withdrawal per source (m3)

	2019	2020	2021
Total extraction	24,298,649	24,019,383	26,645,134
Surface water	16,222,015	15,601,282	17,518,832
Ground water	7,586,726	7,869,109	8,541,789
Municipal water	489,908	548,992	584,513

Table X: Recycled and reused water (m3)

	2019	2020	2021
Recycled and reused water	6,747,740	7,215,127	7,572,425

Table X: Water discharge and destination (m3)

	2019	2020	2021
17,776.182			
Total volume discharged	18,262,740	17,854,709	17,919,724
A surface	18,178,713	17,776.182	17,817,228

Table X: Water discharge according to water quality (t)

	2019	2020	2021
DQO	2,679	2,557	2,476
SST	754	680	665
N	224	214	222
P	22	22.4	20.2

Table X: Greenhouse Gas (GHG) Emissions (tCO2eq)

	2019	2020	2021
Direct GHG emissions (Scope 1)	1,572,884	1,505,973	1,582,667
Indirect GHG emissions from electric power consumption (Scope 2) Location Based	326,849	231,524	190,902
Indirect GHG emissions from electric energy consumption (Scope 2) Market Based	238,865	220,662	178,944
Other indirect GHG emissions (Scope 3)	-	1,468,294	1,558,449

Table X: Other significant emissions (t)

	2019	2020	2021
NOx	993	932	969
SOx	279	218	95

Table X: Waste by type and treatment management (t)

	2019	2020	2021
Total hazardous waste generated	15,923	14,673	16,878
Valued	3,491	7,310	8,835
Landfill	12,432	7,363	8,042
Total non-hazardous waste generated	1,134,480	1,121,273	1,172,437
Valued	948,938	928,941	1,034,019
Landfill	185,542	192,332	138,416

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Companies are based on concepts such as the 2030 and the achievement of the SDGstowards the horizon set by ESG principles.

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ANNEX III: TABLE OF CONTENTS

GRI

GRI Standard	Year	Contents		Location in the 2020-2021 Sustainability Report
GRI 2: General Contents				
1. The organization and its reporting practices	2021	2-1	Organization details	Saica Group / Annex I
	2021	2-2	Entities included in the organization's sustainability report	Annex I
	2021	2-3	Reporting period, frequency and contact data	Annex I
	2021	2-4	Restatements of information	Annex I
	2021	2-5	External verification	Annex I
2. Activities and staff	2021	2-6	Activities, value chain and other business relationships	Saica Group
	2021	2-7	Staff	Annex II
	2021	2-8	Staff not employed by the organization	Not included

GRI Standard	Year	Contents		Location in the 2020-2021 Sustainability Report
3. Governance	2021	2-9	Structure and composition of corporate governance	G. We challenge ourselves as a company
	2021	2-10	Appointment and selection of the highest governance body	G. We challenge ourselves as a company
	2021	2-11	Chairman of the highest governing body	G. We challenge ourselves as a company
	2021	2-12	Role of the highest governance body in impact management oversight	G. We challenge ourselves as a company
	2021	2-13	Delegation of responsibilities for impact management	G. We challenge ourselves as a company
	2021	2-14	Role of the highest governance body in sustainability report	Annex I
	2021	2-15	Conflicts of interest	G. We challenge ourselves as a company
	2021	2-16	Communication of critical issues	G. We challenge ourselves as a company
	2021	2-17	Collective knowledge of the highest governance body	G. We challenge ourselves as a company
	2021	2-18	Performance evaluation of the highest governance body	G. We challenge ourselves as a company
	2021	2-19	Compensation policies	Not included
	2021	2-20	Remuneration determination process	G. We challenge ourselves as a company.
	2021	2-21	Total annual compensation ratio	Not included
4. Strategy, policies and best practices	2021	2-22	Sustainable Development Strategy Statement	Letter from the Director of Sustainable Development & People
	2021	2-23	Commitments acquired through corporate policies	Letter from the Director of Sustainable Development and People /
	2021	2-24	Incorporation of commitments acquired through corporate policies	G. We challenge ourselves as a company
	2021	2-25	Processes to remediate negative impacts	G. We challenge ourselves as a company
	2021	2-26	Mechanisms for obtaining advice and raising concerns	G. We challenge ourselves as a company
	2021	2-27	Legal and regulatory compliance	G. We challenge ourselves as a company
	2021	2-28	Membership	S. We care about people
	2021	2-29	Enfoque de la participación de los grupos de interés	S. Nos preocupamos por las personas

GRI Standard	Year	Contents		Location in the 2020-2021 Sustainability Report
5. Stakeholder participation	2021	2-30	Collective negotiation agreements	In 2021, 100% of employees are covered by collective negotiation agreements in Spain, Portugal, France, Italy and Luxembourg. In the Netherlands, 80% of the employees (staff and labourers) is covered, while in Ireland it stands at 75% of employees. In the United Kingdom, the percentage is 62% of the staff and in Turkey, 61%.
GRI 3: Material issues				
	2021	3-1	Process for determining material issues	G. We challenge ourselves as a company
	2021	3-2	List of material issues	G. We challenge ourselves as a company
Rational use of natural resources				
GRI 3 Material issues	2021	3-3	Management of material issues	E. We value the planet
GRI 301 Materials	2016	301-2	Recycled inputs used	E. We value the planet / Annex II
	2016	301-3	Reused products and packaging materials	E. We value the planet / Annex II
Energy efficiency and use of renewable energies				
GRI 3 Material issues	2021	3-3	Management of material issues	E. We value the planet
GRI 302 Energy	2016	302-1	Energy consumption within the organization	E. We value the planet / Annex II
	2016	302-5	Reduction of energy requirements of products and services	E. We value the planet
Climate action and decarbonization				
GRI 3 Material issues	2021	3-3	Management of material issues	E. We value the planet
GRI 305 Emissions	2016	305-1	Direct GHG emissions (Scope 1)	E. We value the planet / Annex II
	2016	305-2	Indirect GHG emissions from energy generation (Scope 2)	E. We value the planet / Annex II
	2016	305-3	Other indirect GHG emissions (Scope 3)	E. We value the planet / Annex II
	2016	305-5	Reduction of GHG emissions	E. We value the planet
	2016	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	E. We value the planet / Annex II

GRI Standard	Year	Contents		Location in the 2020-2021 Sustainability Report
Circular Economy				
GRI 3 Material issues	2021	3-3	Management of material issues	E. We value the planet
Occupational Health and Safety				
GRI 3 Material issues	2021	3-3	Management of material issues	S. We care about people
GRI 403 Occupational Health and Safety	2018	403-9	Work-related injuries	S. We care about people / Annex II
Water resources management				
GRI 3 Material issues	2021	3-3	Management of material issues	E. We value the planet
GRI 303 Water	2018	303-3	Water extraction	E. We value the planet / Annex II
	2018	303-4	Water discharges	E. We value the planet / Annex II
Compliance and anti-corruption				
GRI 3 Material issues	2021	3-3	Management of material issues	G. We challenge ourselves as a company
GRI 205 Anti-corruption	2016	205-1	Operations assessed for corruption-related risks	G. We challenge ourselves as a company
	2016	205-2	Communication and training on anti-corruption policies and procedures	G. We challenge ourselves as a company
	2016	205-3	Confirmed cases of corruption and actions taken	G. We challenge ourselves as a company
Waste management				
GRI 3 Material issues	2021	3-3	Management of material issues	E. We value the planet
GRI 306 Waste	2020	306-3	Waste generated	E. We value the planet / Annex II
	2020	306-4	Waste not destined for disposal	E. We value the planet / Annex II
	2020	306-5	Waste for disposal	E. We value the planet / Annex II

GRI Standard	Year	Contents	Location in the 2020-2021 Sustainability Report
Sustainable raw material / Sustainable Forest management			
GRI 3 Material issues	2021	3-3	Management of material issues
GRI 301 Materials	2016	301-1	Materials used by weight or volume
	2016	301-3	Reused products and packaging materials
Business Model and Strategy			
GRI 3 Material issues	2021	3-3	Management of material issues
Governance			
GRI 3 Material issues	2021	3-3	Management of material issues
Sustainable R&D			
GRI 3 Material issues	2021	3-3	Management of material issues

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We have presented our new strategic plan, ‘Saica 2025’. A renewed framework for action, based on the company’s mission and values.

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SASB CONTAINERS AND PACKAGING

1. Sustainability disclosure and sustainability parameters

Subject	Accounting parameter	Code	Location in the Sustainability Report 2020- 2021 / Direct Reference
Greenhouse gas emissions	Scope 1 global gross emissions, percentage covered by emission limitation regulations	RT-CP-110a.1	93% of Scope 1 are Saica Paper issues (all under the European regulated market).
	Analysis of the long- and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets and analysis of the results in relation to these targets	RT-CP-110a.2	Pending goals
Air quality	Atmospheric emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs) and (4) particulate material (PM)	RT-CP-120a.1	E. We value the planet / Annex II
Energy management	(1)Total energy consumed, (2) percentage of grid electricity, (3) percentage of renewable energy, (4) total self-generated energy	RT-CP-130a.1	(1) 36,761,306 GJ (2) 84.13% (3) 16.24% (4) 7,772,837 GJ
Water management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high initial water stress, (3) total water withdrawn, (4) total water consumed, percentage of each in regions with high or extremely high initial water stress	RT-CP-140a.1	(1) 26,645,134 m3 (2) High = 19.24% (3) Extremely high=0.35%
	Description of water management risks and analysis of strategies and practices to mitigate them	RT-CP-140a.2	E. We value the planet
	Number of non-compliance incidents related to water quality permits, standards and regulations	RT-CP-140a.3	No water quality incidents have been recorded in 2020 and 2021.
Waste management	Quantity of hazardous waste generated, percentage recycled	RT-CP-110a.1	Annex II

Subject	Accounting parameter	Code	Location in the Sustainability Report 2020-2021 / Direct Reference
Product safety	Number of recalls issued; total number of units recalled	RT-CP-250a.1	There have been no product recalls related to safety issues in 2020 and 2021.
	Analysis of the process of identification and management of new materials and chemicals of interest	RT-CP-250a.2	<p>The company has a methodology to evaluate the safety of the products it introduces in its processes and, in case of risk, to seek alternatives. We also evaluate the safety of our products in relation to food contact.</p> <p>Annual analytical controls are carried out to ensure compliance with the concentration limits of heavy metals, BPA, phthalates, etc... and to be able to issue certificates of suitability of our paper and packaging.</p>
Product life cycle management	Percentage of raw materials from: (1) recycled content, (2) renewable resources and (3) renewable and recycled content	RT-CP-410a.1	E. We value the planet / Annex II
	Revenues from reusable, recyclable or compostable products	RT-CP-410a.2	100% of Saica Paper's and Saica Pack's revenues are from recyclable products. For Saica Natur and Saica Flex, this information is not currently available.
	Analysis of strategies to reduce the environmental impact of packaging throughout its life cycle	RT-CP-410a.3	E. We value the planet
Supply chain management	Total wood fiber sourced, percentage from certified sources	RT-CP-430a.1	100% of Saica Paper's raw material (paper for recycling) comes from certified sources (FSC, PEFC).
	Total aluminum purchased, percentage of certified sources	RT-CP-430a.2	Not included

2. Activity parameters

Activity parameter	Code	Location in the Sustainability Report 2020-2021 / Direct Reference
Production quantity, per substrate	RT-CP-000.A	E. We value the planet / Annex II
Percentage of production as: (1) paper/wood, (2) glass, (3) metal, and (4) plastic	RT-CP-000.B	Paper production: 3,349,921 tons (36.05% of revenues.) Plastic containers: 890.32 m2 (6.93% of revenues.) The Group does not produce metal or glass.
Number of employees	RT-CP-000.C	We care about people / Annex II

Photographs used

Aneto Glacier 2021 - Symbol of the Pyrenees page. 3

Accesit 6. Glencoe Valley (Scotland) - Danny Stewart / Pack Edinburgh page. 24-25

3rd prize. Glendalough (Ireland) - Christopher Smith / Pack Ashbourne page. 26

Iceland PAP ESP - Fernando Sancho page. 61



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