

A photograph of a lighthouse situated on a long, low stone pier that extends into the ocean. The lighthouse is a tall, cylindrical tower with a red lantern room at the top. Below the lantern room, there are two small, square windows with red frames. At the base of the tower, there is a white, dome-shaped structure with a red door. The pier is made of dark, weathered stone blocks. The ocean is visible in the foreground, and the sky is a pale, overcast blue.

2017 SUSTAINABILITY REPORT

2017 SUSTAINABILITY REPORT

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Front page: Image by Vitor Silveira, Saica Pack Lisbon

2017 SUSTAINABILITY REPORT



Image: Alejandro Bravo_Saica Natur HQ



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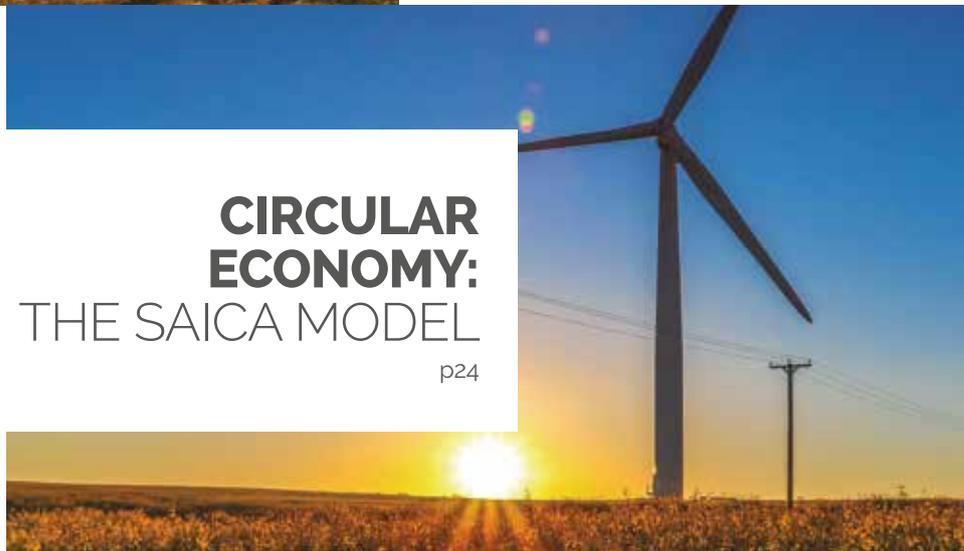


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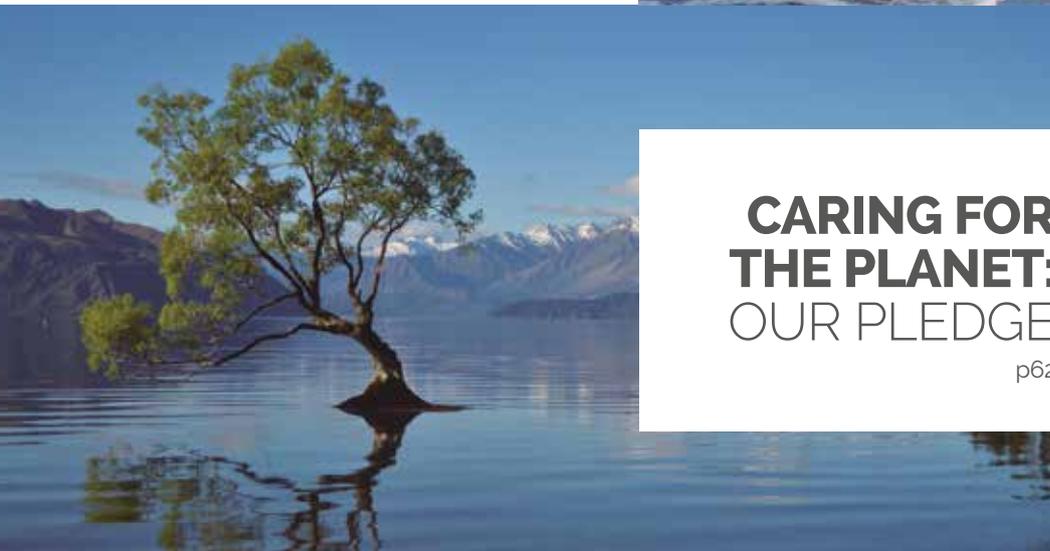
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MAIN 2017 KPIs

GROWTH

14%

SINCE 2016 on consolidated sales

CONSOLIDATED SALES

2,727

MILLION EUROS

PRESENT IN

9

COUNTRIES

EBITDA

34%

INVESTED IN R&D&I AND COMMON INVESTMENT

GHG* EMISSIONS

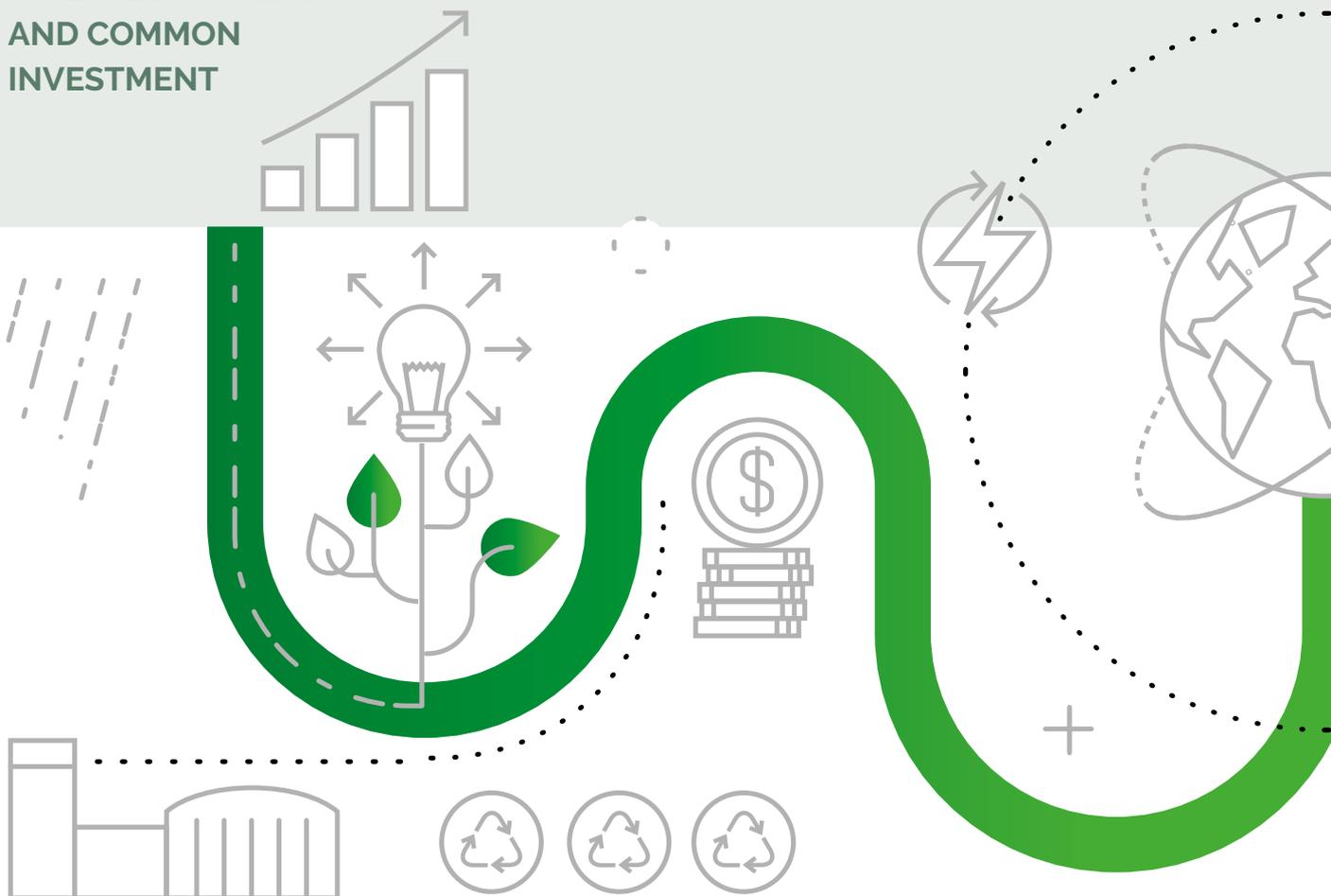
+7.8%

COMPARED TO 2016
*Greenhouse gases

ENERGY

23.98

NET MILLION GJ CONSUMED (GRI)



RECOVERY

2.7
MILLION
TONNES
OF WASTE

RECYCLED PAPER

2.6
MILLION
TONNES SOLD

ELECTRICITY

2,162
GWh SOLD

FLEXIBLE PACKAGING

894
MILLION M²
PRODUCED

CARDBOARD PACKAGING

2,654
MILLION M² SOLD

LOST TIME ACCIDENT
FREQUENCY RATE (LTA FR)

14.6

EMPLOYEES

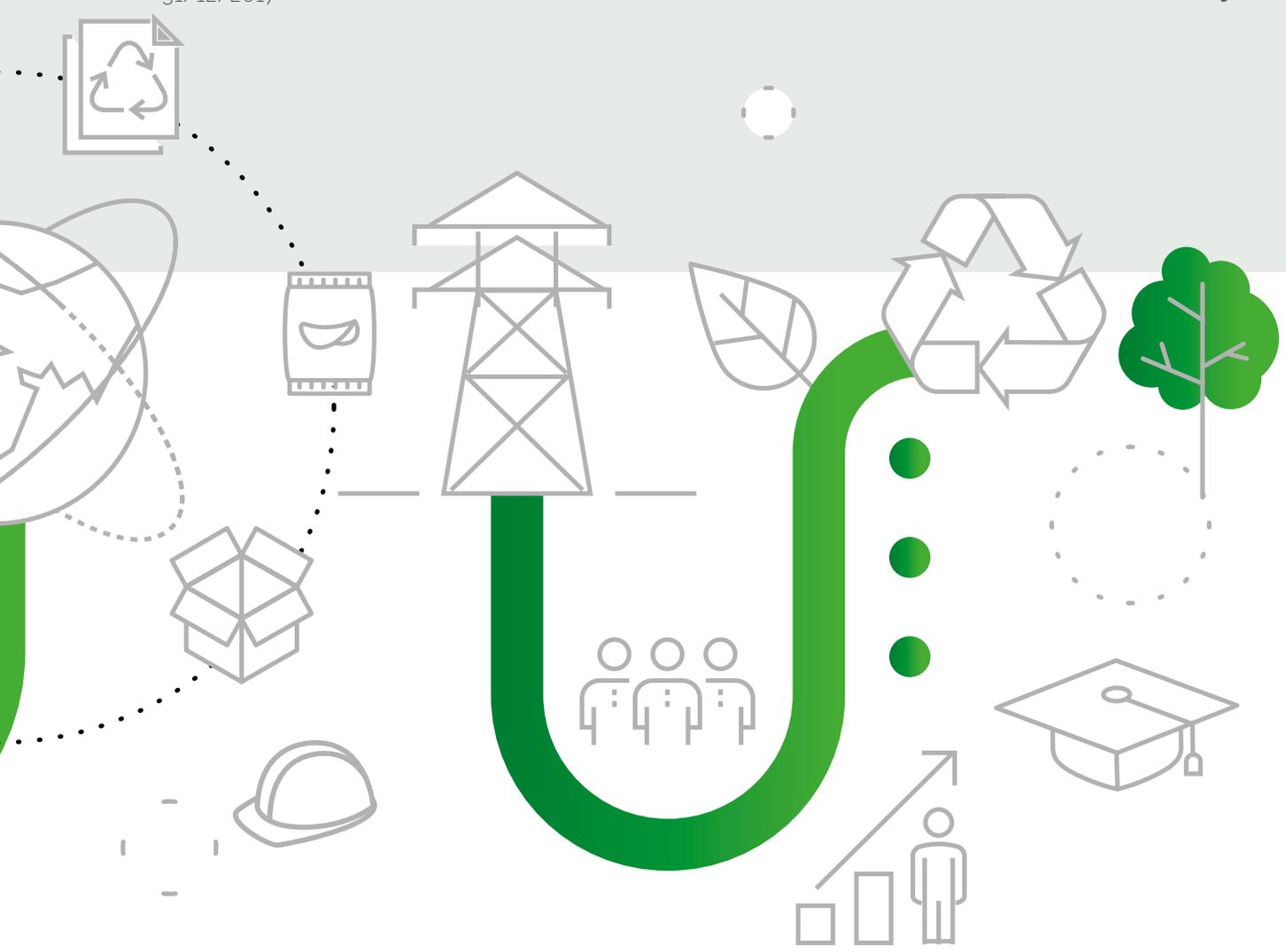
9,379

*Number of staff as of
31/12/2017

+0.64% COMPARED
TO 2016

TRAINING
INVESTMENT

1.2%
of total salary





CHAIRMAN'S LETTER

RAMÓN ALEJANDRO

At Saica, we have many reasons to celebrate our **Group's 75th Anniversary**. From our beginnings, we have grown with a sustainable and innovative vision for our business, firmly driven by the values of our shareholders, our staff's strong commitment, our customer's satisfaction and the protection of our environment. Our adventure began in 1943 with the manufacture of paper and the solid determination to work hard and expand our business, in addition to a clear view of building an integrated value chain able to provide unique solutions for our customers and a clear commitment to achieving operational efficiency.

Our history is an example of what is now called a Circular Economy model. It began with the manufacture of paper from recyclable paper, to later include the integral management of waste, the manufacture of paper and cardboard packaging and, more recently, flexible packaging.

Our vision of a business with marked industrial and responsible sides in equal measure has been supported from the beginning by our shareholders' values. They continue to maintain a long term vision for the business, based upon people and innovation as the keys to provide value to our customers, while considering sustainability as the main element that binds our different company departments together.

Although profitability remains the engine that drives any company forward, this will only make sense if it remains stable over time. At Saica, we are aware that our success depends on

demonstrating our ability to adapt our business strategy to our customers' needs and the goals of our stakeholders, as well as any long term external factors that may affect the company (e.g. resource shortages, changes to demand trends, technological changes and the effects of climate change).

Our excellent customer relationships and determination to continue providing value year after year have seen us become one of the most forward-looking companies in our industry, with ongoing innovations in our paper and packaging design and manufacturing processes, allowing us to stay ahead of any emerging industry trends. We work hard to apply the best technologies, earning market recognition in each of the 9 countries where we operate.

We have an exciting challenge ahead of us: to continue building a leading firm, providing unique solutions to tomorrow's needs for our customers and to remain at the cutting edge of the industry. Thanks to Saica's human team and the support of our stakeholders, I am convinced we will be successful in overcoming the challenges awaiting us in the future.

Ramón Alejandro

"Our adventure began in 1943 with the manufacture of paper and the solid determination to work hard and expand our business, in addition to a clear view of building an integrated value chain able to provide unique solutions for our customers and a clear commitment to achieving operational efficiency"

1943



Saica (Sociedad Anónima Industrias Celulosa Aragonesa) is founded in Zaragoza (Spain) with **6 staff** working in its paper production plant.



1975



Saica embarks on a **diversification process** by acquiring the **cardboard packaging** (Saica Pack) and **integral waste management** (Saica Natur) plants.

1987

First cogeneration plant ever built for the industrial sector in **Spain**.

1998

Saica arrives in **France** with its Saica Paper and Saica Pack businesses.



2000

Saica Paper becomes the leader in **paper weight reduction** with the launch of MPg at El Burgo de Ebro (Spain). **The first ever machine in the world** capable of producing up to **75 g/m²**.

75 YEARS OF HISTORY IN THE MAKING

2011

Saica opens the first **Energy Recovery Plant** in El Burgo de Ebro (Spain), thus reducing paper production waste sent to landfill by 450.000 tonnes.

2012

Saica continues to grow and **expand to other locations** by launching the MP11 at Partington (United Kingdom). A new Saica Paper plant with the most advanced technology.



2015

Saica remains committed to diversification with the opening of the new **Natur Cycle Plus plant** (Spain) for the production of **recycled low density polyethylene pellets**.



Saica continues in its diversification and expansion plan with the acquisition of the **flexible packaging plants** (Saica Flex).



2018



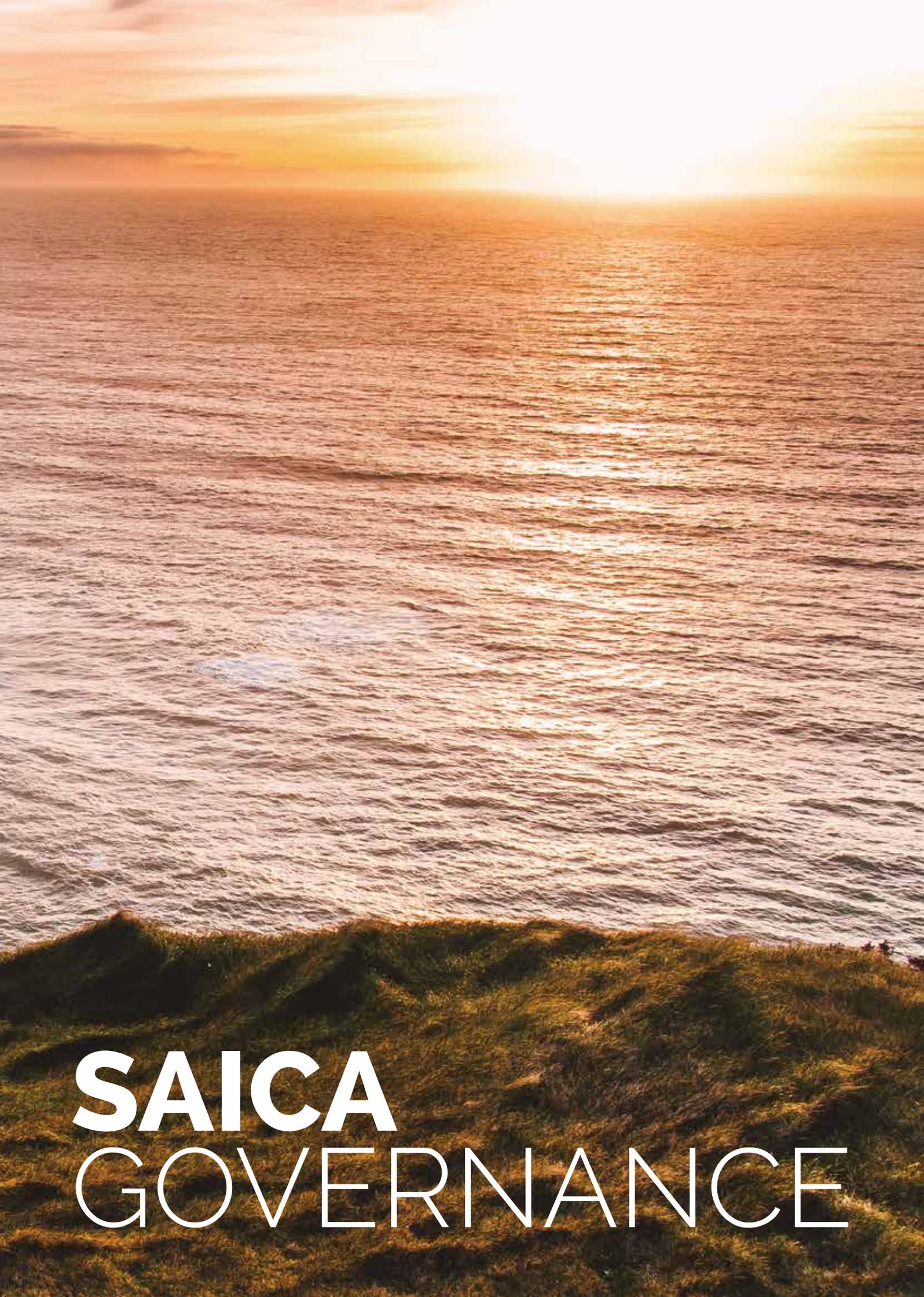
Our company's **75 Anniversary**.

Saica increases its presence in Europe with the purchase of the **Emin Leydier** Group.

After 75 years in business, Saica has become a **leading family business** present in 9 countries with over 9,000 staff. All thanks to its commitment towards the **most innovative technologies** and processes, its energy efficiency, **customer focus** and sustainability. But all this would not have been possible without **all our staff** who works hard to defend **our values** across the Group.



Image - Waldemar Zukowski - Saica Peck Dublin



SAICA GOVERNANCE



PEDRO GASCÓN

Responsible business management

Interview with our Managing Director

What makes Saica different from its competitors?

Since it first started operating, Saica has always stood out from its competitors thanks to its excellent human team and industrial shareholders who are focused on long term sustainable profitability. We have always believed that our company is responsible for providing sustainability for both our stakeholders and the environment around us. To achieve this, engaging all staff and every part of our value chain - customers, suppliers, public authorities, professional and industry associations- is essential, including, of course, the local communities where we operate.

How do you manage to engage so many players in your vision for responsible management?

Firstly, we have established a number of pledges at the corporate level which help us consolidate Saica Group's responsible management

"At Saica, we work hard to convey our values of respect, professionalism, ethical standards and team work, ensuring that these remain at the top level and are acknowledged by both our staff and our entire value chain"

in every country where we operate. A good example of one of these pledges is our business ethical standard, which materialised into Saica's Code of Ethics and Legal Compliance and entered into force globally in 2015. Additionally, our willingness to cooperate and team work, as demonstrated by our communication with our stakeholders, allows us to understand and address their needs and concerns, in addition to sharing their expectations and future goals for the optimal development of our value chain. Finally, none of the above would be possible without good organisational governance. And for that reason, our management strives to achieve sustainability across the entire business, looking for new opportunities for innovation and continuous improvement, while ensuring that the responsible management model championed by Saica through our committees and the different department managers is part of their everyday duties.

Why create a Code of Ethics? What benefits has it provided for the Group?

One of the most important pillars of our Group is our commitment towards the ethical, legal and responsible behaviour of all professionals that are part of our company. Our commitment is intended to ensure exemplary standards of behaviour that go beyond strict legal compliance and that permeate across all our activities, such as our first contact with a new customer, the relationships between our staff and how we deal with public authorities, to name a few. All Saica staff are under the obligation to read and adhere by our Code, as well as observe and comply with all rules and regulations in force in each of

the countries we are based. Our Code is a guide for all professionals that explains how to take ethical and legal decisions in our professional environment. Our aim as Saica's management is to ensure that we create an environment where all staff is comfortable in expressing their ethical concerns, as well as promote an open and transparent culture, both inside and outside the company.

We also want to demonstrate to everyone who interacts with us how serious we are when it comes to our ethical standards and legal compliance, and how essential it is for Saica to be supported by a philosophy and culture that are deeply rooted in compliance with regulations and ethics.

How are your relationships with your stakeholders structured?

When discussing responsible management, our willingness to develop a culture based on communication and collaboration with all players is something we cannot ignore. At Saica, we listen to the feedback and needs of all our stakeholders in an attempt to improve and innovate in each of the stages of our value chain.

And thanks to our ongoing communications via platforms, conferences, meetings and surveys, for example, we are able to understand their concerns and expectations and to offer adapted solutions. This ongoing communication helps us to remain at the forefront of new market trends and anticipate our customers' demands. An example of this is our annual customers' events, a professional forum where we meet our customers to introduce new products and share our new co-innovation solutions.

Our Code of Ethics and Legal Compliance

At Saica, we are convinced that each member of our staff is responsible for building our reputation with their professional actions and decisions. To contribute to the sustainability of our long term success, as well as our business reputation, it is essential to establish high ethical standards and ensure that all professionals who are part of our business behave in a responsible manner.

Our code provides information regarding a wide range of topics that we believe are important to help us achieve our goals, including health and safety issues, fraud, bribery and corruption, diversity, social inclusion and non-discrimination, human rights, data protection and conflicts of interest, to name a few. In order to translate our commitment towards the environment and ensure we act responsibly in this field, we have also included some basic rules that the entire Saica community must abide by.

Our code comprises different sections developed from specific policies or guidelines to clarify certain types of behaviour. These include an anti-bribery and anti-corruption policy to demonstrate Saica's commitment towards integrity and legal compliance with all our stakeholders in any business or location. We

assess our operations to avoid any corruption related risks, we control all donations, sponsorships and gifts granted in each of the countries, we have a supplier approval system and we also carry out audits on all payments made to third parties. In addition, all Saica staff is under the obligation to read and adhere to the company's principles and commitments.

We created the Ethics and Legal Compliance Committee Directive as the team to establish the organisation of resources and staff involved in compliance duties and to oversee the application of the code to prevent any illegal practices occurring. We created a corporate Ethics and Legal Compliance Committee, in addition to separate committees for each of the 9 countries where we operate, with the purpose of overseeing the dissemination, training and general compliance with the different sections, as well as to investigate any issues or reports that may arise prior to any decisions made by the management.

In 2017, we were subjected to fraud attempts by third parties, which were reported to the police. In addition, between April 2016 and April 2017, we made 15 police reports (2 thefts, 11 due to

harassment and discrimination, 1 for competition and conflict of interest and 1 involving health and safety) in our operations in Spain, France and the United Kingdom; with no reports in the remaining countries. All the above issues were investigated and referred to the relevant departments to deal with, in addition to implementing measures such as filing each report, relocation of staff or, in certain cases, their dismissal.

Our aim as Saica's management is to ensure that we create an environment where all staff is comfortable in expressing their ethical concerns to their colleagues, supervisors, their HR team or any other department with ethical and compliance responsibilities.

In 2017, with the aim of improving our commitment towards ethical and responsible behaviour, we established a specific training schedule for each country to provide all our staff with an ongoing refresher course on these matters. A total of 8,073 hours of training in the Code of Ethics and Legal Compliance were given to 85% of the staff, which we intend to roll out to reach 100% of our staff by 2018. Within the above training, 10% of the time was dedicated to matters concerning Human Rights.



Saica's **Code of Ethics and Legal Compliance** is available from our website at www.saica.com



For any queries, please write to us at: compliancegroup@saica.com

Stakeholder communication

Any company that wants to successfully respond to global trends and new market demands should focus their efforts on maintaining open and constructive communication with their stakeholders. In this process of transformation towards a responsible business model, the communication between companies and their stakeholders is becoming increasingly critical; particularly when it comes to identifying stakeholder expectations and demands and modifying company business strategies to satisfy them.

Thus, in the last few years we have worked hard to achieve

effective communication with all our stakeholders. This has been done by attending and taking part in the main industry events and associations; organising professional forums with our customers; informing the public about our environmental performance via our Environmental Reports; and sharing the main news concerning the company on our corporate website and in the Saica People newsletter, which is also a tool to make our staff's voices heard.

Maintaining communication with all the players in our value chain

helps us, not only to understand our customers' needs, but also to anticipate new trends; thus providing added value.

We identify our stakeholders through different factors, including our upstream and downstream dependence levels within our value chain, their proximity with our operations and the degree of influence in our decision making process. Based on the above main criteria, our main stakeholders are our shareholders, staff, customers, local communities, suppliers, NGOs and industry associations and the public authorities.



How we work

Sustainable Development and Human Resources Director

Saica's sustainability starts with the values we all share: "We care for the future", "We provide value" and "We accept the challenges". These values help guide our decisions, resulting in a solid corporate culture.

Integrating sustainability within our culture has been relatively easy, thanks to the features of our business model, which is based on the Circular Economy. What we know as the Saica DNA is actually the result of our business development, which is based on the responsible and efficient use of our resources, as well as the active and essential participation of all our staff throughout the process.

We develop our business in the most sustainable and innovative manner from the initial design of products and services intended to help our customers to achieve their commercial targets while reducing their impact upon the environment.

In order to fulfil our commitment towards our customers while maintaining the highest excellence standards, we look after our staff and provide them with ongoing training in order to allow them to develop their professional skills and to immediately integrate these into their everyday duties. Thanks to our ongoing training scheme, Saica has remained at the forefront of new technologies and techniques, developing innovative industry products and services and delivering growth to our organisation.

Another element to highlight regarding the way we work is sustainability. This is our pledge towards transparency. We are well aware of the increasing importance of transparency in the business sector, particularly in regards to sustainability. And for that reason, on the occasion of our 75th anniversary, we have decided to publish our first Sustainability Report. At Saica, we believe that adding further transparency to our relationship with our stakeholders can result in great opportunities for our business, since all our activities revolve around their needs and our connection with them. Working towards further transparency can help us grow our organisation's market reputation, strengthening our competitiveness and improving our relationships with customers.

In the last few years, and in line with the above, Sustainable Development Goals (SDG's) have become a guide for any companies who want to join the transformation process in order to achieve an economic growth that is both inclusive as well as sustainable. At Saica, we want to become part of this initiative, actively working towards achieving those targets that can yield the most profits to our business and knowledge model. In this manner, we expect to maximise the positive impact of our operations and to take advantage of any resulting synergies and opportunities while improving our commitment to sustainability and our market competitiveness.



PILAR FRANCA

"An essential part of any organisation's future success is to ensure that sustainability becomes part of its corporate culture"

Our values, Saica's DNA

Saica's culture and values unite, guide and inspire each and every one of our staff members. These are the values that synchronise the behaviours we must adopt to achieve the success we are aiming for and to become a unique Group within our industry.



OUR MISSION

We provide sustainable solutions to produce paper and recycled packaging as well as to manage and valorise waste.

OUR VALUES

WE CARE



WE VALUE



WE CHALLENGE



We care for the future

As a family business, we are committed to ensuring the future of new generations through balanced, sustainable and profitable growth within a safe and environmentally friendly work environment, while taking into consideration all the concerns and expectations of our staff, customers, suppliers, shareholders and other stakeholders.

We offer value

We value all our stakeholders, in regards to both their current and future development. An example of this is our relationships with customers, where each case is analysed individually by penetrating and researching into every link of their value chain. This is done to understand their needs and expectations and provide them with the best service and product quality, thanks to our ongoing improvement process, as well as through participation, transparent management, acknowledgement and by removing any processes that do not provide any value.

We accept challenges

We confront our challenges by establishing open communication channels with our stakeholders that drive our innovation, growth and efficiency; thus promoting the research and development of new products and services, as well as new management systems that contribute to consolidate future growth, beyond the pursuit of short term profit and without compromising future resources.

Corporate governance

Our Board of Directors, chaired by Ramon Alejandro, is our main governance body. This board is corporate in nature and is ruled by effectiveness and business efficiency criteria. It comprises an Audit and Ethics Committee and Appointments and Remunerations Committee. The Board of Directors is in charge of approving the Group's strategy, the selection, assessment and compensation of the top executive body, as well as delegating all executive and control duties to the Group's Executive Committee, while ensuring that these are carried out within the established ethical behavioural standards.

In addition, Saica Group's Executive Committee is in charge of preparing and submitting the above strategy to the Board of Directors prior to its approval, and subsequently deploying it and monitoring the different business areas and functional departments within the company. It is also the top governance body in terms of executive decisions about R&D&I, financial, social and environmental matters. Our Executive Committee consists of the Chairman, the Managing Director, Pedro Gascón, and the Strategy and Corporate

Development Director, Susana Alejandro.

At Saica Group, sustainability is led by the Sustainable Development and Human Resources department, whose main aim is to promote responsible actions within the different business areas and ensure compliance with the Group's commitments towards its stakeholders.

In close collaboration with the Financial and R&D&I departments, it manages to integrate all functions deemed necessary to maintain Saica's sustainability across the entire company.

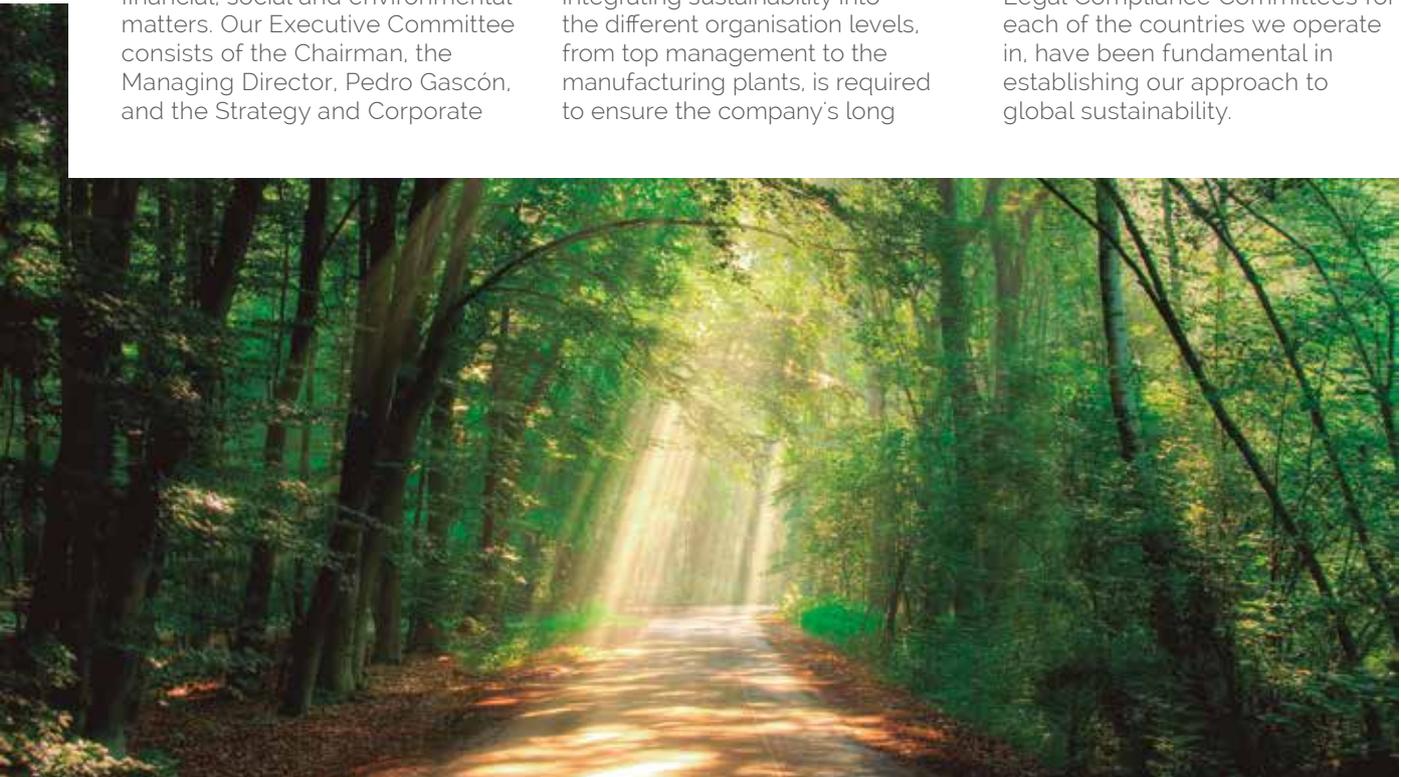
All the above departments report directly to the Managing Director and their directors are part of the Group's Executive Committee together with the Managing Directors of each business (Saica Natur, Saica Paper, Saica Pack and Saica Flex) as well as the Strategy and Corporate Development Department.

At Saica, we are convinced that integrating sustainability into the different organisation levels, from top management to the manufacturing plants, is required to ensure the company's long

term future, as well as to meet our stakeholder's needs. For this reason, it is an essential part of every management committee's agenda for each part of the business, country and plant, to identify and manage any potential financial, environmental and social impacts while establishing the annual targets which are assessed and reviewed on a regular manner.

Moreover, our commitment towards sustainability also implies establishing strategies, targets and action plans to drive projects to contribute to improving our financial, social and environmental performance. It is also crucial to ensure that these are within the regulatory framework and our Code of Ethics and Legal Compliance.

In line with the above, the creation of the Global Ethics and Legal Compliance Committee, approved by the Board of Directors, led by the Group's Legal Department, and reporting directly to the Board of Director's Audit and Ethics Committee, and the creation of the corresponding Ethics and Legal Compliance Committees for each of the countries we operate in, have been fundamental in establishing our approach to global sustainability.



Our risk and opportunities management approach

At Saica, the analysis of risk and opportunities is part of our management system and each of our lines of business and functional areas, from the strategic plan definition process, taking place every 5 years, to the definition of the annual "master plan" for each business area, country and plant. In each of these

stages, we carry out a SWOT analysis to identify all risks and opportunities and to subsequently prioritise our action plans.

This system ensures we have adequate capacity to respond to any uncertainties arising from global trends and the impact these may have on our businesses

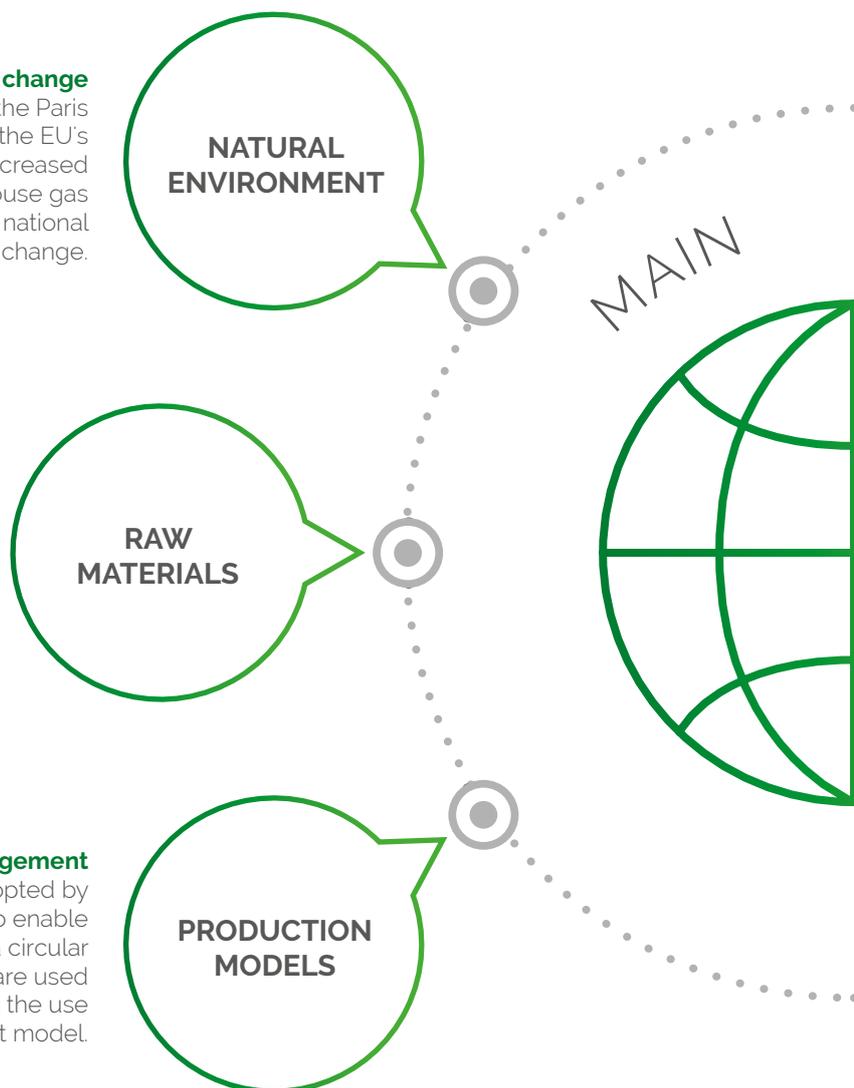
and customers' demands; allowing us to anticipate any market changes to be more resilient when facing changes in demand for our products and services.

Analysing the existing global trend framework, we have highlighted the following critical factors for consideration:

Climate change
Following the coming into force of the Paris agreement and the modification of the EU's Emissions Trading System, there will be increased pressure on markets to reduce their greenhouse gas (GHG) emissions, as well as to develop national policies to mitigate and adapt to climate change.

Shortage of natural resources
The current level of consumption is not only unsustainable, but also poses a threat to future economic growth. Different global agendas have called for a transformation of current production models towards circular models.

Waste management
Measures have been adopted by the European Commission to enable the transition towards a circular economy, where resources are used more responsibly, minimising the use of landfill as a management model.





Transparency

Following the coming into force of EU directive 2014/95 on non-financial disclosure, for the first time the focus has moved beyond purely financial indicators to the companies' overall performance.

Technology advances

The digitalisation of society caused by information technologies will bring further disruption to the markets. In addition to this, the use of Big Data will modify the company's speed of response to consumer demands.

Changes to purchasing factors

Consumers are demanding further participation in the product design and creation process. Furthermore, new consumers will demand products that are more environmentally friendly and produced responsibly.

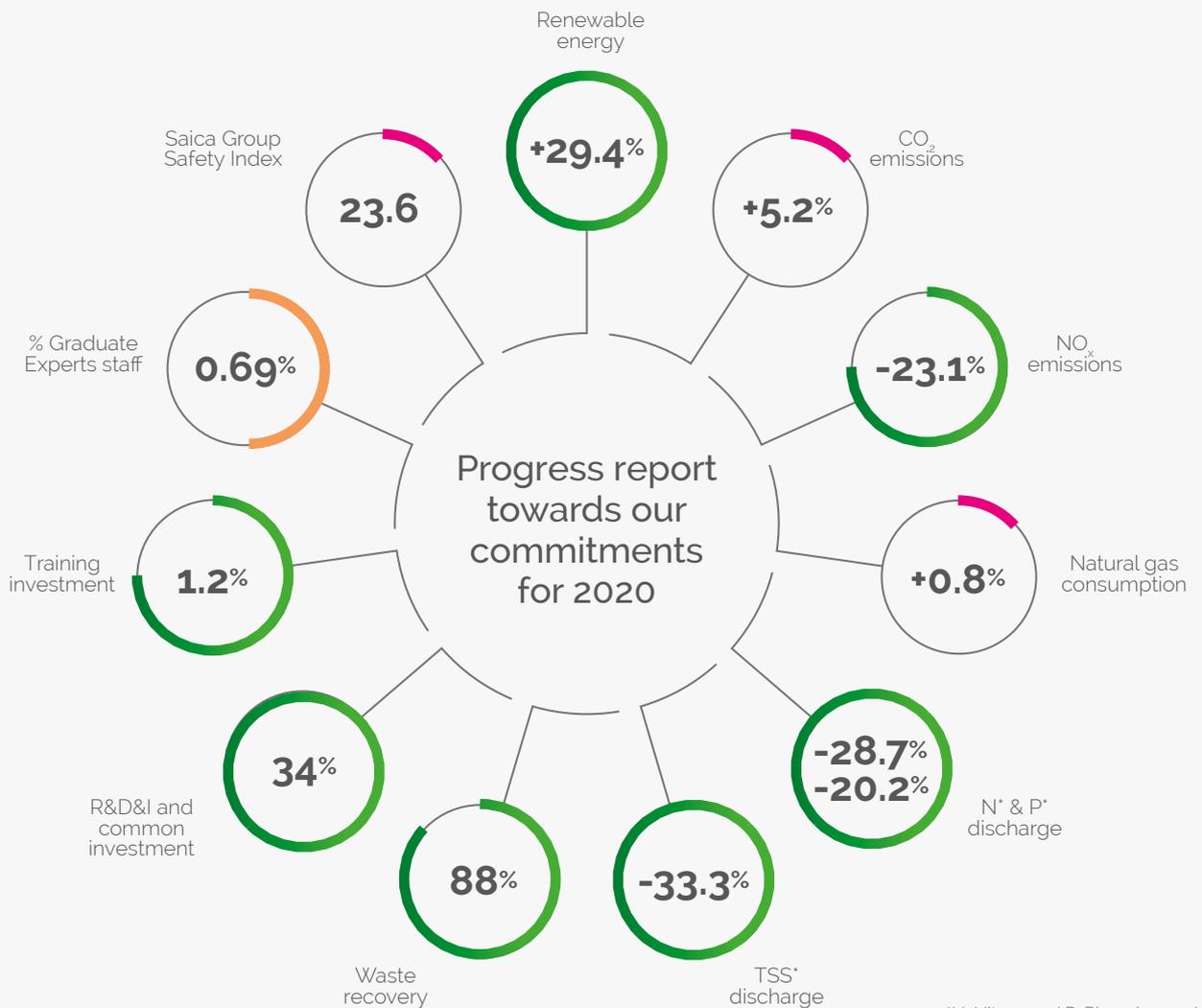
Saica 2020: Committed towards sustainability

At Saica, we believe in establishing short and medium term goals as a fundamental part of achieving our long term vision. Our "Saica 2020" commitments guide the way and set our goals and targets for our business activities, providing tools for responsible management. By integrating sustainability into our everyday life, we make a strong commitment towards energy efficiency and the increased use of renewable energy, following the circular economy principles, optimising manufacturing and recovery

processes, while designing sustainable and recyclable products through ongoing staff training and talent recruitment.

Our approach is fully aligned with the main global sustainability agendas, such as the European Circular Economy Package or the UN's **Sustainable Development Goals** (SDGs) adopted by world leaders for the purposes of eliminating poverty, protecting our planet and ensuring the prosperity of all mankind. These SDGs explicitly call upon all the

corporate sector to contribute their creativity and innovation to resolve the most pressing challenges facing human kind. Thus, we at Saica want to demonstrate how our business can help us move forward towards sustainable development via our activities and the solutions we provide to our customers. The SDGs allow us to quantify our direct contribution, in addition to providing us with a reference framework against which we can measure our progress, as listed in the following section **"Saica 2020" Targets**.



*N: Nitrogen / P: Phosphorus / TSS: Total Suspended Solids

SUSTAINABLE DEVELOPMENT GOALS

Our alignment with the SDGs

Our "Saica 2020" Targets

 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>3. GOOD HEALTH AND WELL-BEING: We ensure we create a safe work environment for our staff by establishing and implementing our own occupational Health and Safety management system. (For more information, see "Social model: long term relationships").</p>	<p>Preventing occupational hazards and promoting safety</p> <ul style="list-style-type: none"> • Reducing the Group's Safety Index below 12.5.
 <p>6 CLEAN WATER AND SANITATION</p>	<p>6. CLEAN WATER AND SANITATION: We work to implement improvements in all our water treatment facilities, optimising our biological, physical and chemical processes to achieve discharge parameters that are below the legal restrictions, increasing the efficiency of our anaerobic digestion processes, optimising the number of additives used during the process and maximising water reuse in the different stages of the production process. (For more information, see "Caring for the planet: our pledge").</p>	<p>Reduce the load of pollutants in Saica Paper discharge effluents</p> <ul style="list-style-type: none"> • Reducing the tonnes of N and P discharged by 20% when compared to 2015. • Reducing the tonnes of TSS discharged by 10% when compared to 2015.
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>7. AFFORDABLE AND CLEAN ENERGY: We promote a better use of energy, leading the energy efficiency proposals in all our processes, e.g. production, logistics, storage and green design. We work towards further increasing our use of clean fuels and renewable energy, using biogas and non-recyclable waste as alternative energy sources to fossil fuels. (For more information, see "Caring for the planet: our pledge").</p>	<p>Reducing our fossil fuel consumption and increasing the use of renewable energy</p> <ul style="list-style-type: none"> • Increasing the use of renewable energy by 25% when compared to 2015. • Reducing the use of natural gas by 3% when compared to 2015.
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>8. DECENT WORK AND ECONOMIC GROWTH: We provide each of our staff with fair and dignified employment, remunerated in conformity with the rest of the industry and the opportunity for professional development within our company. In addition to this, we demand that all suppliers who intend to work with Saica also adhere to our Code of Ethics and Legal Compliance, thus promoting behaviour which is ethical and legal with regard to labour practices and staff working conditions. (For more information, see "Social model: long term relationships").</p>	<p>Continue to promote the development of our staff</p> <ul style="list-style-type: none"> • Investing 1.5% of the total Staff salaries in training. <p>Developing talent to ensure growth</p> <ul style="list-style-type: none"> • Ensuring that 15% of our staff come from the Graduate Experts scheme.
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>9. INDUSTRY, INNOVATION AND INFRASTRUCTURE: All activities carried out at Saica are guided towards building a resilient infrastructure to meet market demands, promoting inclusive and sustainable industrialisation and driving innovation to provide solutions for our customers. (For more information, see "Circular Economy: the Saica model").</p>	<p>R&D&I and common investment (excluding acquisitions and new plants)</p> <ul style="list-style-type: none"> • 24% of EBITDA.
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>12. RESPONSIBLE CONSUMPTION AND PRODUCTION: We use responsible designs to provide solutions that reduce the consumption of natural resources, minimising the loss of materials and increasing their recycling and recovery. We are progressing towards the implementation of circular economy models in our customer's businesses and value chains. (For more information, see "Circular Economy: the Saica model").</p>	<p>Achieving Zero Waste</p> <ul style="list-style-type: none"> • Achieving Zero Waste in all Group operations.
 <p>13 CLIMATE ACTION</p>	<p>13. CLIMATE ACTION: Our environmental management system is part of the global struggle against climate change. This includes adopting a series of commitments towards the reduction of our emissions: e.g. promote energy efficiency, use of cleaner energy sources, sustainable and green product design and optimisation of manufacturing and recovery processes. (For more information, see "Caring for the planet: our pledge").</p>	<p>Reducing atmospheric pollutant emissions</p> <ul style="list-style-type: none"> • Reducing total CO₂ emissions (Scope 1 + 2) by 3% when compared to 2015. • Reducing 50% of Saica Paper's NO_x emissions when compared to 2015.

OS



Image : Michael Gillespie_ Saica Pack Hartlepool

A landscape photograph featuring a field of yellow flowers in the foreground, a clear blue sky with power lines, and a bright sun on the horizon. The text is overlaid in white, bold, sans-serif font.

CIRCULAR ECONOMY: THE SAICA MODEL

Circular Economy: the Saica model

During 2018, Saica is celebrating 75 years of unwavering commitment towards responsible business management, providing a top quality service for our customers and developing innovative solutions in response to market demand.

Throughout our history, we have excelled thanks to the application of cutting edge technology and equipment. Our mission now is to continue innovating and anticipating the future needs of our customers and their consumers, while continuing to develop our sustainable and responsible business model, taking advantage of all the opportunities that may arise in the manufacturing industry.

Within the above business model, the **Circular Economy** plays a central role in Saica's view. Its goal is to maximise the use of all resources, reduce waste generation and re-use waste as secondary raw materials for subsequent re-introduction into the production cycle. At Saica, we have made special efforts from the beginning to integrate this circular vision into the heart of our long term strategy. Thanks to these efforts, we are now able to offer our customers maximum added value in our products while reducing the impact of their business upon the environment.

To bring about this circular business vision, we have involved

the different players in their value chain and managed to engage the participation of our customers and suppliers in the production processes of our Group's four business areas. By promoting these types of collaborations, we have achieved full system alignment, creating products that are easier to recycle, improving waste collection, transportation and recovery, as well as developing responsible and innovative solutions for our customers. With the above proposal for value, we are also addressing the development of new regulations intended to drive changes in the production model, such as the **EU's Circular Economy Package**.

CIRCULAR ECONOMY PACKAGE GOALS

OUR ALIGNMENT

Recycling
70%
of packaging waste
by 2030

We are working towards the recovery of paper and cardboard packaging for subsequent recycling at our Saica Paper facilities to manufacture new recycled paper packaging. This may be used in the manufacture of new paper and cardboard packaging, thus achieving a circular production model. In 2017 Saica Paper **recycled** a total of **2,903,005 tonnes of paper for recycling**, a **2.2%** increase on the previous financial year.

Likewise, we are working towards the recovery of low density polyethylene (LDPE) for subsequent recycling into new recycled pellets which can replace and reduce the use of virgin pellets.

Reducing all types
of waste sent to landfill
to a maximum
of **10%**
by 2035

As a company, we strive towards achieving our **Zero Waste** target and, for that reason, we want to help our customers reach the same goal by implementing systems that ensure adequate waste segregation to simplify its reuse, recycling or recovery, thus preventing disposal at landfill sites.

From an internal point of view, our project to recover **fly ash** from paper waste energy recovery plants for **use in construction** is yet another example of our efforts towards integrating the circular economy concept into our business model.

Promoting
Eco-design
to simplify product
recycling

Our R&D&I department develops new types of **recyclable** paper, packaging and packaging materials, including complex applications, in an attempt to simplify waste recycling for our customers and their consumers.

Our new flexible packaging for the fresh food industry **Monoflex** is 100% recyclable thanks to its mono-material structure based on PET only, allowing for its recovery and reuse in the production cycle.

At Saica, the circular economy model is integrated into every department, aligning our customers' needs with the services we offer. To minimise their impact on the environment, we provide our customers with an integral waste management solution, allowing them to optimise their processes and costs and providing value to their business. Driven by our Zero Waste target, we develop customised solutions to take full advantage of their waste and design better systems to reuse and recover it.

We recover paper and cardboard waste from our customers and transform it into secondary raw materials. All this paper and cardboard waste is recycled at our paper factories and turned into new packaging at our corrugated cardboard manufacturing plants. Thus, we ensure that all packaging waste is reintroduced time and time again into the production and consumption system, thus preventing it being sent for disposal to landfill.

Three years ago, Saica took a firm step towards its circular strategy with the reuse of LDPE waste. This is now transformed into recycled pellets for subsequent use in the packaging, building, agriculture and automotive industry sectors, in the form of films that can be recycled again, thus reducing the amount of virgin pellets used by our customers.

However, we have not only applied our circular model to our own customer's products and services, but we also lead by example and apply the same principles to our own business, thus achieving an integrated value chain between our different departments. And when there is no feasible alternative to recycling our waste, it is sent to our energy recovery plants, to produce steam and electricity, thus avoiding its disposal to landfill.

EXAMPLES OF THE CIRCULAR ECONOMY AT SAICA



Financial performance

At Saica, we believe that sustainability and long term growth are the best guarantees to continue creating profitable and long lasting value for all our stakeholders: our customers, our staff, shareholders and local communities. Our goal is to continue building a strong business, investing in our staff, modernising our assets and developing R&D&I, while maintaining growth through strategic acquisitions. These are the key elements to maintain a strong financial position and generate further value in the long term. We can thus take advantage of all the opportunities arising from the global environment

and new market trends, while preserving our competitive edge and developing solutions for the global challenges confronted by our society.

In 2017, Saica Group achieved prominent results with a steady growth in the demand for our products and services. Our consolidated turnover amounted to €2.727 million and this year saw major investments in our businesses. We worked hard to develop new solutions for our customers, while finalising investments in technology and innovative developments that will form the basis of our future growth.



Sustainability and long term growth are the best guarantees to continue creating profitable value for all our stakeholders: our customers, our staff, shareholders and local communities



PERFORMANCE BY BUSINESS AREAS



ECONOMIC VALUE DISTRIBUTED BY CONCEPT



Confronting market challenges with innovation



Innovation is what drives our business forward, and is a fundamental part of each of our operations, from analysis of the challenges raised by our customers, to knowledge about their markets and the design and development process. Our commitment towards sustainable innovation is led by our goal to offer a customised service to meet our customers' needs while offering the maximum added value to their products and maintaining the highest standards of excellence at all times.

We begin by reviewing the needs of each customer, researching their market, its demographics and the new trends in our competitive environment. Once we have gained an understanding

of these concepts, we seek to optimise their packaging material to maximise efficiency during transportation, storage and display while, of course, minimising its impact on the environment. On a daily basis, our technical departments create new products that adapt to our customer's needs, providing new ideas and improving their product quality as well as our own process efficiency, with the notion that everything will have a positive effect in the creation of value.

In addition to this, we collaborate with the top European technology institutions and are equipped with the most advanced technology developed on our own premises. This enables us to offer expert packaging advice to our customers, by carrying out advanced transportation tests where we measure the resistance

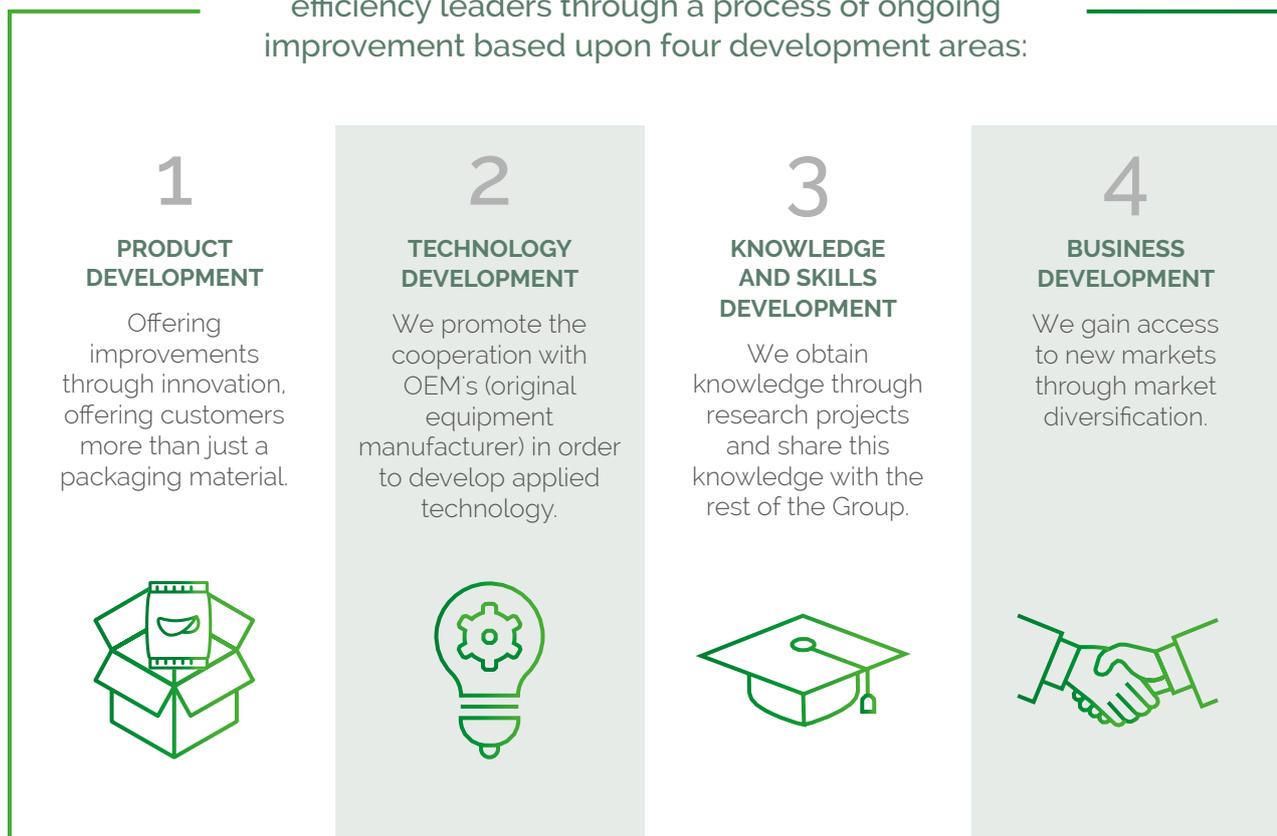


At Saica, we continue to drive innovation as the basis of our market differentiation, as well as our commitment towards the future and the sustainability of our business and customers, by providing new useful life to all resources within the Circular Economy in our efforts to achieve Zero Waste



capability of every packaging material in the logistics chain through the use of simulation tests.

Our mission within the R&D&I department is to become efficiency leaders through a process of ongoing improvement based upon four development areas:



Saica Creative: manufacturing new ideas

In order to meet our customers' demands in a more precise way, we have developed new collaboration work methods based upon creativity, professionalism and productivity. Our goal is to improve communication with our customers in order to "manufacture good ideas" across their value chain. And for that purpose, we establish long term collaborations that allow us to expand their business goals and to improve our alignment with their expectations.

For that reason, our **Saica Creative** department has a number of NDC (National Development Centres) in the UK, Spain and France. In addition to this, we have a total of 120 designers with wide experience in the retail market, new materials, supply chain and customer mechanisation, who work to provide and develop the best customer solutions, while maintaining a constant direct relationship with our customers and sharing any progress and the latest industry technology.

As part of our Saica Creative programme, 2017 saw the launch of Saica Pack's **Customer Experience Centre** at Wigan, United Kingdom. An innovative centre where customers are immersed into a creative process where they are able to design their own products in real time alongside our technicians, with the capacity of obtaining the first few packaging samples after only one or two sessions. In order to achieve this, we have used the latest technology and imaginative design, resulting in a welcoming, versatile and ground-breaking space created with the aim of meeting every customer's specific needs.

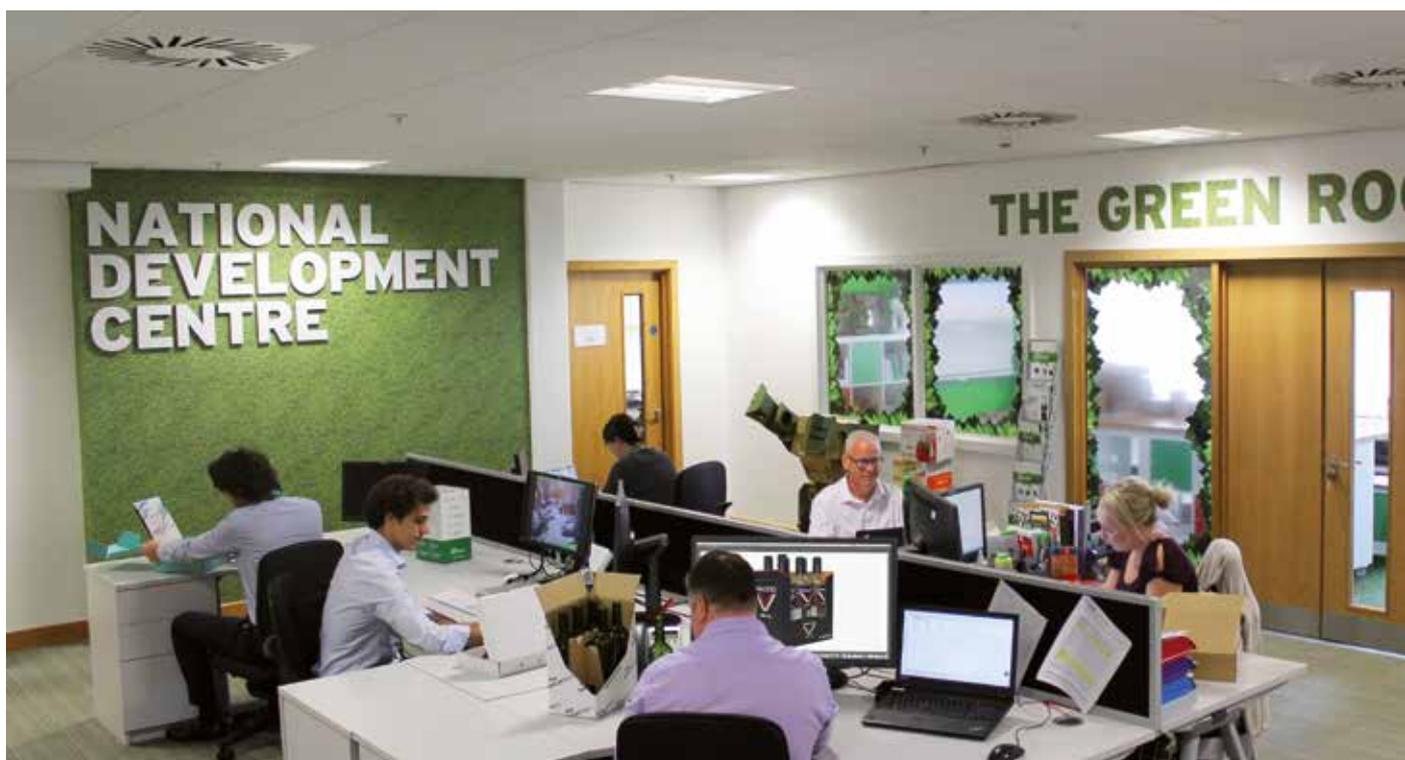
We must also highlight that part of our process involves a testing supermarket that looks like an average shop where customers can experience a real view of their product as seen on the shelf. It is also equipped with an industrial refrigeration unit to display chilled products while offering customers a ground-breaking way of viewing their cold beverages on display.



Our culture is customer oriented, in order to improve our quality levels and to differentiate ourselves through innovation



Our Manchester centre also features **The Green Room**, an inspiring space for innovative production, generation of ideas and productive development, where we create the best solutions working closely with the Saica Pack Workshops, using brainstorming sessions for creative development alongside our customers. Finally, in February 2017, Saica Flex concluded the development of the new **Design Centre** at Wigan, UK, a new space focused in the development of new packaging materials and formats providing additional added value to the Group, as well as a runner up at the UK **Flexible Awards**.





Case studies: Saica Flex – Monoflex packaging

Collaboration between the Saica Flex R&D&I team and a European leader in the manufacturing of rigid thermoformed PET trays, has led us to develop our **Monoflex** packaging, a unique market solution for fresh food products that is also 100% recyclable.

Monomaterial packaging provides the same features and functionalities as old fashioned packaging using a combination of materials (PET-PE + EVOH + PE). However, since it is made from PET only, all leftover clipping losses can be reintroduced for reuse into the cycle.

When compared to the old trays, the most striking fact is the **46% reduction in width**; thus, reducing losses and increasing transport efficiency. In addition, its lower sealing temperature means we are able to reduce our CO₂ emissions from energy consumption. All the above has been achieved while also increasing our customer's added value perception, due to its higher quality finish which is glossier and more transparent.

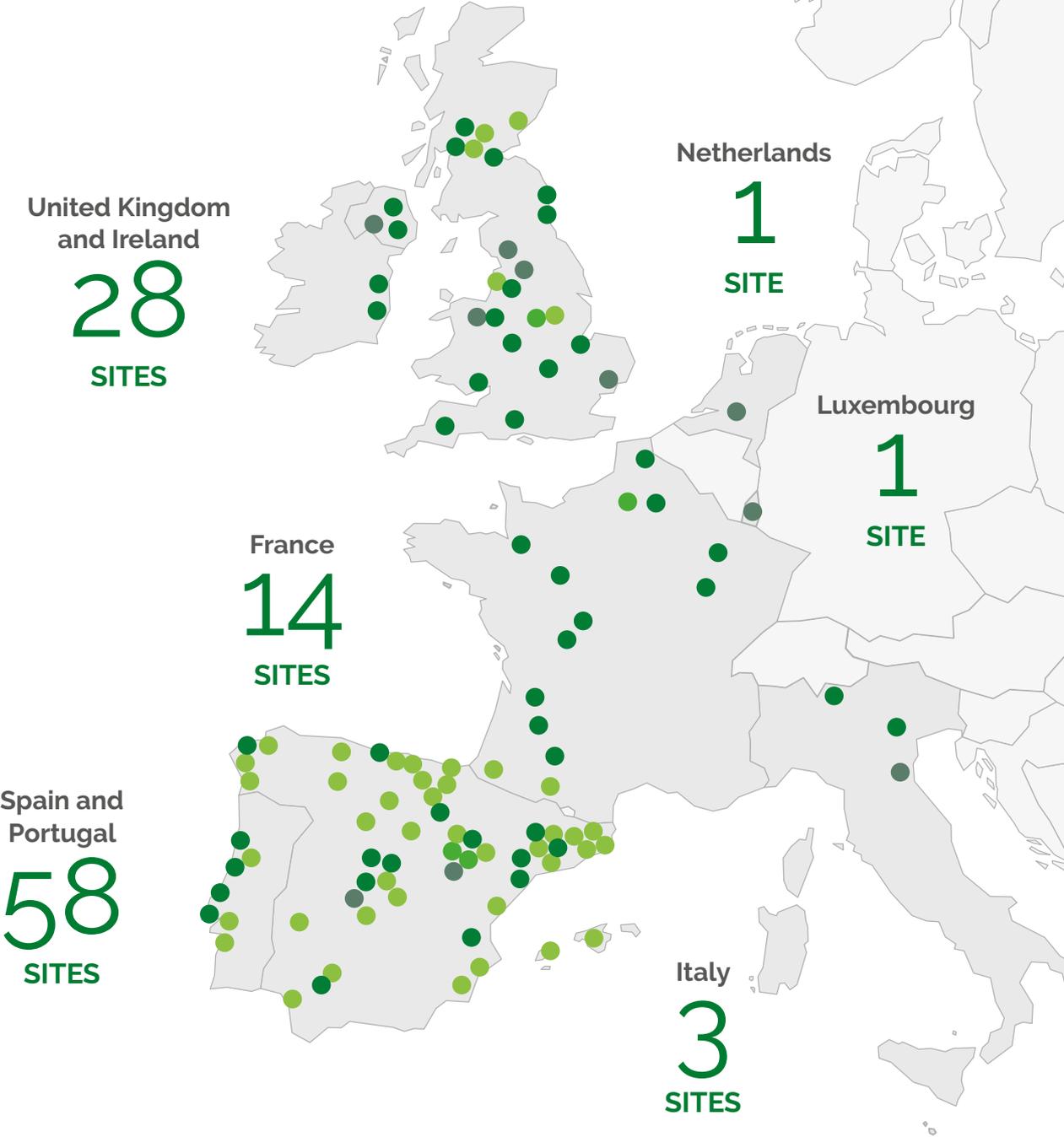


WIGAN DESIGN CENTRE TESTIMONIAL

"I had the pleasure of visiting the Saica Flex Design Centre in Wigan. It was reassuring to see our packaging supplier investing in the right areas of its business to ensure its thinking and capabilities are up to date. Whilst in a competitive category, the facilities built will certainly give Saica Flex the right methodology and tools to engage their clients brief in a thorough manner. I look forward to collaborating with Saica Flex and creating some exciting solutions for our customers and colleagues in the future."

Raymond Li, Buying manager for product packaging at Tesco

Presence by country





Organisational changes

Closure of the Saica Flex plant in Zaandam, Netherlands:

these premises ceased trading due to environmental, production, operational and technological issues that posed a risk to its continuity. Saica offered support in the form of training and relocation of staff to its remaining plant in the Netherlands as well as the opportunity to work in other activities in the local area. At the time of going to press, 80% of affected staff had found alternative employment.

Closure of the Saica Natur plant in Bilbao, Spain:

due to the expropriation of the land by the Bilbao city council. Saica Natur proceeded to close its production centre in Deusto. These changes did not result in any staffing changes, since all employees were relocated to nearby premises.





Tailor-made customer solutions

Saica Natur: waste management and environmental solutions

Our Saica Natur department promotes change among our customers towards a more sustainable model based on the Circular Economy, providing customised solutions for waste collection, classification, recovery, reuse and utilisation. With 44 plants distributed in 4 countries, we lead the way towards a Circular Economy with the purpose of improving sustainable

management as a requirement to provide our customers with a competitive edge.

For that reason, at Saica Natur we accept our customers' challenge to achieve **Zero Waste disposal to landfill** while promoting the use of waste as secondary raw materials. To achieve this, we work with a management system based on waste recovery and

contributing our technology and know-how to finding solutions that give all waste a second chance: reintroducing it into our customers' value chain as a raw material or using it to produce energy, thus avoiding the negative impact of disposal to landfill. In this manner, we can guarantee a circular economy based management through the services that we offer to our customers:

SAICA NATUR: THE VALUE OF ZERO



We offer maximum value and **traceability** for all types of waste, offering customers our materials' **quality standards** as well as our experience and market knowledge, in addition to our network of facilities and own technology.

We accept our customers' challenge to dispose **Zero Waste** to Landfill. We find solutions to give all waste a second chance as a **secondary raw material** or to **produce energy**, thus avoiding the negative impact of disposal to landfill.

We analyse our customers' value chain, ensuring that all waste recovery is maximised. We suggest alternatives to improve their **operational efficiency** while minimising recovery costs and contributing to **reducing their carbon footprint**.

We work with our customers in both the **direct use** of their own waste in order to transform these into a new product, as well as including **other recycled material** into their production processes.

After analysing their value chain, we work to improve our customers' efficiency and operational costs, ensuring that all waste recovery is maximised and suggesting alternatives to improve their operational efficiency while minimising recovery costs and contributing to reducing their carbon footprint. We scale each team in alignment with the quality and amount of material to be managed, finding the best alternatives for an adequate segregation at source and minimising waste, while assessing the outsourcing of processes and optimising their internal and external logistics.

Furthermore, we collaborate with our customers in the design, execution and operation of industrial premises construction projects, with the aim of improving their efficiency in regards to waste treatment, the consumption of raw materials and the introduction of recycled material within their production processes.

Our contribution to the integration of the Circular Economy in the industrial production model can be measured by the amount of waste we transfer into waste recovery operations: over **2,745,236 recovered tonnes** in 2017. This waste is mostly non-hazardous, such as paper and cardboard waste, and is destined to manufacturing recycled paper at our Saica Paper plants.

In addition, our **Natur Cycle Plus** premise, opened in 2015, has resulted in very significant progress in our commitment towards circular production. At this premise, we began our low density polyethylene (LDPE) recycling operation by manufacturing recycled pellets for use as a secondary raw material in the production of new plastic film. In 2017 alone, we produced 9,479 tonnes of recycled pellets, an increase of 12.7% when compared to 2016. Our technological development has led us obtaining top quality recycled pellets, allowing our customers to replace high levels of raw material and contributing to reducing the impact of waste while decreasing their product's carbon footprint.



Case studies: We helped Nestle achieve their Zero Waste target

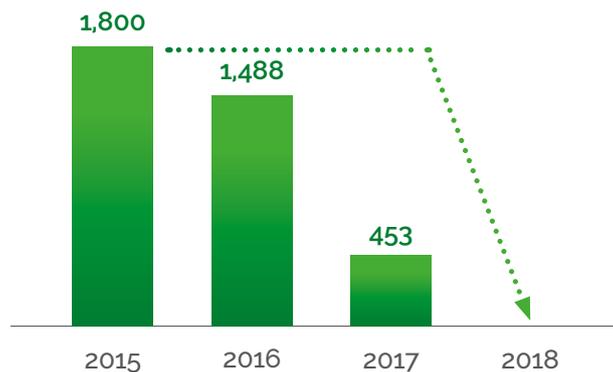
In the last few years, we have achieved significant progress for customers such as Nestle, by collaborating in the integration of Circular Economy principles into their value chain.

In 2015, the **Nestle Group** produced 6,900 tonnes of waste per year in Spain alone, 1,800 of which (26%) was sent to landfill. Following a thorough review of their supply chain and the key areas for waste production at their manufacturing plants, we suggested proper waste segregation alternatives and solutions for its recovery. This led to reducing disposals to landfill to only 453 tonnes per year by 2017, with a commitment to reaching Zero Waste.

Currently, we recycle all cardboard from every Nestle plant in Spain (2,300 tonnes of waste per year) and through Saica Pack, provide them with over **41 million m² of corrugated cardboard**; thus closing their paper and cardboard waste cycle and reintroducing it in the form of recycled and recyclable packaging.

Moreover, Saica now recycles all of Nestle's low density polyethylene waste, and we are currently working on closing the cycle by transforming this into recycled pellets for use in producing the shrink wrap film used to pack their products.

Landfill waste (in tonnes)





Case studies: We collaborated with Calidad Pascual to drive their Circular Economy



In 2015, Saica Natur and **Calidad Pascual** embarked on a joint journey with the purpose of promoting the transition from a linear to a circular economy model. For this purpose, we followed two different paths via two of our different services: **Saica Zero** and **Saica Circular**.

At the end of 2017, we managed to achieve our **Zero Waste** goal at the **Gurb factory** (Spain). This meant that absolutely all of their waste was recycled, either by transformation into secondary raw materials or recovery. Moreover, in **Aranda de Duero** (Spain), we reduced the amount of waste sent to landfill by 60% between 2015 and 2017 (from 90 to 31 tonnes per month), thereby halving the number of lorry journeys and reducing greenhouse gases emission (GHG) by 1.000kg per year. Although Calidad Pascual's target is to achieve Zero Waste by 2020, at Aranda de Duero we are working hard to achieve this goal by 2018.

In addition to managing to close the paper and cardboard cycle by reintroducing these in the form of corrugated cardboard, thanks to the collaboration of Saica Paper and Saica Pack, we are currently working on a project to produce recycled pellets from the LDPE recovered from their own plants for reintroduction in the production of the shrink wrap film used to hold their Bezoya water bottles together.

Pascual's Planet Room at Aranda de Duero, was built with 100% recycled materials from the plant itself

Saica Paper: recycled paper for corrugated cardboard

Our Saica Paper division is the leading manufacturer of recycled paper for corrugated cardboard in Europe, offering a very wide range of quality grades. At Saica Paper, we offer a reliable service capable of managing large volume orders thanks to our 7 paper machines based at our 4 facilities located in 3 different countries, with a joint production of **over 2.5 million tonnes of paper** per year.

We are evolving within a constantly changing market where the ability to adapt is essential, and service levels are a mandatory requirement of our customers. At Saica Paper, we are involved in several projects aimed mainly at improving our service levels while reducing our lead time and increasing customer satisfaction. Thus, our newly created **Supply Chain** department works hard to improve our supply

models, developing new work methods and implementing new IT systems within our supply chain.

Our customers are the industries who produce corrugated cardboard, who appreciate the excellent features of our different paper quality grades. Thanks to our integration strategy, today we are able to **supply 83% of the demand for paper** at our Saica Pack cardboard manufacturing facilities.

Case studies: Efficient Customer Orientation (ECO) project

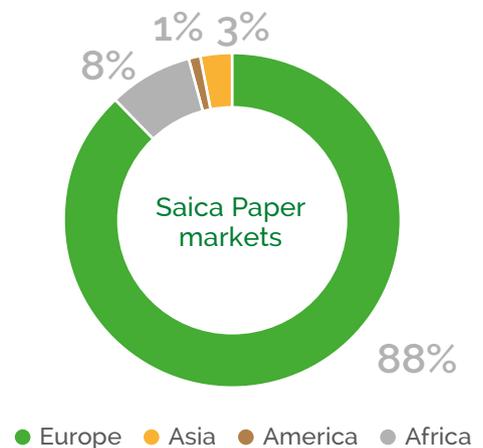
Our production processes are focused on top quality and our -Zero fault- target, while we continue progressing towards excellence across all our operations. Although initially implemented at Saica Pack only, our **ECO** project has allowed us to concentrate on our customer's needs, as well as to continue implementing rigorous production processes. By using **LEAN Manufacturing** methods, we focus on producing more with less, thereby ensuring higher product quality at the lowest possible cost and amount required, while improving our operations without requiring additional investment in equipment.



In 2018, we expect to complete the implementation of this method at our MPg Saica Paper plant in El Burgo de Ebro. This has achieved notable success, such as an increase in winder production, in the amount of paper that can be sold per spool and by reducing reattachment times following a breakage. Therefore, we will roll out our **ECO** method to the remaining sections of our El Burgo de Ebro site, followed by the remaining Saica Paper sites.

In our quest to provide innovative and differentiating products to our customers, our Saica Paper division has led a project to create new paper types. This improvement has consolidated Saica's diversification in the white and brown paper market, while maintaining our strategic commitment towards promoting sustainable solutions by using waste as a secondary raw material.

Currently, most of our products are distributed to customers from the different European markets. However, our organisation's future is linked to growth and globalisation, by providing new solutions for new markets. Therefore, we are constantly analysing new challenges and opportunities in our distribution chain to attain our goal of making our paper products available at the largest possible number of locations worldwide.



OUR PAPER RANGE

Light weight

SAICA MEDIUM
Recycled fluting

INTERLINER
Test liner 4/ fluting 2

DUOSAICA
Test liner 2/ fluting

High Performance

HIDROSAICA
Semi chemical fluting type

HIDROPLUS SAICA
Semi chemical fluting type plus

SAIKRAFT
Kraft liner type

NATURE KRAFT
Kraft liner alternative
New!

White

SAICA WHITE LINER
White liner C

SAICA TEST WHITE
White liner B

SAIKRAFT WHITE
White liner A

INFINITE RANGE
Launched in 2018
New!

OUR SERVICES



Help in the design of corrugated packaging

The most efficient packaging requires the most advanced papers. We carry out advanced testing on all types of papers and packaging to ensure our customers' specific needs are met.



Consultation

We offer technical advice to ensure optimal use of our papers for further machinability efficiency and to assist with the most adequate set-up for our customers' equipment.



Technical support

We have a team of expert technicians, using cutting edge technology measuring and testing equipment, to provide the best technical support.



Continuous improvements in service levels

We implement demand planning skills to provide automatic stock replenishment in the distribution network, developing new work methods and implementing new IT systems within the supply chain.



Organisation - Customer Service and Supply Chain Office

We offer the services of our local work teams who specialise in every market to assist our customers with a personalised service capable of dealing with any requirements in their own language.



Regular and reliable supply

Our 7 paper manufacturing machines in Europe and our extensive logistics network allow us to respond quickly with fast turnaround times for urgent orders, as well as to manage large volume orders to guarantee your paper supply.



Case studies: Development of two new products: Nature Kraft and the Infinite range

Following years of research and an investment exceeding **€146 million**, Saica Paper's product range has expanded to include **2 new products**.

At the end of 2017, we launched **Nature Kraft**, a 100% recycled paper product with a kraft liner appearance. Nature Kraft is aimed mostly for end customers who need the same appearance and high features associated with kraft liner in their boxes, while using recycled paper for their packaging.

naturekraft

Following significant investment into a new production line (OMC10) at our site in El Burgo de Ebro, in 2018 we launched our new **Infinite** range of 100% recycled white paper, ideal for high quality printing applications. This range is the result of high demand for packaging to meet customers' image requirements, in view of the growing trend of displaying products in the same packaging as used for their transportation. This new range of white paper products is in response to our need to offer a unique image to each customer through the added value provided by glossiness, colour intensity and quality print for their boxes; all at a competitive price.

Infinite

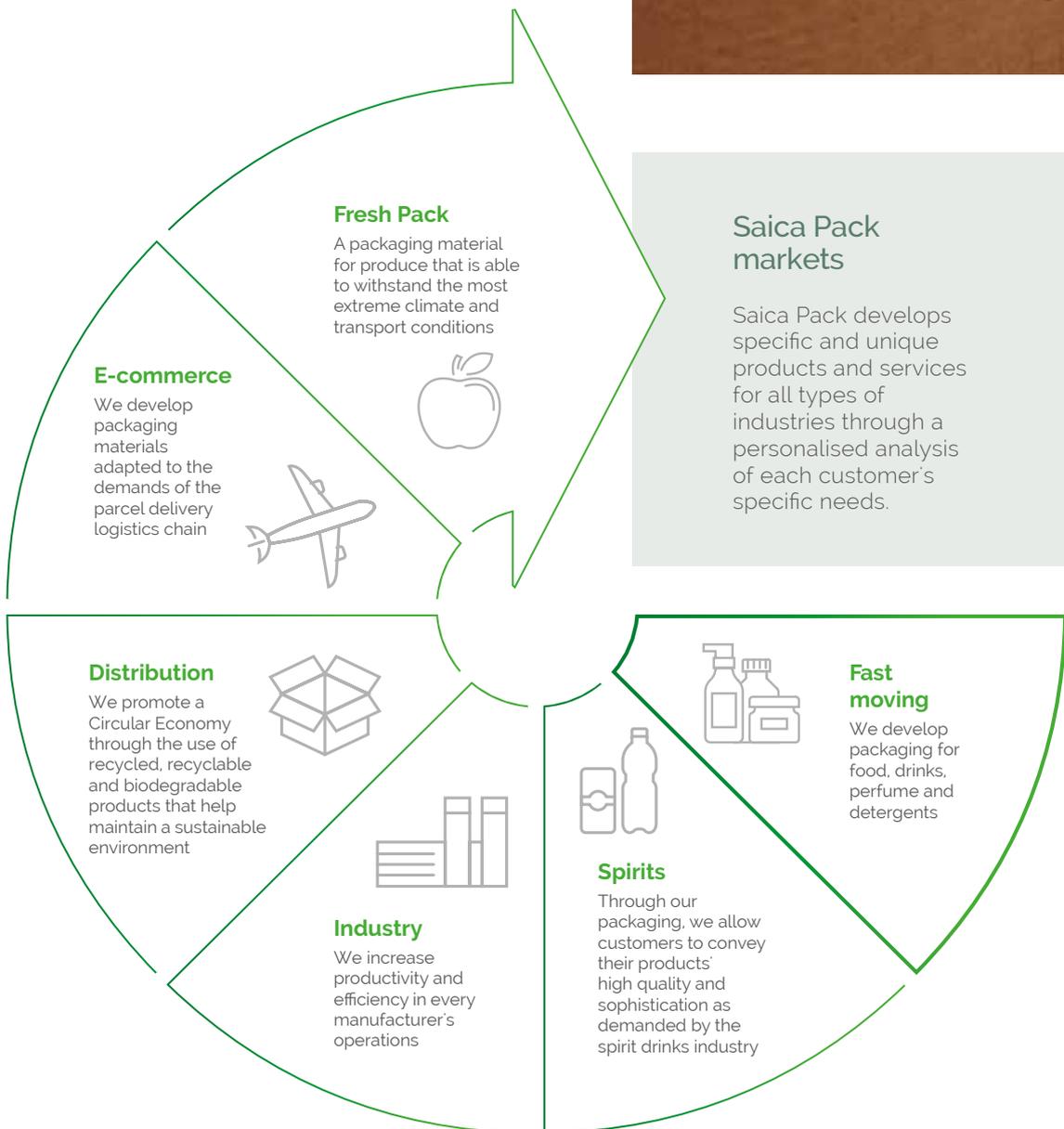
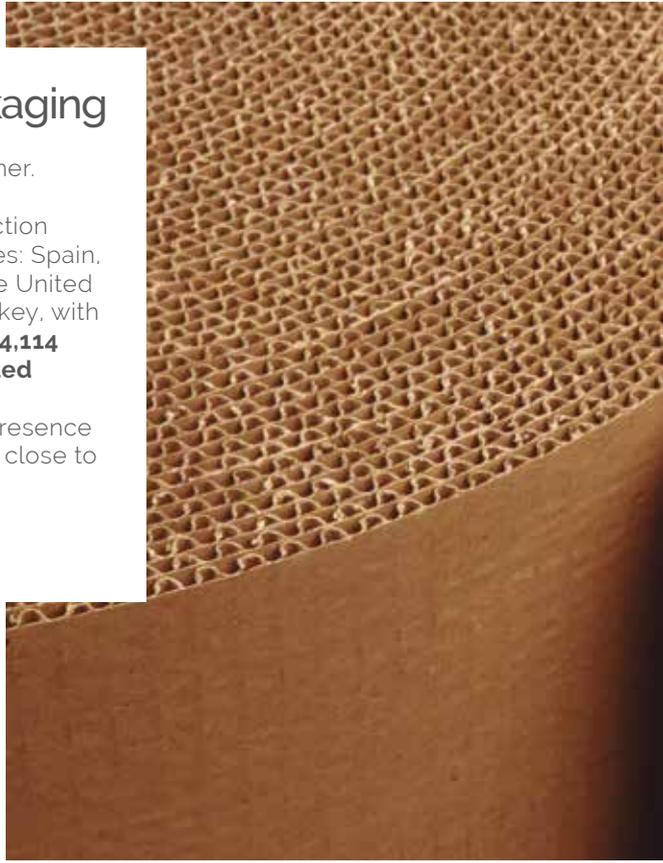
As part of the development in the above projects, to manufacture the new **Nature Kraft** and **Infinite** range products, we also considered the requirements in terms of food safety for raw and ancillary materials, manufacturing processes and good practices to ensure that both products are suitable for food contact, pursuant to the regulation EC 1935/2004 and EC 2023/2006 and the recommendation BfR XXXVI, as is the case with the rest of paper products produced by Saica.

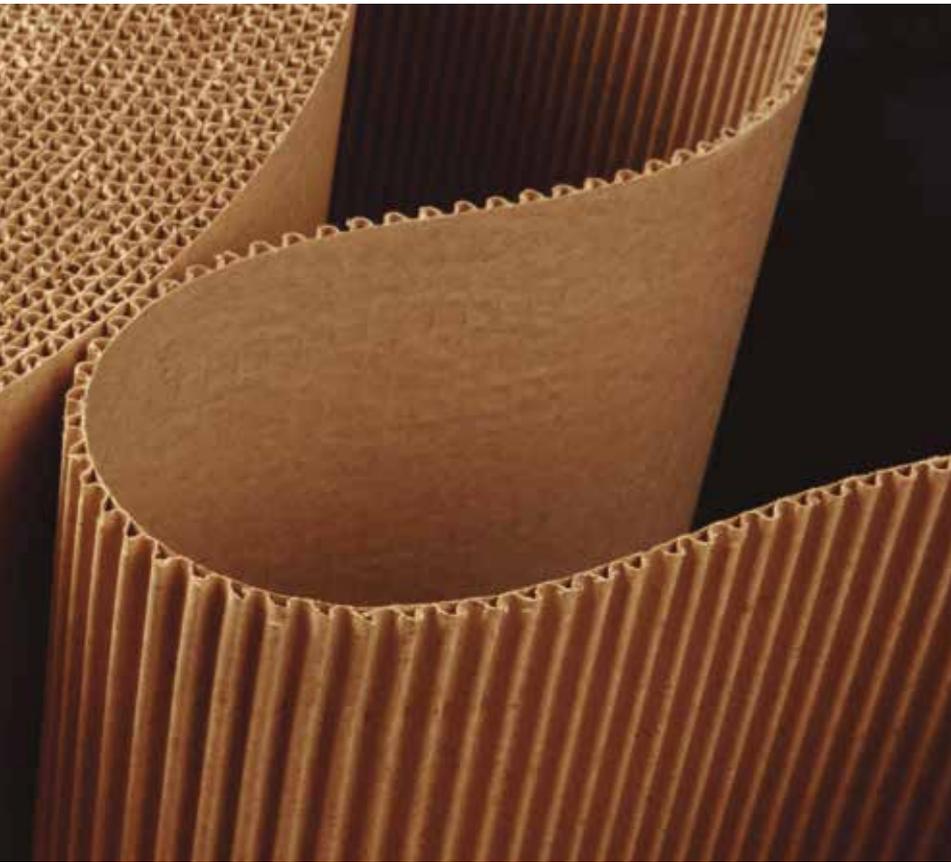
Saica Pack: corrugated cardboard packaging

At Saica Pack, we work hard every day to develop new packaging solutions to meet the different requirements of each of our customers. We lead initiatives in the main markets, with a firm commitment to be at the forefront of packaging solutions, devoting all our efforts to each product we offer to ensure that our teams can find and develop integrated solutions created to

add value to each customer.

Saica Pack has 48 production plants based in 7 countries: Spain, Portugal, France, Italy, the United Kingdom, Ireland and Turkey, with a total production of **2,824,114 thousand m² of corrugated cardboard** per year. Our extensive geographical presence makes it easier to remain close to our customers.





Constant changes in customer demand mean that differentiation is a key factor for the sustainability of any business model. At Saica, we believe and are strongly committed towards differentiation, thus allowing us to offer solutions for each point in our customers' value chain.

At Saica Pack, we accept the challenges of an ever changing society and, in our quest for differentiation, are committed to growing alongside our customers to lead market changes through the value chain. Thus, our **End-to-end Selling** proposal allows us to provide solutions for each stage in our customer's value chain, as well as optimised products based on our technological capabilities and our staff's expertise and knowledge.

Our commitment towards greater customer focus was demonstrated in 2017 with the development of our **Digital Briefcase**, a new marketing application containing all relevant information and documents to simplify the duties of our sales staff, keeping them up to date with everything going on at Saica Pack, and allowing us to offer a better service to our customers.

In addition to this, in 2017, we completed our **Plan Remove**, with an investment of over €250 million. This, has now placed Saica at the cutting edge of innovation, with our fully up dated equipment portfolio. Following refurbishment at our sites, we can now offer our customers the latest design and product manufacturing technologies for safer, more cost effective and greener products and services; thereby promoting our market differentiation. As a result of this commitment, Saica can now provide a wider range of solutions for our customers, to meet the needs of a constantly changing market.





Case studies: We lead the way towards a new standard in fresh product trays

Saica Pack UK has worked in partnership with the European Corrugated Packaging Association (FEFCO) and the Confederation of Paper Industries (CPI) towards the introduction of the new **CFQ - Common Footprint Quality** standard. This accreditation is granted to high quality stackable corrugated packaging that provides the required protection for fragile produce.

Product quality in this type of packaging is assessed both internally and by independent laboratories. In addition to this and prior to granting the above accreditation, an independent auditor visits the CFQ product manufacturing plant twice a year to audit the processes and ensure that all established protocols are observed.

“At Saica, we are proud of having promoted the CFQ project and that our packaging has been granted the new standard accreditation, strengthening the guarantee of quality that we provide to all our customers”

David Wilbraham, Sales, Commercial & Marketing Director for UK and Ireland



Case studies: Digital Briefcase, towards digital transformation

Saica Pack is committed towards digitalisation as a lever for growth. In a market where digital transformation has taken a predominant position, not only when it comes to the automation of existing processes and tasks, but also in regards to management and staff, customer and supplier relationships, Saica has developed **Digital Briefcase**, a new application for its sales force.

This application's launch is linked to the new end to end sales philosophy promoted by Saica Pack with the purpose of growing alongside our customers and leading the changes to the value chain. Our Digital Briefcase is a fast tool that is easy to access and contains all relevant information and documents in order to maintain our sales team up to date with our latest developments. In this manner, they are able to offer specific solutions to our customers for each of the stages in their value chain. This new sales tool has proven to be a total success among both our customers and our sales team.



Saica Flex: flexible packaging



Saica Flex develops and produces high quality, flexible packaging and labels for both the food and non-food markets, guided at all times by our motto **“a different packaging for every need”**. Following the growth experienced in the last 2 years, as well as customer and industry demand, we have expanded our horizons to other European countries by acquiring different plants. Currently, we operate 10 plants in 5 countries, with a combined annual production capacity of over **893,860 thousand m² of flexible packaging**.

FOOD INDUSTRY



Bread, biscuits and baked goods



Fruits and vegetables



Coffee and dehydrated food



Cheese and dairy products



Chips, salty snacks and dried fruits



Sweet shop, chocolate and ice cream



Pasta, dry foods and cereals



Frozen products



Liquids and beverages



Ready meals, condiments and sauces



Meat and fish

NON-FOOD INDUSTRY



Pharmacy



Pets



Personal hygiene and cosmetics



Household cleaning and detergents



Industry



Tobacco



Labels



Other

At Saica Flex, we work hard to improve our customers' market positioning, providing them with advice and creating flexible packaging with top quality structure and printing, as part of a dynamic, customer-focused environment based on excellence to provide maximum value.

In our bid to remain at the cutting edge of our industry, we invested **€7.5 million** in 2017, with €1.5 million spent on new machines and latest technology equipment. Throughout 2018, we plan to increase our investment to **€31.5 million**, with €17.5 million on equipment and the remaining amount on improving health and safety standards for our staff to continue offering customised packaging solutions for all our markets.

In the last 2 years, our Flex division has grown considerably,

following acquisitions made in Italy, Luxembourg, the UK and the Netherlands. Purchasing these plants is part of our long term diversification strategy of significantly increasing our production capacity. As part of this growth, we have created new jobs and increased our staff to 1,210 employees in Spain and the 4 countries mentioned above.

Moreover, our efforts towards improving our products' environmental features by designing recyclable flexible packaging has resulted in the launch of **Monoflex**, a unique fresh food, 100% recyclable packaging solution. However, our most prominent R&D&I success is arguably the new **Green Heart** packaging, a testament to our commitment towards the Circular Economy and the inclusion of recycled materials into our products.



Case studies: Saica Flex Green Heart

At Saica Flex, we are committed towards a Circular Economy and our Zero Waste target, as evidenced by our new product **Green Heart**. A pioneer product worldwide, it is the first flexible industrial packaging containing recycled plastic that can be used for detergents, soil, fertilisers or chemicals, to name but a few.

These types of products were previously made from PET and virgin LDPE. However, following the research undertaken by Saica Flex, we have been able to develop a new product containing recycled LDPE sourced from our Saica Natur Cycle Plus premises. This helps us to reduce the manufacturing costs and our carbon footprint, while also promoting the use of recycled LPDE and thus avoiding its disposal to landfill.



Awards and acknowledgements



Saica's commitment towards an innovative approach in the design and manufacture of our products and services while providing a response that matches the needs of our customers has been recognised by different acknowledgements during 2017:

OKI Awards

Saica was awarded the **"Best Overall Supplier"** for the 8th year in a row at the annual awards ceremony held by OKI, the leading printer manufacturer.

"Saica has provided first class support to OKI during our transition over the last few years. They have supported us through the implementation of a new purchase order process, a planning tool and the modification of our commercial routes. Saica has ensured that any issues were resolved quickly and efficiently. Saica's support has been priceless, and this award is adequate recompense for their efforts"

Scott Thomson.

Operations Manager, OKI UK Ltd

Government of Aragon

Saica was granted with **ORO ARAGON EMPRESA** seal from the Government of Aragon, via the Aragonese Development Institute as one of those organisations which has demonstrated a high level of commitment towards Business Excellence.



Liderpack Awards

Saica Pack was awarded the **Liderpack** award for the best packaging in the Logistics and Distribution category for its design of **SRP Freskibo**, a secondary packaging material that allows for a very fast transportation and display of fresh products in chiller shelves.

The Liderpack Awards are considered the most prestigious point of sale (POS) packaging and advertising innovation awards in Spain.

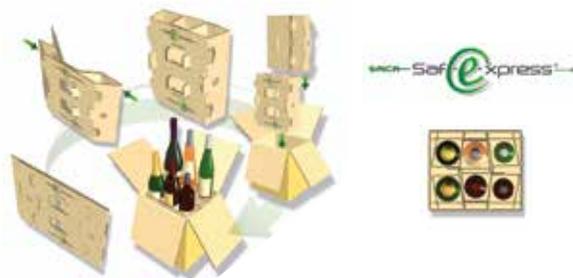


FlexoStar Awards

This year Saica Pack Beaune was presented with the **FlexoStar** award for the fifth year in a row. This prize was a reward for the best work in flexographic printing in the category of corrugated cardboard post-print on uncoated stock.

Viteff and Les Pack d'Ors Awards

We were also awarded the **'Innovation Prize'** and **'Silver Star'** for our design of SPK Saf-e-xpress by Saica Pack, at the Viteff and Les Pack d'Ors events.



Flexotech Awards

Saica Pack was awarded the "Best Print" prize at the **FlexoTech International Print & Innovation Awards 2017**. This achievement was made possible by completing a series of improvements for the MasterFlex machine at our Saica Pack plant in Thatcham, resulting in a general upgrade in its capacity and print service quality.

OS





**SOCIAL
MODEL:
LONG TERM
RELATIONSHIPS**

Saica's social model

Our communication model is based on formal and informal interactions with our diverse stakeholder groups. These include visits to suppliers, shareholder meetings, customer and staff satisfaction surveys, workers' representatives meetings, suggestion boxes, professional forums and joint

projects with local communities.

Our constant interaction with our stakeholders helps us establish our commitments, goals and behaviour, ensuring that we always consider their priorities while focusing on developing our business in conformity with their concerns and expectations.



By identifying the most important issues for our stakeholders, we are able to maximise our positive impact



Shareholders

From the beginning, Saica has grown guided by our shareholders' values, committed towards creating long term value, appreciating the value of our different agents or stakeholders, in addition to innovation and sustainability. These values have remained inalterable over the years, building a solid relationship of trust between the family shareholders and the company's management, a key to the Group's success in development and diversification. Since 1987, Saica has established a Family Protocol governing the relationship between the company's shareholders.

To maintain this relationship, we make sure the Group's challenges and opportunities are communicated in a continuous,

transparent manner, and best practice is incorporated for good governance by establishing effective teams and procedures to deal with our shareholders' concerns. Our shareholders' commitment towards sustainable, long term growth has simplified the integration of our strategies towards the development of the circular economy model, promoting investment in ongoing plant improvements and adapting our processes to the latest green and efficient design trends.

Through the different communication channels and the management structure, we regularly share our financial, social and environmental performance with our shareholders. We arrange meetings to assess and translate our long term growth and

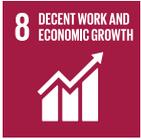
development plans and always seek to maximise the creation of value for all our stakeholders. Active communication with our shareholders at the Annual Meeting and consultation requests ensures we always consider their concerns and priorities, and that we have their support in the execution of our future business plans.

Although Saica is not a listed company, we are aware of the wide and increasing interest shown by investors in firms that integrate sustainability in their daily operations, in addition to their long term financial performance. Therefore, we are proud that our company history can be taken as an example of integrating sustainability into the process of creating value for our shareholders.

Saica and its shareholders support the belief that the pursuit of long term business sustainability must go hand in hand with the creation of value for our different stakeholders



Staff



At the end of 2017, there were 9,379 Saica Group employees in 9 countries, slightly above the figure for the previous year (9,319 employees), when we experienced significant growth due to the new acquisitions made by our Flex division.

At Saica, we work hard to ensure that every staff member is customer oriented, focusing on resolving issues, providing added value and improving process efficiency through direct and honest communication. We want to help all our staff to understand how they contribute to the team's success and that they are valued for that reason. We promote diversity, participation and social communication to drive innovation and a good working environment, while promoting our people's development throughout their career.

91% of our staff is permanent with 96% of them working full time. Also, we have a good distribution of ages across all organisational levels.

Female staff are also present at all company levels. An agreement was signed between Saica and the Aragonese Government

(Spain) to ensure that, by 2020, at least 24% of all our executive and line management or supervisory positions were held by females. Over the years, we have increased our percentage of female staff progressively to the current 15.7%, distributed over our different areas as follows: 22.2% at Natur, 10.6% at Paper, 14.0% at Pack and 18.3% at Flex. We must also stress the high levels of female staff holding line management (23.4%) and supervisory/ technical (24.4%) roles, both of which are above average. At Saica, our midterm goal is to increase the number of female staff in production and technical roles.

Through an exhaustive analysis process named "People Review", our organisational structures are reviewed on an annual basis to satisfy current and future business needs, and to establish opportunities for staff development to cover any potential vacancies, as well as the appointment of new staff to meet team requirements. Our priority is to develop our staff through appraisals, which may involve them moving to other positions or undergoing specific training to fully develop their potential; thus contributing to their own personal growth, as well as that of the business.

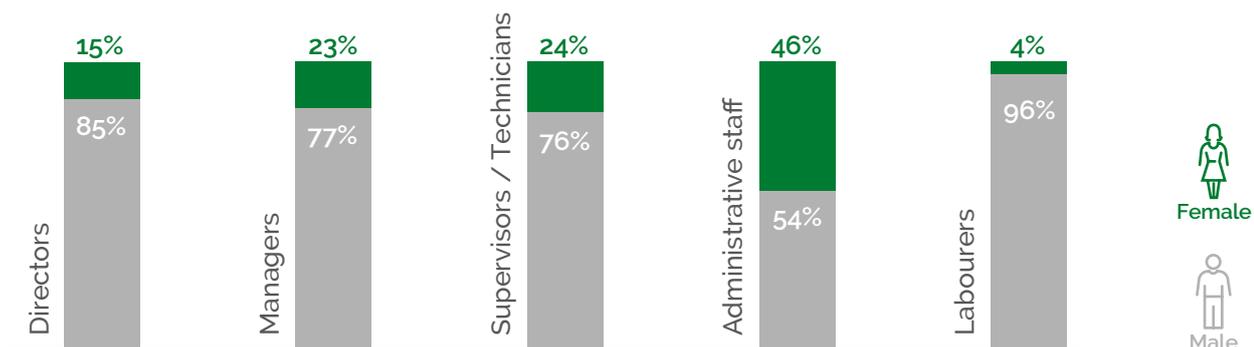


At Saica, our aim is to become an attractive employer to attract the best talent and to provide all our staff with the opportunity to develop their full potential within the Group



Our aim is to become an attractive employer which retains talent, encourages personal growth and ensures job security and well-being for all staff at all our plants. An example of this commitment towards staff development was the internal management and director level changes undergone in 2017. Most roles were filled internally, as has been the case in the last few years: 50% of the vacancies were filled by internal promotion to roles of increased responsibility roles; 30% corresponded to movements at the same professional level to develop new skills and capacities; remaining 20% were covered by external recruitment.

Staff by category



Diversity and equal opportunities

Our staff represents a wide variety of nationalities and cultural environments. This diversity contributes to the success of our business by expanding our knowledge and strengthening our company. At Saica, we believe that the rich diversity of our Group is a great asset and we therefore have zero tolerance for any discrimination, and we provide the same opportunities to all our staff, regardless of where they may be based.

In 2009, our **Equal Opportunities Policy** was developed, established and approved by the company's top management level, bringing together the different labour legislations in each country. This policy was also shared and consulted by staff through their European Committee representatives and is an example of Saica's commitment towards non-discrimination on any grounds (racial, gender, religion, opinion, sexual preference or circumstances) and our efforts towards providing equal opportunities for all our staff, customers and suppliers alike. To ensure its adequate application, not only is it subject to annual review by our HR management, but we also encourage our staff and workers' representatives to provide suggestions for improvement, as well as to put forward any queries regarding its contents and application.

Since 2013, our **Equal Opportunities Plan** for Spain establishes the following scope for action: Access to employment, personal classification, promotion and development, training, work, personal and family life balance, remuneration, occupational health and safety, prevention of sexual harassment or bullying motivated by gender, as well as other related general and communication aspects. To ensure compliance with our established goals, we created our Equal Opportunities Committees, comprising equal numbers of company management and workers' representatives, who meet on a half-yearly basis to assess and analyse our progress, by detecting and suggesting opportunities for improvement.

Case studies: Graduate Programme

Saica collaborates with the most prestigious academic institutions to recruit the best university students to join our **Graduate Scheme**. The program lasts for 4 years and has been available since 2008. It has involved 278 candidates, with 172 currently employed at Saica, 58 still undergoing training and 36 due to start in 2018.

From 2019, it will be replaced by a new scheme known as **Graduate Experts** of duration 2 years. Graduates will be provided with on-the-job training and will develop professional paths allowing them to obtain specific technical knowledge for each role, while providing training across different areas, such as health and safety, finance and negotiation techniques, to name but a few.

At the end of the 2-year period, candidates may join Saica in technical expert positions or continue with the Leadership Scheme, which is based on the development of competencies. Saica Group's target is to increase the amount of staff from our Graduate Experts scheme to 1.5%.





Staff training and development

At Saica, we believe that staff training is critical for the company's future performance, so we promote a culture of ongoing development within the Group. All our staff has access to professional training courses, they can stay up-to-date with new industry trends and obtain knowledge on the most cutting edge technology as well as the latest and most successful technologies. All training is coordinated centrally through the **Saica Campus**, where we develop new schemes in both technical and management areas (e.g. leadership development, project management, time management, innovation, coaching and mentoring) based upon our business needs.

Since 2013, we have worked with the **Training Within Industry, TWI** method, allowing us to facilitate our staff's multi skill set while ensuring they receive the knowledge required to adequately perform a in at least three different roles. Although mainly aimed at our operations staff (e.g. production, logistics, sales and technical departments), this training method is carried out at every plant by our internal training officers using the so-

called 4-step instruction method:

- **Train staff.**
- **Introduce and show them how to undertake their duties.**
- **Check what they have learnt.**
- **Monitor their learning.**

In 2017, 498 employees from Pack were trained using this method, representing 17% of production operators. Likewise, at Saica Paper Spain, 66% of our production staff performed other roles or duties throughout 2017 in order to improve their practical skills set; while at Paper France and Paper UK, we trained 11 (15%) and 25 staff (44%), respectively.

This theoretical/practical method ensures proper transfer of knowledge and work ethics, while increasing productivity, product safety and quality and reducing costs. In addition, it can improve our staff flexibility, facilitate internal promotion and the adaptation to new market requirements.

Our aim is to invest 1.5% of total staff salaries in training and development, as stated in our Strategic Plan. In 2015, the figure was 1%, with 1.1% achieved in 2016 and 1.2% in 2017.

Dual training

For a few years now, our plants in France and the UK have undertaken **Dual Training** schemes. These are a combination of studying and on-the-job training, facilitating the acquisition of professional knowledge in a business environment as well as professional training centres, while promoting work ethics and professional experience.

In addition to the above, this learning method contributes to improving the labour market by increasing the candidates' options of finding employment. In 2017, 19 and 13 staff members taking part in this scheme joined Saica Group in France and the UK, respectively.



Safety, our priority



At Saica Group, staff safety and well-being are our top priorities.

As stated in our values, we put safety first in all our decisions. We have formal committees comprising workers and company members who deal with health and safety issues. All representatives take part in the Occupational Health and Safety Committees for each country, within their own legal framework.

In addition to this, at both meetings held by the European Company Committee comprising 14 representatives and a workers' union expert, staff Health and Safety was one of the items on the Agenda, as formally established by their regulations. In this section, we share the company's strategy and performance in terms of safety on a yearly basis.

In the last few years, the Group has seen considerable growth, both in the number of staff as well as in work locations, due to the launch of the MP11 at Partington (UK) and, more recently, the acquisition of Saica Flex. In these circumstances, we considered necessary to review our health and safety management system, to adapt it to the Group's multinational nature. We currently operate in several countries, each with its own legal requirements and we must ensure our management system reflects this situation and is capable of establishing a common framework that can be applied for all our premises.

To comply with this goal, we established a new health and

safety management system in 2017 called **Saica H&S Framework**, for implementation across the entire company between 2018 and 2021. This framework management system is based upon four principles:

- Establishing the Group's **minimum requirements** applicable to all business divisions and countries where we operate.
- Assessing the efficiency of our health and safety management system on the different levels for each plant, country, business division and company, and implementing improvement plans depending on priorities.
- Facilitating the integration of our **new acquisitions** to Saica's health and safety management system.
- Identifying and expanding our **good practice** implemented across the Group through previous initiatives, such as the Zero Accident scheme.

Our new Saica H&S Framework includes **19 elements associated with health and safety management**, such as the company policy, the establishment of KPIs, management reviews and risk assessments, to name a few; all of which have minimum compulsory requirements included in the 19 Health and Safety Management Standards. Furthermore, our premises are exposed to operational risks due to work in confined spaces or at height, among others, for which we have also established minimum requirements as set in the global **Health and Safety**



As reflected in our values, we put safety first in all our decisions and the entire Group's top management, staff and their representatives are committed to its continuous improvement. As long as there are still accidents, our work will never be done

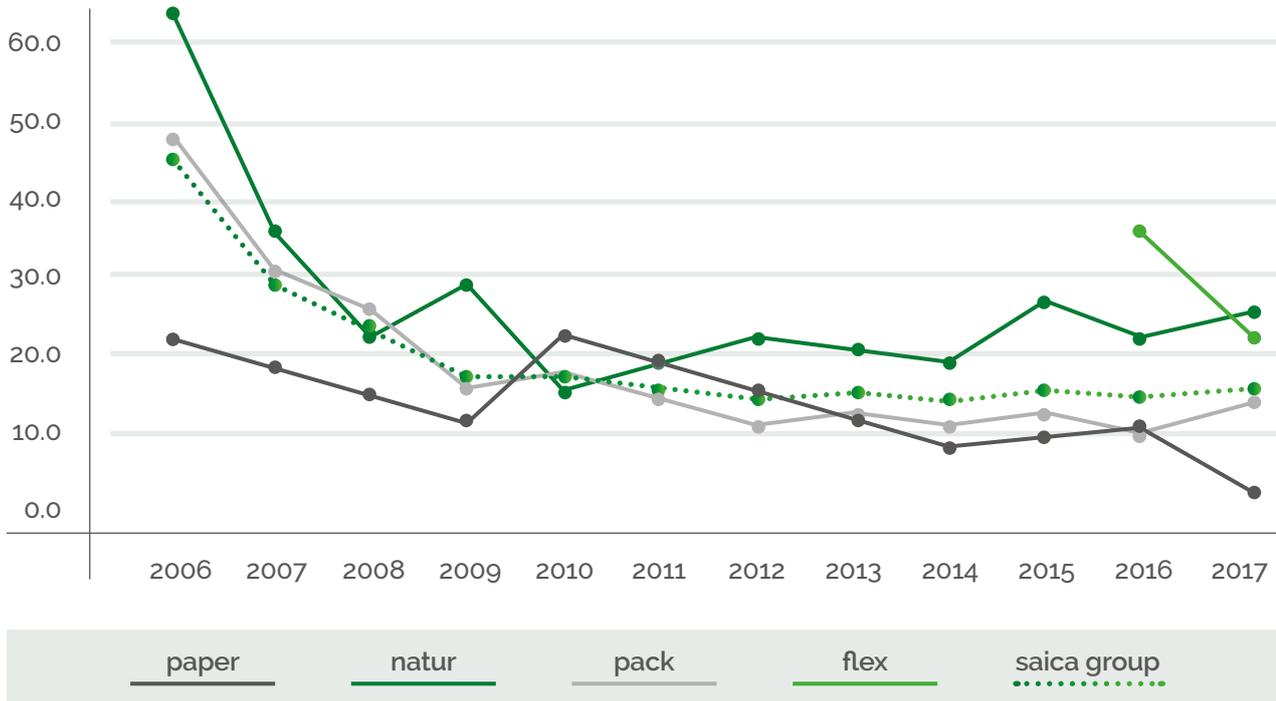


Control Standards, applicable to all countries.

Our Saica H&S Framework will allow us to measure the performance of each Health and Safety Control Standard, thereby promoting a proactive environment where the best performing work locations or business divisions will stand out, allowing us to identify good practice and apply these across the rest of the Group.



Saica's LTA FR index evolution



Following our collaboration with DuPont during the occupational safety improvement project, we have seen a significant decrease in our LTA FR¹ index. While in 2007 we had a rate of 28.9, in 2014 our rate decreased by 58% to 12.1. However, due

to our growth and business diversification in the last few years, in addition to the need to maintain our health and safety standards in the new plants, we saw an increase in our LTA FR index to 14.6 in 2017. Our ongoing improvement culture

has led us to strive for continuous improvement in our accident frequency rate. Therefore, we have implemented the new Saica H&S Framework, which will assist us in maintaining and improving our Health, Safety and Well-Being Standards.



Case studies: Reduction of fall injuries at Saica Paper Partington

Injuries caused by falls. In 2014, the plant management at Saica Paper Partington (UK) identified an increase in incidents caused by slips, trips and falls. To minimise the risk for our staff, we launched an action plan that included the installation of non-slip flooring, signposting of hazard areas and the creation of a working group to review the factory's conditions to identify any areas for improvement. Following the implementation of the above plan, we have seen a 95% reduction in the amount of injuries caused by falls since 2014.



¹ Lost time accident frequency rate (LTA FR).

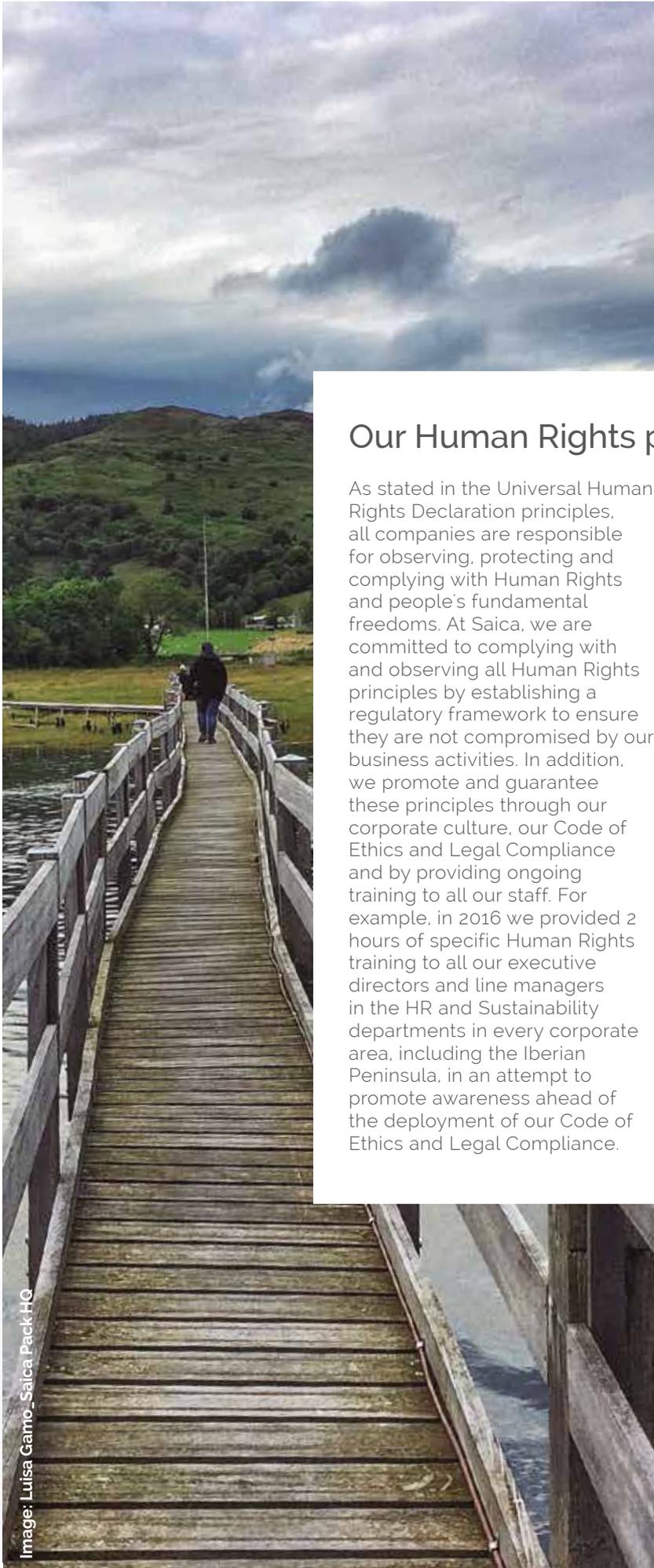


Image: Luisa Gamo - Saica Pack HG

Our Human Rights pledge

As stated in the Universal Human Rights Declaration principles, all companies are responsible for observing, protecting and complying with Human Rights and people's fundamental freedoms. At Saica, we are committed to complying with and observing all Human Rights principles by establishing a regulatory framework to ensure they are not compromised by our business activities. In addition, we promote and guarantee these principles through our corporate culture, our Code of Ethics and Legal Compliance and by providing ongoing training to all our staff. For example, in 2016 we provided 2 hours of specific Human Rights training to all our executive directors and line managers in the HR and Sustainability departments in every corporate area, including the Iberian Peninsula, in an attempt to promote awareness ahead of the deployment of our Code of Ethics and Legal Compliance.

Among those fundamental rights promoted and observed by Saica, in addition to non-discrimination and equal opportunities, we include the rights of representation by a worker's union and taking part in collective bargaining agreements. We have granted workers' union representation for all staff in all countries where we operate, and we comply with benchmark legal regulations concerning collective bargaining agreements. Thus, 85% of Saica Group staff is included in collective or bargaining agreements.

At Saica, we have zero tolerance towards any kind of child or forced labour, both within our own operations and in those of our suppliers. Since we only operate in western markets and societies which typically have greater social welfare than other areas in the world, this is a relatively low risk. However, to ensure there are no such incidents in any location where we operate, we demand that all our staff is above legal age.

Local communities

At Saica, we have always considered that maintaining good local community relationships in every location where we operate is very important, in an attempt to become an active member of each community and maintain constant, transparent communication. We have regular meetings with every community, where we find out their concerns and respond through responsible management to ensure their well-being. At the same time, we maximise the benefits of the economic and social impact arising from our business, such as the creation of jobs, the development of a network of local suppliers and the use of local services.

Our pledge to be a "good neighbour" leads us to promote

local initiatives involving our staff as volunteers and participating in projects that have a social impact on our communities.

These initiatives provide a benefit to our communities as well as the Group by building a culture of team-work and collaboration. Among several initiatives, we contribute to support residents' associations which provide courses for women and literacy or basic culture for adults; we take part in blood donation campaigns; collections for school supplies and food; we promote culture and sports through the sponsorship of grass roots teams and festivals to disseminate musical culture in schools; and we collaborate with local training centres, becoming involved in their conferences



At Saica, we are proud to affirm that our commitment towards the local communities is not just a bullet point in our business development plan, but it also represents one of the most respected values for our staff



and award ceremonies to share our knowledge and provide opportunities for talented students.



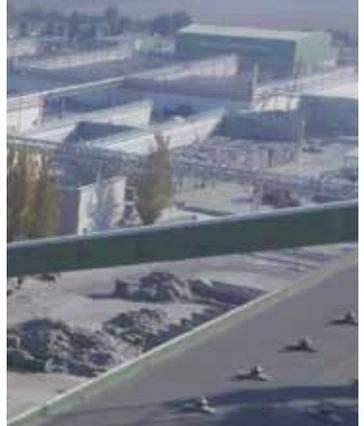
Carrington Parish Council

Saica has collaborated in the relaunch of Carrington Parish Council's Parish Magazine through the donation of funds. This magazine keeps residents informed of local news, changes and updates in the region and is a great tool for keeping the whole community together.



We provide added value to El Burgo de Ebro's community

After the completion of our refurbishment works at the Paper plant in El Burgo de Ebro, following an investment of around €150 million, we have contributed to creating wealth in our local community in the last 2 years thanks to product diversification and the **creation of new jobs**, both permanent and temporary. We have created **118 new jobs** for the operational phase (38 direct and 80 indirect), with up to 500 jobs created during the different stages of project construction. Furthermore, this has resulted in providing **more than 45,000 hours of training** to provide staff with the required skills during the construction and launch of the project, thus improving the prospects of local workers with a view to future job opportunities.



3rd Edition of the Saica Sustainable Solutions Award

Our "**Saica Sustainable Solutions**" award is held to encourage and provide incentives for the creation of research projects in the energy sustainability sector with practical application in industry. It is also an annual recognition of those students who demonstrate their high motivation to work in the business. All Engineering or Science graduate students who are currently doing a master's degree at the **University of Zaragoza** may apply.

Our winner for the 3rd edition was Martin Ramos Fernandez, master's in industrial engineering. His final master's project was carried out at Saica within the scope of the award, and consisted of experimental research into the thermal decomposition of poly aluminium and the design of a reactor for its industrial processing.

Suppliers

Saica's supplier network comprises over 10,000 firms providing goods and services to our company's four divisions. At Saica, our aim is to expand our responsible management model to our supply chain, and we therefore expect every supplier to observe the ethical, social and environmental principles included in our Code of Ethics and Legal Compliance.

Suppliers are key players in ensuring the good operation of Saica's value chain and our Purchasing department works hard to promote long term, stable and mutually beneficial collaboration relationships. In line with our commitment towards best practice in all areas of our business, we guarantee the principles of equal opportunities among our suppliers, applying objectivity and impartiality criteria, in addition to efficient management and contracting as the final part of any negotiation.

In an attempt to ensure transparency and the proper operation of our purchasing process, our department has worked hard in the last few years to develop different procedures to optimise their duties, such as the Purchase Guidelines and the Suppliers Approval and Assessment procedures.

The purchasing process is audited annually with the purpose of driving ongoing improvements. In 2017, we carried out 47 audits at all our Paper, Pack and Natur production centres in Spain, Portugal, France, Italy and the UK; a 50% increase compared to 2016. Most of our compliance verification audits are carried out on site; however, during 2017, we developed a new on-line system that enabled us to increase the number of audits completed. Furthermore, we have seen a 10% decrease in the amount of non-conformities, with the complete absence of serious non-conformities.

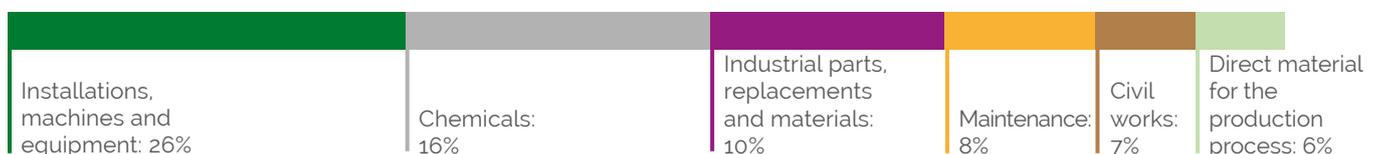
Throughout 2017, we underwent the fourth edition of our Supplier Assessment cycle at Saica Paper France, Spain and the UK. Our main internal customers and buyers were requested to complete a set of specific questionnaires for each of their areas of responsibility, thereby ensuring a direct, transparent and objective assessment. This assessment included aspects such as the financial situation, competitiveness, service, quality, safety and environmental criteria as well as the amount of non-conformities. This was also the first time we updated the framework used in these assessments to promote ongoing improvements among our suppliers. As a result, from a total of 194 suppliers reviewed (+47% when compared to 2016), 94% reached the top assessment levels A and B, with only 6% achieving a level C, which requires an improved action plan, and none in level D, which would result in the supplier being removed.

2017 purchases by country and category

Distribution of purchase expenditure by country



Purchase volume by category



During the 2017 financial year, the total amount of purchases managed by our central Purchasing department was €700 million, with 115,000 purchase orders processed resulting in 85,000 orders placed.

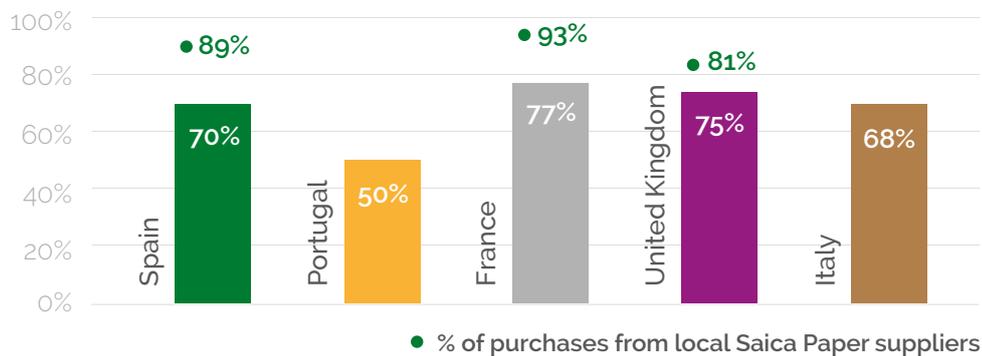
Our Purchase pledge is two-fold: on the one hand, to purchase the most efficient products in a bid to reduce consumption and thereby,

transportation, e.g. colourings, adhesives and anti-foaming agents, while on the other hand, to increase our purchases from local firms to benefit the areas where we are based by creating wealth at a local level.

In the specific case of Saica Paper, the measures implemented in the last few years have allowed

us to improve our local supplier purchasing levels even above the Group's average values: 89%, 93% and 81% in Spain, France and the UK, respectively. Also, in 2017 we started using a new starch supplier from Portugal for three main reasons: to promote competitiveness, decrease our exposure to market tensions and to guarantee our supply.

Percentage of purchases from local Saica Group suppliers



Case studies: Development of Advanced Purchasing tools

In addition to the above, our Purchasing department has also developed and implemented the following advance purchasing tools:

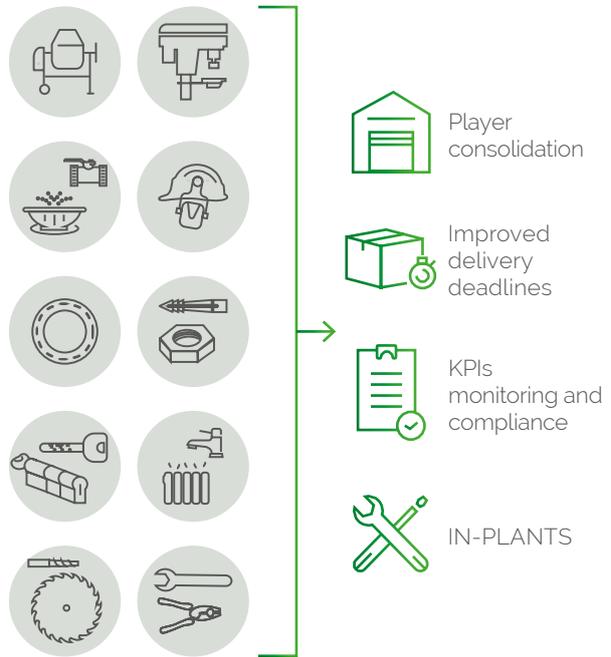
- 245 **Pricing agreements** including 24,700 items. The main improvement is the ability to place automatic orders to be delivered directly to the supplier, thus removing the need to place a purchase order with the resulting potential for quantitative and qualitative savings (Paper and Pack divisions in Spain, France and the UK).
- Development of eight **Electronic catalogues** at the Group level.
- Implementation of a **Self-service system** at Paper Spain to deal with over 1,150 items, with the purpose of achieving internal self-supply, thus avoiding the need for ordering and queueing at the warehouse for fast-moving, low unit cost materials.
- Installation of **Vending machines** with 24/7/365 availability at our Paper plants in Spain, including fast-moving of significant value, such as IPKs², adhesives, special markers and replacement parts, so that staff can use their company card to obtain any of the items available from the machines; thus saving time and unnecessary journeys to the warehouse.



² Individual Protection Kits.

Case studies: Development of the mechanical MRO supplier model

In 2017, we developed a new management model for suppliers of a wide range of mechanical materials to optimise operational efficiency among our different plants and implement a Group-wide management system in line with our ongoing improvement targets. The new model has enabled us to sign global pricing agreements, thereby consolidating the number of our suppliers and avoiding duplication of items, as well as guaranteeing uniform quality and supply standards across all plants in the same division or country. This new model for mechanical MRO (maintenance, repair and operations) suppliers was launched in 25 plants within the Group's Paper and Pack divisions in Spain, France, the UK and Italy. This model will also help us improve our compliance monitoring of quality and service standards as well as material delivery deadlines, while reducing the resources involved in communicating with suppliers, due to their consolidation of players.



Case studies: Saica alone is capable of recycling the total amount of cardboard recovered from drinks packaging in the Iberian Peninsula

naturekraft Following the large investments made in our Saica Paper plant in El Burgo de Ebro, which involved the installation of a drum pulper and the refurbishment of one of the production lines, Saica currently has capacity to recycle all cardboard recovered from drinks packaging in the whole of Spain and Portugal. This type of packaging requires high technology facilities for recycling to recover virgin fibre that can be used later to produce our new **Nature Kraft** paper.

Customers

Our relationship with our customers is the spark that drives us to continuously innovate and remain at the forefront of the latest market trends. A key factor in maintaining such a cutting edge approach to our business is knowing our own customers' needs and goals. For that reason, we at Saica are always looking to build long-term collaborations based on trust and transparency, and demonstrate our proven capacity to meet the challenges raised by our customers.

To achieve this, all our customers have a wide range of tools equipped with the latest technologies, as well as teams of highly qualified professionals that help us understand their needs. This helps us develop integral solutions that provide the maximum added value to their products, while assisting them in achieving their sustainability goals across their entire value chain.

Our diverse innovation and design centres (The Green Room, NDCs, Customer Experience Centre and Design Centre) offer all our customers the opportunities to be immersed in a unique creative experience during which our professionals are able to design the ideal product for their needs.

A growing concern among our customers is the responsible management of their companies while providing products with sustainable features. This leads them to request advice about the development of products and services to improve their value chain. At Saica, we strive to assist

them in meeting their sustainability targets, giving them access to the most innovative market technology and designing unique solutions that contribute to optimising their distribution and transportation, increasing their point of sales impact and helping them be more environmentally responsible.

Our customers' reputation is closely linked to the safety and quality of our products. Therefore, we at Saica work hard to comply with internationally recognised service standards, offering the highest quality and safety levels in industry. An example of this is our implementation of **BRC Packaging**, the most prestigious certification for packaging and packaging materials for use with food. A management system and good practice protocol is established to ensure the legal compliance and food safety of the packaging produced. All our Saica Flex plants and 62% of our Saica Pack plants have been granted this certification.

Furthermore, our Paper and Pack divisions are also **Custody Chain** certified according to FSC and PEFC standards; this is another example of our commitment towards responsible supply.

At Saica Pack, we have implemented a new customer management model that enables us to maximise our knowledge regarding their short- and medium-term goals with an in-depth understanding of their supply chain, so we can provide them with the maximum added value, as well as the most innovative market solutions.



Our relationship with our customers is the spark that drives us to continuously innovate and remain at the forefront of the latest market trends



Our **Business Value Engineering Management (BVEM)** technology aims to strengthen our relationships with our customers through long term collaboration and partnership agreements.

Working jointly with our customers, we establish where we currently stand and where we are aiming for; establishing operational plants to achieve defined business goals not only in Europe, but also at a national and local level.

Furthermore, the growing external demand for information from our customers, and suppliers, combined with the significant growth of our Group in recent years, has prompted us to establish a commitment towards Group transparency in regards to sustainability.

Today, our Group voluntarily provides information about its performance using the **Sedex, Ecovadis, Ecodesk and CDP** platforms and initiatives, as well as by issuing this Sustainability Report.

"To provide long-term differential value, one of our main pillars will be to maintain our commitment to innovation, by offering all our customers a Unique Sales Proposal"

Federico Asensio, R&D&I Director at Saica Group

COMMITMENT TO TRANSPARENCY



Supply Ethical Data Exchange is a non-profit organisation that disseminates ethical and responsible business practices in the development of global supply chains, helping reduce risks, protecting company reputations and improving supply chain practices.



Carbon Disclosure Project assesses and classifies companies in terms of their management of the risks and opportunities presented by climate change and water management. Several multinationals and their suppliers are already working with the CDP Supply Chain Programme to achieve sustainable supply chain management.



Ecovadis is a platform that scores global supply chains in terms of their sustainability. It was created with the aim of contributing to the improvement of social and environmental business practices.



Ecodesk is a platform that simplifies the task of running a responsible business through the management of sustainability data, the identification of risks and compliance with regulations. It includes options that range from assessing the supply chain's carbon footprint to the introduction of social performance measurements to ensuring further control over corporate governance.

CASE STUDIES: A COMPANY SPECIALISING IN THE MANUFACTURING AND TRANSFORMATION OF CORRUGATED CARDBOARD WHICH HAS BEEN A SAICA CUSTOMER SINCE 1991

“With a turnover of €28M, **Maghreb Emballage** is today one of the pioneers in the business of reducing packaging weight in Algeria. Thanks to a very stable and profitable business relationship with Saica, we have taken advantage of their progress in regards to the reduction of paper weight.

Since the beginning, we took part in this challenge started by Saica Group because it addressed **3 of our main goals**:

- taking an active role in the **circular economy**;
- **reducing the use of raw materials**, thereby reducing our stock, due to being able to produce more cardboard with less paper; and
- reducing the price of packaging while maintaining **very high quality levels**.

In general terms, we use between 5 and 15g/m² less in some papers such as HIDROSAICA and DUOSAICA. Replacing lower quality paper with higher quality paper with a lower weight allows us not only to improve the quality and strength of our packaging, but also to reduce our paper consumption. An example of this was the replacement of SAICAMEDIMUM 127g/m² with HIDROSAICA 120g/m², resulting in savings of **540 tonnes per year** while improving the quality and strength of our packaging.”

Abdeldjalil Meradi, Quality Director at Maghreb Emballage

04





**CARING FOR
THE PLANET:
OUR PLEDGE**

Raw materials and Supplies



A growing concern is the depletion of natural resources resulting from industrial activities

and the current extraction model. This is driving the global movement of current production systems towards the more responsible circular models to guarantee a sustainable future for coming generations. Among other measures, the Circular Economy Package approved by the European Commission in 2015, established adequate waste recovery criteria to promote waste recovery and recycling among producers and the encouragement of industrial symbiosis, to turn any industrial sub products into raw materials for another sector.

The main raw material used in our packaging is vegetable fibre, which is a renewable and sustainable raw material that can create sustainable wealth when its supply and recovery are managed adequately. However, many other raw materials we currently use in our production processes are not. At Saica, we are aware that these raw materials are not inexhaustible, and we therefore work hard to minimise impact caused by our supply, generating significant savings at all stages of our value chain. We maximise the use of recyclable

paper fibres and seek new ways to recover and reuse our waste, including the use of our non-recyclable waste as fuel in our energy recovery plants. Thus, we can rest assured that we are not only reducing our demand for natural resources and minimising the impact of our business, but also contributing to achieving the **SDG Responsible Production and Consumption** goals.

By investing in more advanced transportation and waste selection equipment (e.g. screenings, trommels and optical sorters) we can optimise proper segregation of materials to improve their recycling.

All our recovered waste is subjected to strict quality controls to minimise any inefficiencies caused by the presence of foreign materials, thereby reducing rejects from the production line. In Spain and Portugal, the implementation of the Providers Materials Non Conformities (PNMC) by Saica Natur is aimed at controlling our plants' input waste quality to classify materials from different suppliers and customers to trace those agents that require an action plan to improve the quality of material supplied.

In 1996, we invested in the most advanced technology at the

time to extract samples from within the paper for recycling bales to control their humidity levels. In 2002, Saica Paper was the first recycled paper manufacturer worldwide to use this technology to measure foreign materials. Finally, in 2009, we were the first paper recycling firm to use technology to automatically measure both parameters. Today, more than 30 paper manufacturers worldwide apply this procedure developed by Saica.

To promote ongoing implementation of quality and reduce manufacturing losses, we carry out quality controls on all raw materials arriving at our plants. To achieve this goal, we at Saica Paper work in accordance with the UNE-EN 643:2014 standard that help us achieve uniform paper and cardboard for recycling input quality and establish, for example, a maximum of 1.5% of non-paper based materials.

Our work across the value chain of our products and services allows us to develop lower size and weight packaging, thus encouraging more responsible production, more efficient transportation and storage while reducing the logistics and packaging related costs of our customers.

Our performance

Paper for recycling used by Saica Paper (in tonnes)



Total paper for recycling
2,903,005
tonnes

Paper used by Saica Pack (in tonnes)



Total paper consumed
1,482,500
tonnes

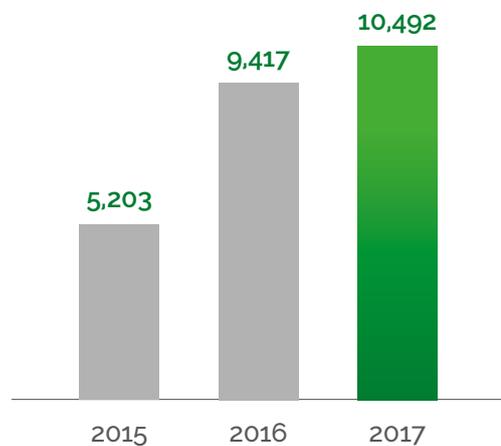
In 2017, as a result of an increase in the production levels at our UK and France plants, we increased our consumption of paper for recycling by 2.2% at Saica Paper with an additional 2.9 million tonnes. Our integrated business model has enabled our Saica Natur and Saica Pack divisions to directly supply 51.8% of the paper for recycling used by our paper manufacturing plants.

Our Pack business has increased its consumption of paper for the manufacturing of packaging by 6.4% to 1.48 million tonnes. This was due to an increase of 6.9% in production compared to 2016, due to increased business at our

plants located in Spain, France, the UK and Turkey. Following our circular business model, over 91% of the total paper used corresponds to recycled paper supplied almost entirely by our Saica Paper manufacturing plants, thereby guaranteeing the use of top quality paper and a certified, responsible chain of custody.

Moreover, our Natur Cycle Plus premises are now fully integrated into Saica Natur's business, from where it obtains 100% of LDPE for recycling. This year, we transformed a total of 10,492 tonnes of LDPE waste into secondary raw materials, an 11.4% increase on the previous year, and doubling the volume managed in 2015.

LDPE for recycling at Natur Cycle Plus (t)



Case studies: Forest products supply chain

Saica Pack and Saica Paper conform to the FSC® and PEFC™ Custody Chain standards, thus demonstrating their commitment towards a responsible, sustainable sourced supply. All our Paper plants have been granted the new FSC-STD-40-004 v.3 (as published in December 2016) and PEFC standards certification. In addition to this, all reels supplied by Saica Paper to its customers are FSC Recycled and 100% PEFC certified, thanks to the use of recycled paper as their raw material.

Most Pack plants (98%) are certified by the FSC standard, which is the one demanded most by our customers. Furthermore, 94% of our plants are also PEFC standard certified, as proof of our commitment towards providing the best possible service and anticipating market changes.

Since March 2017, all Pack plants are capable of supplying FSC Mix certified finished products to our customers who use recycled or certified virgin paper reels as their raw materials, in addition to the increasingly demanded FSC Recycled certified products, when using 100% FSC Recycled paper.

Saica Paper



The mark of responsible forestry

Saica Pack



The mark of responsible forestry

Energy management



At global level, having access to affordable, reliable, sustainable and modern energy is an essential requirement to end poverty and meet the SDG established by the United Nations. As a result, the World Bank has decided to make an effort to support sustainable options for access to energy that are both feasible and that produce low carbon levels.

Furthermore, the European Union is working hard to separate economic growth from the use of resources by promoting energy efficiency and supporting the change towards a low carbon economy via the increase use of renewable energy sources; these must account for 20% and 27% of the total energy production in 2020 and 2030, respectively. Likewise, the European Energy Efficiency Directive establishes a common framework with measures aimed at promoting energy efficiency, with targets set by the European Commission

of 20% for 2020, and 27-30% for 2030. Saica's production processes require a high energy input. Therefore, efficient and responsible energy management is needed to contribute to reducing our value chain's energy intensity. Within our strategy, we promote better energy use, with ongoing efficiency improvements across our processes, by increasing the consumption of renewable energy and recovering all non-recyclable waste to produce energy, in line with goal 7 of the SDG: **Ensuring universal access to energy, accelerating the improvements in energy efficiency and duplicating the global renewable energy rate before 2030.**

In 2011, we began to recover non-recyclable waste from paper manufacturing to produce energy, resolving both issues concerning the growing demand for energy and waste management in an innovative way and drawing closer to the circular economy goals and our Zero Waste target. By

recovering waste for energy production, we can generate electricity, to be exported to the public grid at El Burgo de Ebro (Spain) or steam for the production process at Partington (UK). At the end of 2017, over 500,000 tonnes of waste was transformed into fuel, thereby avoiding disposal to landfill and saving over 870 GWh of natural gas. In October 2018, the launch of a new biomass boiler at Venizel to generate steam will be our final step to close the cycle at all Saica Paper plants.

We are also equipped with our own energy management systems that can provide exhaustive monitoring and control of energy consumption, allowing us to identify potential areas for savings and optimise our production processes on a continuous basis. In this manner, we ensure that we remain at the most efficient levels at all times, resulting in the creation of increasingly more innovative and low carbon footprint products to serve our customers.



In addition to the ongoing improvements in our energy use, in September 2017, our **Paper plant in Venizel, France** was one of the first Saica Paper plants to be granted the **ISO 50001** certification for its energy management system and energy saving actions carried out. Our standards are based upon an ongoing improvement cycle and are compatible with other savings and energy efficiency measures to reduce energy consumption, particularly in regards to natural gas and electricity, as well as lowering costs related to energy.

To achieve this, we involved all our staff and their collaborators at the Paper plant in France and established the goals and targets to improve our energy performance alongside the energy management committee while promoting the best available techniques.

"Our ISO 50001 certification at our Paper France plant is a testament to our efforts applied year after year to improve our energy management performance, resulting from our commitment towards efficient management and our culture of continuous improvement"

Rénaud Guilianelli, Plant Manager at Saica Paper Venizel

Our performance

Energy consumption by fuel type (in GJ)



Total fuel consumption: 27,206,729 GJ

In accordance with the GRI, the Group's total net energy consumption amounted to 23.98 million GJ, a 3.8% increase on the previous year. Of the total energy used, 84.7% corresponded to fuel consumption, an increase of 4.5% compared to 2016. At Saica, our aim is to continue growing in a sustainable manner, so we continue with our commitment towards the use of energy from renewable sources, which amounted to 3.87 million GJ this year, representing 16.1% of the total energy used by the Group.

Our main fuel is natural gas, which is used to generate steam in our boilers and our high efficiency cogenerators where we produce electricity and steam. In 2017, we produced 2,280 GWh (8.21 million GJ) of

electricity, a 5.2% increase on the previous year. This increase in production allowed us to export 1,999 GWh (7.20 million GJ) of electricity to the grid, representing 87.7% of the total electricity generated.

Also, our electricity consumption increased by 2.6% to 1,369 GWh, compared to 2016. We must also highlight that we used 192 GWh of renewable electricity in 2017, a 352% increase on 2016, which represents 14% of our total consumption.

Total renewable energy consumption (in GJ)





Case studies: Saica Paper Venizel's commitment towards efficiency and green energy

At the start of 2017, the installation of the new fire tube boilers (10 and 11) at the Saica Paper factory in Venizel allowed us to reduce our consumption of natural gas, despite the significant increase in paper production. The increased energy efficiency provided by these boilers, resulted in an improvement in Saica Paper Venizel's environmental performance, with a reduction in GHG emissions per tonne of paper produced. Our two new boilers are part of the investment related to the future biomass energy recovery plant. Since they were first launched, these new units have used 13% less natural gas per tonne of steam produced than the old boilers. This additional efficiency meant we saved 33.3 GWh of natural gas as well as the emission of 6,743 tCO₂ between March and December 2017.

Furthermore, the new biomass boiler due to be launched in September 2018 will have a significant effect on the plant energy supply, by reducing the demand for natural gas by 89% compared to current figures. The average efficiency of over 75% will contribute to both our financial and environmental sustainability, being the first paper mill that approaches to decarbonisation. In 2017, 34% of non-hazardous waste produced by the plant was sent to landfill due to the lack of a feasible alternative. Once the biomass boiler is operational, this non-recyclable waste and that from the wood transformation process will be recovered. In total, the plant will be able to recover over 100,000 tonnes of waste per year, generating savings of 300 GWh of natural gas.



Case studies: Improvements in Saica Pack France energy efficiency

During 2016 and 2017, we invested €400,000 on improving our energy efficiency at several Saica Pack plants in France (Lamirande, Beaulac, Laval, Saint Junien and Venizel), resulting in the reduction of fossil fuels and electricity. The annual reductions from the above actions are currently 3,250 MWh of natural gas, 940 MWh of electricity and 658 tonnes of CO₂. Among the actions undertaken, were the optimisation and corrective measures applied to the steam production networks, the improvement of insulation systems and optimisation of the lighting systems with the installation of LEDs.



Water management



The United Nations has specified water as an indispensable asset for life, and access to impurity-

free water as a human right. However, it is very scarce and therefore, every drop counts. By year 2050, the UN expects that at least 25% of the world population will live in countries affected by permanent and repeated water shortages. Thus, they established goal 6 of the SDG as **Ensuring water availability and its sustainable management, as well as sanitation for everyone.**

Water management is one of the risks with a higher impact on organisations, as highlighted for the fourth year in a row by "The Global Risk Report", published by the World Economic Forum. Its physical risks, including flooding, contamination, safe supply and shortages are among the best known and are becoming increasingly common.

There are also regulatory risks that arise when changes to legislation result in changes in costs and the operational conditions that companies are confronted with. Finally, there are also reputational risks that can arise when a company does not recognise water as a fundamental issue and fails to act responsibly.

At Saica, we are committed to applying the best available technologies and working with highly qualified technicians who receive ongoing training to enable us to reuse high levels of treated water. We also invest in R&D&I projects aimed at achieving ongoing improvements in our operations and to use this resource efficiently.

Our water management model includes responsible practices across our entire products and services value chain, thereby reducing our

water footprint and ensuring sustainable use of this resource.

More specifically, we are constantly working to implement improvements in all our water treatment facilities, optimising our biological processes to achieve discharge parameters below the established restrictions, increasing the efficiency of our anaerobic digestion processes, optimising the number of additives used during the process and maximising water reuse.

Furthermore, at Saica, we anticipate associated risks by undertaking ongoing assessments of our plants and processes, analysing their vulnerability to flooding or drought and identifying opportunities for improvement. Based on these opportunities, we have developed contingency plans to prevent disruption to our production and supply, as well as response strategies at the plant level including mitigation and adaptation actions.



Our performance

Water usage by source



Total water withdrawn
17,505,551
M³

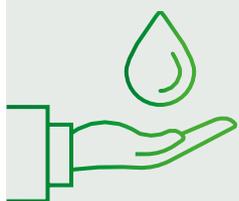
Our water withdrawal was **17,505,551 m³** in 2017, a 4.5% increase on the previous year. This was mainly due to increased paper production, as Saica Paper is the main user of water, representing 95% at the Group level, with an intensity of 6.4 m³/tonne. However, it is also responsible for almost all processed water reuse, which amounted to **5,401,817 m³**, allowing us to minimise the impact of our business on the environment.

In our Saica Pack division, we use steam in the manufacture

of corrugated cardboard sheets and have implemented measures year after year to reduce our consumption. In 2017, our intake was **607,695 m³**, resulting in an almost constant water intake intensity of 0.211 m³ per 1,000m² of cardboard produced.

Following improvements in our biological water treatment processes, we have managed to reduce our Chemical Oxygen Demand (COD) discharge parameter at Saica Paper by 6.4% compared to previous year, to 2,080 tonnes per year, as well

as reduce our COD/production ratio by over 8.3%. Improvements implemented particularly at Partington (UK) have managed to reduce our Total Suspended Solids (TSS) discharge by around 36.7%, resulting in a ratio of 0.207kg TSS/tonne. Finally, our Nitrogen (N) and Phosphorus (P) discharges have also been reduced significantly in the last two years by 28.7% and 20.2% to 174 t and 19 t, respectively, thus achieving our target of reducing our discharge contaminant load 3 years before the deadline.



For the third year in a row, Saica maintained its commitment towards water management reporting with the **CDP Water Supply Chain** questionnaire. This initiative is intended to disseminate the risk and opportunity management strategies identified by the largest worldwide companies in regards to water usage. Saica has significantly improved its position compared to the previous year and it is currently graded as **A- Leadership**, well beyond average for its sector.

CDP Water Evolution



Year	Saica Grade	Supply Chain Average Grade
2015	C	D
2016	B	D
2017	A-	D

■ Saica - - - Supply Chain Average



Case studies: New Effluent Treatment Plant at Saica Pack Thrapston

In the second half of 2017, Saica Pack Thrapston (UK) launched a new processed water treatment plant to guarantee management of their increased production volumes. Following an investment of over €260,000, the new facilities are further proof of Saica's commitment towards the environment and our compliance with discharge parameters, due to our capacity to absorb peaks in production volumes.

With a capacity to treat up to 10,000 litres of water per cycle, the new plant works in 90 minute cycles. It is equipped with multi-purpose material based on naturally occurring minerals that capture contaminants such as COD, TSS, heavy metals and oil through pH-based physical and chemical processes. After the coagulation and flocculation process, treated water is obtained with all contaminants being absorbed in the sludge, which is managed as non-hazardous waste.



Case studies: Expansion of the Effluent Treatment Plant at Saica Paper El Burgo de Ebro

Saica invested in the region of **€12M** to expand the ETP at El Burgo de Ebro factory. This project was in response to the forecast of increased production volumes and organic loads due to a decline in the quality of paper for recycling used as a raw material during the paper manufacturing process.

During the summer, we launched a complete biological treatment line comprising an anaerobic and an aerobic reactor with a treatment performance above 80%. In addition, we installed a gasometer with 250m³ capacity to collect any biogas produced and a biological desulphurisation system to prepare the biogas for its future use in energy recovery. In December, a second aerobic reactor with 320m³/h nominal capacity was installed, enabling us to increase our total nominal capacity to 740m³/h.



Climate change and Atmospheric Emissions



During the last COP23, held in November 2017 in Bonn, new actions and targets were introduced for all countries and companies who signed the Paris agreement two years ago. Further attempts were made to implement the collaboration framework and design rules to assess progress as well as climate action challenges, including all advances in the Agreement work programme and an Action Plan prior to its entry into force. All Agreement goals are in conformity with the EU commitment to reduce emissions by 80-95% by 2050, as well as the commitment included in goal 13 of the SDG, **adopting urgent measures to fight climate change and its effects.**

At Saica, we believe that companies have the opportunity to innovate in their products and services by aligning their response to climate change with international agreements while providing added value to their customers and increasing industry competitiveness. For that reason, we strive to achieve ongoing

energy efficiency improvements at all our premises, as well as using cleaner fuels and developing more sustainable products that contribute to fight climate change by reducing our emissions.

Throughout 2017, gas turbine modifications were made at our Saica Paper cogeneration plants in Zaragoza and El Burgo de Ebro (Spain). By introducing new low NO_x emission burners, we have managed to considerably reduce our emissions in conformity with the requirements of the European Industrial Emissions Directive. Following this investment, we have reduced our concentration of contaminants from 275 mg/Nm³ to 15 mg/Nm³ approximately³, a decrease of over 90% which will allow us to comply with our reduction commitments for 2020.

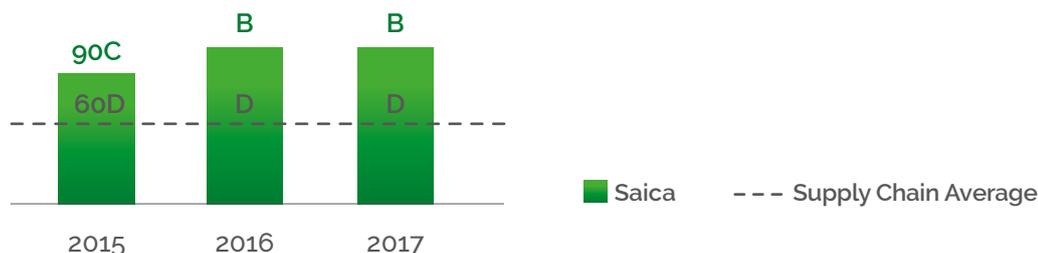
Furthermore, at Saica we also strive to minimise the impact caused by the transportation of our products. That is why we are taking part in the **European Modular System (EMS)** pilot scheme, which combines existing loading units into longer and heavier vehicle combinations during product transportation, resulting in further

transport efficiency and a reduction in the environmental impact.

In the case of Saica Natur, we work hard to improve the efficiency of our logistics operations, reducing any CO₂ emissions produced during the paper and cardboard waste collection. Using a simple device placed on our customers' static compactors, we receive information about their filling levels, allowing us to plan and optimise our logistics services. This allows us to reduce the number of journeys and improve our service to customers. This project started in Saica Natur Zaragoza and expanded to other premises in Spain in 2017, resulting in a decrease of 6,145 km in transportation and 7,200 kg in CO₂ emissions. Our aim is to increase the savings achieved in the next few years.

In addition, and for the sixth year in a row, we maintained our climate change reporting in response to the **CDP Climate Change Supply Chain** questionnaire, being **scored with a B** for the second year in a row as a result of our commitment towards the management of GHG emissions.

CDP Climate Change Evolution



³ Measured at 15% O₂.

Our performance

Scope 1 emissions (tCO₂eq.)



Scope 2 emissions (tCO₂eq.)



In 2017, we increased our total GHG emissions by 7.8% to 1.72 million tCO₂eq., with 83% of Scope 1 emissions⁴ corresponding to the use of fossil fuels and 17% of Scope 2 emissions corresponding to electricity consumption.

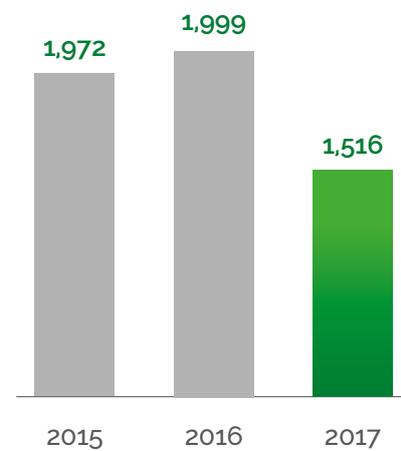
In regards to the different divisions, 91% of our GHG emissions amounting to 1.56 million tCO₂eq. were produced by Saica Paper, the business division accounting for most of the Group's energy usage. Our emissions intensity ratio for the manufacture of recycled paper increased slightly to 0.341 tCO₂eq. per tonne.

On the other hand, our Saica Pack division decreased its emissions intensity ratio to 0.048 tCO₂eq./1,000m² resulting in a 3.0% reduction despite increasing its total emissions by 3.7% to 134.321 tCO₂eq.

In addition to CO₂, we work hard to reduce our emissions of

other substances arising from the use of fuel. Among these, are NO_x emissions, which were significantly reduced by 24.2% thanks to the installation of low emission burners.

Evolution of Saica Paper's NO_x Emissions (tNO_x)



⁴ In accordance with the GHG (Greenhouse Gas) Protocol Corporate Standard, all direct and indirect greenhouse gas emissions produced by a company are classified into 3 different scopes. It also establishes the obligation to calculate and report the total of Scope 1 emissions (direct emissions produced in assets owned or controlled by the reporting company) and Scope 2 emissions (indirect emissions from the generation of purchased and used electricity).



Case studies: New corrugator at Saica Pack Portugal

In December 2017, the installation of a new corrugator at Saica Pack Marinha Grande (Portugal) allowed us to optimise logistics between the different Saica Pack plants in Portugal, thereby reducing the distance travelled during our logistics operations by more than 240,000 km per year, equivalent to 283 tonnes of CO₂ emissions per year.

Previously, the corrugated cardboard sheets used in the Marinha Grande and Cartonarte plants were transported from the Saica Pack plants in Lisbon and Ovar, 130 and 160 km away. Following this new installation, our Marinha Grande plant can now produce its own corrugated cardboard on-site, as well as to supply the Cartonarte plant, only 1 km away.



Case studies: Saica joins the Lean & Green initiative

In September 2017, Saica joined **Lean & Green (L&G)**, an international initiative that aims to help organisations further develop their sustainability in the logistics area by adopting measures that will lead to a reduction in both their environmental impact and costs. By promoting cooperation between the different links in the supply chain, L&G hopes to reduce CO₂ emissions by at least 20% over a period of 5 years, while improving the efficiency and sustainability of all its logistic processes. Our participation in this initiative helps us strengthen and implement our commitment towards sustainability, in addition to promoting our differential practices among our customers and the market.



Waste Management



Achievement of goal 12 of the SDG, **responsible consumption and production**.

implies a social and material transformation towards a type of economy where resources are used responsibly and their value maximised by circular models that treat waste as a recoverable raw material, thereby achieving long-term sustainability in all production models. To achieve this target, the UN insists we must adopt a systematic approach and engage all supply chain players, from the producer to the end user.

Thus, the European Union has adopted an ambitious package with new measures concerning the circular economy to help companies and consumers in the transition to a more rigorous, circular economy where resources are used more responsibly. This initiative includes actions that will contribute to "closing the gap" in

product's life cycle, from extraction to management as waste for reintroduction into the production cycle as secondary raw materials, thus promoting energy savings and reduction in GHG emissions.

This package includes a series of targets to drive the industrial sector to find new ways of creating products from secondary raw materials obtained from increasingly complex recycling processes. It also undertakes to prepare quality regulations for these secondary raw materials, particularly in regards to plastics, and to promote the conversion of waste into resources.

Our efforts are focused on innovating and adapting to our customers' needs through continuous improvement, adding value to our products and helping our customers meet their Zero Waste targets, as well as the circular goals established by the European Union.

To achieve these targets, we analyse our flows from a circular model perspective to find ways to avoid sending waste to landfill by recovering, recycling or turning it into energy. Due to the latest generation technologies and the fundamental work of our R&D&I department, this year we were able to turn 88% of all waste produced at our plants into energy.

Following the upcoming launch of the biomass energy recovery plant at Venizel, we will reduce external and internal waste from the wood transformation and recycled paper manufacturing processes, respectively, being sent to landfill by over 100.000 tonnes. The launch of the above installation in 2018, will increase our factory's energy recovery rate, by recovering the non-recyclable waste from paper manufacturing, representing 17,500 tonnes per year currently sent to landfill.

Our performance

Total waste production (in tonnes)

885,528	123,831
Recovered waste	Disposed waste

Total waste
1,009,359
tonnes

Waste produced by our business increased slightly (+3.7%) to 1,009,359 tonnes compared to the previous year. However, the improvement implemented, enabled us to maintain a high percentage of waste recovery at all our plants.

In the case of Saica Paper, the increase in production volumes has resulted in a 2.1% increase in waste to 729,746 tonnes, of which 719,555 was non-hazardous and 10,191 hazardous waste, with a recovery rate of 84%.

Also, Saica Pack saw an increase in the production of waste to

262,884 tonnes, an 8.9% increase compared to 2016, with 98% going to recovery operations.

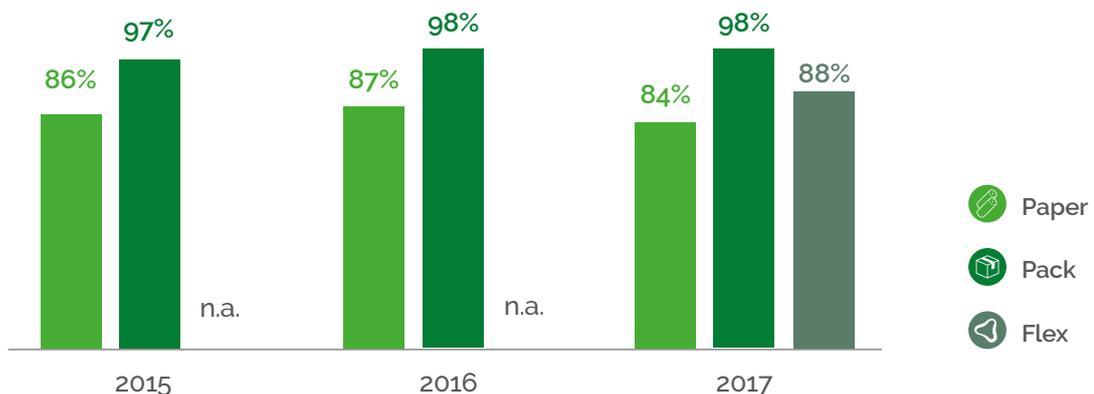
Our Flex division reached a recovery rate of 88%, involving 14,793 out of the total 16,729 tonnes of waste produced this year.

Finally, Saica Natur, our division in charge of providing environmental solutions for customers, mainly deals with waste management and innovates to improve recycling and recovery, by transforming it into secondary raw materials or researching new applications. In 2017, we contributed to

the integration of the circular economy while minimising our customers' environmental impact, with 2,745,236 tonnes of waste going to recovery operations. This recovered waste is mostly non-hazardous such as paper and cardboard and was mainly destined for manufacturing recycled paper at our Saica Paper plants.

All hazardous waste produced by Saica Group is managed by accredited external management companies in the countries where it is produced, thus avoiding any import or export of hazardous waste.

Waste recovery evolution (%)





Case studies: We helped Lidl achieve their Zero Waste target

We at Saica have been working with Lidl for several years in a project aimed at **optimising their recycling and reusing their waste** which was not possible to recover due to its composition and mix. In line with the Zero Waste target, we analysed the waste being sent to landfill, properly segregated all materials and managed to separate organic waste from the rest of the materials that could be recovered. Finally, the solution was to carry out a thorough segregation at source, allowing Lidl to obtain organic compost and solid recovered fuel (SRF). Since July 2017, **Lidl's logistics platform based in Alcala de Henares (Madrid)** has been granted the **Zero Waste certification by Aenor**, thus becoming the first distribution company in Spain to achieve this recognition.



Case studies: Saica takes part in the PAPERCHAIN project

This project is a European initiative aimed at finding an alternative solution for the waste produced by the paper manufacturing industry through the development of recovery-based **Circular Economy** models in one of the **3 industries with the highest use of raw materials: construction, mining and chemicals**. This project comprises 5 large-scale demonstrations of its own technical and financial feasibility, in addition to its environmental advantages. Through Saica Paper, we are collaborating in the circular case 2 to find an alternative for the **fly ash produced by the energy recovery plants**. One of the potential uses we have analysed is as a hydraulic binder in the road construction industry. We are therefore in the process of carrying out three pilot tests using the ash in the construction of rural, local and regional roads. In this project, we are assessing their performance from both a technical (e.g. durability, compliance with the General Technical Specifications for Road and Bridge Works and workability) and environmental (e.g. leachate control and life cycle analysis) point of view.

SCHEDULE 1: ABOUT THE ANNUAL REPORT

Reporting principles

Our first Sustainability Report includes information about the outcome of all economic, social and environmental activities undertaken on the global level for the period between 1st

January and 31st December 2017. Its scope comprises all countries where the company runs significant operations such as: Spain, France, Netherlands, Ireland, Italy, Luxembourg, Portugal, United Kingdom and

Turkey. In conformity with the principles for the preparation of consolidated annual accounts, our financial information includes data from companies where we have a majority stake, listed in the table below:

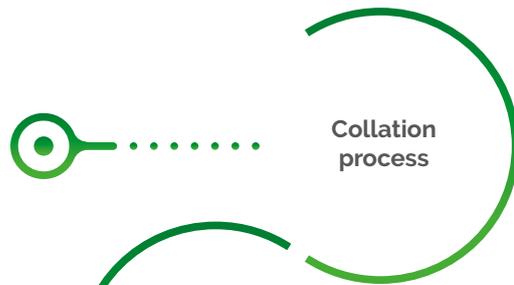
S. A. INDUSTRIAS CELULOSA ARAGONESA	SAICA FLEX ITALIA, Sp.A.	PRIMOPOST LTD
SAICA PACK, S.L.	SAICA FLEX LUXEMBOURG, S.A	SAICA PAPER FRANCE, S.A.S.
DANIEL AGUILÓ PANISELLO, S.A.	SAICA PACK IRELAND U.C.	SAICA PACK FRANCE
PAPELERA DEL EBRO, S.A.	RIDGMONT LTD	SAICA SERVICES
MICROLAN S.A.	AMERICK LTD	SAICA FRANCE, S.A.
SAICA NATUR S.L.	MARCHMONT PACKAGING	SAICA PACK TRANSFORMATEURS
SAICA NATUR BALEARES S.L.	SAICA PAPER UK LTD	SAICA NATUR SUD, S.A.S.
SAICA NATUR NORTE S.L.	SAICA PACK UK LIMITED	SCI LIAS
NATUR CYCLE PLUS 2020, S.L.	SAICA NATUR UK LTD	SCI CHEMIN DES MARGIS
SAICA FLEXIBLE, S.A.U.	AMERICK NI LTD	SAICA PACK TURKEY
SAICA PACK PORTUGAL	PP GLOBAL LTD	SAICA INTERNATIONAL, B.V.
CARTONARTE - INDÚSTRIA DE CARTONAGEM, Lda.	AMERICK ADVANTAGE LTD	LEMAPACK
SAICA NATUR PORTUGAL	SYSTEMS LABELLING LTD	SCHUT
SAICA PACK ITALIA	ASP FLEXIBLES LTD	HELLEMA
WEBTECH LTD		

For information concerning human resources and environmental indicators, the information reported corresponds to all companies where Saica holds control over their operations, with staff employed under their supervision and with the capacity to produce a significant impact on the environment.

Previously, Saica had published Environmental Reports for the financial years 2015-2016, 2012-2014 and 2011-2008. To mark the Group's 75th anniversary, we have commenced sustainability reporting with the company's first Sustainability Report, with the purpose of maintaining our commitment

towards transparency through the preparation of corporate reports for every 2-year period. However, we shall also publish an annual executive summary highlighting the most relevant milestones in each financial year, as well as the evolution of our commitments and targets on our corporate website.

All information contained in this report was gathered and extracted from the different company systems available such as SAP, Enablon and our internal process management software.

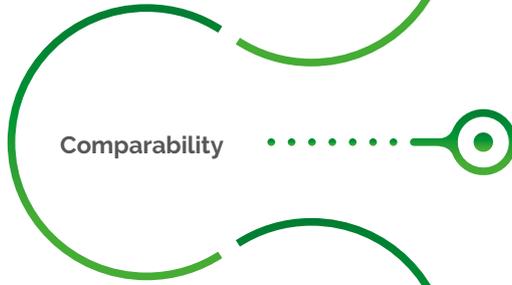
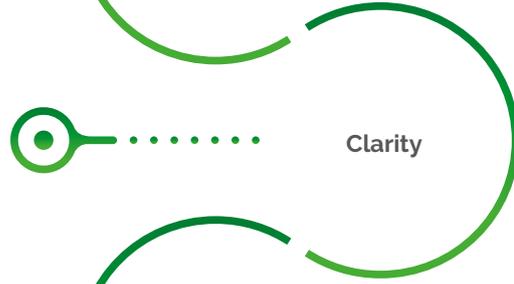


All the information described in this report is essential and shown in as much detail as possible to ensure that all company stakeholders can adequately assess its performance.



Our contents diagram was prepared with the participation of the different division managers and company management areas, ensuring that the main aspects and impacts produced by every Saica business area upon their environmental and business are considered.

All information provided is presented in a comprehensible and accessible manner. We have avoided the excessive use of technical jargon for a proper understanding. Likewise, we have used graphics, diagrams, tables and indicators to describe the company's most relevant impacts to make for more easy reading.



This report clearly displays all positive and negative aspects of the organisation's performance to allow for their reasonable assessment.

Saica's first Sustainability report was prepared in conformity with the Global Reporting Initiative (GRI) standards published in 2016 and with the 'Essential' Option of Conformity reporting principles. Pursuant to the above GRI standards, this Report was prepared from material topics identified for Saica and our stakeholders, offering a complete view of all the company's operations.



Saica Group has also included data corresponding to financial years 2015, 2016 and earlier in this report, so readers can gain a better understanding by comparing its performance. All environmental indicators information is available in previously published Saica Environmental Reports. Some of the indicators published from previous years have been recalculated retroactively and adjusted to any perimeter and company production adjustments.



Any omission or partial information report required by the GRI Standards has been included in the GRI indicators table available in the schedules to this document. Saica's Sustainability report has not been subject to external verification.

For more information regarding this report and its contents, please contact us at sustainability@saica.com

Materiality assessment and results

Before preparing our first Corporate Sustainability report, we identified the most relevant topics for our organisation and our stakeholders by updating our materiality analysis.

We begin our materiality analysis by a complex identification, external and internal analysis process and prioritisation of sustainability-related topics. We identified issues that may be of interest for our stakeholders as well as for Saica, in addition to any business topics considered by our Sustainability Department. We use those topics included in the GRI guide as a reference, those from the industry supplement for the Forest and Paper, silviculture, wood, cellulose, paper and rubber sector and the non-financial reporting requirements established by Directive 2014/95/EU.

Once all topics to be assessed were listed, we began the internal and external analysis process by reviewing public and market data to determine our priorities and the relevance of each topic for our stakeholders. Within this phase, we gathered information that had been previously reported by the Group on different Sustainability questionnaires, such as the CDP (Carbon Disclosure Project), as well as in forums and industry associations.

After all the above information was collated, we prepared our materiality matrix identifying those topics more relevant to our organisation in terms of sustainability. This matrix allowed us to assess the impact level of the different sustainability topics of our business and the



Our materiality analysis provides clear information about our most relevant topics for our stakeholders, helping us to establish our strategy and goals



market where we operate, as well as for our stakeholders (shareholders, staff, customers, suppliers and local communities).

Following this analysis, we identified **12 material topics** to include on in our first Sustainability Report and their impact on each of the players within our value chain:

Material Topics	Shareholders	Staff	Customers	Suppliers	Local communities
Ethics and corporate management	●	●	●	●	●
Safety and occupational risk prevention	●	●	●	●	●
Working conditions and human rights	●	●	●	●	●
Environmental management system	●	●	●	●	●
Sustainable raw material	●		●	●	●
Water usage and preservation	●				●
Energy	●				●
Climate change and carbon footprint	●		●		●
Waste management	●	●	●	●	●
Sustainable R&D			●	●	
Local development and relationship with local communities	●	●			●
Transparent information	●	●	●	●	●

SCHEDULE 2: INDICATORS, CERTIFICATIONS AND COLLABORATIONS

Our social performance

No. OF STAFF

	2015	2016	2017
Saica Natur	1,572	1,578	1,530
Saica Paper	862	876	905
Saica Pack	5,668	5,666	5,734
Saica Flex	142	1,199	1,210
TOTAL	8,244	9,319	9,379

STAFF BY CATEGORY AND GENDER

	M	F
Directors	84.8%	15.2%
Managers	76.6%	23.4%
Supervisors / Technicians	75.6%	24.4%
Administrative staff	53.8%	46.2%
Labourers	96.4%	3.6%

No. OF STAFF

	2015	2016	2017
Spain	3,846	3,863	3,840
Portugal	663	663	712
France	1,489	1,477	1,474
Italy	201	394	409
United Kingdom	1,769	2,368	2,439
Ireland	104	230	217
Turkey	172	162	145
Luxembourg	-	58	59
Netherlands	-	104	84
TOTAL	8,244	9,319	9,379

STAFF BY CATEGORY AND AGE GROUPS

	Under 30	30-50	Over 50
Directors	0%	61.4%	38.6%
Managers	1.9%	72.9%	25.2%
Supervisors / Technicians	11.7%	63.3%	25.0%
Administrative staff	8.5%	63.7%	27.8%
Labourers	9.5%	61.6%	28.9%

*No. staff = individuals as at 31.12.17.

Our environmental performance

Raw materials

	Saica Natur			Saica Paper		
	2015	2016	2017	2015	2016	2017
Raw materials (tonnes)						
Paper for recycling ⁵	-	-	-	2,806,348	2,840,857	2,903,005
Recycled fibre paper	-	-	-	-	-	-
Virgin fibre paper	-	-	-	-	-	-
LDPE for recycling	5,203	9,417	10,492	-	-	-
Virgin plastic	-	-	-	-	-	-
Starch powder	-	-	-	168,750	174,021	174,884
Starch slurry	-	-	-	27,147	27,985	32,489

Energy management

	Saica Natur			Saica Paper		
	2015	2016	2017	2015	2016	2017
Non-renewable fuel use (GJ)	-	-	-	21,771,877	21,006,645	22,283,928
Natural gas	-	-	-	19,512,695	19,141,816	19,595,147
Diesel	-	-	-	668	735	246
Fuel-oil	-	-	-	-	-	-
LPG (Liquefied petroleum gas)	-	-	-	-	-	-
Non-biomass waste	-	-	-	2,258,514	1,864,094	2,688,535
Renewable fuel use (GJ)	-	-	-	3,731,828	3,589,099	3,454,990
Biogas	-	-	-	793,260	819,900	846,235
Biomass waste	-	-	-	2,938,568	2,769,199	2,608,753
Electricity use (MWh)	19,608	23,071	25,105	1,073,085	1,086,239	1,103,294
Steam use (MWh)	n.a.	n.a.	1,867	2,849,562	2,870,321	2,948,460
Sold electricity (MWh)	-	-	-	1,985,469	1,906,785	1,999,302
Total energy consumption (GJ)	70,589	83,057	90,377	21,277,284	20,704,902	21,504,056

Energy intensity ratios

Energy intensity ratio ⁶	-	-	-	8.47	8.16	8.31
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⁵ 10% humidity + 1.5% unusable.

⁶ Units: Saica Paper = GJ/tonne, Saica Pack = GJ/1,000m², Saica Flex GJ/1,000m².

Saica Pack			Saica Flex			TOTAL		
2015	2016	2017	2015	2016	2017	2015	2016	2017
-	-	-	-	-	-	2,806,348	2,840,857	2,903,005
1,222,435	1,271,776	1,355,719	n.a.	6,080	6,328	1,222,435	1,277,856	1,362,047
151,087	121,797	126,781	n.a.	3,039	4,559	151,087	124,836	131,340
-	-	-	-	-	-	5,203	9,417	10,492
-	-	-	n.a.	n.a.	37,177	n.a.	n.a.	37,177
27,615	28,510	30,639	-	-	-	196,365	202,531	205,253
-	-	-	-	-	-	27,147	27,985	32,489

Saica Pack			Saica Flex			TOTAL		
2015	2016	2017	2015	2016	2017	2015	2016	2017
1,293,608	1,332,224	1,347,092	99,017	111,463	120,712	23,164,502	22,450,332	23,751,732
1,282,043	1,329,734	1,339,437	65,600	77,648	84,977	20,860,338	20,549,197	21,019,560
-	-	-	10,331	10,520	11,494	10,999	11,255	11,760
9,076	-	-	2,301	1,749	1,398	11,376	1,749	1,398
2,490	2,490	7,656	20,785	21,547	22,843	23,274	24,037	30,498
-	-	-	-	-	-	2,258,514	1,864,094	2,688,535
-	-	-	-	-	-	3,731,828	3,589,099	3,454,988
-	-	-	-	-	-	793,260	819,900	846,235
-	-	-	-	-	-	2,938,568	2,769,199	2,608,753
184,369	191,704	205,548	32,788	33,763	34,940	1,309,851	1,334,777	1,368,886
n.a.	n.a.	n.a.	3,546	3,943	4,032	2,853,108	2,874,265	2,954,360
-	-	-	-	-	-	1,985,469	1,906,785	1,999,302
1,989,207	2,055,716	2,120,846	229,820	247,205	261,009	23,566,900	23,090,881	23,976,288

Energy intensity ratios

0.763	0.778	0.751	-	-	0.292	-	-	-
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Water management

	Saica Natur			Saica Paper		
	2015	2016	2017	2015	2016	2017
Water withdrawal by source (m³)						
Total water used	156,895	200,051	267,832	16,104,106	15,948,008	16,595,325
Surface water	133,292	172,861	243,352	15,010,268	13,511,964	13,818,524
Groundwater	1,193	778	350	1,093,838	2,436,043	2,776,801
Network water	22,410	26,412	24,130	-	-	-
Recycled and reused water (m³)						
Recycled and reused water	-	-	-	4,693,733	4,990,438	5,388,860
Water discharge and destination (m³)						
Total discharged	-	-	-	13,770,037	13,334,766	13,282,929
Surface water	-	-	-	13,770,037	13,334,766	13,282,929
Water discharge by quality (t)						
COD	-	-	-	2,477	2,222	2,080
TSS	-	-	-	803	847	536
N	-	-	-	244	161	174
P	-	-	-	23,8	16,3	19,0

Climate change and atmospheric emissions

	Saica Natur			Saica Paper		
	2015	2016	2017	2015	2016	2017
Greenhouse gases (GHG) emissions (tCO₂ eq.)						
Direct (Scope 1) GHG emissions	-	-	-	1,298,784	1,249,092	1,340,896
Indirect (Scope 2) GHG emissions	4,817	5,895	7,373	181,424	189,235	215,220
GHG emissions intensity ⁷	-	-	-	0,333	0,324	0,324
Other significant emissions (t)						
NO _x	-	-	-	1,972	1,999	1,516
SO _x	-	-	-	34	125	173

Waste management

	Saica Natur			Saica Paper		
	2015	2016	2017	2015	2016	2017
Waste by type and treatment method (t)						
Total hazardous waste produced	-	-	-	7,665	7,496	10,191
Recovered	-	-	-	390	355	377
Landfilled ⁸	-	-	-	7,275	7,141	9,814
Total non-hazardous waste	-	-	-	683,031	707,145	719,555
Recovered	-	-	-	594,812	620,802	613,392
Landfilled ⁹	-	-	-	88,219	86,343	106,162

⁷ Units: Saica Paper: tCO₂ eq./tonne, Saica Pack: tCO₂ eq./1,000m² and Saica Flex: tCO₂ eq./1000m².

^{8,9} Wet tonnes.

Saica Pack			Saica Flex			TOTAL		
2015	2016	2017	2015	2016	2017	2015	2016	2017
613,515	574,495	607,695	n.a.	34,190	34,698	16,874,516	16,756,744	17,505,551
-	-	-	-	-	-	15,143,560	13,684,825	14,061,876
213,505	150,046	180,048	-	-	-	1,308,536	2,586,867	2,957,199
400,010	424,449	427,648	n.a.	34,190	34,698	422,420	485,051	486,476
n.a.	13,367	12,957	-	-	-	4,693,733	5,003,805	5,401,817
n.a.	n.a.	n.a.	-	-	-	13,770,037	13,334,766	13,282,929
n.a.	n.a.	n.a.	-	-	-	13,770,037	13,334,766	13,282,929
-	-	-	-	-	-	2,477	2,222	2,080
-	-	-	-	-	-	803	847	536
-	-	-	-	-	-	244	161	174
-	-	-	-	-	-	23,8	16,3	19,0

Saica Pack			Saica Flex			TOTAL		
2015	2016	2017	2015	2016	2017	2015	2016	2017
73,537	75,575	76,492	6,007	6,696	7,252	1,378,328	1,331,363	1,424,641
54,618	53,951	57,829	13,259	13,109	12,892	254,118	262,190	293,314
0.0492	0.0490	0.0476	n.a.	n.a.	n.a.	-	-	-
-	-	-	-	-	-	1,972	1,999	1,516
-	-	-	-	-	-	34	125	173

Saica Pack			Saica Flex			TOTAL		
2015	2016	2017	2015	2016	2017	2015	2016	2017
1,313	1,359	1,523	n.a.	1,670	1,654	8,978	10,525	13,368
232	342	393	n.a.	1,162	1,141	622	1,859	1,911
1,081	1,016	1,131	n.a.	509	512	8,356	8,666	11,458
207,168	240,023	261,361	n.a.	15,199	15,075	890,199	962,367	995,990
201,574	236,127	256,571	n.a.	13,682	13,651	796,386	870,611	883,617
5,594	3,896	4,787	n.a.	1,517	1,423	93,813	91,756	112,373

Our certifications



Saica Natur

	ISO 9001	ISO 14001	OHSAS 18001	EUCERPLAST
Spain				
Sant Fost	●	●		
Celra	●	●		
Terrasa	●	●		
Zona Franca	●	●		
Tarragona	●	●		
Esparreguera	●	●		
Badalona	●	●		
Palma de Mallorca	●	●		
Ibiza	●	●		
Alicante	●	●		
Murcia	●	●		
Paterna	●	●		
Zaragoza	●	●		
Zaragoza HQ	●	●		
Natur Cycle +				●
La Rioja	●	●		
Soria	●	●		
Pamplona	●	●		
Santander	●	●		
Burgos	●	●		
Asturias	●	●		
León	●	●		
Valladolid	●	●		
Vitoria	●	●		
Guipúzcoa	●	●		
Amorebieta	●	●		
Vigo	●	●		
Betanzos	●	●		
Padrón	●	●		
San Martín de la Vega	●	●		
Villaverde	●	●		
Meco	●	●		
Jérez	●	●		
Sevilla	●	●		
Almendralejo				
Portugal				
Alcochete	●	●		
Sintra	●	●		
Porto	●	●		

France

Saint Girons	●	●		
Tarnos	●	●		
	ISO 9001	ISO 14001	OHSAS 18001	EUCERPLAST

United Kingdom¹⁰

Croy	●	●	●	
Dundee				
Kirkcaldy	●	●	●	
Doncaster	●	●	●	
Audenshaw	●	●	●	
Manchester HQ	●	●	●	



Saica Paper

	ISO 9001	ISO 14001	ISO 50001	FSC	PEFC
Spain					
Zaragoza	●	●		●	●
El Burgo de Ebro	●	●		●	●
France					
Saica Venizel	●	●	●	●	●
United Kingdom					
Saica Partington	●	●		●	●



Saica Pack

	ISO 9001	ISO 14001	OHSAS 18001	BRC	FSC	PEFC
Spain						
A Coruña	●	●		●	●	●
Alcobendas ¹¹	●	●			●	●
Amposta	●	●		●	●	●
Sevilla	●	●		●	●	●
Alfajarín	●	●			●	●
Sant Sadurni	●	●			●	●
Barcelona	●	●		●	●	●
El Prat	●	●		●	●	●
Meco	●	●		●	●	●
Velilla	●	●			●	●
Valencia	●	●		●	●	●
Cantabria	●	●		●	●	●
Viana	●	●		●	●	●

¹⁰ All Saica Natur UK plants are *Safe Contractor* certified.

¹¹ Our Saica Pack Alcobendas plant is ISO 22000 certified.

	ISO 9001	ISO 14001	OHSAS 18001	BRC	FSC	PEFC
Portugal						
Lisboa	●	●			●	●
Ovar	●	●	●	●	●	●
Cartonarte	●	●			●	●
Marinha Grande	●				●	●
Italy						
Badia	●				●	●
Santa Maria Hoe	●				●	●
Turkey						
Eskisehir	●			●		
France						
Beaulac	●	●	●	●	●	●
Beaune	●	●	●	●	●	●
Doullens	●	●	●	●	●	●
Lamirande	●	●	●	●	●	●
Laval	●	●	●	●	●	●
Saint Junien	●		●	●	●	●
Toulouse	●		●		●	●
Venizel	●		●	●	●	●
Besançon	●				●	●
Merignac	●				●	●
Tours	●				●	●
United Kingdom and Ireland						
Ellesmere Port	●	●	●	●	●	
Hartlepool	●	●	●	●	●	●
Wigan ¹²	●	●	●	●	●	
Telford	●	●	●		●	●
Peterlee	●	●	●	●	●	●
Newport	●	●	●	●	●	●
Thatcham	●		●	●	●	●
Thrapston ¹³	●		●	●	●	●
Edinburgh	●	●	●	●	●	●
Milngavie	●	●	●	●	●	●
Grangemouth	●		●		●	●
Warrenpoint	●	●	●	●	●	●
Lurgan	●		●		●	●
Exeter	●		●		●	●
Oxford	●		●		●	●
Ashbourne	●		●	●	●	●
Dublin	●			●	●	

¹² Our Saica Pack Wigan plant is AIB certified.

¹³ Our Saica Pack Thrapston plant is AIB certified.



ISO 9001 ISO 14001 OHSAS 18001 BRC FSC

Spain

Zaragoza	•			•	
Madrid				•	

Luxembourg

Luxembourg	•			•	
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Italy

Meldola	•	•	•	•	
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United Kingdom and Ireland

Enniskillen	•	•	•	•	
Buxton				•	
Wigan	•			•	
Deeside				•	•
Haverhill ¹⁴	•	•		•	•
Cambridge				•	•

Netherlands

Etten Leur	•	•		•	
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¹⁴ Our Saica Flex Haverhill plant is PS 9000 certified.

Collaboration with associations and entities

Our collaboration with industry and professional entities and associations is part of our commitment towards open and constructive communication with all

our stakeholders and key element in achieving the Group's long term goals. Our participation in different associations and organisations is shown in the table below:

Organisation	Purpose	Presence in governance bodies	Participation in committees and work groups
The Confederation of European Paper Industries (CEPI)	A non-profit organisation determining the key issues facing the paper manufacturing industry, finding common ground and communicating these to the whole European sector.	✓	✓
European Paper Recycling Council (EPRC)	An industry initiative to monitor progress towards meeting the paper recycling targets set out by the European Union.	✓	✓
Asociación Española de Fabricantes de Pasta, Papel y Cartón (ASPAPEL)	A nationwide professional organisation aimed at helping the sustainable and competitive development of its member companies and promoting the image of the sector, its companies and products.	✓	✓
Union Française des Industries des Cartons, Papiers et Cellulose (COPACEL)	Trade association representing French companies producing pulp, paper and cardboard.		✓
Confederation of Paper Industries (CPI)	Aims to unify the UK's Paper-based Industries with a single purpose in promoting paper's intrinsic value as a renewable and sustainable fibre-based material, enhancing its competitiveness through seeking to reduce legislative and regulatory impacts and in spreading best practice.	✓	✓
Asociación Española de Cogeneración (ACOGEN)	Driving and supporting cogeneration across the entire Spanish territory, defending the interests of existing installations and promoting the construction of new ones, based on the positive features demonstrated by this technology in the industrial environment.	✓	✓
Confederation of Waste-to-Energy Plants (CEWEP)	Contributing to European environmental and energy legislation on environmental and energy issues, as well as promoting the highest environmental standards and state-of-the-art trends on sustainable energy production from non-recyclable waste.		✓
The European Federation of Corrugated Board Manufacturers (FEFCO)	A non-profit organisation representing the interests of the industry across Europe and addressing a wide range of issues, from technical topics to economical questions.		✓

Organisation	Purpose	Presence in governance bodies	Participation in committees and work groups
Asociación Española de Fabricantes Envases y Embalajes de Cartón Ondulado (AFCO)	Promoting the use of corrugated cardboard in product transportation and packaging, as well as promoting knowledge among the paper industry through the preparation of relevant research papers.	✓	✓
Carton ondule de France (COF)	Promoting and encouraging the installation of a corrugated cardboard production network in France.	✓	✓
Gruppo Italiano Frabbricanti Cartone Ondulato (GIFCO)	Italian corrugated cardboard manufacturers association representing over 90% of the national corrugated cardboard production.	✓	✓
Oluklu Mukavva Sanayicileri Derneği (OMÜD)	Turkish corrugated cardboard manufacturers association representing industry interests, as well as increasing international technical knowledge and the exchange of expertise.	✓	✓
Ecoembes	To provide society with a collective response from financial players to the environmental concerns related to the consumption of household packaged products to comply with legally specified objectives while making the most effective use of a Company's resources.	✓	✓
RECIPAP	A non-profit organisation representing the paper and cardboard packaging production and recycling chain and ensuring their recycling in Spain.	✓	✓
REVIPAC	Representing the paper and cardboard packaging industry concerning its management at the end of the life cycle, ensuring the proper operation of the eco-packaging system and observance of the industry's commitments.		✓
Flexible Packaging Europe (FPE)	Representing the European flexible packaging industry at a European level and on the international stage. It deals with a wide range of issues relevant to the flexible packaging industry, most notably food contact, sustainability and environmental issues.		✓
Circular Economy for Flexible Packaging (CEFLEX)	A European consortium of collaborating companies and associations to further enhance the performance of flexible packaging in the circular economy by advancing better system design solutions identified through the collaboration of companies representing the entire value chain.		✓
Asociación Española de Profesionales de Compras (AERCE)	A professional association whose aim is disseminating, publishing and imparting knowledge and expertise, as well as carrying out research regarding issues concerning the management of purchases, contractors and supplies.		✓

SCHEDULE 3: GRI CONTENT INDEX

GRI standard **Contents** **Relevant section within the Annual Report**

GRI 102: GENERAL DISCLOSURES

Organisational profile	102-1	Name of the organisation.	p.2
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	102-3	Location of headquarters.	p.2
	102-4	Location of operations.	pp.32-33
	102-5	Ownership and legal form.	p.78
	102-6	Markets served.	pp.34-44
	102-7	Scale of the organization.	pp.6-7
	102-8	Information on employees and other workers.	p.49 & 81
	102-9	Supply chain.	pp.57-59
	102-10	Significant changes to the organization and its supply chain.	p.33
	102-11	Precautionary Principle or approach.	pp.20-21
	102-12	External initiatives.	p.61
	102-13	Membership of associations.	pp.90-91
Strategy	102-14	Statement from senior decision-maker.	p.9 & 14
	102-15	Key impacts, risks, and opportunities.	pp.20-21
Ethics and integrity	102-16	Values, principles, standards, and norms of behaviour.	p.15 & 18
	102-17	Mechanisms for advice and concerns about ethics.	p.15
Governance	102-18	Governance structure.	p.19
Stakeholder engagement	102-40	List of stakeholder groups.	p.16 & pp.48-61
	102-41	Collective bargaining agreements.	p.54
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