



Corporate Sustainability Report

2023

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From the beginning, the Group has strived to be the supplier of reference in the industries where it operates, with the best professionals and with state-of-the-art technology, generating added value for its clients and reducing any negative impact resulting from its business activity.

**José Ramón Álvarez
Ribalaygua**



LETTER FROM THE CHAIRMAN

JOSÉ RAMÓN ÁLVAREZ RIBALAYGUA

As the Chairman of the Armando Alvarez Group (GAA), I am pleased to present to you our Corporate Sustainability Report for 2023. This report represents our ongoing commitment to transparency and responsibility in everything we do.

From the beginning, the Group has strived to be the supplier of reference in the industries where it operates, with the best professionals and with state-of-the-art technology, generating added value for its clients and reducing any negative impact resulting from its business activity.

2023, marked by political instability and economic slowdown, was a highly challenging year for us. We faced inflation, restrictive monetary policies that entailed significant increases in interest rates, the consequent consumer crisis within the Euro zone, internal labour conflicts and the drought, which has had a negative impact on our agricultural division. The entry into force of the special tax on non-reusable plastic packaging must also be taken into account. This tax has affected the sector unevenly, and has led us to face significant administrative difficulties. However, we responded proactively, offering our clients more sustainable solutions.

Sustainability is an essential pillar in our strategy. We have worked hard to continue integrating and organising responsible practises into the Group's main areas. By the end of the year we approved an ESG Policy that shows the governance body's commitment and sets a specific framework for decision-making.

Regarding environmental responsibility, we continue to develop solutions that promote circularity, optimise the use of resources and protect biodiversity. We are also working on a decarbonisation programme to further reduce our emissions.

On the other hand, we must remember that GAA is the sum of all the people who are part of it. Talent management is essential and we work continuously to improve it. It is increasingly demanding and its relationship with the Group goes

beyond just the contract. That is why we strive to establish a culture of well-being, prioritizing safety and health and promoting diversity, equality and inclusion.

Another important pillar for us is governance. New for 2023 we can highlight that the Board of Directors has again pledged its commitment to zero tolerance for any illegal action, and it approved the Group's Anti-Corruption Policy. The company also approved a Responsible Procurement Policy, to continue encouraging due diligence throughout the value chain.

Through transparency, open dialogue and collaboration with our stakeholders we hope not only to improve our sustainability performance and report on our progress, but also to inspire others to join us in developing these practises for a better future for generations to come.

As signatory members of the United Nations Global Compact, in 2024 we will continue to promote its 10 principles and the Sustainable Development Goals related to our business activities. This report is a result of our collective efforts and our commitment to progress, innovation and sustainable development.



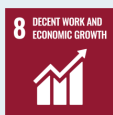
José Ramón Álvarez Ribalaygua
Chairman of the Armando Alvarez Group

2023 MILESTONES



AWARD FOR THE MOST NOTEWORTHY SOCIAL POLICY

We received the “Award for the most noteworthy Social Commitment Policy”, in acknowledgement of our ceaseless work on promoting well-being and improving the community.



GAA RECEIVES THE ANAIP SEAL OF EXCELLENCE

This seal, a certification registered at EU level, acknowledges the work and commitment of the companies that are part of the plastics industry for the sake of sustainability.



PLASTICOS VANGUARDIA BECOMES CERTIFIED IN THE OPERATION CLEAN SWEEP PROGRAMME

As members of this volunteer initiative since 2021, we decided to expand our commitment by certifying our actions in 2023 to prevent unintentional loss of plastic particles into the environment.





REYDE OBTAINS FSSC 22000 CERTIFICATION

Reyde, S.A. has had its food safety management system certified. This system is certified by the Global Food Safety Initiative, as are other food safety schemes.



ALL OF THE GAA COMPANIES IN SPAIN ARE UNE 19601 CERTIFIED

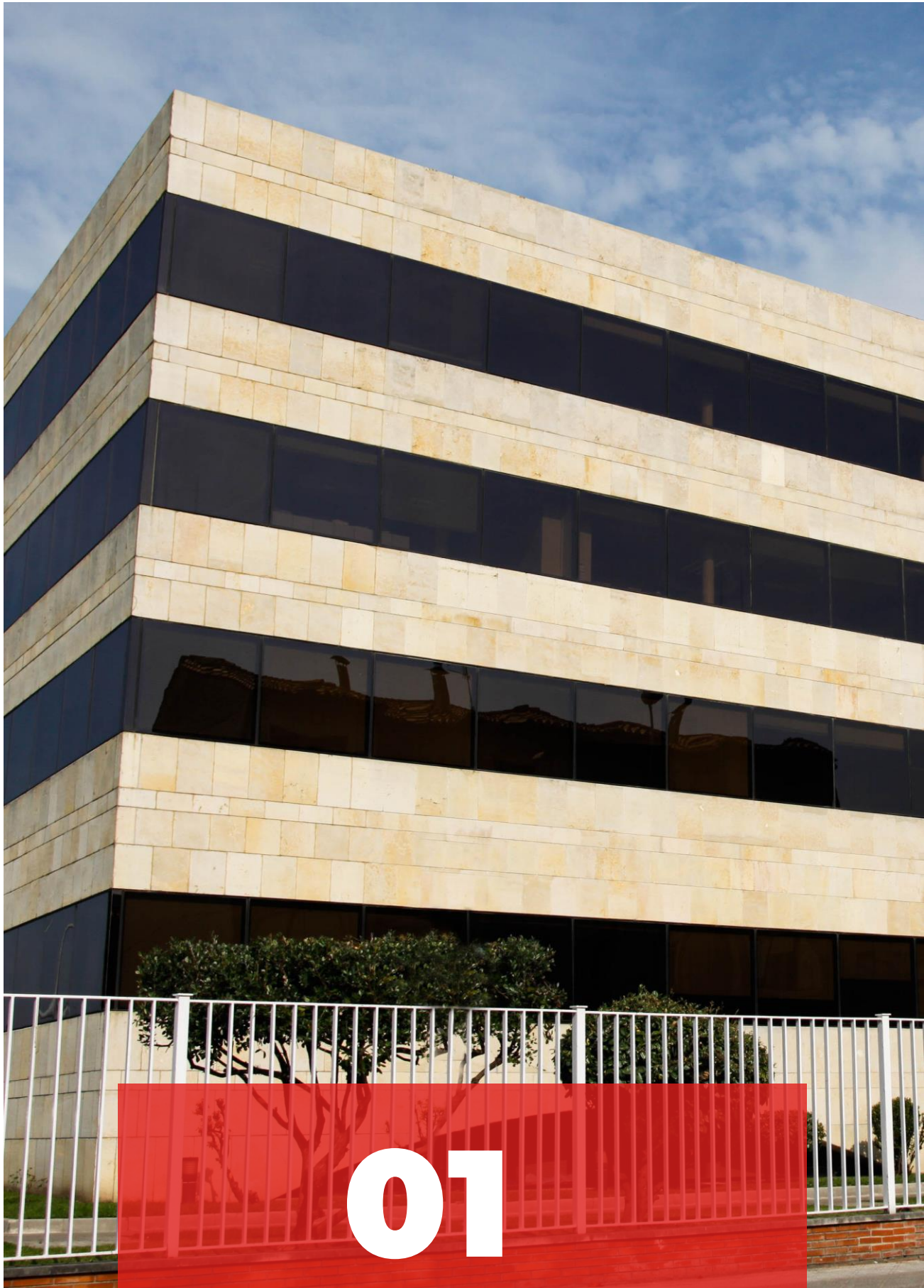
All the companies that belong to the Group in Spain have had their criminal compliance management system certified in 2023.



RESPONSIBLE PROCUREMENT POLICY

The Responsible Procurement Policy is approved to establish the general framework for hiring and selecting suppliers and contractors.





ABOUT US

The Armando Alvarez Group (GAA) is a family comprised of several companies. All of them have a common goal: to offer their clients responsible, quality solutions tailored to their needs.

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1.1 WHO ARE WE?

The Armando Alvarez Group (GAA), with Cantabrian roots and international presence, is a private capital company that stands out not only as a major Spanish family-run company, but also as one of the European leaders in plastic processing.

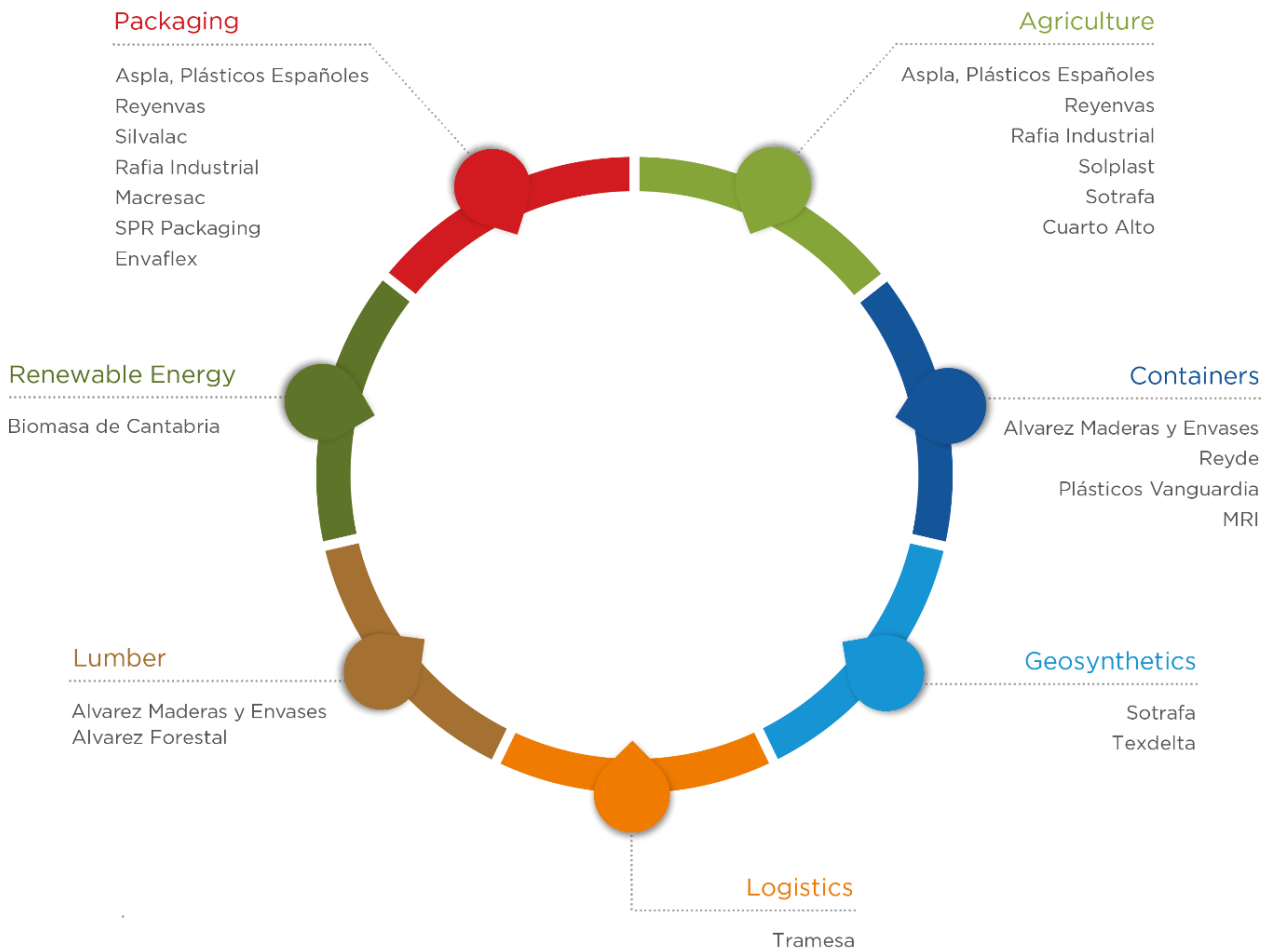
The Group specialises in the sustainable transformation of plastics, mainly polyethylene and polypropylene, in the packaging and container, agriculture and geosynthetics industries. The Group also operates in the wood, renewable energy and logistics industries.



With our experience through over 70 years in the industry, at GAA we have highly specialised equipment that allow us to offer solutions adapted to the specific needs of the markets where we operate.

The organisations belonging to the **Armando Alvarez Group** are led by the parent company, Armando Alvarez, S.A., which is the **holding company**.

The Group includes companies established both in Spain and abroad, all of which have a different organisational structure depending on where they are located. The GAA companies operate in one of the aforementioned seven activity sectors (see *Figure 1*).



(Figure 1)



1.2. OUR HISTORY

1954

Beginning in the wood business

Our founder, Mr. Armando Álvarez Villanueva, began in the wood industry with a small carpentry workshop in Torrelavega, and he later began in the forestry sector and in the production of metal containers.

1964

The beginning of plastic processing

A few years later, ASPLA, Plásticos Españoles S.A. was founded, and it became the first plastic processor of the current Armando Alvarez Group.

1977

A growth period within the country

The expansion began in Spain, with the creation and acquisition of several companies that complemented the main business line.



We work under criteria that are not strictly economic, but also social and environmental, generating a positive impact on the future of society.

○ **Arrival in the U.S.**

SPR Packaging LLC, in Texas (U.S.) was acquired in 2014, boosting our international presence and vision.

2014

2022

○ **The Group is consolidated**

With a business figure exceeding €1.2 billion, the Group is currently a reference in the plastic processing industry in Europe and worldwide. Our solutions reach customers in over 115 countries, improving the lives of millions of people.

1.3. OUR VALUES



INNOVATION

As a source of sustainable growth.



TRUST

We offer solutions tailored to market needs.



COMMITMENT

To every one of the projects we carry out.



RESPONSIBILITY

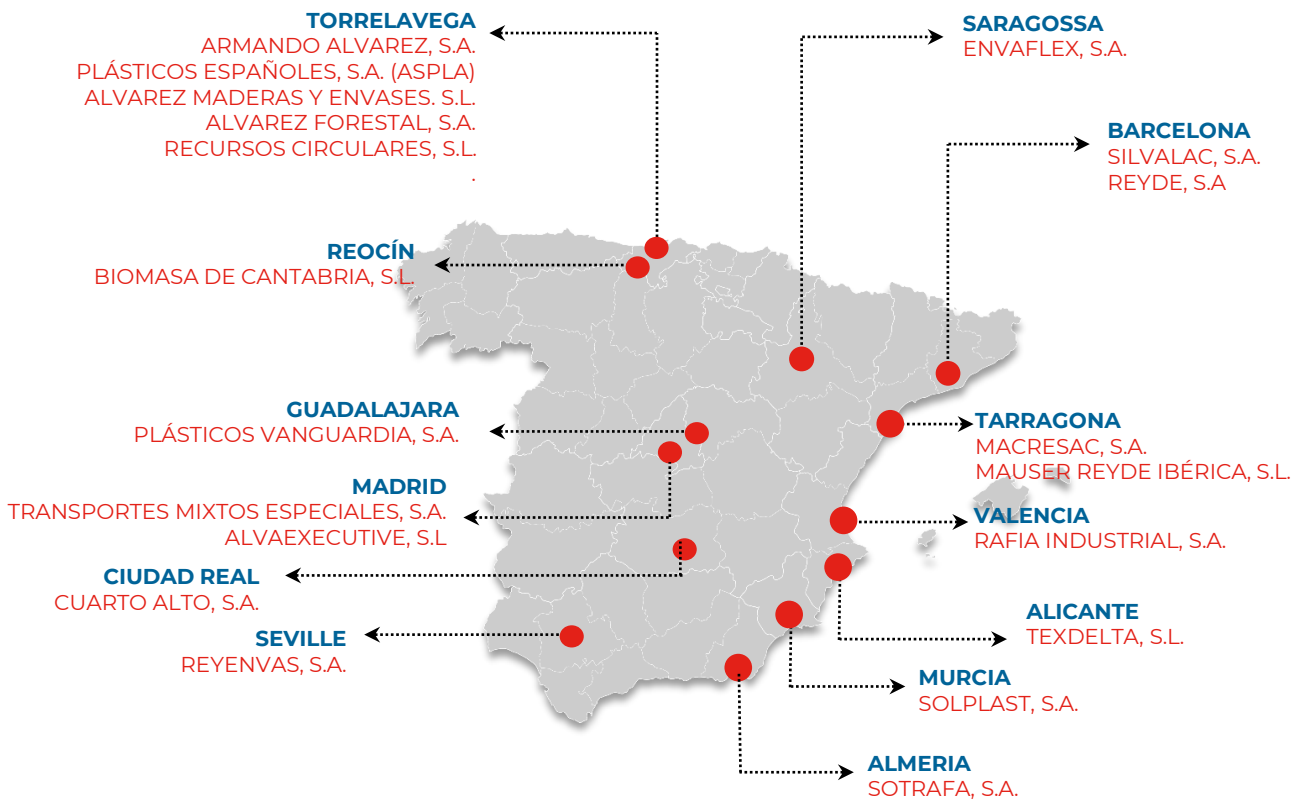
Our purpose is to create value for our clients, collaborators, and for the communities where we operate, and we have adopted a sustainability approach in all our activities.





1.4. OUR HEAD OFFICES

The Group manages 17 production centres, 16 of which are in Spain and one in the United States. It also has service provider companies and a network of marketing companies abroad, under the Alvaplast brand.



OUTSIDE OF SPAIN



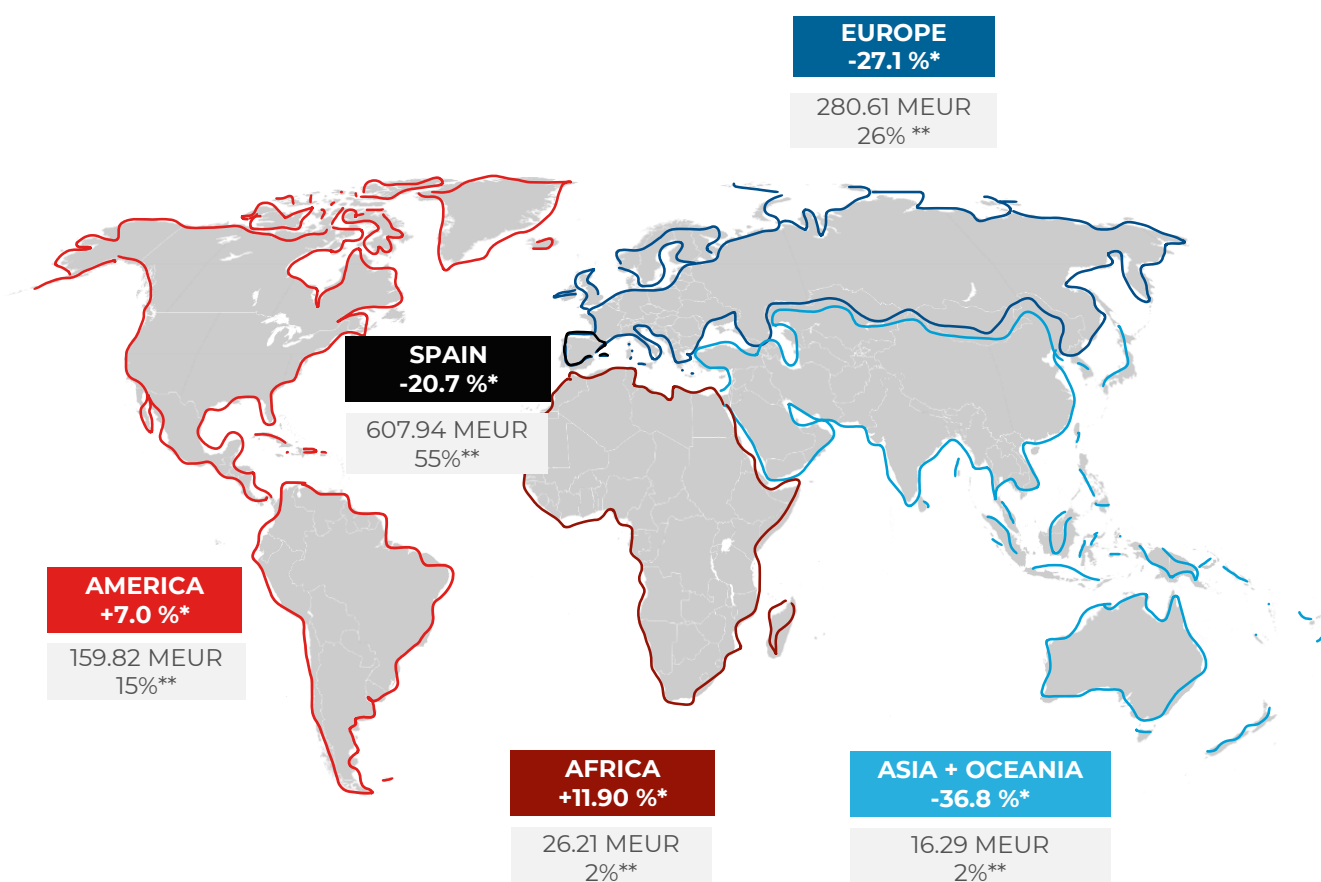
* COMPANIES IN THE PROCESS OF DISSOLUTION



108
countries

Our solutions are present in the daily lives of millions of people.

1.5. MARKETS WHERE WE OPERATE



*Comparison chart 2022-2023 €

**Gross turnover of the market share within the Group's total share

1.6. GOVERNANCE AND EXECUTIVE BODIES

The Group's governance and administration are entrusted to the General Shareholders' Meeting and the Board of Directors.

GENERAL SHAREHOLDERS' MEETING

The General Shareholders' Meeting is always led by the principles of trust, transparency, rendering of accounts and proper information.



The Corporate Bylaws establish the nature of the shareholders, the corporate capital, and the number and nominal value of the shares. All shareholders are part of the Álvarez Ribalaygua family. The Chairman and Secretary of the General Meeting also hold these positions on the Board of Directors.

The General Shareholders' Meeting effectively deals with and resolves all the matters within its competence, as defined in the Corporate Bylaws. Among its duties are decision making regarding amendment of the Bylaws, appointment and removal of directors, approval of accounts, as well as all transformation, merging, splitting or dissolution activities of the company.

The General Meetings may be ordinary or extraordinary, and they must be convened by the company directors. The Annual Meeting must be held within the first six months of every tax year. An Extraordinary Meeting will be convened by the Board of Directors when convenient, or when it is requested by a number of shareholders who represent at least 5% of the corporate capital.

The company helps in the exercise of the rights to attendance and participation in the General Shareholders' Meeting under equal conditions. The shareholders, in an Annual Meeting, shall decide by majority on the matters that are under their competence.

BOARD OF DIRECTORS

The management of the company is entrusted to the Board of Directors. It represents the company and may perform all actions comprised within the corporate object, carrying out all types of actions and contracts, for management, disposal or strict ownership, main or accessory, and on all types of assets and rights. It may also exercise all of the attributions that are not reserved by Law or by the Bylaws for the General Assembly.

The directors must fulfil their role and meet their obligations with the diligence of a responsible business person, bearing in mind the nature of the position and the duties assigned to each one.

The Board is comprised of eight directors (five representing major shareholders and three executive) elected in the Annual Meeting. The position will be held for five years, and they may be re-elected one or more times for equal periods. The composition of the Board is three women directors and five men directors, representing 37.5% and 62.5% of the Board, respectively.

Mr José Ramón Álvarez Ribalaygua, successor of his father, the founder Mr Armando Álvarez Villanueva, has led the company since 2012, working strategically based at the Group's parent company, Armando Álvarez, S.A.

JOSÉ RAMÓN ÁLVAREZ RIBALAYGUA CHAIRMAN

Mrs María Álvarez Ribalaygua
Vice-President

Mr Gonzalo Gómez Arozamena
Vice-President - CEO

Mrs Ana Álvarez Aldomá
Vice-President

Mr Armando Álvarez Ribalaygua
Vocal

Mr Jorge Prieto Álvarez
Vocal

Mrs Elena Álvarez Ribalaygua
Vocal

Mr Alfonso Salcines Correa
Secretary

FAMILY-LED GOVERNANCE AND ADMINISTRATION

Through family-led governance and administration, the Group reinforces its values, ensures stability and business continuity, and strengthens its connection with the communities where it operates. This is essential for long-term success and to preserve the business legacy built-up over the two previous generations.

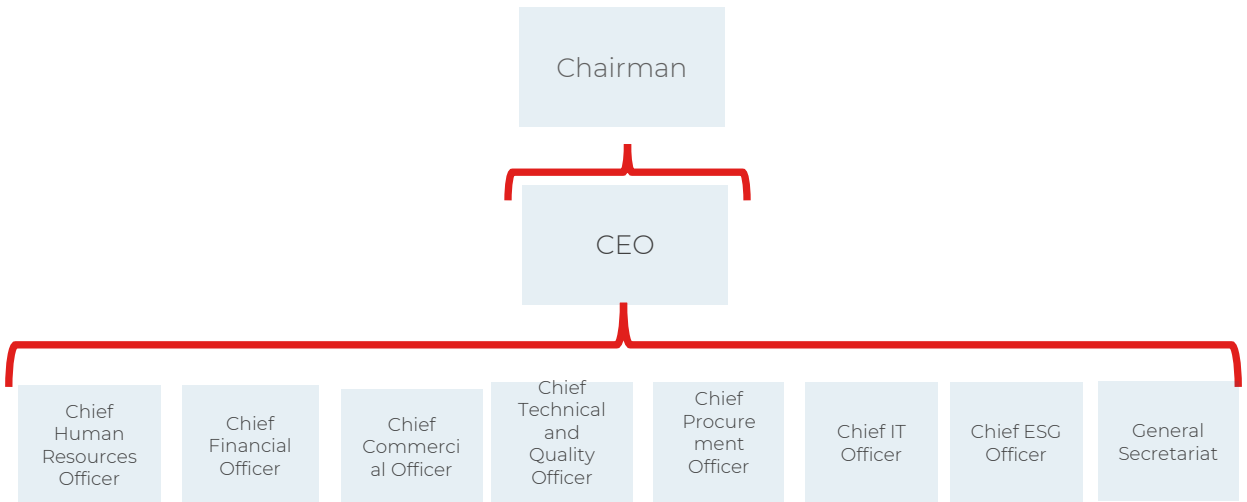
The sense of belonging and commitment among the members of the family is made evident in our organisational culture. This allows us to have a solid internal cohesion and open and transparent communication at all levels of the company.

Additionally, as 100% of the shareholders are family members, the decisions are aligned with the values and the long-term vision of the Group.

Being a family-run company also provides **stability and continuity in leadership and management**. With family members in key leadership roles, a direct connection with the founding family's vision and goals is ensured. This management continuity allows for a coherent and flexible strategy, even in times of changes and external challenges.

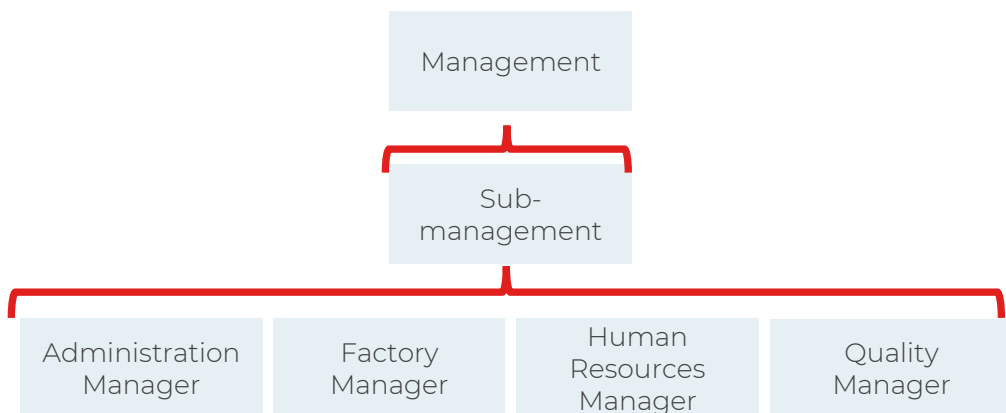


The executive arm of the Armando Alvarez Group is comprised of the General Management Committee and the Chairman.



The structure of the governing entity of the Spanish subsidiaries is two joint and several administrators, represented by two Group companies, who are in turn represented in all cases by Mr José Ramón Álvarez Ribalaygua and by Mrs María Álvarez

Ribalaygua. Additionally, all of the subsidiaries have a **Management Committee** with the following structure:



LEADERSHIP STRUCTURE IN THE SUBSIDIARIES ABROAD

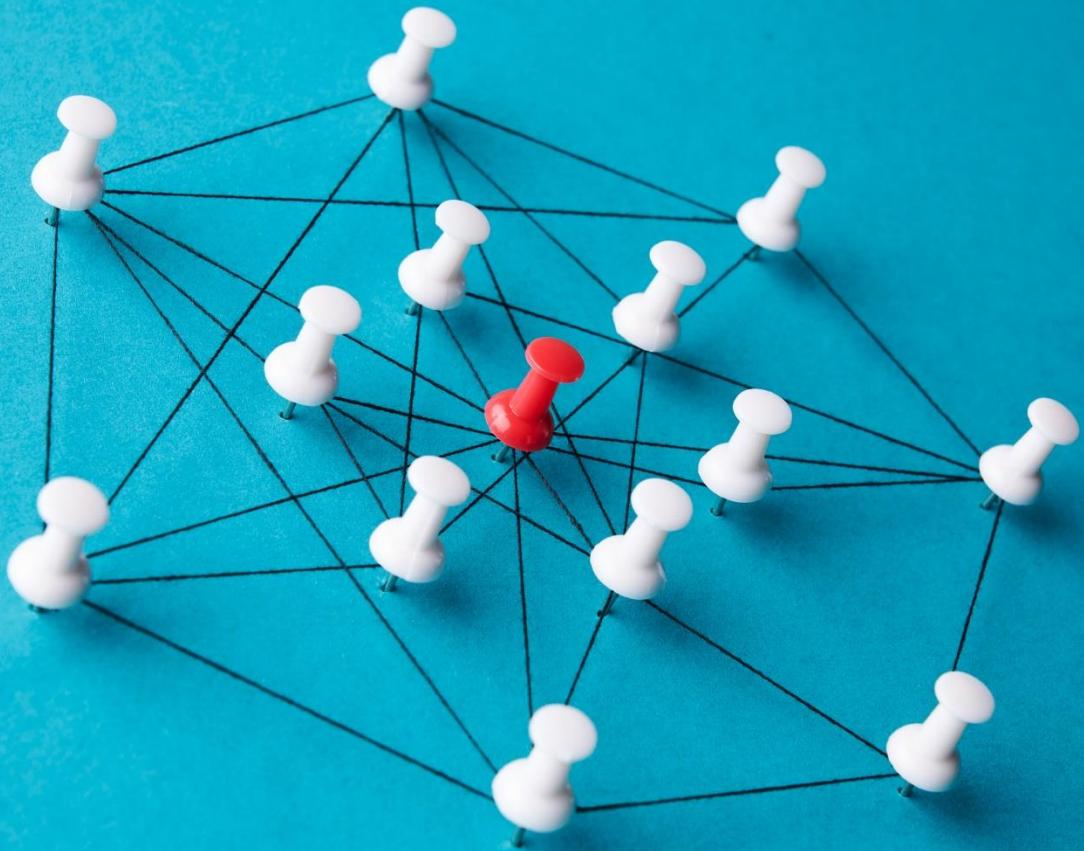
The companies belonging to the Group in the United States are Alvaplast U.S., Alvaplast Development U.S. and SPR Packaging, L.L.C.

In all of them, Mr José Ramón Álvarez Ribalaygua is the Chairman - CEO and Mr Gonzalo Gómez Arozamena is non-director Secretary.

The other foreign companies (the commercial offices in France, Portugal, the United Kingdom and the distributors in Morocco, Turkey and Mexico) are represented by a manager or by joint and several administrators.

COMPANY STRUCTURE

All of the companies belong 100% to Armando Alvarez, S.A., except for four of them: Mauser Reyde Ibérica, S.L., where participation is 50%; Tex Delta, S.L., where it is 66%; Alvaplast Tarim, with 84%; and Alvaplast Méjico, with 60%.



PARENT COMPANY'S ACTIVITIES



Internal Audit



Human Resources



Procurement



Compliance



Cybersecurity and IT



Technical Services



R&D&I Projects



Legal



Administrative and Financial



Marketing



Sustainability



Communication



02

ESG IN THE GROUP

The influence of the environmental, social and governance goals on the corporate strategy and culture has increased and consolidated, especially in recent years.

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2.1. COMMITTED

The commitment to sustainability extends throughout the entire organisation. Our business model combines the pursuit of profit with the capability to provide a reasoned response to the demands and needs of our stakeholders.

With the aim to continue encouraging a responsible corporate leadership, the Board of Directors approved the ESG (Environmental, Social and Governance) Policy and commissioned one of its members to promote and encourage within the Group the action principles contained in this policy.

Additionally, an ESG workgroup was formed. This group is comprised of a multidisciplinary team that represents each area and is directly linked to the governance body, which strengthens the integration of ESG in the decisions to be taken.

This is the organisation chart of this group:



2.2. ESG PLAN FOR 2030

This plan was created based on the work carried out on sustainability within the Group, paying special attention to the issues that generate higher added value and that are most concerning to our stakeholders.

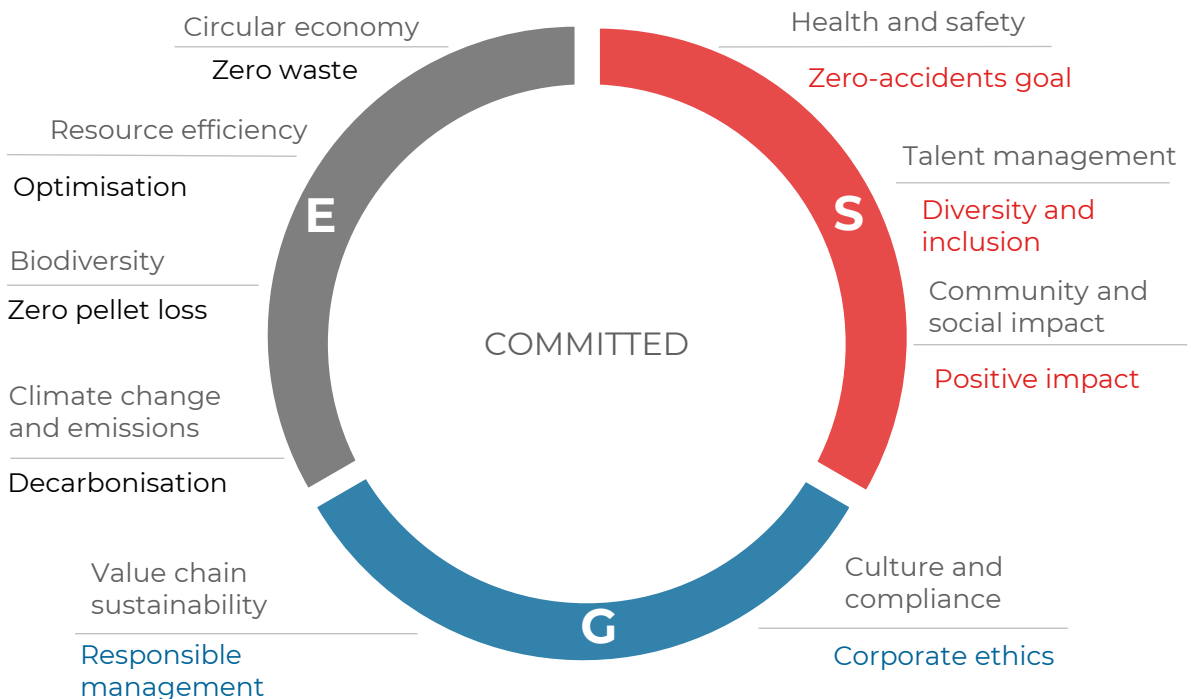
The plan is based on our three pillars (environment, social and governance) and it has nine levers where the lines of action are deployed, with their corresponding goals.

These levers are the main blocks where the various lines of action will be affixed. They

will be associated with one or several Key Performance Indicators (KPI) to be reached within a certain time frame.

Goal planning aims to minimise the company's harmful impact in these areas, maximise the favourable aspects, reduce the probability of risks and make use of the opportunities that arise.

We included new goals in all areas this year. We also control and monitor our performance against the goals set for 2030 (see page 33).



GOALS

E

Environmental Sustainability

CIRCULAR ECONOMY - Zero waste

Goals for 2030

| | |
|-------------------------------------|-----|
| Recovered inner waste vs 2020 | 95% |
| Hazardous waste to landfill vs 2020 | 0% |

RESOURCE EFFICIENCY - Optimisation

| | |
|--|------------|
| Reduced gauge (in Tn of plastic) vs 2018 | -20,000 Tn |
| Reduced energy consumption vs 2020 | -30 GWh |

BIODIVERSITY - Zero pellet loss

| | |
|---|--|
| Obtaining OCS certified (Operation Clean Sweep) vs 2020 | 100% of the extrusion plants |
| Obtaining ISO 14001 Certification (Environmental management system) vs 2020 | 100% of the production and logistics companies |

CLIMATE CHANGE AND EMISSIONS - Decarbonisation

| | |
|---|-----------------|
| Carbon neutrality (scopes 1 and 2) | Holding company |
| Development of a decarbonisation plan (scopes 1, 2 and 3) vs 2023 | Holding company |

GOALS

S

Social
Responsibility

HEALTH AND SAFETY – Zero-accidents goal

2030 Goals

Reduced accident frequency rate vs 2023

-5%

Obtaining ISO 45001 Certification (Health and safety at the workplace) vs 2023

20% of the workforce covered

TALENT MANAGEMENT - Diversity and Inclusion

Development and implementation of a Corporate Selection Policy vs 2023

100% of the companies

Rise in female team members vs 2023

+7%

COMMUNITY AND SOCIAL IMPACT - Positive impact

Contribution in projects that encourage the health and well-being of local communities

Increase participation in initiatives

Contribution in projects that encourage quality training and employability for youth

Increase participation in initiatives

Financial support for social action projects

300,000 €/year

GOALS



SUSTAINABILITY IN THE VALUE CHAIN – Responsible Management

Goals for 2030

Increase in sustainable materials vs 2020
Sustainable materials: Recycled, biobased, biodegradable and compostable

+70%

Development and implementation of a sustainable procurement policy vs 2023

100% of the companies

ESG assessment of suppliers vs 2023

All the suppliers who provide 80% of the global procurement volume

Minimum Ecovadis rating in plants assessed vs 2023

Gold rating

CULTURE AND COMPLIANCE – Business Ethics

Development and implementation of an Antitrust Policy vs 2023

100% of the companies

Obtaining ISO 37301 Certification (Compliance Management System) vs 2023

















Holding company

Obtaining ISO 27001 Certification (Information Security Management System) vs 2023

Holding company

2030 AGENDA GOALS

The table below shows the progress made in our priority goals against the goals set for 2030, in the three areas and according to the action lines included in our ESG plan. These action lines also contribute to the Sustainable Development Goals (SDGs).

|  | | Levers | Action lines | Goals for 2030 | Base year** | Achieved in 2023 |  |
|---|--|--|--|----------------|-------------|---|---|
| Environment | CIRCULAR ECONOMY - Zero Waste | Recovered inert waste | 95% | current year | 88% |       | |
| | | Hazardous waste to landfill | 0% | current year | 97% | | |
| | RESOURCE EFFICIENCY - Optimization | Reduced gauge (in MT of plastic) | -20,000 MT | 2018 | 37% | | |
| | | Reduced energy consumption (in GWh) | -30 GWh | 2020 | 45% | | |
| | BIODIVERSITY - Zero pellet losses | Obtaining OCS (Operation Clean Sweep) Certification | 100% of extrusion plants | 2020 | 33% | | |
| | | Obtaining ISO 14001 Certification (Environmental Management System) | 100% of production and logistics companies | 2020 | 44% | | |
| | CLIMATE CHANGE AND EMISSIONS - Decarbonization | Carbon Neutrality (scopes 1 and 2) | Holding company | current year | 100% | | |
| Development of the Decarbonisation Plan (scopes 1, 2 and 3) | | Holding company | 2023 | - | | | |
| Social | HEALTH & SAFETY - Towards zero accidents | Reduced accident frequency rate | -5% | 2023 | - |       | |
| | | Obtaining ISO 45001 Certification (Health and safety at the workplace) | 20% of the workforce covered | 2021 | 3% | | |
| | TALENT MANAGEMENT - Diversity & Inclusion | Development and implementation of a Corporate Selection Policy | 100% of the companies | 2023 | - | | |
| | | Rise in female team members | +7% | 2023 | - | | |
| | COMMUNITY AND SOCIAL IMPACT - Positive impact | Contributing to projects that encourage the health and well-being of local communities | Increase participation in initiatives | 2023 | - | | |
| | | Contributing to projects that encourage quality training and employability for youth | Increase participation in initiatives | 2023 | - | | |
| Contributions to promote social action projects | Annual budget of €300,000 | current year | 100% | | | | |
| Governance | SUSTAINABILITY IN THE VALUE CHAIN - Responsible Management | Increase in sustainable materials* | +70% | 2020 | 99% |   | |
| | | Development and implementation of a sustainable procurement procedure | 100% of the companies | 2023 | - | | |
| | | ESG assessment of suppliers | All the suppliers who provide 80% of the global procurement volume | 2023 | - | | |
| | | Minimum EcoVadis rating in assessed plants | Gold Rating | current year | 38% | | |
| | CULTURE AND COMPLIANCE - Business Ethics | Drafting and implementation of an Antitrust Policy | 100% of the companies | 2023 | - | | |
| | | Obtaining ISO 37301 Certification (Compliance Management System) | Holding company | 2023 | - | | |
| | | Obtaining ISO 27001 Certification (Information Security Management System) | Holding company | 2023 | - | | |

*Sustainable materials: Recycled, bio-based, biodegradable and compostable

**Base year: reference year with which other years are compared. When it indicates current year, it means that it is not cumulative

2.3. COMMITMENT TO THE SDGs

The goals that we set in our strategy seek to also maximise the contribution to the United Nations Sustainable Development Goals (SDG).

Therefore, we are committed to compliance with the principles of the United Nations Global Compact, which we joined as signatory members in 2018. These principles include, among others, respect for human rights, protection of labour rights, prevention of corruption, and care for the environment.

Through GAA's activities, our companies work on these SDGs:



We provide regular training on health and safety to all members of the company staff.



Training for students and professionals to promote sustainable development with the use of plastics in agriculture.



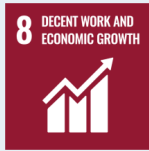
Further promoting equal-opportunities at the workplace.



We participate in initiatives to improve water management and saving in our activity, in addition to contributing to better efficiency with our own products.



Reducing energy consumption per produced unit to improve efficiency.



Further investing in innovation and new technologies in order to improve production processes and maintain a competitive advantage.



Increasing the addition of sustainable materials into our products and solutions portfolio.



Further promoting social and economic inclusion of all people by means of different policies and initiatives.



Continuing with the progress in reducing waste generation and promoting circular solutions through recycling.



Reducing the carbon footprint, as well as achieving neutrality in our annual emissions.



Continuing with the global management of used plastic by creating and participating in circular collection systems.



Ensuring the conservation, restoration and sustainable use of land ecosystems, and sustainable forestry management.



Maintaining our Criminal Compliance Management System for the entire Group, UNE 19601 certification.



Developing initiatives with a positive social impact in the communities where we operate.



2.4. STAKEHOLDERS

An open and transparent dialogue with our Stakeholders is essential to sustainably generate value and to deal with the challenges and opportunities we are facing. At GAA, we listen to and address your needs, expectations and concerns. By closely collaborating, we not only strengthen our relationships, but we also identify opportunities for ongoing improvements and innovation.

Stakeholders participate in the company's daily activities and have become an essential element in developing our strategy. The aim is to generate trust, encourage transparency and promote sustainable development, creating shared value in our operations.

OUR STAKEHOLDERS



OWNERS

Family
Shareholders



SUPPLIERS

Suppliers
Subcontractors
Distributors
Financial institutions
External collaborators



STAFF

Workers
Collaborators
Union representatives



COMPANY

Local communities
Associations
Foundations
Industry



CLIENTS

Clients
Consumers
Potential clients



ORGANISATIONS

Public administrations
Regulatory agencies
Universities
Financial institutions
Unions

DIALOGUE CHANNELS



WEBSITE



SOCIAL MEDIA



SAFETY COMMITTEE



PREVENTION MANAGERS



WORKERS' COMMITTEE



ETHICS CHANNEL



INTRANET



**BULLETIN BOARD AND TV
SCREENS**



SUSTAINABILITY REPORT



ANNUAL FINANCIAL REPORT



IN-PERSON MEETINGS



TRAINING ACTIVITIES



COLLABORATION AND ALLIANCES



SUSTAINABILITY TEAM



FAIRS AND CONVENTIONS

2.5. MATERIALITY ANALYSIS

RELEVANT ASPECTS

As we said before, it is essential to know our stakeholders' needs and expectations regarding our activity in order to advance together and to generate shared value. Therefore, GAA performs a materiality analysis based on the GRI standards.

This analysis identifies and assesses the aspects that our stakeholders are most concerned about, and the most relevant aspects for the company. Issues were grouped into four categories: issues regarding respect for Human Rights, environmental issues, social issues and governance issues. We transferred the results to a graph, where the material issues for GAA are on the X axis and the material issues for the stakeholders are on the Y axis.

The assessment was based on a variety of sources, such as communications, questionnaires, reports and industry news, among others. In addition, we assessed business practises within the industry and in the communities

where we operate, as well as global risks and trends.

Following the materiality principle of the GRI report, our report focuses on the economic, social and environmental aspects that are most relevant to the company and that substantially affect our stakeholders' decisions.

Any omission of aspects contemplated in the Law on Non-financial Information and Diversity is explained in the attached table of contents.

This Corporate Sustainability Report was produced with reference to the standards of the Global Reporting Initiative (GRI), associated with the content set forth in appendix I.

- Responsible procurement practises
- Protection of human rights in all areas of our activity

HUMAN RIGHTS



- Legal compliance by all companies
- Ethics and good governance
- Ethics Channel
- Compliance Policy
- Tax Transparency
- Internal Rules
- Cybersecurity measures

GOVERNANCE



- Compliance with environmental legislation
- Packaging innovations
- Use of environmentally-friendly materials
- Managing the end of life of our products as the basis of a circular economy
- Technological innovations in the production process
- Reducing emissions / Preventing climate change
- Protection of biodiversity

ENVIRONMENTAL



- Employment sustainability
- Diversity, equality and inclusion
- Talent attraction and retention
- Balancing work and family life
- Health and safety at the workplace
- Product quality, safety and security
- Collaborating with social projects and organisations

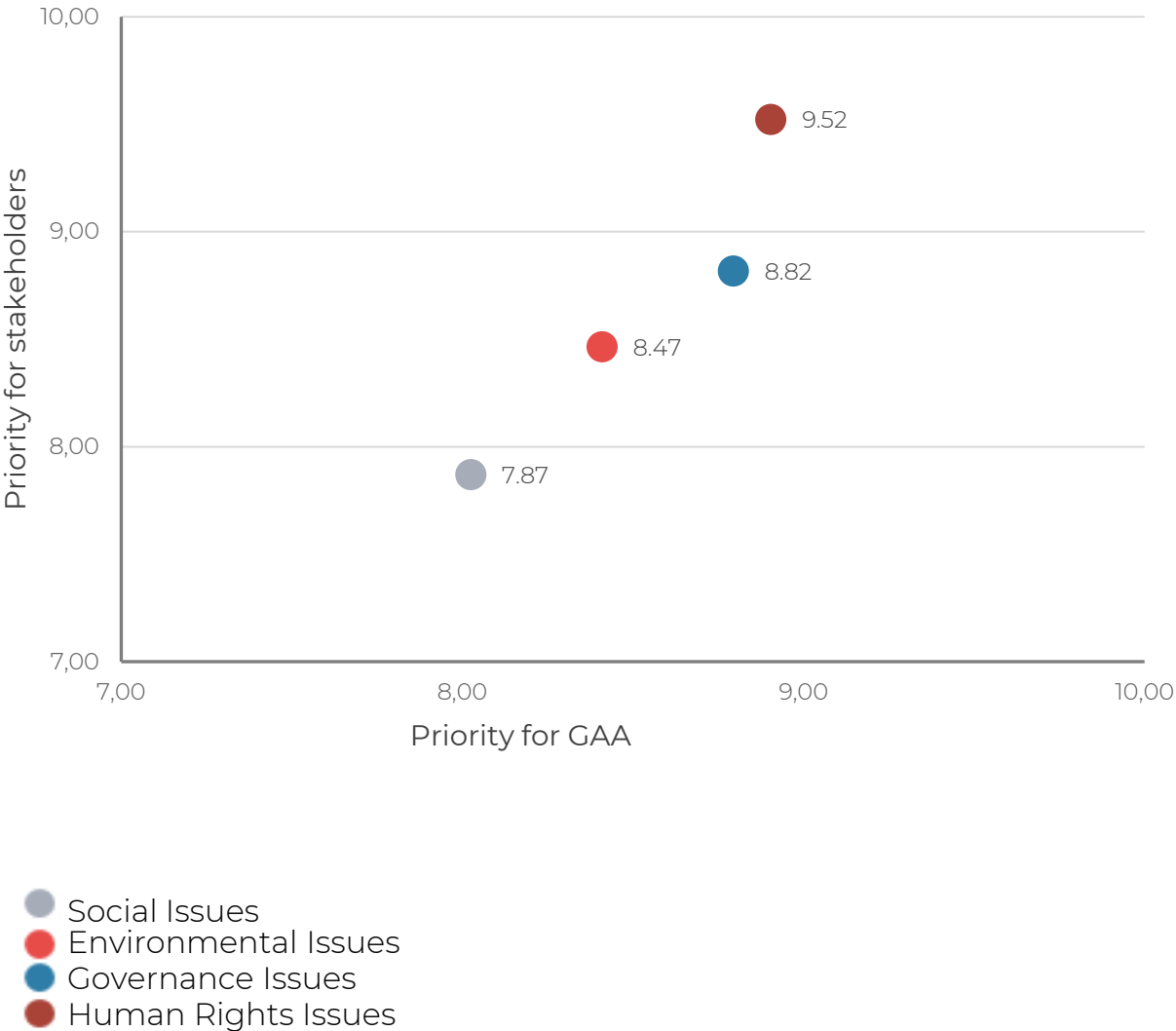
SOCIAL



This analysis allows us to improve our social, environmental and governance performance, which leads to improved risk and opportunity management, as well as increased transparency and trust in the organisation.

Below is the materiality matrix with the result of the assessment of material issues by the stakeholders and the company. We can see how the issues that are most concerning are those pertaining to Human Rights, followed by governance, environment and social issues.

MATERIALITY MATRIX





2.6. CERTIFICATIONS AND ASSESSMENTS

Our companies have undertaken to operate responsibly and sustainably in the economic, social, environmental and good governance areas. In alignment with this strategy and in

order to guarantee a common, impartial and transparent framework, we have committed to various certification and independent assessment platforms.



QUALITY

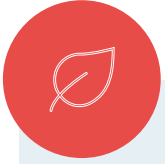
We offer sustainable high-quality solutions following a circular economy model to meet the demands of our clients and of the market in general.

We are committed to these certifications:

- **ISO 9001:** Quality Management System
- **FSSC 22000:** Food Security Management System

- **BRC:** Guarantee of quality in packaging material. Their manufacture affects all types of consumer products.
- **AIB International:** Food quality audit performed by the American Institute of Baking.

| COMPANY | ISO 9001 | FSSC 22000 | BRC | AIB International |
|----------------------------------|----------|------------|-----|-------------------|
| Alvarez Forestal, S.A. | ✓ | | . | |
| Alvarez Maderas y Envases, S.L. | ✓ | | | |
| Plásticos Españoles, S.A.(Aspla) | ✓ | ✓ | ✓ | |
| Macresac, S.A. | ✓ | | | |
| Plásticos Vanguardia, S.A. | ✓ | | | |
| Rafia Industrial, S.A. | ✓ | | | |
| Reyde, S.A. | ✓ | ✓ | | |
| Reyenvas, S.A. | ✓ | | | |
| Silvalac, S.A. | ✓ | ✓ | . | |
| Solplast, S.A. | ✓ | | | |
| Sotrafa, S.A. | ✓ | | | |
| Tramesa, S.A. | ✓ | | | |
| Envaflex, S.A. | ✓ | | ✓ | |
| Texdelta, S.L. | ✓ | | . | |
| SPR Packaging, LLC | | | | ✓ |



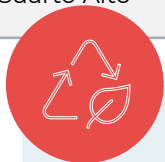
ENVIRONMENT

All Group companies are involved in environmental protection, each one of them with a comprehensive environmental risk management system.

We are committed to these certifications:

- **ISO 14001:** Environmental Management System
- **ISCC Plus:** The International Sustainability and Carbon Certification certifies the use of circular and bio-based materials.
- **EMAS:** Certification by the European Eco-Management and Audit Scheme
- **Operation Clean Sweep:** Certification that steps have been implemented to prevent the potential loss of micro-plastics into the environment.
- **Recyclclass Evaluation Protocol:** It verifies a product's recycled material content, as well as its recyclability and traceability.
- **UNE 15343:2008:** Certification for plastics recycling traceability and assessment of conformity and recycled content. This certification is required in order to be a non-hazardous waste manager.
- **GHG Protocol:** Greenhouse Gas Protocol that verifies the calculation of CO₂ emissions, among others.
- **PAS 2060:2014:** Standard that verifies the requirements to achieve carbon emission neutrality.

| COMPANY | ISO 14001 | ISCC PLUS | NON-HAZARDOUS WASTE MANAGER | EMAS | OCS | RECY CLASS | UNE 15343:2018 | GHG PROTOCOL | PAS 2060:2014 |
|----------------------------------|-----------|-----------|-----------------------------|------|-----|------------|----------------|--------------|---------------|
| Alvarez Forestal, S.A. | ✓ | | . | | | | | ✓ | ✓ |
| Alvarez Maderas Y Envases, S.L. | | | | | | | | | ✓ |
| Plásticos Españoles, S.A.(Aspla) | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ |
| Biomasa de Cantabria, S.L. | ✓ | | | ✓ | | | | ✓ | ✓ |
| Macresac, S.A. | | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ |
| Plásticos Vanguardia, S.A. | ✓ | ✓ | | | ✓ | | ✓ | ✓ | ✓ |
| Rafia Industrial, S.A. | | ✓ | | | | | | ✓ | ✓ |
| Reyde, S.A. | | | | | | | ✓ | ✓ | ✓ |
| Reyenvas, S.A. | | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ |
| Silvalac, S.A. | | ✓ | . | | | ✓ | ✓ | ✓ | ✓ |
| Solplast, S.A. | | | ✓ | | | | ✓ | ✓ | ✓ |
| Sotrafa, S.A. | ✓ | | | | | | | ✓ | ✓ |
| Tramesa, S.A. | ✓ | | | | | | | ✓ | ✓ |
| Envaflex, S.A. | | ✓ | | | | | | ✓ | ✓ |
| Texdelta, S.L. | ✓ | | . | | | | | ✓ | ✓ |
| Cuarto Alto | | | | | | | | ✓ | ✓ |



SUSTAINABILITY

Our goal is to create a common framework that is impartial and transparent, with certifications in four key areas: environment, work practises and human rights, ethics and sustainable procurement.

Assessments:

- **EcoVadis:** Sustainability audit.

- **Sedex:** Ethical and sustainable business audit.

Certifications:

- **FSC:** Certifies that the forestry raw material comes from forests that are managed following sustainability criteria. Alvarez Maderas y Envases, S.L. and Alvarez Forestal, S.A. have this certification.

- **PEFC:** The Programme for the Endorsement of Forest Certification certifies compliance with forestry management good practises in order to preserve forests and forest biodiversity. Alvarez Maderas y

Envases, S.L. and Alvarez Forestal, S.A. have this certification.

- **SURE:** Biomass sustainability certification held by Alvarez Forestal, S.A.

| COMPANY | ECOVADIS | SEDEX | FSC | PEFC | SURE |
|----------------------------------|----------|-------|-----|------|------|
| Alvarez Forestal, S.A. | | | . | ✓ | ✓ |
| Alvarez Maderas Y Envases, S.L. | | | ✓ | ✓ | |
| Plásticos Españoles, S.A.(Aspla) | ✓ | ✓ | | | |
| Macresac, S.A. | ✓ | | | | |
| Plásticos Vanguardia, S.A. | ✓ | | | | |
| Rafia Industrial, S.A. | ✓ | | | | |
| Reyde, S.A. | ✓ | ✓ | | | |
| Reyenvas, S.A. | ✓ | . | | | |
| Silvalac, S.A. | ✓ | ✓ | | | |
| Envaflex, S.A. | | ✓ | | | |
| SPR Packaging, LLC | ✓ | | | | |



GOOD GOVERNANCE

All Group companies are firmly committed to the ethics and transparency rules, observing legal and regulatory obligations pertaining to compliance and criminal risk.

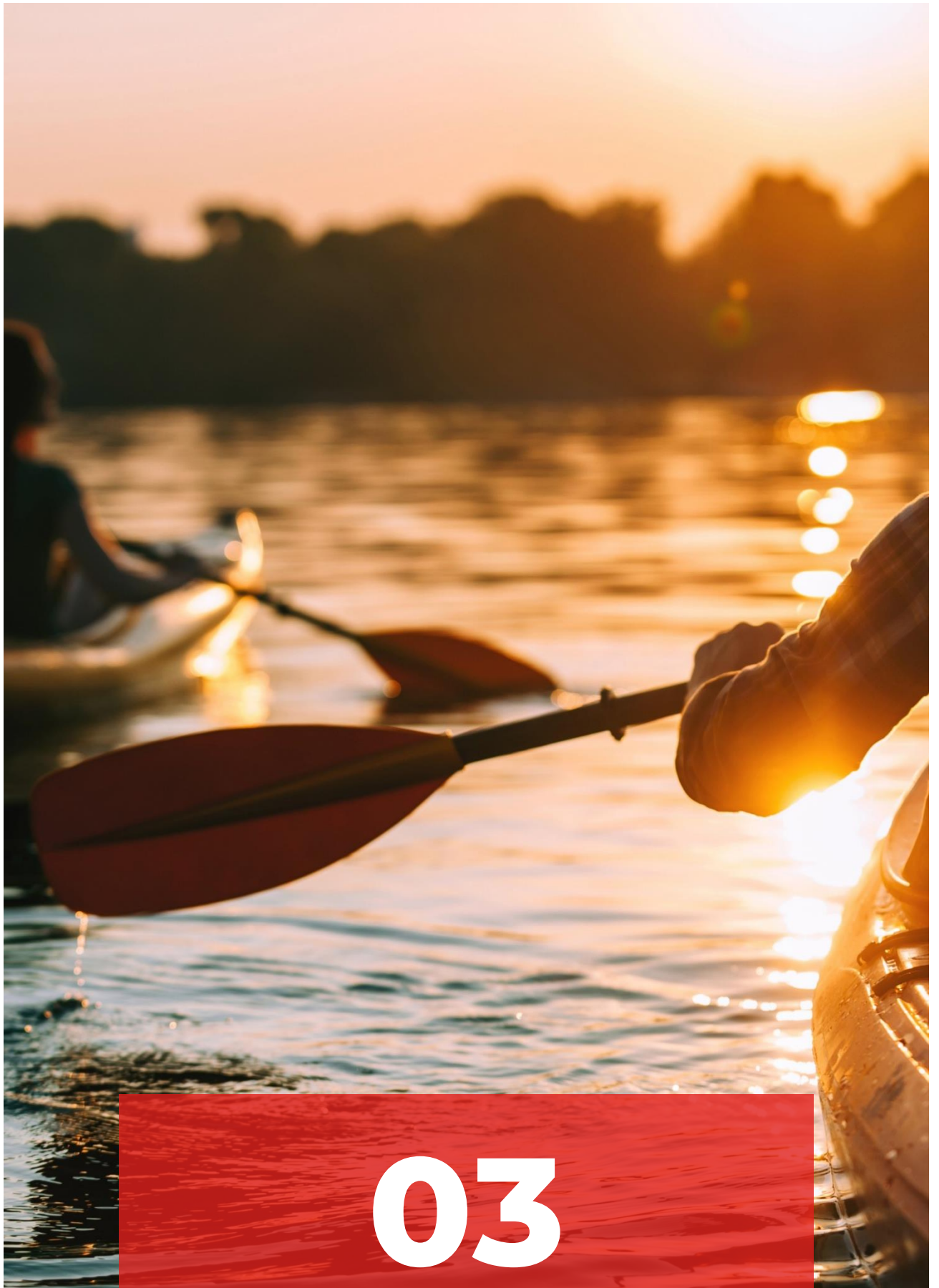
- **UNE 19601:** Criminal Compliance Management System. **All Group companies have this certification.**



OTHER CERTIFICATIONS

Transportes Mixtos Especiales, S.A. (Tramesa) holds the SQAS safety and quality certification for railway transportation of chemical products, as

well as the railway company certificates (EF) and REPRO. It is also ISO 45001 certified for health and safety at the workplace management and ISO 39001 for road safety management.



03

COMMITTED TO OUR ENVIRONMENT

We have chosen a transition model towards a circular economy that will guarantee sustainable growth over time, promoting natural resource optimisation, reducing the use of raw material and reusing used plastics by recycling and giving them new life.

| | |
|--|----------|
| 3.1. Compliance with environmental legislation | 48 |
| 3.2. Circular economy and zero waste | 51 |
| 3.3. More sustainable packaging and technological innovation | 64 70 |
| 3.4. Responsible use of resources | 78 |
| 3.5. Emissions and climate change | 84 |
| 3.6. Protection of biodiversity | |

3.1. COMPLIANCE WITH ENVIRONMENTAL LEGISLATION

Preserving the environment is a commitment that concerns us all.

At GAA, we take this commitment very seriously, improving our environmental standards and encouraging sustainable practises in our industry. In fact, strategic decisions are always taken bearing in mind the environmental impact they may have.

The Group companies follow the precautionary principle, taking preventive measures in all of their activities. GAA is also committed to collective environmental solidarity, as mentioned in article 45 of our Memorandum of Incorporation, which means collaborating in, developing and supporting multiple initiatives to protect our environment. GAA's Compliance Programme includes different controls, initiatives and measures to mitigate and prevent non-compliance in this area.

The precautionary principle encourages ongoing improvements in processes, products and services, but first considering the potential environmental impacts of any advances.

Industrial activity is governed by Law 16/2007 on Environmental Responsibility, which sets obligations for companies to prevent and remedy potential damage to the environment. Another fundamental law

for GAA is Law 7/2022, on waste and contaminated ground for a circular economy. Following these regulations, all of our companies sort, separate and recycle these waste products using authorised waste managers. It is important to highlight the fact that some of the Group companies are also authorised waste processors.

We have also adapted all of our activities to the requirements of the Law on Integrated Pollution Prevention and Control (IPPC), as well as Royal Decree 117/2003, which implements aspects of the above law, and also to the Law 34/2007 on emissions. These regulations establish requirements and limit the emission of volatile organic compounds in certain activities where solvents are used. Consequently, the allowed emissions are monitored, and inspections are performed regularly, ensuring that annual consumption is always below the limit established by current regulations.



On the other hand, and regarding noise pollution, most companies have performed noise measurements to verify compliance with the established limits. Some of the companies will update the measurements in 2024.

SPR Packaging LLC complies with applicable laws in Texas (U.S.) on emissions generation in accordance with the Environmental Quality Control. It also reports annually the use of solvents and inks, in accordance with American legislation. We also installed an electron-emitting device to cure the varnish used during the printing process.

Today, more than one third of our companies have environmental protection policies published on their websites. With these policies, companies undertake to minimise the impact of their business activities on the environment and to promote the adoption of more sustainable practises.

All Group companies located in Spain have an Insurance Policy that covers potential environmental damages, with ample coverage. The coverage is higher than the estimates issued by Bureau Veritas in the corresponding Analysis of Environmental Hazards (ARMA) reports for our main plants. These reports were drawn up following the requirements of the Law on Environmental Responsibility and other regulations implementing it, such as the UNE 150008 standard on analysis and evaluation of environmental hazards.

The Group's investment in environmental improvements was over €2.16 M in 2023, 28% more than the previous year. Additionally, the Group spent €1.83 M on environmental protection and improvement this year.

The policies implemented and the results obtained regarding resource management, biodiversity preservation, and emissions and waste reduction are presented in this section. In addition, this section provides further details on the actions taken to comply with applicable environmental regulations and how we have worked with our suppliers and collaborators to improve our environmental practises.

We did not receive any fines or sanctions for breach of environmental regulations in 2023.



3.2. CIRCULAR ECONOMY AND ZERO WASTE

At the Armando Alvarez Group, we are committed to promoting a conscious and responsible use of plastic products and to guaranteeing proper management until the end of their service life. As industry leaders, we promote the implementation of a comprehensive and circular approach to plastic management. Additionally, we support research and the development of innovative solutions for waste management.

WASTE MANAGEMENT

One of the main initiatives is the development of methods and techniques to reduce waste in all stages of the production process, encouraging recycling and reuse. With all these measures, we reduce our environmental impact and we **promote a sustainable chain of supply** within the internal Group management and outside of it.

Within our production chain we transform the waste that we produce into new resources, collaborating with various organisations to manage the post-industrial and post-consumer waste. On the other hand, Alvarez Forestal, S.A. transforms the vegetal biomass waste from its activities into a 100% renewable energy source.



Support for the EU's Circular Economy Action Plan and the Circular Plastics Alliance to meet our industry's recyclability objectives.



[Further information on this ECOinitiative](#)



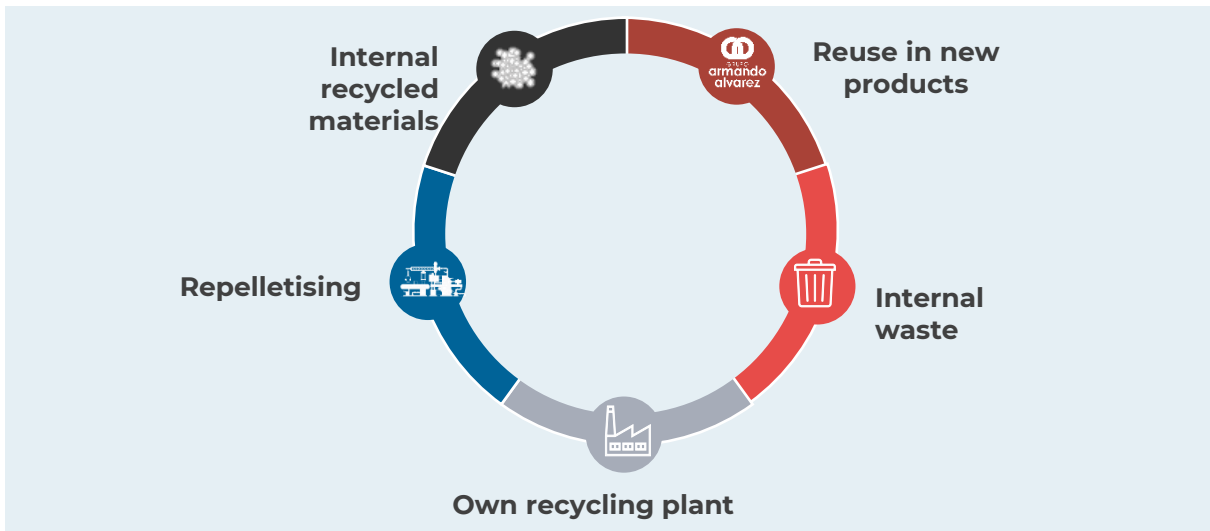


INTERNAL MANAGEMENT OF PRODUCTION WASTE

Within the internal management of our supplies, the Group takes a specific approach to managing waste, depending on the type of waste generated. This includes a distinction between standard industrial waste and multi-layer/multi-material industrial waste, each of which is managed using a specific procedure.

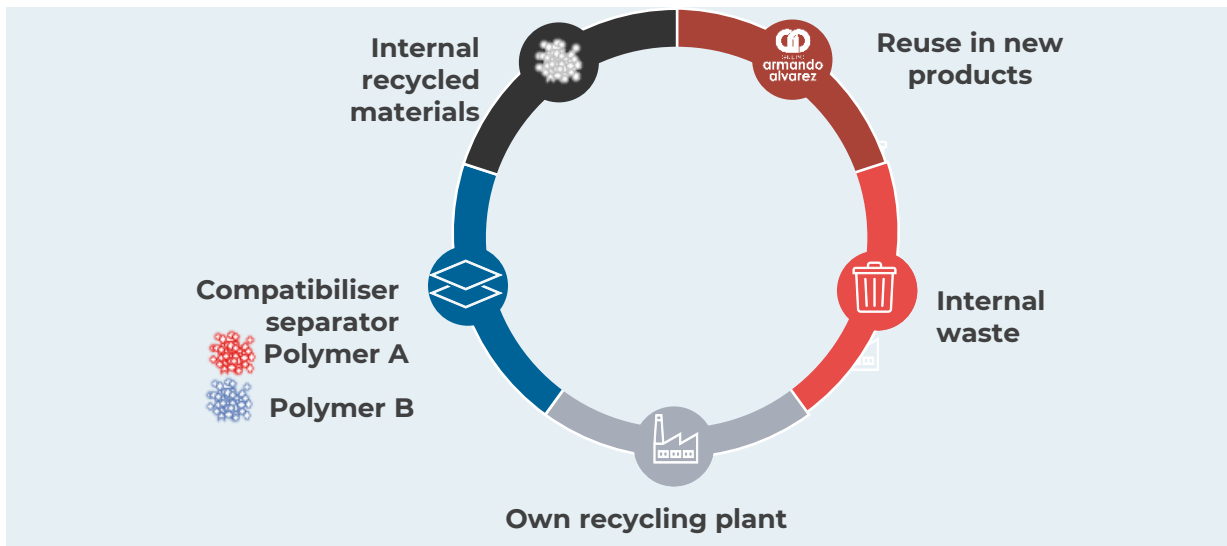
Standard industrial plastic waste

This is managed by the Group following this model:



Multi-layer industrial waste with multi-material (barrier).

The various components used in the manufacture of different structures must previously be sorted:



The little waste left, whether hazardous or not, is always managed by authorised processors.



Our recycling plant

The Group has a recycling plant in Lorca, Murcia (Spain), where we recycle not only our own plastic waste, but also used plastic from other industries. This initiative contributes to the goals established by the Circular Plastics Alliance and to the 2030 Agenda goals. Our plant produces in excess of eight thousand tonnes of repelletised plastic per year.



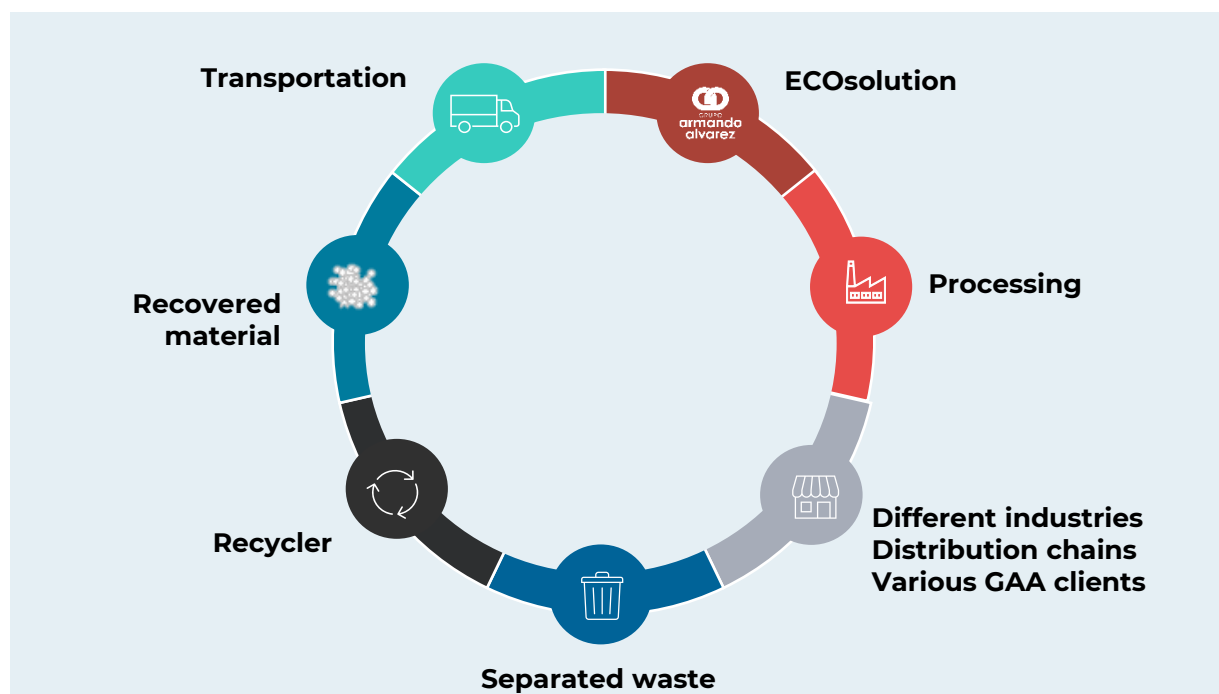
EXTERNAL MANAGEMENT OF PRODUCTION WASTE

The Group actively collaborates in the subsequent recycling process through various activities and steps, as shown below.

1. RECYCLING PLANTS

Once the plastic products are used, whether containers or packaging, they are collected and processed by recyclers.

The Group companies then purchase the recycled raw materials to reuse them in their internal production processes.



This graph shows how used plastics are processed in the recycling plants, after undergoing selection procedures and cleaning of the materials. The urban solid waste (cans, brick cartons, miscellaneous plastic, etc.) is separated in these plants.

The bundles of plastic from the material selection facilities arrive at the recycling plant. There they are ground and undergo several stages of washing and drying, to make them uniform, and form them into a plastic composite. Then comes the extrusion stage, where long filaments are produced, which are repelletised in the next stage.

Pellets, shaped like small grain similar to rice, are the final raw material. They are stored in sacks to later be used as new recycled raw material, which is provided to the processors to be included in new uses and applications.

We use the recycled pellets as raw material to manufacture new products. That is why many of our ECOsolutions contain a variable proportion of recycled material, depending on their final use.

2. INTEGRATED SYSTEMS TO COLLECT AGRICULTURAL PLASTIC

The purpose of these systems is to collect waste derived from agricultural plastic, not containers, to transform them back into new resources, thus reducing the plastic's environmental impact.

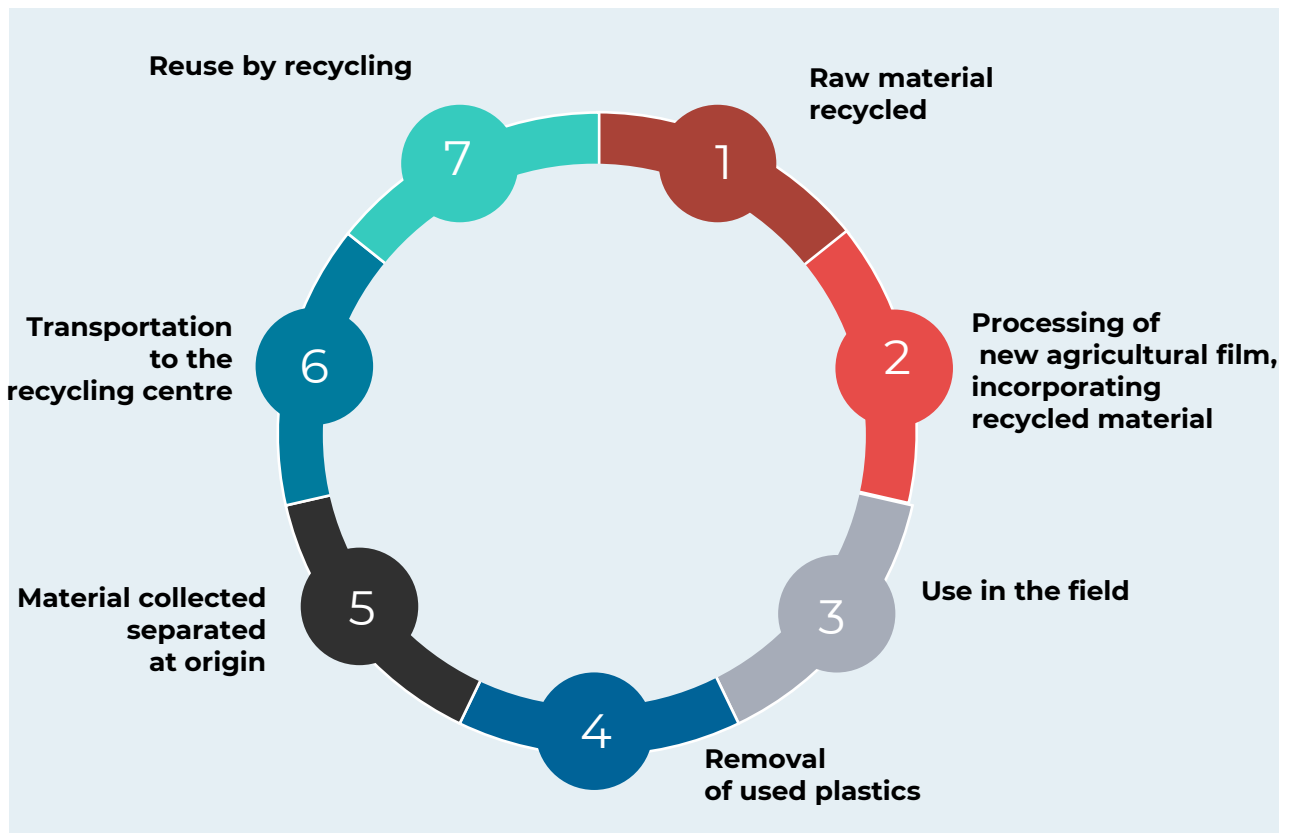
When the end users are farmers or livestock farmers, we participate in different integrated systems to collect agricultural plastic. These systems are organised and managed as not-for-profit associations created by agricultural plastic producers in Europe and abroad (we are among these).

Some of the organisations we collaborate with in Europe are APE-France, APE-UK, ERDE-Germany, ERDE-Switzerland, APE Europe and the Irish Farm Films Group. We are founding members of the latter three.

Outside of Europe we also work with other systems to collect used agricultural plastic, such as Plasback in New Zealand or the AgriRECUP project in Canada.




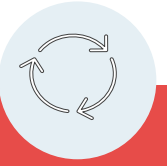
The end goals of these associations are to provide a service for farm professionals, to prevent the dumping of agricultural plastic in nature, and to help farmers comply with applicable legislation by properly managing their used plastic, increasing the collection and recycling rates of these plastics, within a circular model.

The management system works as follows:







This extended producer responsibility management model entails a number of advantages for the different parties involved.

Benefits for managers and administrations:

| | | | |
|---|--|--|--|
|  <p>Sustainability of the operations and perpetuity of the model.</p> |  <p>Traceability from the source of used plastics and the volumes managed by the system.</p> |  <p>Efficiency The logistics costs derived from collection and management are optimised.</p> |  <p>Circularity Availability of recycled raw materials on the market to be reused on new products.</p> |
|---|--|--|--|

Benefits for the agricultural sector

| | | | |
|---|---|---|---|
|  <p>Global solution for the agricultural sector in accordance with applicable laws.</p> |  <p>Traceability Guaranteeing and verifying the process, with compliance certificates issued.</p> |  <p>Efficiency The management cost is optimised and adjusted to the type of service provided.</p> |  <p>Participation System co-governance by farmers, distributors and processors.</p> |
|---|---|---|---|

In Cantabria, Plásticos Españoles, S.A. is involved in an ongoing management program for agricultural plastic waste via the project “Promoting the collection and recycling of agricultural use plastics” in collaboration with the public environmental management company MARE (Medio Ambiente, Agua, Residuos y Energía de Cantabria) and the Government of Cantabria.

The system promotes recycling and reuse of resources. This collaboration offers an alternative service for farmers and it helps them to properly manage agricultural plastics until the end of their service life, reducing the environmental impact of uncontrolled burning or dumping, etc., that take place when there are no collaborative solutions.

3. 360° CIRCUITS

The Armando Alvarez Group provides its clients with the chance to collaborate in personalised closed circuits, adapted to their specific needs and ensuring traceability of the custody chain at all times. This collaboration allows for reuse

of used plastic packaging so that they are reintroduced into the market in the form of recycled products for the same client.



Benefits of these circuits:

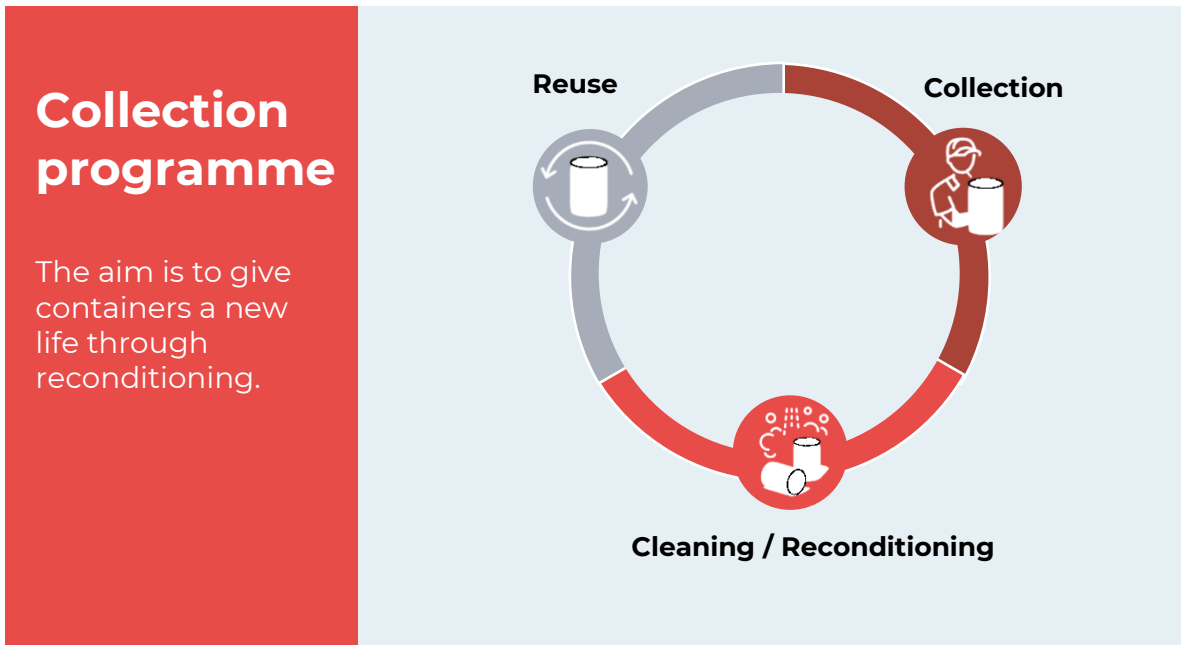
- We reduce the use of virgin raw materials by adding recycled materials to our formulations.
- Higher reuse of resources, reducing waste generation.
- We extend the product's life cycle, reducing the chance of the plastic waste ending up where it is not supposed to.
- We contribute to preserving the ecosystems by protecting the custody chain and maintaining strict control over the material flow.
- We reduce the amount of material destined for the landfill, including it in closed circuits to be reused through recycling processes.

4. CONTAINER COLLECTION PROGRAMME

Some of the Armando Alvarez Group companies specialising in rigid containers have designed, along with external collaborators, an effective container collection programme that will give containers a new life through reconditioning. This allows us to reduce the amount of circulating material and, therefore, reduce CO₂ emissions into the air.

The drums or containers that are highly damaged or severely contaminated close the circuit, and are integrated into a full recycling process.

It must be pointed out that our companies Reyenvas, S.A., Plásticos Vanguardia, S.A. and Reyde, S.A. hold the declaration of reuse in accordance with UNE-EN 13429:2005 standard.



5. OTHER MAJOR ORGANISATIONS THE GROUP COLLABORATES WITH TO PROMOTE PRODUCT CIRCULARITY:



As a Collective System for Expanded Producer Responsibility (SCRAP), this association aims to provide collection services for more than 800 companies that have joined.

The new Royal Decree 1055/2022, on containers and container waste, that introduces the mandatory Expanded Producer Responsibility (RAP) for industrial and commercial containers, came into effect in Spain in late 2022. This is why the Group has adhered to this system to manage containers and packaging used in their products and sold in the Spanish market.



National association that comprises the companies that work in the plastic processing sector. As members of ANAIP, we collaborate in the EU's Europe 2020 Strategy, as part of the recycled plastics Sectorial Group. This Group is a meeting forum for the entire value chain that aims to encourage the use of quality recycled plastic to promote a circular economy, among other goals.



Task Force for a Circular Economy, and CEOE (Conferencia Española de Organizaciones Empresariales) Waste Product Task Force. These two groups work to produce joint proposals for their subsequent presentation to the public administrations.



The Group supports the European initiative on circular economy, which has established ambitious goals to achieve the recyclability objectives set forth for our industry by 2025. The circular commitment covers the entire product's life cycle.



Online platform aligned at a European level to record and monitor the amount of recycled plastics used by processors. It only uses aggregated anonymous data by type of polymer, product range, industry and country.



INTERNAL WASTE MANAGEMENT

The waste generated by the GAA companies in 2023 is analysed below. The analysis shows the various ways in which waste, whether hazardous or not, is managed.

The hazardous waste used is mainly: used oils, plastic containers contaminated with ink and solvents, metal containers contaminated with paint, Pb batteries, alkaline batteries, fluorescent tubes, empty spray cans, non-halogenated organic solvent, or water with hydrocarbon remnants. Non-hazardous waste includes: building rubble,

demolition material, scrap metal, wood, paper, cardboard, polymer material, organic rubbish and miscellaneous metals.

As for processing, reused waste is what we reintroduce in our production process. Recycled material is the material sent directly to authorised processors for processing, while recovered waste is the waste collected by means of internal or external processes for management.

Hazardous waste generated and its management (Tn)

| COMPANY | REUSED WASTE | | RECYCLED WASTE | | RECOVERED WASTE | | INCINERATED WASTE | | WASTE IN LANDFILL | | WASTE MANAGED IN OTHER WAYS | |
|------------------------------------|--------------|------|----------------|------|-----------------|------|-------------------|------|-------------------|------|-----------------------------|------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Alvarez Forestal, S.A. | - | - | 4 | 7 | - | - | - | - | - | - | - | - |
| Biomasa de Cantabria, S.L. | - | - | 2 | 1 | - | - | 0.60 | 0.22 | - | - | - | - |
| Alvarez, Maderas y Envases, S.L. | - | - | - | - | 59 | 45 | - | - | - | - | 10 | 5.7 |
| Total plastics companies in Spain* | 118 | 90 | 328 | 270 | 433 | 541 | 25 | 10 | 3 | 17 | 2 | 6 |

Non-Hazardous waste generated and its management (Tn)

| COMPANY | REUSED WASTE | | RECYCLED WASTE | | RECOVERED WASTE | | WASTE IN LANDFILL | | WASTE MANAGED IN OTHER WAYS | |
|------------------------------------|--------------|-------|----------------|-------|-----------------|--------|-------------------|-------|-----------------------------|-------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Alvarez Forestal, S.A. | - | - | 8 | 9 | 49,751 | 59,694 | - | - | - | - |
| Biomasa de Cantabria, S.L. | 5,972 | 6,421 | 3,180 | 4,232 | - | - | 2,792 | 2,188 | - | - |
| Alvarez, Maderas y Envases, S.L. | - | - | 1,125 | 1,033 | 66 | 51 | - | - | - | - |
| Total plastics companies in Spain* | 707 | 418 | 4,498 | 6,784 | 4,408 | 1,336 | 693 | 616 | 231 | 1,038 |

* Plastics companies in Spain: Plásticos Españoles S.A., Reyde S.A., Reyenvas S.A., Silvalac S.A., Plásticos Vanguardia S.A., Rafia Industrial S.A., Solplast S.A., Sotrafa S.A., Macresac S.A., MRI, S.L., Envaflex S.A., TexDelta S.L.

The data has been rounded down.

The background of the page is a photograph of an industrial facility. On the right side, there are large, complex pieces of machinery with blue railings and silver pipes. In the foreground, a green metal drum is positioned on a metal roller conveyor belt. The left side of the page is partially covered by a red semi-transparent overlay containing text.

An example of circular economy

At their industrial metal drum plant, Alvarez Maderas y Envases, S.L. is committed to reusing. This is shown especially in their undertaking to maximise the value of each industrial metal container.

Their comprehensive approach to circular economy avoids the accumulation of waste in landfills, thus preserving natural resources. At the same time, it strengthens the relationships within the supply chain, promoting cooperation and sustainability in the entire business network.

Alvarez Maderas y Envases began to market reused drums in the 2023 tax year.



ACTIONS FOR WASTE REDUCTION

Some of the actions implemented in Group companies as part of our strategy to progressively reduce waste and to promote circular economy are described below.

ALVAREZ MADERAS Y ENVASES, S.L.:

This year we saw that inert waste was managed more efficiently, sorting plastic, paper and cardboard, solid urban waste, scrap metal and road cleaning waste. Everything from these categories went to reuse. On the other hand, there was 27% less production of hazardous waste, thanks to the new line of metal drums. Of the total hazardous waste generated, 88% was processed for reuse.

BIOMASA DE CANTABRIA, S.L.: In order to comply with ISO 14001, waste reduction goals are set every year. The amount of hazardous waste generated was reduced by more than 50% in 2023.

ALVAREZ FORESTAL, S.A.: The company is recorded in the registry of small producers of hazardous waste. Forestry waste is collected and removed from the land for processing and to prevent fires. The waste is processed, ground and reused, generating renewable energy at our biomass plant.

PLASTICOS ESPAÑOLES, S.A. (ASPLA):

Has the OCS (Operation Clean Sweep) certification awarded by AENOR. This global initiative for the plastics industry aims to reduce potential loss of pellets (primary microplastics in the form of granules or scales) into the environment. The amount of inert waste sent to landfills was significantly reduced in 2022, and the trend continued in 2023.

SILVALAC, S.A.: We continue to increase the use of biobased polyethylene from renewable sources and advanced recyclates for technical products. We also collect all the sacks of raw materials, colourants and additives when they are empty, and we recycle them and reuse them. We continue to maintain and promote reuse circuits with clients, both for the core tubes (PVC) and for the pallets to transport the spools. We have also started using Biopolymers.

MACRESAC, S.A.: We renewed our OCS certification in 2023. As for pellet loss, the evolution is favourable: in 2023 we kept the values below those of 2022.

REYENVAS, S.A.: We completed the development and implementation of a closed circuit, with drums supplied to clients for their return to our production centre and recycling. After joining the OCS initiative, we established the necessary protocols and records to avoid pellet loss.

SOTRAFA, S.A.: Better segregation of inert waste so that waste managers can reuse it, avoiding landfills. All our products are recyclable, and any defective products that we may produce are repelletised in a higher or lower percentage, depending on the relevant range of products.

SPR Packaging LLC.: All the by-products produced are recycled, whether for use at SPR PACKAGING LLC or for sale to third parties. In addition, new formulations have been developed in order to optimise performance and to improve product resistance, reducing the use of polyethylene per unit.

PLÁSTICOS VANGUARDIA, S.A.: We achieved an 18% of integration of recycled materials in our total production. The replacement of certain equipment has also minimised the generation of hazardous waste. The OCS (Operation Clean Sweep) certification was granted in 2023.

RAFIA INDUSTRIAL, S.A.: we changed waste managers in 2023, significantly reducing the amount of materials sent to the landfill as final processing. The EcoBAG project was also implemented, using advanced materials and chemical recycling.

TEXDELTA, S.L.: 100% of the non-hazardous waste removed was reused. As for hazardous waste, we went from 89% reuse to 99.2% in 2023.

REYDE, S.A.: Improvements continued to the printing process on certain packaging, providing barrier properties and making it recyclable. A new machine was also acquired to grind and reuse internal defective products.

3.3. MORE SUSTAINABLE PACKAGING AND TECHNOLOGICAL INNOVATION

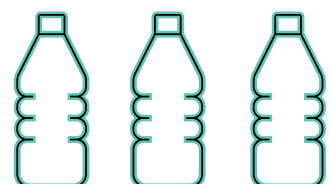
GoCircularPlastics is the Armando Alvarez Group's sustainability plan for the plastics industry. This plan aims to continue with the firm commitment to implementing manufacturing processes that offer sustainable solutions based on a circular economic model.

GAA stands out thanks to our capability to adapt and evolve, as well as the technological innovation in our

manufacturing system.

We have established several activities and initiatives in our production process, with the aim to ensure a lower environmental impact, while at the same time guaranteeing high quality.

We are moving forward with a clear commitment to establishing production processes that provide **sustainable environmental solutions, following a circular economy model.**





GOCIRCULAR PLASTICS

Our sustainability plan for plastics.



[See sample video of circular plastics](#)





1. SUSTAINABLE PROCUREMENT

In collaboration with our suppliers, we develop new protocols for more sustainable supplies.

- Promote sustainable raw material procurement, with suppliers that prove to have environmental impact reduction processes implemented in their manufacturing system.
- Integrate certified recycled raw materials in the value chain that provide a full guarantee for their use. To this end we have a large network of suppliers who specialise in post-consumer recycling processes.
- Incorporate new bio-based materials from renewable sources, and others that can end up naturally biodegrading or be composted in industrial facilities.

(LCA) of our products to see their environmental impact.

- We have also developed the tool ECOTool, which offers the possibility of simulating various environmental impact scenarios to help find the most sustainable setting.



ECO solutions

We offer advanced products with sustainable and certified raw materials.

- We internally recover and recycle industrial waste in order to optimise our processes.
- We are progressively incorporating recycled materials into new products, reducing our carbon footprint.
- We design reusable or refillable containers.
- We innovate through ongoing improvements to optimise performance, achieving reduced product weight per unit.



ECOdesign

- We actively collaborate with clients, suppliers and associates to find the best certified solutions that will lead to achieving the sustainability goals set.
- We offer a consulting service to design the solutions that are best suited to each customer.
- We develop specific formulations to face the challenging demands of the market, to reduce the amount of material per product unit, and to improve recyclability, carbon footprint, or our client's sustainability goals.
- With a comprehensive outlook, we perform a full life-cycle assessment

- We are simplifying formulations with single-material structures that make subsequent recycling of products easier.
- We design ground biodegradable solutions to avoid having to collect agricultural products.

These are our ranges of sustainable solutions:



RECYCLED

Recycled are those **products containing recycled raw materials** that return to the value chain to be reused after a prior purification process, allowing waste to be reused and to become a resource again.

OPTIMA

This is the range of products that we manufacture with the goal to **improve performance per unit**. These developments, achieved through ECOdesign, allow us to offer direct progress in competitiveness, with optimised solutions and ongoing improvements, and with a reduced environmental impact.

BIO

When we talk about bioplastics, we are referring to a category of products that comprise both plastic originating from renewable sources, and plastics that biodegrade at the end of their service life. Within our ECOSolutions BIO range, we offer solutions with **Biobased, Biodegradable and Compostable Biodegradable materials**.

ESSENTIAL

The Essential range includes containers or packaging made with only one type of plastic material, which means they are **100% recyclable**. Simplifying structures with only one type of material makes full recycling easier, reducing the product's carbon footprint during its entire life cycle and, therefore, making it more sustainable.

360°

We offer our clients the possibility of collaborating in **unique closed circuits** that we adapt to the requirements of each company. The result of this collaboration is the ability to reconvert their used packaging, adding it back to the market in the form of new plastic products. This regeneration process is what we call 360° circularity.



MEZCLA Y COMBINA ®

Our ECOSolutions **complement each other** and they can be combined in different proportions, depending on the product and the client's sustainability goals.



4. USE AND CONSUMPTION

Our solutions are used by clients in 118 countries. We promote a rational and responsible use of plastics and their correct circular management.



5. PRODUCT REUSE AT THE END OF SERVICE LIFE

In order to guarantee that used plastics are fully reused within a circular model, **we are working to integrate the management of their end of life into the added value of the products.** We encourage for them to be properly collected and sorted at origin, to maintain their traceability all the way to the recycling or composting plant.

We have our **own recycling plant** to manage plastic waste, where it is converted into new resources that are then reincorporated into the value chain through our factories.



6. REINTRODUCTION AS NEW RAW MATERIALS INTO THE VALUE CHAIN

Once reused, mainly through recycling, we use the renewed raw materials in the new manufacturing processes, giving them new life in accordance with the circular economy principles.

The certified proportion of recycled raw materials we use can vary depending on the type of product and the needs of each client.

In addition, the various Group subsidiaries implement initiatives focusing on research and development of new products every year. We are also collaborating with different universities and research centres to create new solutions in order to face current sustainability challenges.

3.4. RESPONSIBLE USE OF RESOURCES



We strive to guarantee an efficient use of the resources and raw materials used in our production processes.



Our production process is committed to efficiency and to an optimised use of natural resources. Reduced waste, recovery of reusable materials and lower dependence on new raw materials are examples of this commitment. The goal is to progressively introduce recycled materials and renewable resources, insofar as possible.

The more we recover a material that has already been used, the less virgin raw materials we consume, bearing in mind at least two issues:

- Byproducts of fossil fuels are non-renewable resources.
- The use of virgin plastic generates a higher carbon footprint than using plastic recycled by conventional methods.

Consequently, we promote the introduction of recycled materials in our operations in order to encourage a more responsible use of resources.

RAW MATERIAL CONSUMPTION AND EFFICIENCY FOR USE

The renewable and non-renewable materials used in our production process in 2022 and 2023 are presented in the table below.

Materials used for production (Tn)

| COMPANY | NON-RENEWABLE MATERIALS USED | | RENEWABLE USED MATERIALS | |
|-----------------------------------|------------------------------|---------|--------------------------|--------|
| | 2022 | 2023 | 2022 | 2023 |
| Alvarez Forestal, S.A. | 30.25 | 86.46 | - | - |
| Biomasa de Cantabria, S.L. | 2,439 | 2,782 | 17,965 | 14,577 |
| Alvarez, Maderas y Envases, S.L. | 19,783 | 17,175 | 3,714 | 2,788 |
| SPR Packaging, LLC | 29,374 | 33,654 | 1,559 | 1,575 |
| Total plastics companies in Spain | 385,701 | 331,718 | 31,505 | 25,658 |

The non-renewable materials used in the manufacturing process by plastic processing companies are polyethylenes, additives, masterbatch, repelletised plastic, ink, solvents and plastic packaging material. At Biomasa de Cantabria, S.L., it is feldspathic sand; at Alvarez, Maderas y Envases, S.L., steel, paint and solvents; at Transportes Mixtos Especiales, S.A., gasoil;

and at Alvarez Forestal, S.A., fertilisers, weed-killers and motor oil.

The renewable materials are biobased polyethylene, biopolymers, calcium carbonate, and cardboard or wood materials.

The recycled material content included in our production process is as follows:

Recycled materials (Tn)

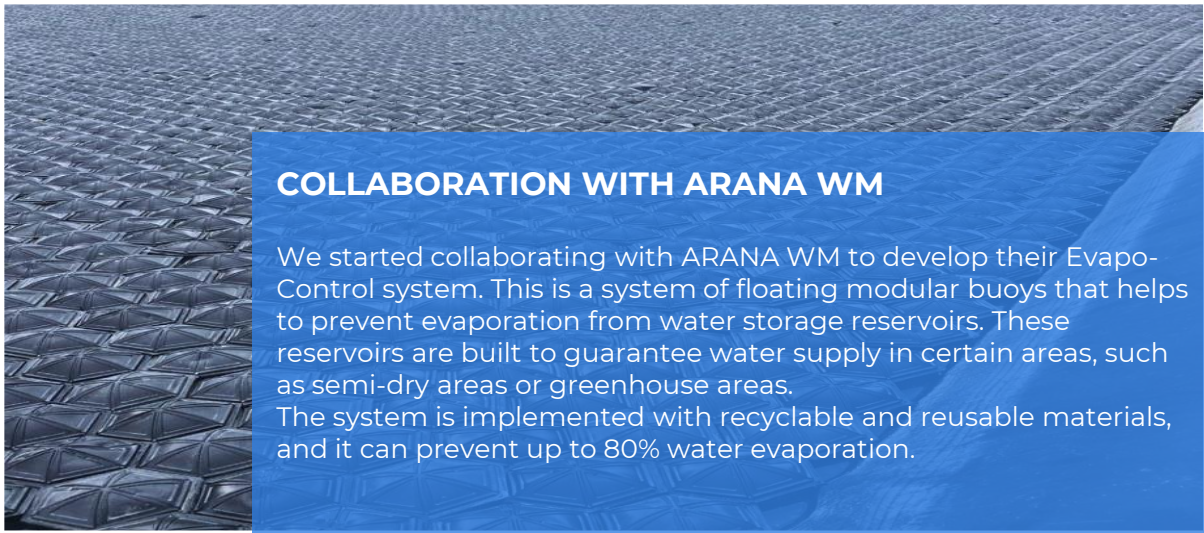
| COMPANY | TOTAL RECYCLED PLASTIC MATERIAL USED | | TOTAL MATERIAL USED | |
|-----------------------------------|--------------------------------------|--------|---------------------|---------|
| | 2022 | 2023 | 2022 | 2023 |
| Total plastics companies in Spain | 37,391 | 30,995 | 417,206 | 357,377 |



WATER CONSUMPTION AND SUSTAINABLE MANAGEMENT

Within the framework of our corporate and environmental responsibility, we know that water is an essential resource, which means that sustainable water management is crucial for our business activity and the well-being of the communities where we operate. In this section we analyse our water management and our commitments, highlighting our vision to preserve and protect this valuable resource.

One of the initiatives the Armando Alvarez Group collaborates with is DRIP2GROW. This platform aims to optimise water use in agriculture and to establish and promote knowledge ecosystems on water management in agricultural operations. This is done through communication activities and training, where we directly collaborate with other members.



COLLABORATION WITH ARANA WM

We started collaborating with ARANA WM to develop their Evapo-Control system. This is a system of floating modular buoys that helps to prevent evaporation from water storage reservoirs. These reservoirs are built to guarantee water supply in certain areas, such as semi-dry areas or greenhouse areas. The system is implemented with recyclable and reusable materials, and it can prevent up to 80% water evaporation.

All of our companies work with closed-circuit refrigeration systems to minimise water loss. The condensers are adiabatic, which lowers water consumption by 90% compared to open towers. They do not produce aerosols, thus preventing the risk of legionnaires disease.

Adiabatic cooling (ACS) moistens the air using hydrophilic panels where air is forced through, reducing the air's temperature through evaporation. This is a highly efficient process that significantly

reduces water consumption by more than 90%.

The table below shows water consumption in m³ for all the companies in Spain:

Water consumed (m³)

| COMPANY | WATER EXTRACTED FROM GROUND WATER | | WATER EXTRACTED FROM MUNICIPAL SUPPLIERS | | WATER USED BY THE ORGANISATION | |
|---------------------------------|-----------------------------------|--------|--|--------|--------------------------------|--------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Plásticos Españoles, S.A | 8,849 | 1,005 | 17,957 | 15,343 | 26,806 | 16,348 |
| Reyde, S.A | - | - | 27,696 | 22,804 | 27,696 | 22,804 |
| Reyenvas, S.A | - | - | 6,799 | 13,190 | 6,799 | 13,190 |
| Silvalac, S.A. | - | - | 47,814 | 42,074 | 47,814 | 42,074 |
| Plásticos Vanguardia, S.A. | - | - | 4,359 | 3,799 | 4,359 | 3,799 |
| Solplast, S.A. | - | - | 5,087 | 2,708 | 5,087 | 2,708 |
| Rafia Industrial, S.A. | - | - | 107 | 124 | 107 | 124 |
| Sotrafa, S.A. | 16,625 | 8,603 | - | - | 16,625 | 8,603 |
| Macresac, S.A. | 6,279 | 5,302 | - | - | 6,279 | 5,302 |
| Envaflex, S.A. | 28,310 | 28,474 | 1,812 | 1,077 | 30,122 | 29,551 |
| Biomasa de Cantabria, S.L. | - | - | 17,695 | 14,577 | 17,695 | 14,577 |
| Alvarez Maderas y Envases, S.L. | - | - | 3,550 | 2,820 | 3,550 | 2,820 |
| Texdelta, S.L. | - | - | 105 | 371 | 105 | 371 |

At Biomasa de Cantabria, S.L., consumption has been constantly reduced thanks to the closed circuits that were implemented, allowing water to be reused. At Sotrafa, S.A., we also saw 50% less water consumed thanks to replacing the cooler and to the installation of a

closed circuit. It is also important to point out that water use was reduced by 40% at Plásticos Españoles, S.A., thanks to replacing coolers condensed by water with coolers condensed by air.



ENERGY CONSUMPTION, RENEWABLE ENERGY USE AND ENERGY EFFICIENCY

This table shows a comparison of the electricity used by the companies in Spain and in the U.S., separated by renewable and non-renewable energy. The last column shows that electricity is the main

source of energy used by the Group's plastic processing companies.

Energy consumed (MW)

| COMPANY | FUELS FROM NON-RENEWABLE SOURCES | | FUELS FROM RENEWABLE SOURCES | | TOTAL ENERGY CONSUMED | | TOTAL ELECTRICITY CONSUMED | |
|-------------------------------------|----------------------------------|--------|------------------------------|---------|-----------------------|---------|----------------------------|---------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Alvarez Forestal, S.A. | 418 | 476 | 600 | 861 | 1,018 | 1,337 | 600 | 861 |
| Transportes Mixtos Especiales, S.A. | 56 | 55 | - | - | 56 | 55 | 23 | 22 |
| Biomasa de Cantabria, S.L. | 848 | 688 | 5,968 | 6,848 | 6,816 | 7,535 | 5,968 | 6,848 |
| Alvarez, Maderas y Envases, S.L. | 2,688 | 2,333 | 2,378 | 1,517 | 5,066 | 3,850 | 2,378 | 1,517 |
| SPR Packaging, LLC | 36,367 | 41,050 | - | - | 36,367 | 41,050 | 34,711 | 39,397 |
| Total plastics companies in Spain. | 15,907 | 14,575 | 274,756 | 250,926 | 290,663 | 265,500 | 271,442 | 250,926 |

The data has been rounded down.

Reducing energy consumption and implementing energy efficiency measures is another one of our priorities. We

highlight the following actions, among all the work carried out:



More than 88% of the electricity consumed by the Group is from renewable sources.

We will continue to advance in our commitment to renewable energy, energy efficiency and decarbonisation projects in the coming years.

In Cantabria, GAA has implemented a project based on reusing waste from forestry operations. This project is at the forefront of the industry: **BIOMASA DE CANTABRIA, S.L.**

This is an electrical plant that generates renewable energy at a power of 10.8 megawatts, using forestry biomass waste as fuel.

The biomass comes from the waste product from harvesting the eucalyptus plantations for the paste-paper industry by Alvarez Forestal, S.A. This renewable fuel is obtained from the waste generated.

The Group reuses this byproduct, comprised of branches and bark from the felled trees.

The company has state-of-the-art technology to achieve optimal performance and to ensure carbon neutral results. The electricity that the plant uses comes 100% from renewable sources, whether from self-consumption or by purchasing it from suppliers.

Fuel consumption is also reduced, thanks to participation in electricity grid adjustment systems.

Lastly, it is interesting to point out that this is the only biomass project of this nature that participates in the Regional Energy Plan.

Renewable energy from forestry biomass:



Reuse of forestry waste



Processing of Biofuel



Renewable energy

**73,925
MW**

Total amount of electricity marketed by Biomasa de Cantabria, S.L. in 2023 and exported to the electricity grid.



ALVAREZ MADERAS Y ENVASES, S.L.:

Thanks to the installation of the new line of metal containers, we see that electricity use was considerably lower than in 2022. The electricity is 100% from renewables. In addition, wood byproduct is sold for electricity production based on biomass.

PLASTICOS ESPAÑÓLES, S.A.: We reduced gas use thanks to optimising the HVAC circuit, and three machines were replaced with new, more efficient lines, that save on electricity.

ALVAREZ FORESTAL, S.A.: We obtained certification for 49,550.86 Tn of CO2 absorbed by the company's forest mass from 2020 to 2022. In addition, the company added another 79 hectares of forest to its assets.

TRANSPORTES MIXTOS ESPECIALES,

S.A.: 84% of its railway traffic was along an electric track, the energy for which came from renewable sources with certified guarantee of origin and ZERO CO2 emission. This represents significant emissions savings (31,038 Tn CO2) compared to emissions generated if transportation was by road.

SILVALAC, S.A.: An energy audit was carried out to determine efficiency goals and actions to reduce energy consumption. We are also replacing the fleet of conventional forklifts with 100% electrical ones. 84% were already electric in 2023.

ENVAFLEX, S.A.: We continue changing out the factory's lighting system with LED lights to improve energy efficiency.



1/3

of Group companies have one hundred per cent electric forklifts in their fleet, with electricity from renewable sources.

RAFIA INDUSTRIAL S.A.: We started replacing the lighting system with LED screens. This was done in the flat weaving area in 2023.

SOTRAFA, S.A.: The refrigeration machines were replaced with compressors in one of the factory areas, reducing energy use by around 30%. We are also working on updating and making the lighting system more efficient.

PLÁSTICOS VANGUARDIA, S.A.: Two electric machines were installed in 2023 to replace two hydraulic machines. This allows us to reduce our energy use by 9.5%, with the same conditions.

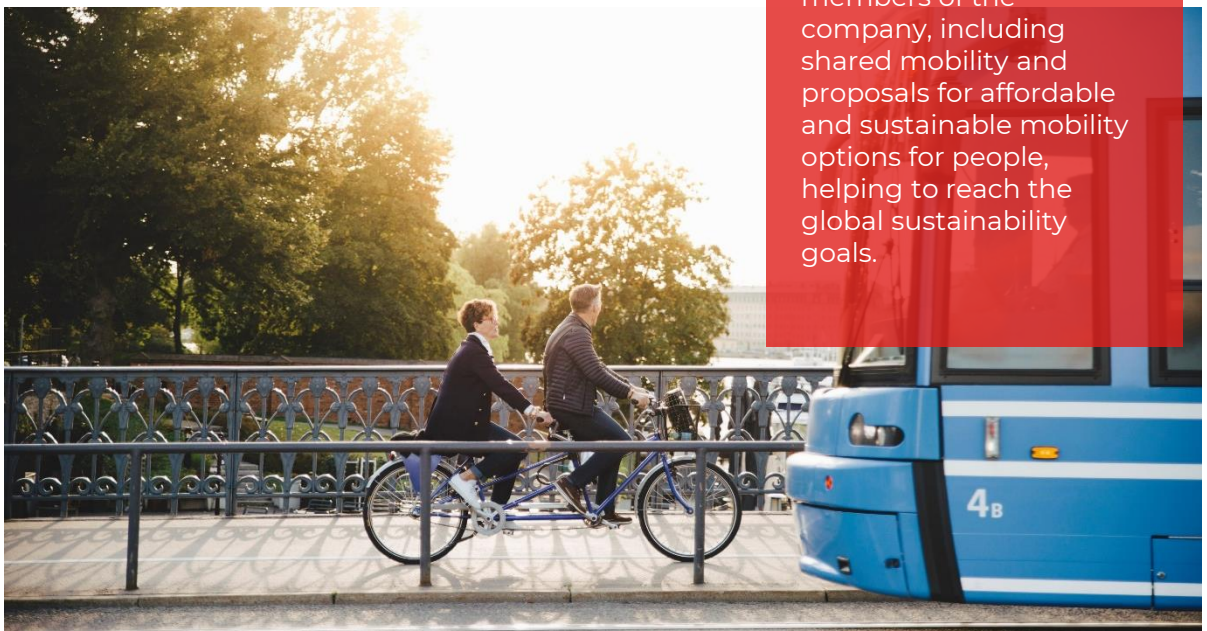
SPR PACKAGING LLC.: New industrial equipment was installed, optimising the ratio of production per KW used. New investments were also made to improve the use of cold and hot cycles during refrigeration and extrusion.

TEXDELTA, S.L.: In 2023 we continued to replace fluorescent tubes with LED panels and movement sensors, reducing electricity use in spite of having increased production capacity.

REYDE, S.A.: We replaced a hydraulic blowing machine with an electric machine this year. This new machine will reduce electricity use by 20% compared to the old one.

SOLPLAST, S.A.: The electricity consumed is 100% from renewable sources. We use new lines equipped with more efficient alternating current motors.

The Group implemented the campaign *Heading towards sustainable mobility* in 2023. This campaign consisted of promoting innovative mobility trends among all members of the company, including shared mobility and proposals for affordable and sustainable mobility options for people, helping to reach the global sustainability goals.



3.5. EMISSIONS AND CLIMATE CHANGE

GAA is committed to fighting climate change. This is why the Group proactively monitors its own emissions, reducing its carbon footprint by means of technological innovations and more efficient processes.



CO₂

Carbon neutral, one more year

The Group renewed its Carbon Neutral Declaration, **offsetting 100% of its 2022 emissions** (scope 1 and 2), thanks to the extensive plantations managed by Alvarez Forestal.





CARBON EMISSIONS

The Group's carbon **emissions** in Spain in **2023 were 27,153 Tn of CO₂**, including scopes 1 and 2. Of this total, 14,718 Tn were emitted by Biomasa de Cantabria, S.L. which produces renewable energy in spite of having more scope 1 emissions due to the wood biomass.

This volume of emissions results from including the emissions from the process in the calculations. This is why some of the companies' scope 1 emissions have increased. However, we must point out that the low emissions in scope 2 are because practically all of the electricity used is 100% from renewable sources.

The carbon footprint of 16 Group companies was registered with the Ministry for Ecological Transition and Demographic Challenge (MITECO) in 2023. It is important to point out that 50% of the companies were able to achieve the double condition of having their footprint recorded with the MITECO for four years in a row, and that the mobile average ratio of emissions in a three-year period was lower compared to the previous period was lower.

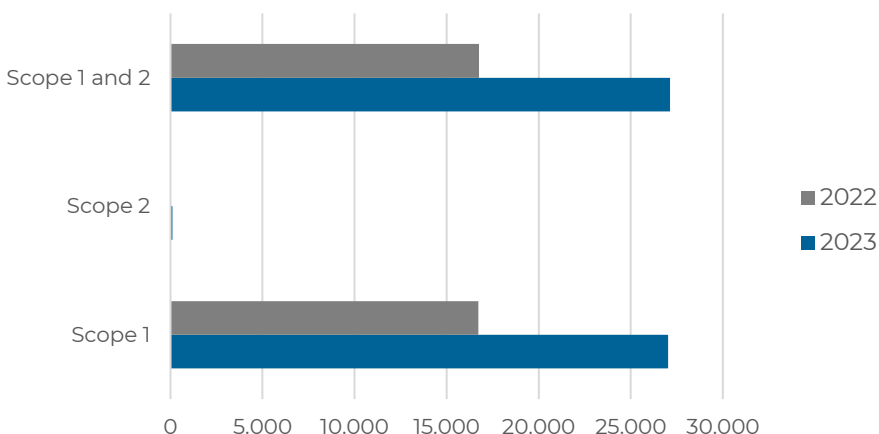
Direct **Scope 1 emissions** are those generated from emission sources owned or controlled by our companies. These emissions comprise transportation vehicles, such as trucks and cars, as well as the use of natural gas or emissions from processes. Biomasa de Cantabria, S.L. recorded the emissions generated by self-consumption and by wood biomass, whereas Alvarez Forestal, S.A. also included emissions from agricultural machinery.

Indirect Scope 2 emissions comprise emissions derived from the use and purchase of electricity by the Group companies. In the case of Biomasa de Cantabria, S.L., they also include the emissions derived from generating their own electricity.

Aspla Plásticos Españoles, S.A. was the first company of the Group to certify Scope 3 emissions.

The graphs below show the Scopes 1 and 2 emissions in kilograms of CO₂ for the whole Group in Spain in 2023:

Scope 1 and Scope 2 emissions in tonnes of CO₂ (the Group's total in Spain)



*Data calculated with MITECO's 2023 calculator (V.28)

PARTIAL OFFSET OF EMISSIONS

GAA annually offsets its Scope 1 and 2 emissions by certifying absorption from the forestry use and management by Alvarez Forestal, S.A.

For the second year in a row, the Group has also partially offset the 2022 carbon footprint of 88% of its companies with the MITECO, through an absorption project by Alvarez Forestal, S.A., called *Reinstatement of Existing Forest Mass in Wildfire-Burnt Areas* (Ramales de la Victoria, in Cantabria, Spain).

CARBON NEUTRAL

Alvarez Forestal, S.A. contributes to reducing the carbon footprint thanks to a CO₂ fixation of close to 25,000 Tn. This contribution comes from its own activities: reforestation, maintenance of mountain areas, or use and recovery of forest coverage.

In 2023, GAA has again offset its scope 1 and 2 emissions from 2022 in accordance with PAS 2060:2014. These emissions were offset with the absorptions by the Alvarez Forestal, S.A. plantations. As a result, **we obtained the Carbon Neutral Declaration – PAS 2060:2014 for the entire Group.**

EMISSIONS OFFSET PROJECT

Alvarez Forestal, S.A. has over 3500 hectares of trees planted, which are sustainably managed. These are carbon sinks that capture the carbon dioxide emitted into the atmosphere and purify the air by emitting oxygen. In fact, many more tonnes are absorbed than are emitted.

The project is based on a well-known and proven methodology, an estimation guide published by the MITECO, which uses the standard UNE ISO 14064-1 as reference to **measure the absorptions by the forest mass and to calculate the emissions that can be offset.**





OTHER EMISSIONS AFFECTING AIR QUALITY

Preserving air quality is one of our main concerns. This is why all GAA companies observe the limits established by applicable regulations, obtain the relevant

authorisations, undergo regular audits and implement mechanisms to reduce and optimise emissions. The emissions affecting air quality (in Kg) in 2023 are shown below:

Other emissions (kg/year)

| COMPANY | PARTICLE EMISSIONS (PM) | | NITROGEN OXIDE EMISSIONS (NOX) | | EMISSIONS OF VOLATILE ORGANIC COMPOUNDS (VOC) | | SULPHUR OXIDE EMISSIONS (SOX) | | HAZARDOUS AIR POLLUTANT EMISSIONS (HAP) | |
|-----------------------------------|-------------------------|-------|--------------------------------|--------|---|--------|-------------------------------|------|---|------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Biomasa de Cantabria, S.L | 1,619 | 5,781 | 14,201 | 17,850 | - | - | 338 | 519 | - | - |
| Alvarez, Maderas y Envases, S.L. | 85 | 147 | 2,621 | 1,217 | 1,239 | 653 | - | - | - | - |
| Total plastics companies in Spain | 442 | 290 | 4,786 | 4,220 | 18,727 | 16,306 | 70 | 56 | - | - |

The data has been rounded down.

We highlight the VOC emissions by Alvarez Maderas y Envases, S.L., reduced by over 50% thanks to the new production line that was installed. All the factories equipped with flexographic printers, as well as those manufacturing metal containers, manage with special care the emission of volatile organic compounds (VOC) into the atmosphere. These compounds come from the use of solvents when applying paint and varnish to their products. There are two systems to monitor this:

1. VOC emissions from the production process in printing groups, painting oven/booth, brushing/sawing or sharpening workshop for carpentry, conical tapering drums or bottoms/lids and boilers, where applicable, are all channelled to Regenerative Thermal Oxidation (RTO), which greatly reduces the values emitted, placing them **far below the threshold established by the Group companies' Integrated Environmental Authorisation (IEA).**

This system was deployed in Plásticos Españoles, S.A., Alvarez Maderas y Envases, S.L., Silvalac, S.A (printing), Rafia Industrial, S.A, Reyde, S.A., SPR Packaging LLC, Macresac, S.A., and Envaflex, S.A.

2. A purification process called: Biotrickling filter (VOCUS) for emissions from production processes. It operates based on the natural biological oxidation process (aerobic degradation) of organic compounds (VOC) that produce inert compounds such as carbon dioxide and water. In a biotrickling filter reactor, the exhaust air to be treated is sent through a filter that contains a film of **micro-organisms (biofilm). These micro-organisms are responsible to break down the organic contaminants into carbon dioxide and water.** This system is already deployed at Silvalac, S.A (extrusion), and Reyenvas, S.A.

DECARBONISATION

Our next step towards a sustainable future.

We are supporters of the global initiative CARBON DISCLOSURE PROJECT (CDP) since 2022.



At the Armando Alvarez Group we are fully aware of the current challenges regarding emissions and climate change. We determine the environmental impacts caused by Group companies, and we implement different steps to reduce our emissions and minimise the impact that our activities may have on the surroundings.

For the second year in a row we participated in the CDP project, a powerful initiative that involves companies, investors and governments in

a joint effort to publicise, measure and manage carbon emissions. By joining forces, all of the stakeholders can identify areas for improvement and opportunities to reduce our carbon footprint.

We continue to promote change, guided by our determination to build a more sustainable world, facing the environmental challenges head-on.



We will continue in the coming years to advance in our commitment to renewable energy and energy efficiency and decarbonisation projects.



LEAKS AND SPILLS

This table shows the total volume of water discharged, spills and the number of runoffs:

Other discharges (m³/year)

| COMPANY | TOTAL VOLUME OF WATER DISCHARGES | | NUMBER OF WATER SPILLS AND/OR RUNOFFS | |
|---------------------------------|----------------------------------|--------|--|--|
| | 2022 | 2023 | 2022 | 2023 |
| Plásticos Españoles, S.A | 22,298 | 15,875 | - | - |
| Silvalac, S.A. | 23,747 | 22,347 | connected to the municipal sewer | connected to the municipal sewer |
| Solplast, S.A. | 4,222 | 3,631 | - | - |
| Sotrafa, S.A. | 2,247 | 1,820 | - | - |
| Macresac, S.A. | 1,750 | 1,478 | 1 discharge connected to the municipal sewer | 1 discharge connected to the municipal sewer |
| Alvarez Maderas y Envases, S.L. | - | 2,820 | - | 1 discharge connected to the municipal sewer |
| Biomasa de Cantabria, S.L. | 2,295 | 2,680 | 1 discharge connected to the municipal sewer | 1 discharge connected to the municipal sewer |

The data has been rounded down.

3.6. BIODIVERSITY PROTECTION

Biodiversity is essential in our operations and it is an integral part of our corporate responsibility. Therefore, we are constantly seeking to protect, preserve and respect the balance of the ecosystems where we operate.

All Group companies strive to protect their natural environment through a prior analysis of significant direct and indirect impacts on biodiversity. In general, effects on vegetation and fauna, the landscape, changes in air quality and nuisances to the surrounding population are considered.

All factories observe applicable legal limits regarding light pollution, by monitoring the facility's entire lighting installation, the type of lighting, its power and the on/off schedule. Noise measurements are also taken at the organisations that have an Integrated Environmental Authorisation.

All Group companies that operate as plastic materials processors support the Operation Clean Sweep (OCS) project. This is a worldwide initiative by the plastics industry to ensure responsible plastics management.

It is a voluntary programme aimed at preventing the emission of plastic granules (pellets, flakes, powders, etc.) into the environment, which may happen involuntarily during any stage of the plastics value chain: production, handling, transportation, processing and recycling.

This programme aims to apply optimal cleaning and control processes in any operation where plastic pellets are handled, thus preventing any loss into the environment.

The project is led by the ANAIP Association, which holds the OCS rights in Spain, and it is supported by the Ministry for Ecological Transition and Demographic Challenge, as well as by Europe's leading business association, Plastics Europe.

Since the Group adhered to this programme in 2017, we have implemented continuous improvements in our environmental management systems with a commitment to achieve zero pellet losses. To this end, each and every one of the Group companies that joined the plan must produce a risk analysis system that will guarantee the proper identification and assessment of potential critical points for pellet loss, in order to prevent involuntary spills, as well as to raise awareness among all of our collaborators on the importance of preventing spills.

Aspla Plásticos Españoles, S.A. and Macresac, S.A. are certified under this programme, and Plásticos Vanguardia, S.A. was awarded the certification this year. One of the Group's goals is to have the remainder of the companies certified by 2030.





Likewise, our two companies specialising in the wood industry, Alvarez Forestal, S.A. and Alvarez Maderas y Envases, S.L., carry out their activities with great consideration towards reinstatement of the natural environment and respect for biodiversity.

Before every felling, Alvarez Forestal, S.A. informs the relevant authorities and strictly complies with the instructions established by the applicable legislation. As proof of our commitment, at ALVAREZ FORESTAL we are PEFC and FSC certified.

Alvarez Maderas y Envases, S.L. applies EUTR and CITES regulations in their warehouses to protect biodiversity in timber species. The national and

imported timber that it works with is certified in PEFC Chain of Custody and FSC. Therefore, there are chain of custody policies in place, guaranteeing only a responsible and sustainable purchase of these products, undertaking that a percentage of our productions consists of wood that was procured with the least possible repercussion on the habitat where it was sourced.

ALVAREZ FORESTAL

We sustainably manage over 3,500 hectares of forest land, following a zero-waste circular model.



We invested in the expansion of 79 hectares of forest land in 2023.

ALVAREZ FORESTAL, S.A., a company fully dedicated to the forestry industry, works diligently to preserve and increase the forestry land that it manages, by maintaining the tree cover of its more than 3,500 hectares of smallholdings.

In 2023 alone over 281,000 new trees were planted, along with work carried out to reinstate the new land acquired throughout the year.

This work counteracts ground erosion, helping to measure the rain and filter the water, generating better-quality air, and ultimately providing obvious environmental benefits. At the same time, wealth is created and depopulation is fought in rural areas.

It is important to bear in mind that increasing the forest surface and its reforestation up to 100% of the tree cover helps to capture CO₂, fix carbon, and generate oxygen, and at the same time promotes biodiversity by creating new natural areas.

TECHNICAL MANAGEMENT PLAN FOR ALVAREZ FORESTAL

All of the forestry land managed by Alvarez Forestal, S.A. is covered within a Technical Management Plan that establishes various types of usage:

- **Use as producer:** Exploitation of the timber generated after a waiting period of 15 years or more is prioritised, mainly species such as the Eucalyptus.
- **Use as protector:** These areas are important regions with great potential for preserving and promoting biodiversity, as well as for protecting both animal and plant species, and soil conservation. They also play an essential role in regulating water systems, among other environmental benefits. Historical management of the plots has consigned the use as protector to

the surroundings of waterways and stands comprised of small masses of native leafy trees (> 90 hectares, approximately 3% of the surface managed).

- **Compatibility between the use as protector and producer** is mainly determined by the species and the features of use. In general, the use as protector is compatible with the use of timber, provided that it is sustainable following bid specifications.



Goals of the plan

- To align forestry harvesting with the preservation of natural resources.
- To regulate timber harvesting and maintain productivity within the limits and actual possibilities of each plot.
- To strengthen and preserve the protective role, prioritising conservation criteria and promoting biodiversity.
- To consolidate and protect the areas set aside to protect river courses in native forests.
- To preserve the infrastructures available for timber harvesting, as well as for control and surveillance, and for fighting wildfires.

ACTIONS FOR ENVIRONMENTAL PRESERVATION

It is important to mention the following actions regarding environmental preservation:

- **Restoration of the tree cover after harvesting**, by planting and/or replacing missing plants to reach optimal density and 100% surface coverage.
- **Infrastructure maintenance**, the existing roads must be maintained, avoiding abandonment, improving traffic flow in timber harvesting operations, and preventing and fighting wildfires.
- **Forest health**, population control work against pests and diseases.
- **Defence against and prevention of wildfires**, forestry operations to prevent wildfires try to minimise the risks and damage from potential fires. Priority is given to clearing and collecting the waste (biomass) generated during harvesting, mainly removing the larger wood pieces and reducing the fuel load on the properties.

At Alvarez Forestal, we have a plan for the future, intended to preserve and sustainably improve the forest land that we acquire and manage, and insofar as possible, try to increase the forest cover of the plots.

We are aware of how much these forests contribute to the environment, including preventing erosion, reducing climate change, improving air quality and the landscape, preventing wildfires and sustainably boosting the rural economy. With appropriate investments and constant care, these become long-term benefits







04

COMMITTED TO PEOPLE

We understand that our purpose is to create value for our employees, clients and collaborators, and for the communities where we operate.

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| 4.8. Community and social impact | |

4.1. COMPLIANCE WITH SOCIAL LEGISLATION

Our commitment to comply with social legislation goes beyond mere legal requirements; we promote an ethical culture based on equality, respect and responsibility.

Within the current dynamic corporate context, GAA knows that a commitment to laws and regulations that protect labour rights and promote a fair and equal workplace is an essential element in the Group's strategy. As a socially responsible company, we undertake to comply with all relevant laws and regulations, to ensure respect for human rights, to promote fair and safe work conditions and to preserve the health and well-being of all company members.

The Group companies monitor that all of our staff's labour rights are observed, such as the right to fair working conditions, the freedom to join a union and to collective bargaining, and the elimination of forced work in compliance with the rights of children and young people. We also work to encourage career and personal development opportunities among company members, to promote diversity and inclusion, and to guarantee a workplace environment that is free from discrimination and harassment.

Protecting people's health and safety is a fundamental priority for GAA, and we constantly strive to prevent any risks at the workplace. The company has a comprehensive occupational hazard prevention policy specifically designed for the activities of each site. At GAA, we have a clear commitment to training our staff on the rules and business procedures on occupational hazard prevention. All of the companies also receive specialised consultancy, and carry out regular external reviews, occupational hazard prevention data sheets, position-oriented training and yearly internal audits by department.



The Group is firmly committed to equality, as it is an essential element when managing human capital. This is not only to comply with legal requirements, but it is an essential pillar for all GAA's companies.

13 Group companies are negotiating and/or about to sign their respective equality programmes. Such programmes aim to promote and guarantee equal opportunities at the workplace, preventing any form of discrimination and encouraging an inclusive and diverse work environment. This principle is also included both in our Code of Conduct and in our Ethics Code for Suppliers.

Our organisation's commitment to comply with labour and social regulations, as well as the steps and actions implemented to ensure compliance, are further discussed below. The relevant figures and data that prove our performance in this area will also be presented, and the initiatives and programmes developed to promote a workplace that is fair and respectful of the rights of every member of the Group will be discussed.

We are committed to transparency, and we strive to establish an open dialogue with all GAA's members, providing them with the necessary tools and resources to make it possible.

4.2. SUSTAINABLE EMPLOYMENT



Efficient human capital management has become a strategic imperative that boosts sustainability and leads to long-term success.

In this chapter we reaffirm our commitment to sustainable employment that ensures the well-being of all GAA members and contributes to the socioeconomic development of the communities where we operate.

In 2023, the Armando Alvarez Group's staff comprised more than 2,378 people, very similar to the Group's staff in 2022 (2,419). The Group's solid philosophy to promote steady labour relationships is proven by the rate of permanence of our staff and the low turnover, which is at an average of 3.4% in the Group's organisations in Spain. This represents a small increase compared to 2023, when turnover was 2.5%.

However, this increase is due to talent transfer between the different Group companies. Likewise, one of the company's principles is to encourage employment among local communities.

In addition to guaranteeing stable work conditions, our collaborators can progress in their careers within the different Group companies, depending on business needs and on each employee's skills.

Unless otherwise stated, the information provided in this section of the report relates to the staff in all Group companies. 88% of the total Group's workforce is located in Spain (2,114 people). 10% of the staff (240 people) are in the United States, specifically at SPR Packaging, LLC, while the remaining 1% is assigned to various international subsidiaries.

In this section of the report, we analyse how we manage talent and how we develop human capital at all Group companies.

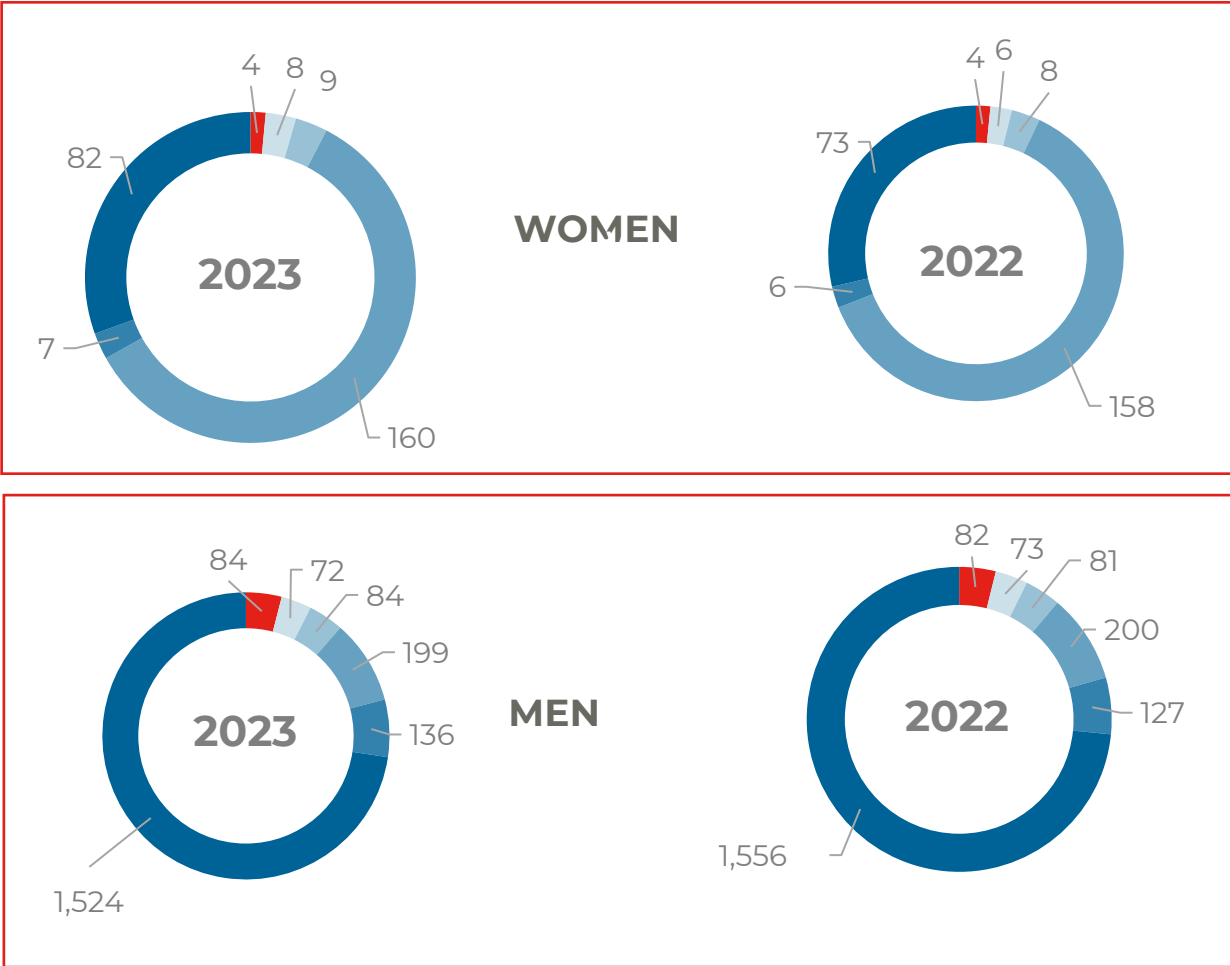
Each one of the Group companies has their own nature, and therefore, they require different work profiles, both in terms of quantity and type. These could be grouped into the following categories of the same level (similar duties and responsibilities):

Executives, department directors, sales representatives, supervisors, technical administration staff, and human resources, factory and marketing staff.

Female staff increased by 12% in 2023, and women accounted for a 45% of the total administration staff.

Here we see how GAA staff is organised by category and gender:

DISTRIBUTION BY PROFESSIONAL CLASSIFICATION

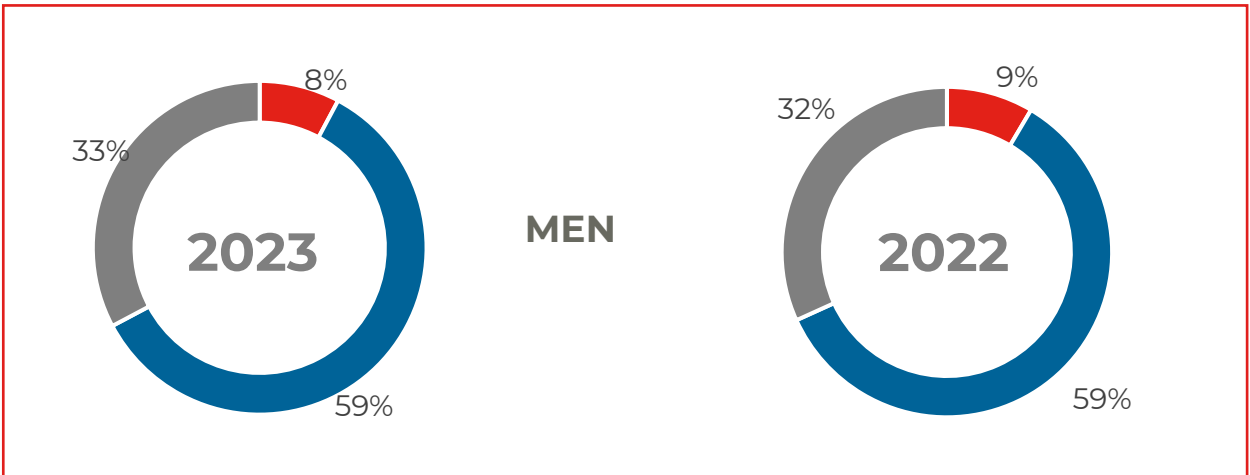
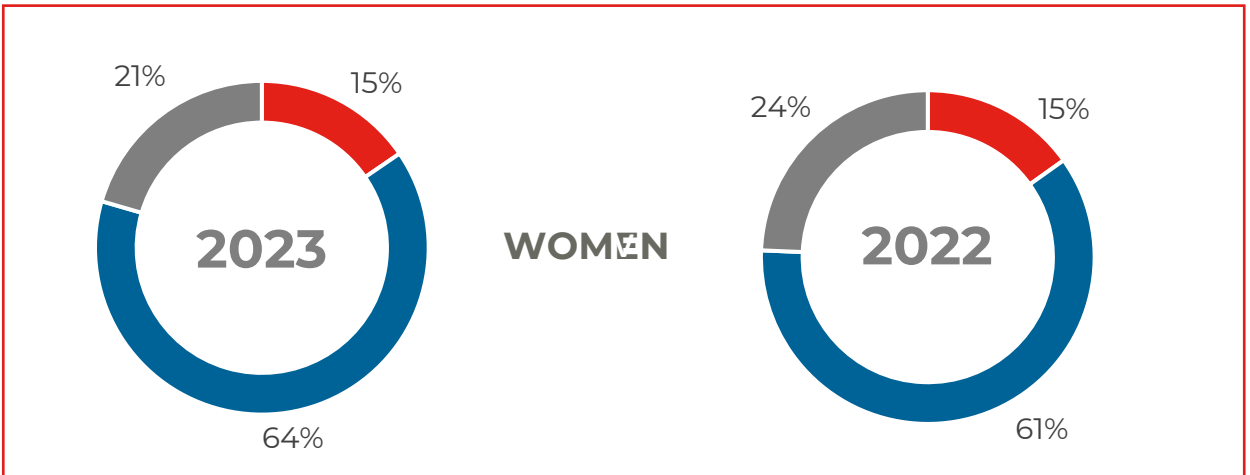


- Factory staff
- Supervisors
- Technical administration, human resources and marketing staff
- Sales representatives
- Department directors
- Executives

DISTRIBUTION BY AGES

The Group companies strive to promote young talent. This includes new hires and the possibility of partial retirement. It is noteworthy that in 2023 the number of women between 30 and 50 increased by

3%, whereas the number of women under 30 remained at 15%.

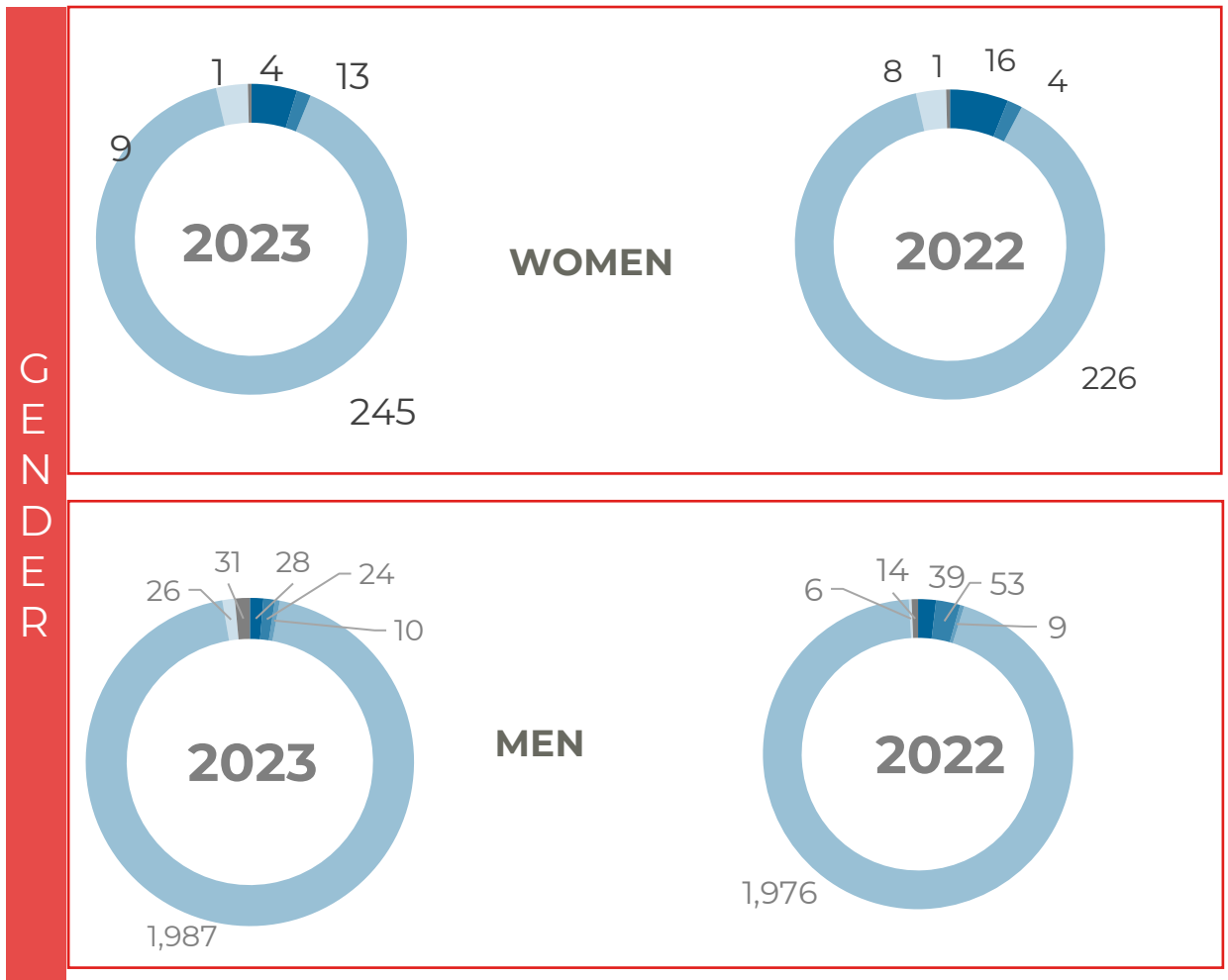


■ <30 years old
 ■ 30-50 years old
 ■ > 50 years old

TYPE OF CONTRACT BY GENDER, AGE AND PROFESSIONAL CATEGORY

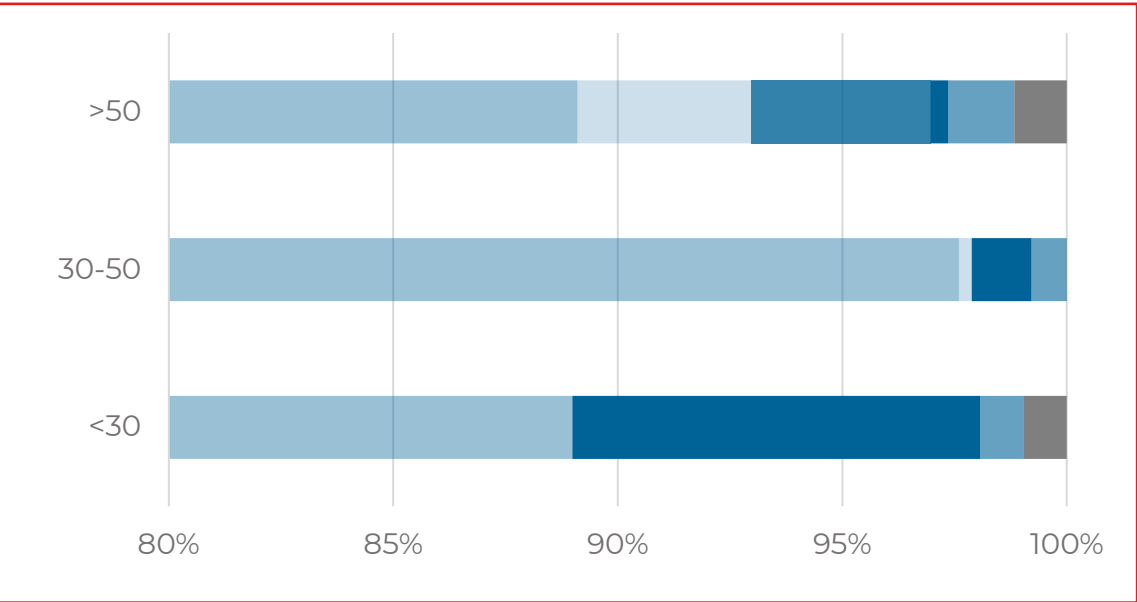
The Armando Alvarez Group is aware of how important it is to maintain solid relationships within our team, therefore we prioritise indefinite-term contracts. Most of our contracts, for both men and women, are indefinite instead of temporary, and the majority of these are full-time

contracts. The total number and distribution of contract types coincide with the yearly average. The distribution of contracts by gender, age and professional category is as follows:

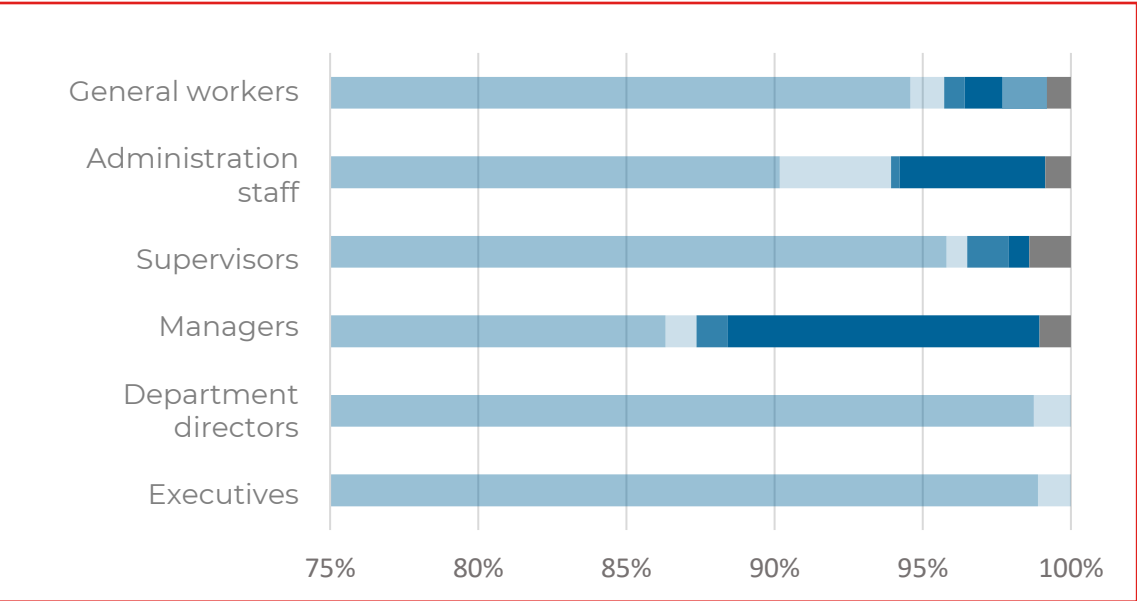


- Temporary full-time
- Temporary part-time
- Permanent seasonal
- Indefinite-term full-time
- Indefinite-term part-time
- Training and others

AGE



CATEGORY

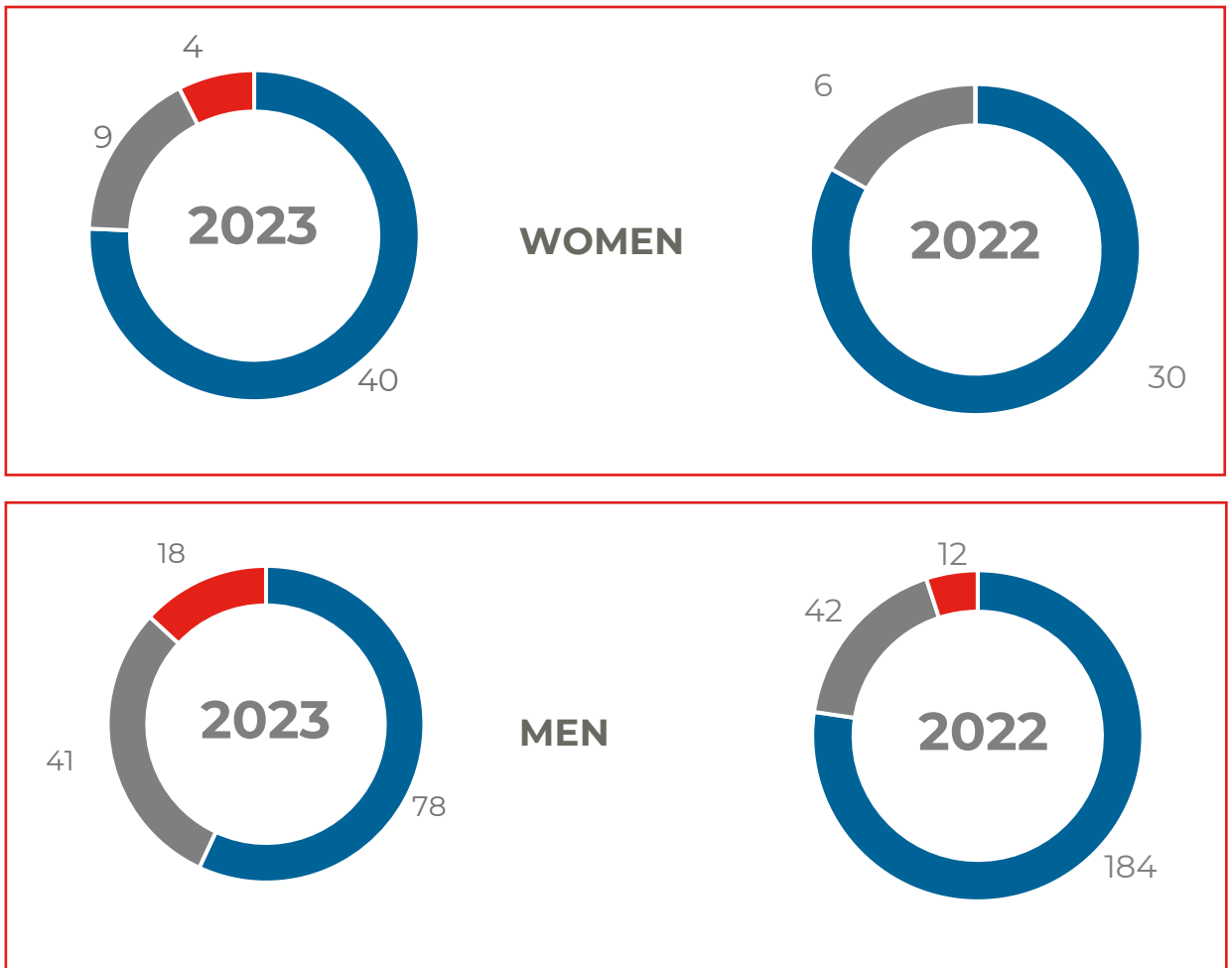


- Temporary full-time
- Temporary part-time
- Permanent seasonal
- Indefinite-term full-time
- Indefinite-term part-time
- Training and others

HIRES AND TERMINATIONS IN SPAIN

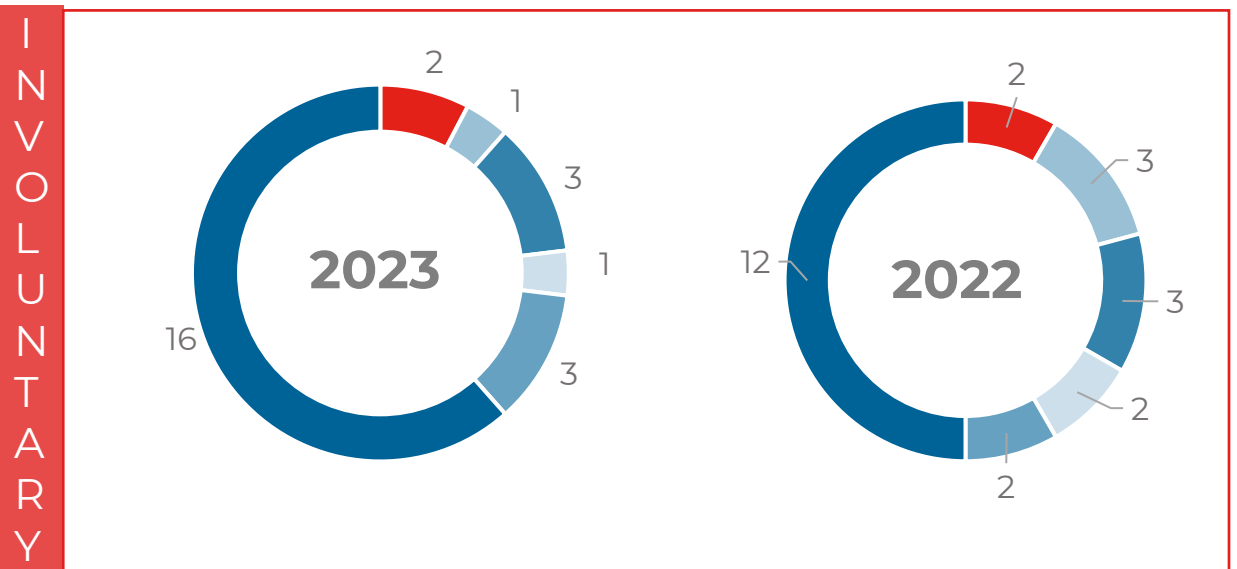
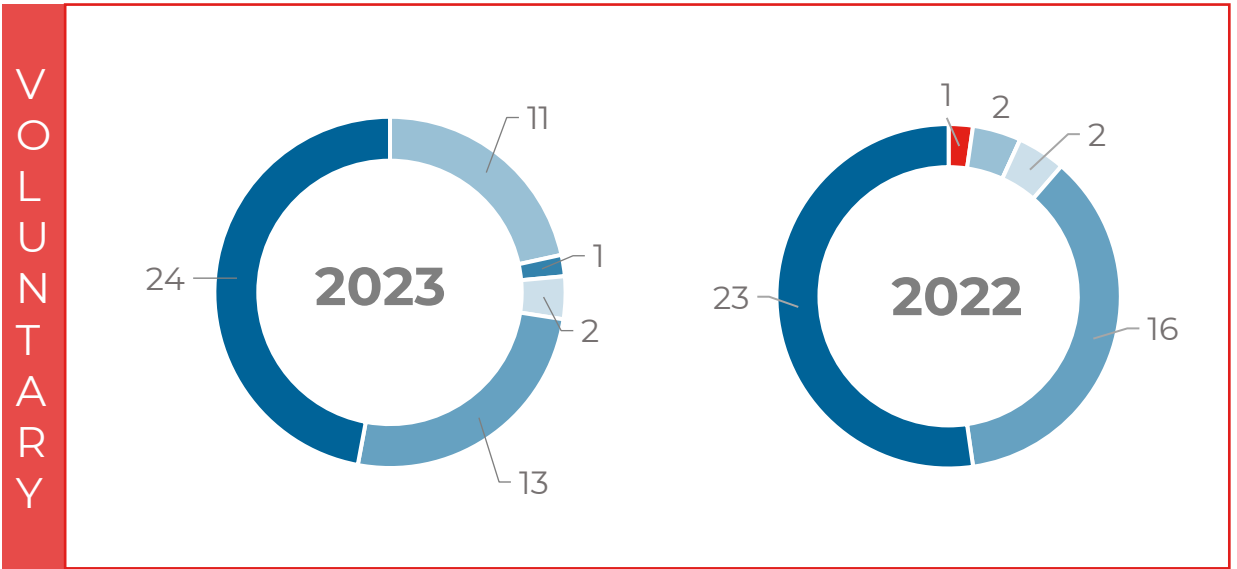
In 2023 the Group's net employment generation increased in Spain, with 118 new hires. 33% of those hires were women.

There were 72 terminations in that period (including voluntary and involuntary):



- New-hires
- Voluntary terminations
- Involuntary terminations

TERMINATIONS BY PROFESSIONAL CATEGORY IN SPAIN

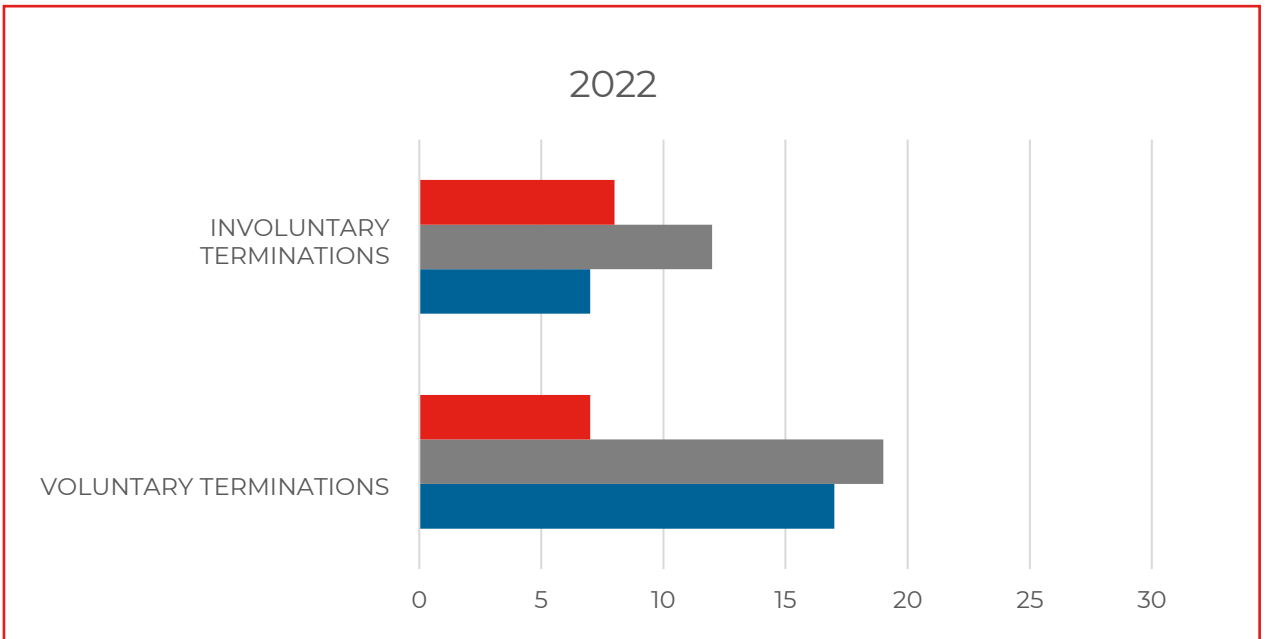
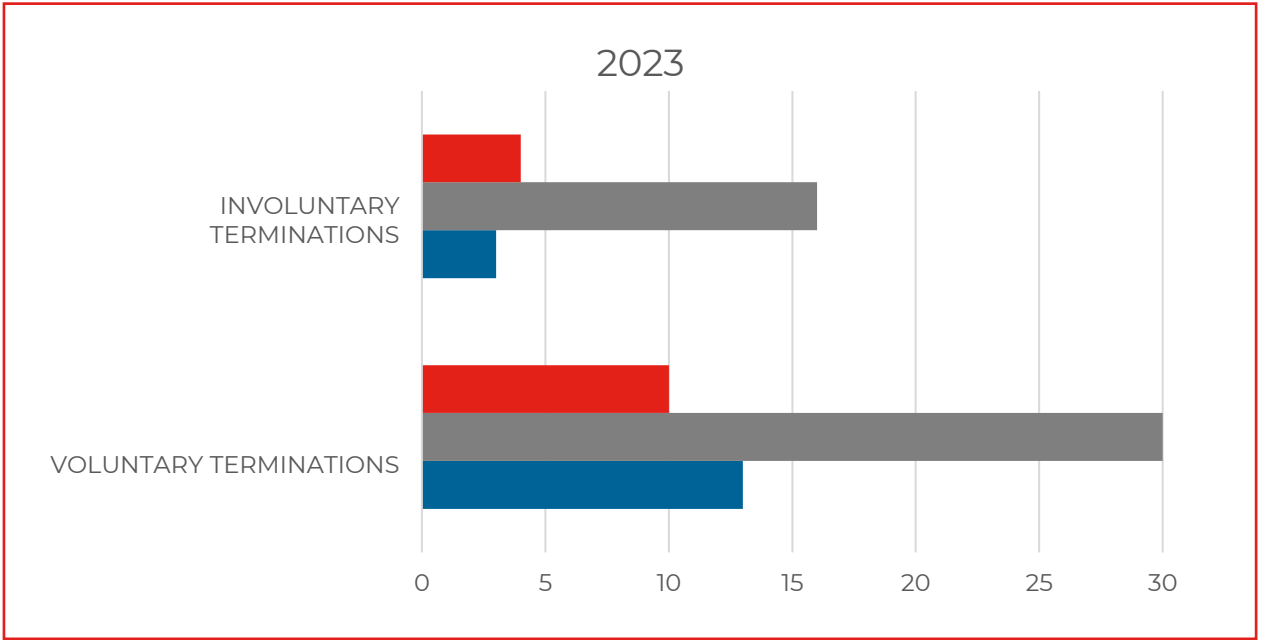


- Factory staff
- Supervisors
- Technical administration, human resources and marketing staff
- Sales representatives
- Department directors
- Executives

TERMINATIONS BY AGE IN SPAIN

In 2023 the voluntary terminations increased from 18 to 30. This increase was mainly due to staff rotation between the

various Group companies, because of retirements and new openings.

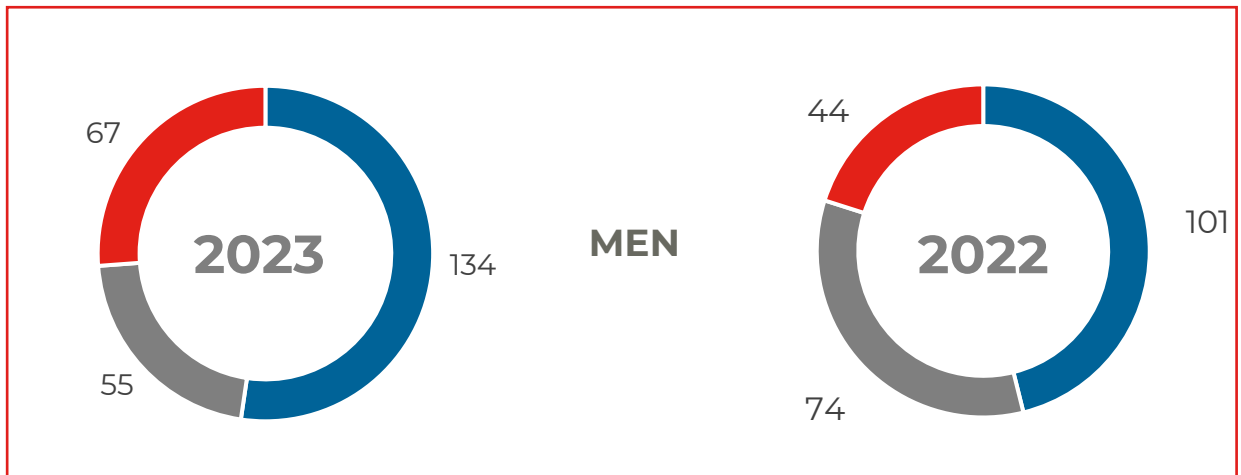
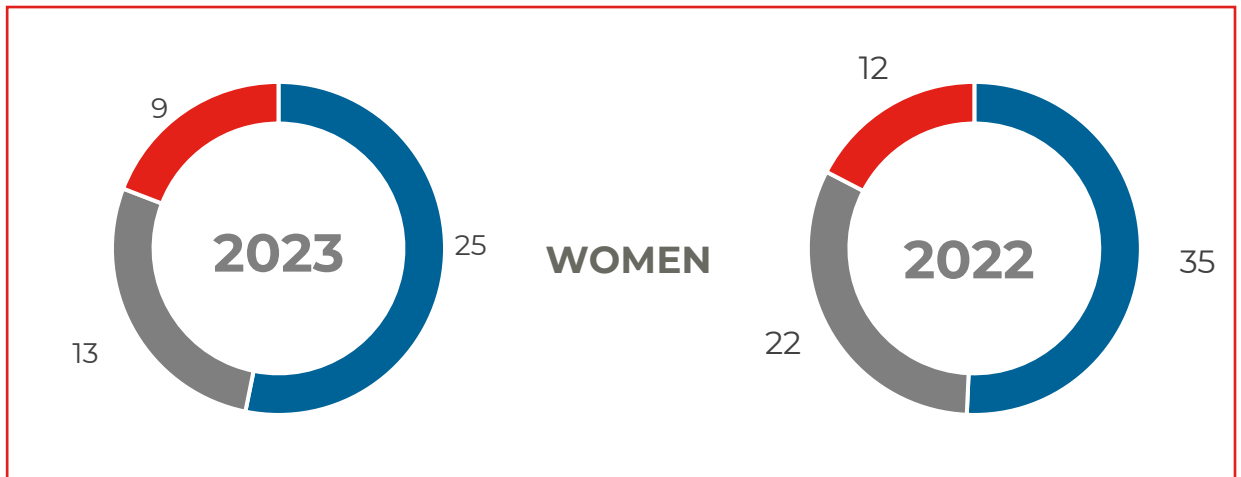


■ <30 years old
 ■ 30-50 years old
 ■ >50 years old

HIRES AND TERMINATIONS IN THE U.S.

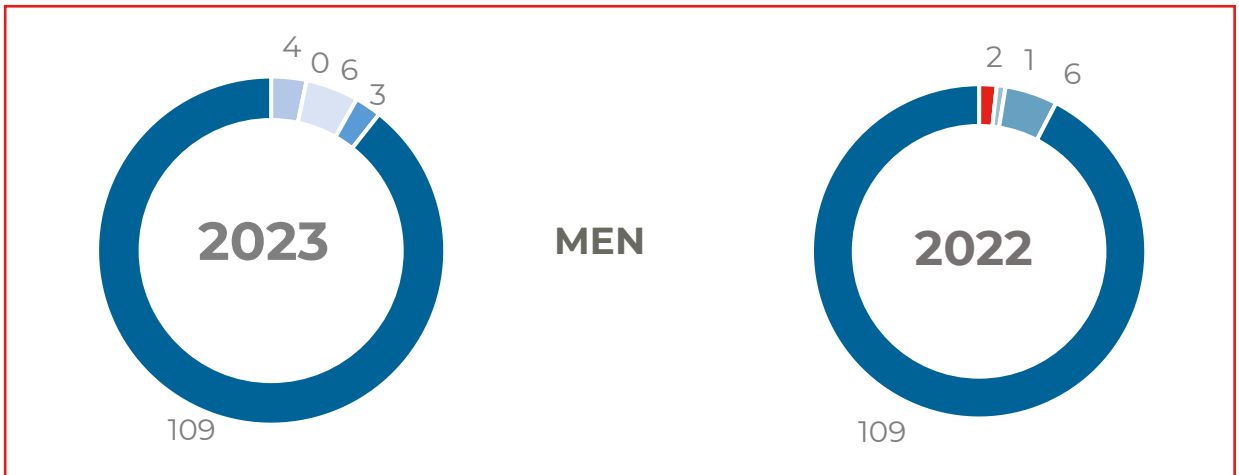
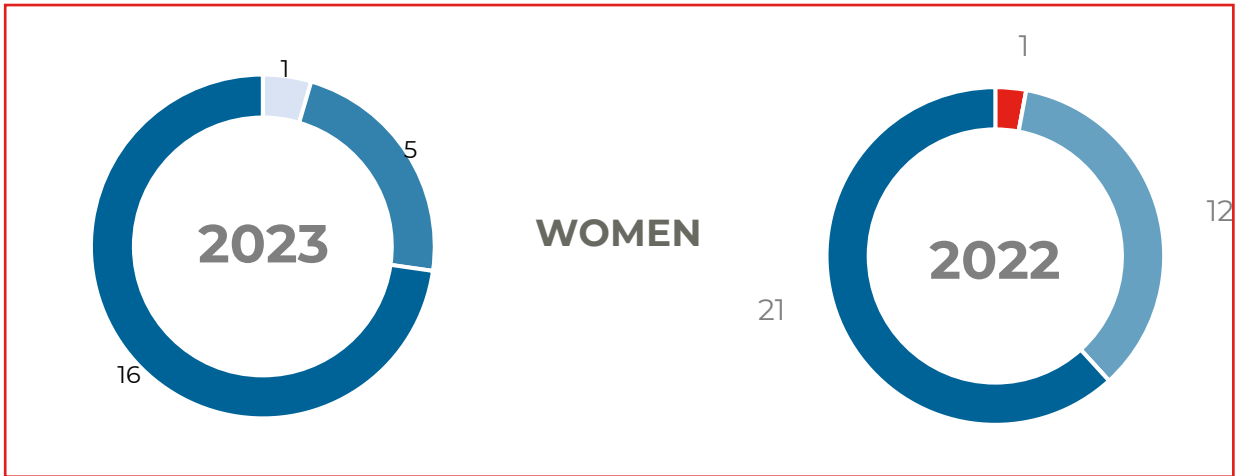
Staff hiring in the United States was significant in 2023, with 159 new hires, 16% more than the year before. As for contract terminations, 68 were voluntary and 76 were involuntary, including both men and women.

This is due to the nature of the labour market in the United States. This is one of the largest and most dynamic markets in the world, with high job mobility and an employment rate close to full employment. These terminations were made in the following professional categories, by gender:



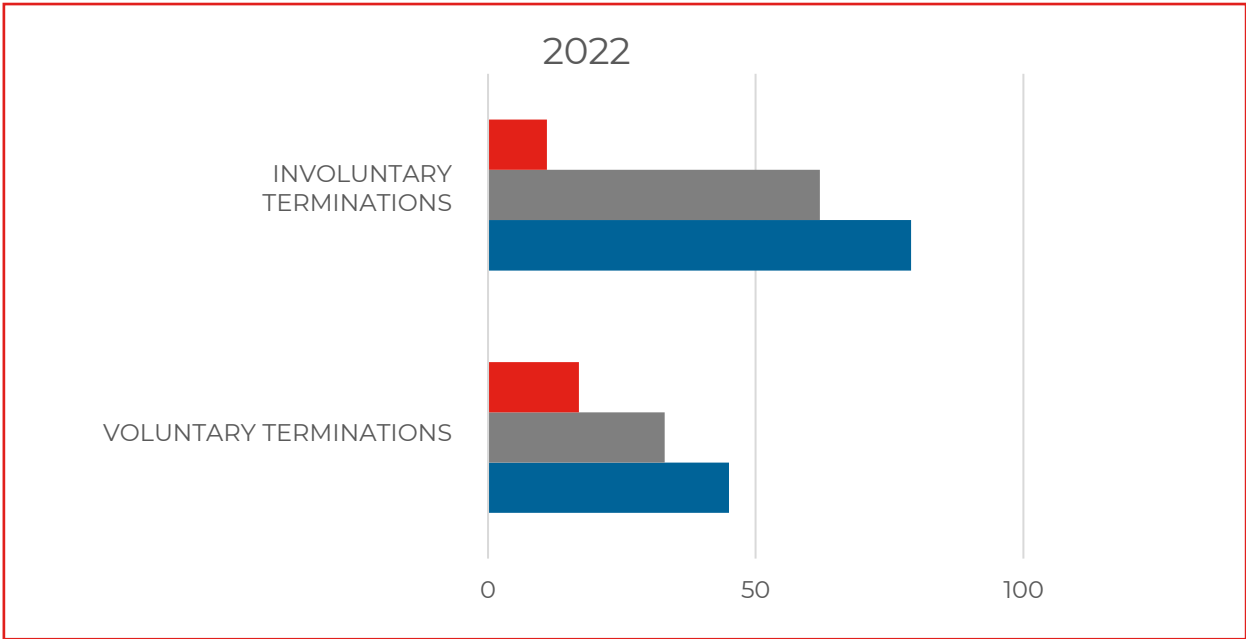
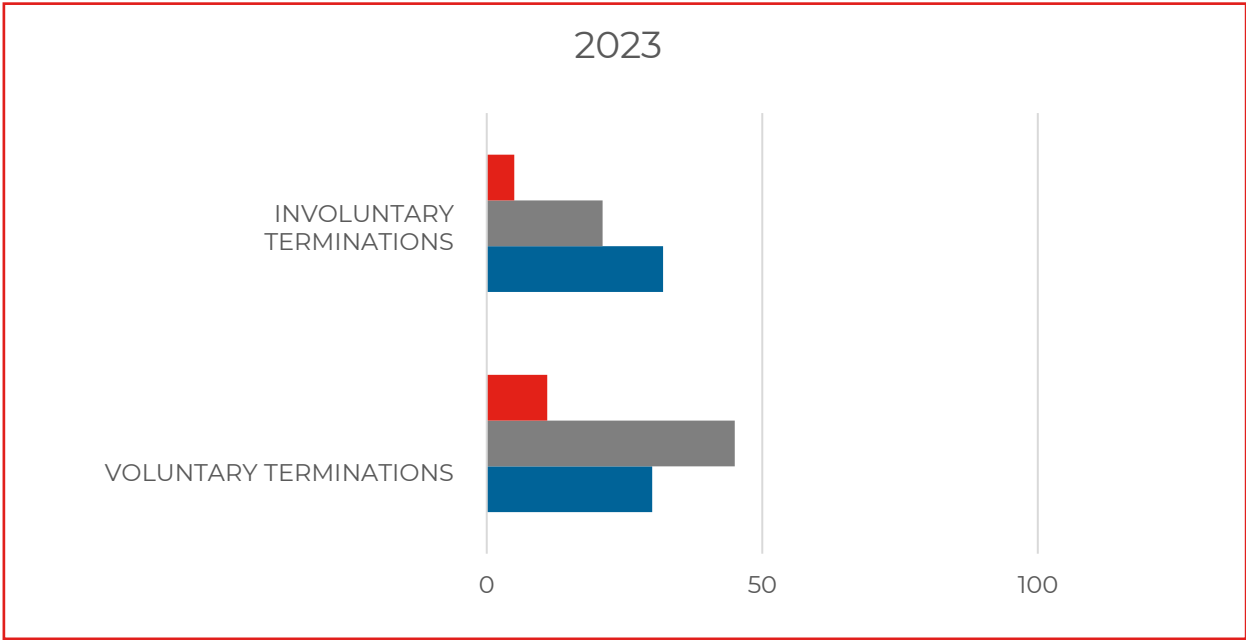
- New-hires
- Voluntary terminations
- Involuntary terminations

INVOLUNTARY TERMINATIONS BY PROFESSIONAL CATEGORY IN THE U.S.



- Factory staff
- Supervisors
- Technical administration, human resources and marketing staff
- Sales representatives
- Department directors
- Executives

TERMINATIONS BY AGE IN THE U.S.



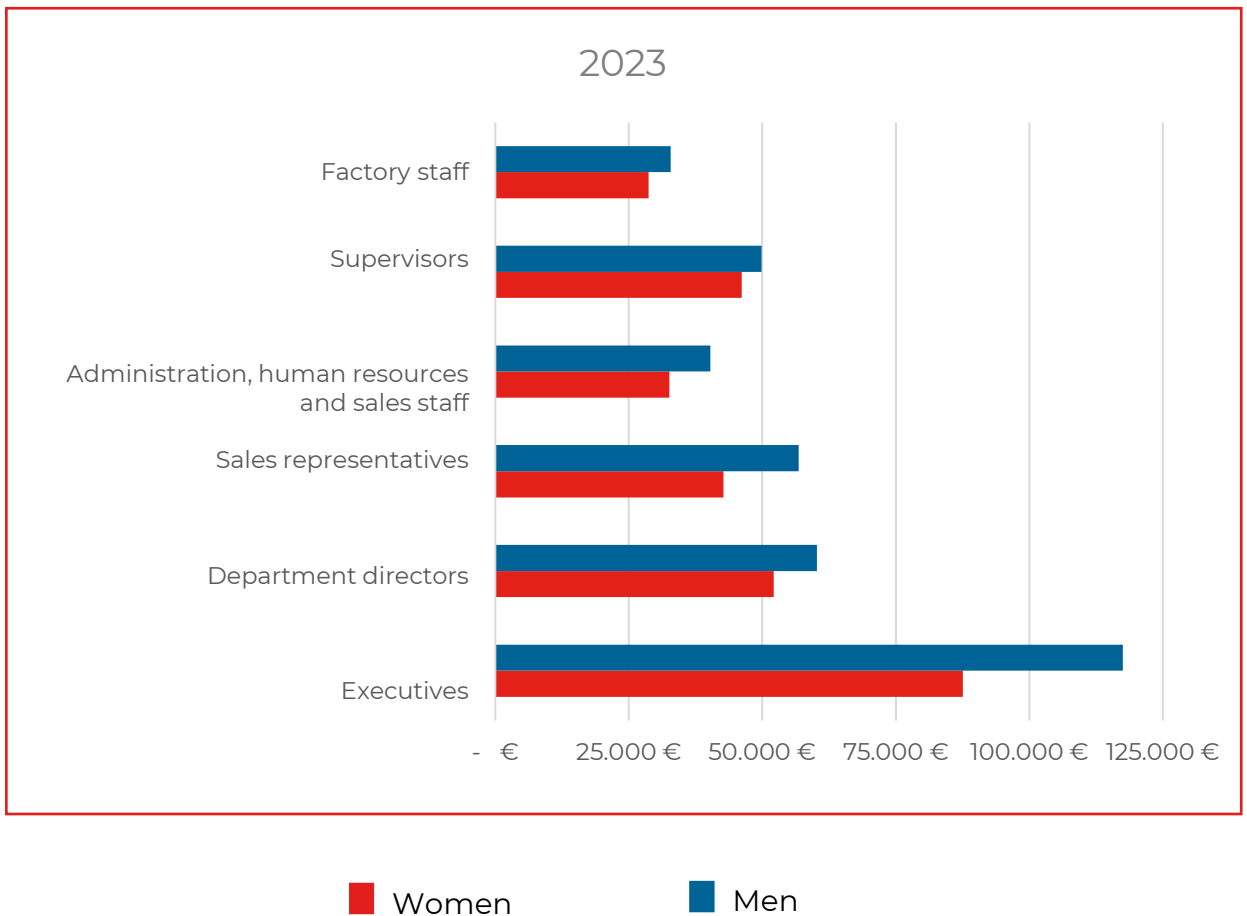
■ <30 years old
 ■ 30-50 years old
 ■ >50 years old

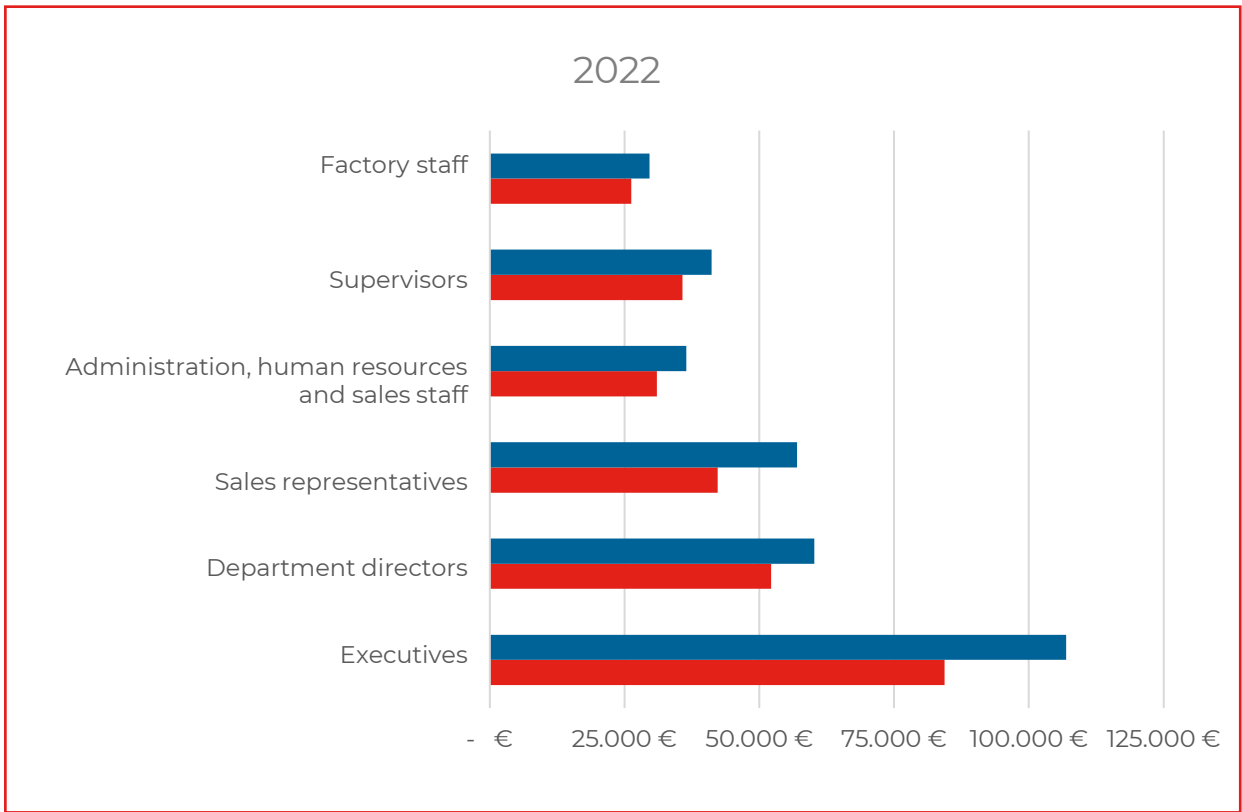
AVERAGE WAGES BY GENDER AND PROFESSIONAL CATEGORY

The Armando Alvarez Group companies adhere to labour regulations and strive to ensure fair working conditions, both regarding economic compensation and management of working hours. Every organisation strictly follows the relevant Collective Agreement regarding applicable

wage policies.

The yearly average wages, by professional category and gender in Spain (in thousands of Euro), are as follows:





■ Women
 ■ Men

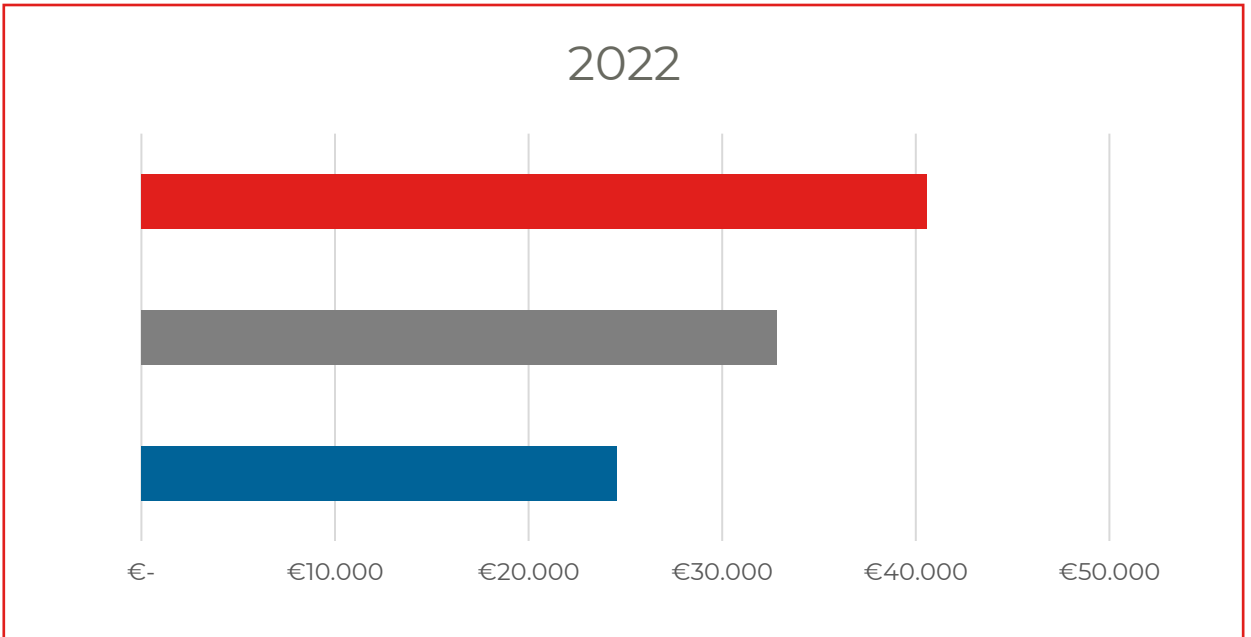
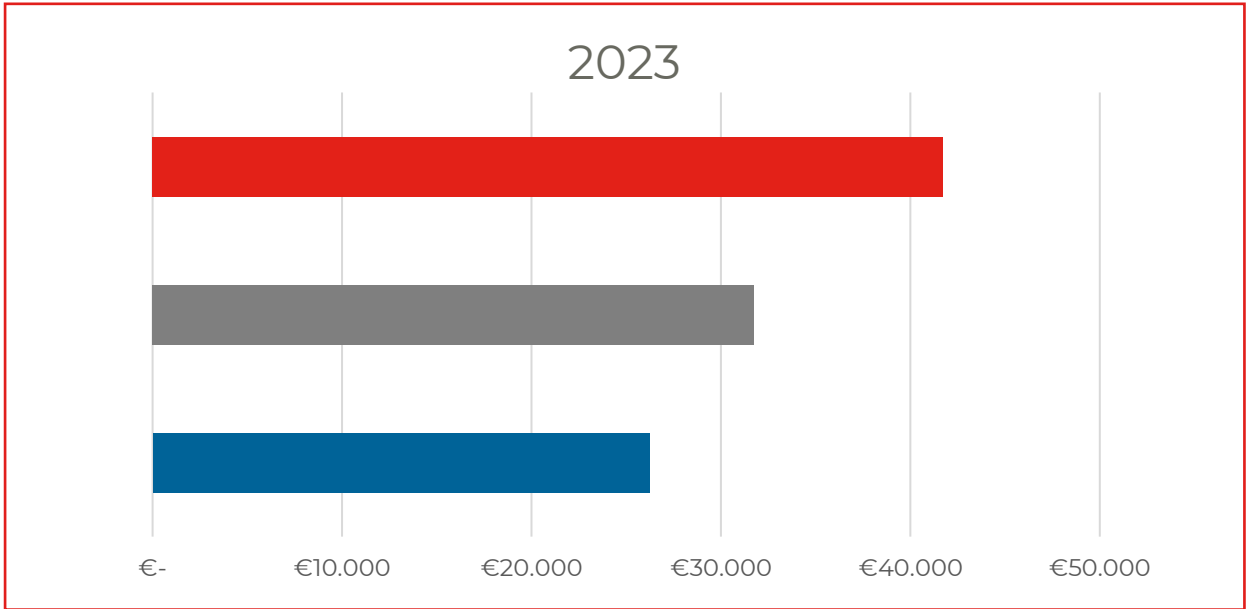
There is a small salary gap between men and women. This is due to the seniority bonuses and to bonuses pertaining to duties entailing different responsibilities.

The Group's salary gap in Spain is 17%. In no case are the Group companies' wages below the average for the industry, and in many cases they are above the collective agreement of reference.

AVERAGE WAGES BY AGE

These are the average wages by age. This table shows how wages evolve throughout

a professional career:

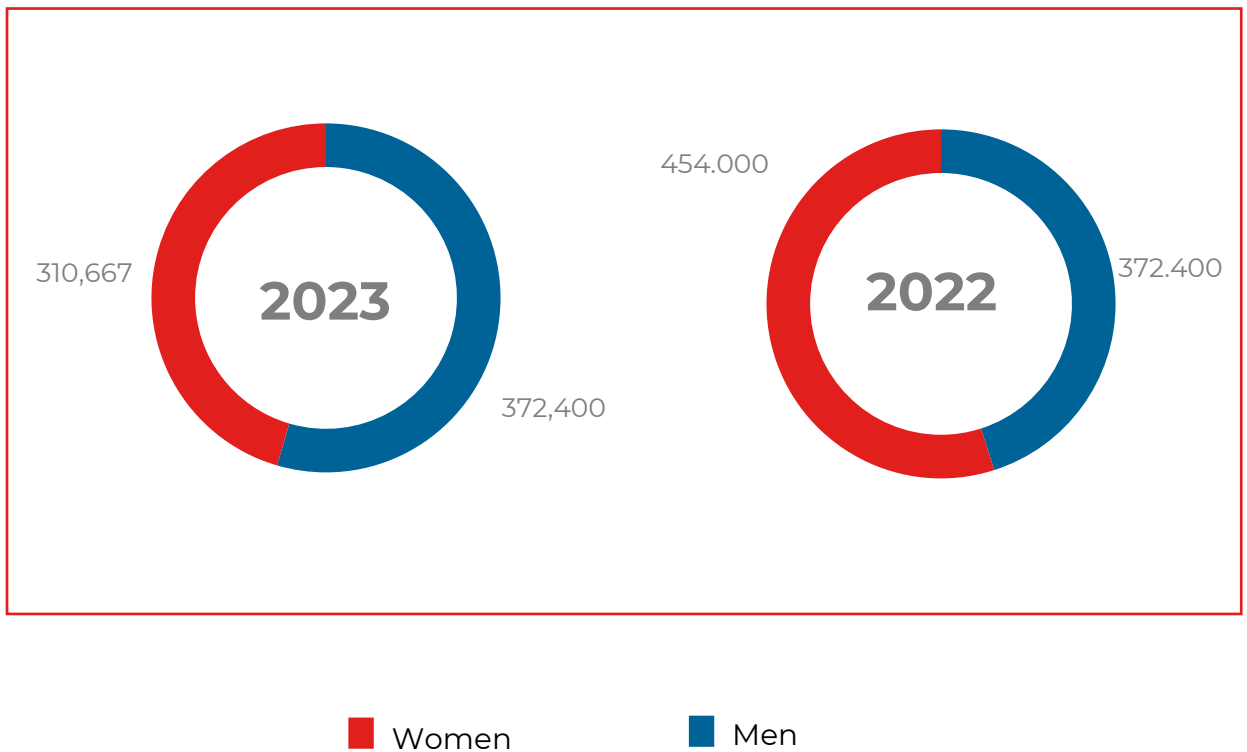


■ <30 years old ■ 30-50 years old ■ >50 years old

BOARD OF DIRECTORS' AVERAGE PAY

The payments made to the members of the Board of Directors during the report period are derived from the wages associated to their duties, as specified in

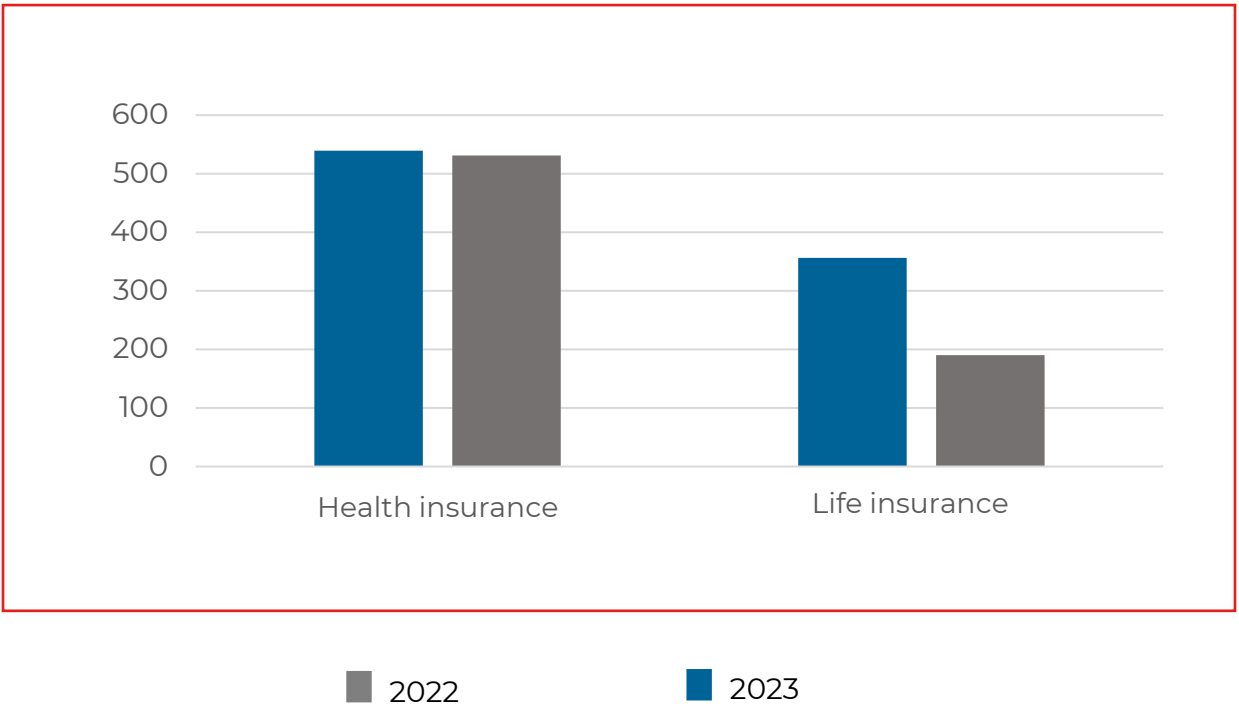
the consolidated financial statements. The average wages for the members of the Board of Directors by gender is as follows:



OTHER EXTRAORDINARY BENEFITS GRANTED

Besides general compensation conditions, the company offers other additional benefits, such as private health insurance and a life insurance policy. Below is a graph showing the amount of employees

who selected each of these benefits. We see how the number of people who subscribed a life insurance policy with GAA increased in 2023.



SPR Packaging, LLC continues to provide its staff with the choice to have medical insurance and other social benefits, such as the pension plan. It is unusual for a company to offer medical insurance in

the United States, which makes us a more attractive employer. In fact, over 90% of SPR Packaging, LLC employees have selected the medical insurance offered by the company.

4.3. WELL-BEING AND PROTECTION OF HEALTH AND SAFETY

We are committed to promoting a safe and healthy work environment for all members of our organisation.



PLANNING WORK HOURS: ADAPTATION AND WORK-FAMILY LIFE BALANCE

This annual report analyses the management of working hours in the Group in 2023. Planning and monitoring working hours is essential to promote both efficiency and productivity within the company, as well as to ensure a healthy work-family balance.

The Group is implementing several actions and tools to improve efficiency organising working hours, following the principles of stability and quality employment, as well as time and space flexibility. For example, flexibility in working hours, remote work and implementation of technologies to control and monitor tasks.

Working hours and shifts are set based on the labour calendar, in consultation with the staff legal representatives, ensuring compliance with relevant legislation and with the applicable collective agreement, and keeping in mind the specific requirements of each situation. Most Group companies have production sites working on a continuous basis, which entails the need for different work shifts to meet production demands.

Applicable collective agreements establish the various types of schedule for each group, including straight working days with two or three shifts in the factory, as well as the regular working day for office staff. The necessary resting periods are guaranteed in all cases. All companies record the hours worked and attendance, which makes it easy to efficiently manage the staff and allows us to properly adjust monthly wages.





Actions to organise working hours so that work-family balance is improved.

Since circumstances are all different and vary from one company to another, each Group company has its own strategy to improve absenteeism rates. The rates in Spain range from 0.2% to 20.2%, and the average was at 9.9 % (358,770 hours lost) in 2023. This average represents a 1.3% increase in lost hours compared to the previous year. However, it is interesting to note that the absentee rate in the U.S. is 4.10% below the Spanish average.

The Group has also implemented other measures to schedule working hours to improve work-family balance. For example:

- **Continuous working hours on Fridays and during the summer months**



Flexibility in the split shift, allowing for a one to two-hour break for lunch.



Remote work option for those positions that allow for remote work mode, and in accordance with the regulations set forth in the Workers' Statutes.



- For our production workers (who usually work shifts, where flexitime is not that easy), we provide the option to **rotate or exchange shifts**, to help workers better balance their schedule with occasional family circumstances.



In order to ensure that people disconnect from work, the companies have implemented measures in the Collective Agreements and in the working teams so that all company members' free time and personal life are protected.

Work-family balance has become an important factor not only to manage internal talent, but also to attract and retain them.

This also contributes to a healthy and productive work environment. Each company has specific plans and agreements to optimise workers' work-family balance and well-being (due breaks on each shift, days off per week, uninterrupted rest periods, and the right to annual holidays).

At GAA, we are aware of the positive impact of these measures on the quality of life of all Group members.

This is why the Group has undertaken to improve working systems to continue encouraging work and family life balance.

A total of 9 women and 70 men in the Group enjoyed their maternity and paternity leave in 2023.



In the United States, the principles governing working hours, as well as work-family balance measures, internal rules, policies, vacation and other benefits are contained in the Associate Handbook, which is formally provided to all staff members.

It should be noted that SPR Packaging, LLC includes a maternity leave of 8-12 weeks as part of the short-term leave insurance, covered by the company since 2018. The state of Texas does not contemplate any type of payment for sick leave.

As for vacation time, it is not mandatory in Texas, although it is usually allowed. The one-year waiting period to take time off has changed in the company; the balance of vacation hours can now be used as they are generated weekly.



Towards a zero-accidents goal



SAFE AND HEALTHY WORK

One of the needs that GAA shares with its stakeholders is health and safety at the workplace. This is why the Group companies, as responsible organisations, keep working on defining and prioritising preventive measures to avoid labour risks and to improve the health and well-being of the people who are part of the Group.

The Group companies, regardless of their size, comply with all internal and external rules on prevention of occupational hazards. In addition, all Group members are familiar with and actively participate in occupational hazard management, complying with and enforcing the company's health and safety rules.

The goal is to establish a culture of shared-responsibility, to quickly detect and promptly correct any mistake, failure or defect, without having to wait for formally-scheduled meetings.

Depending on their size, the number of Committee members and occupational hazard prevention managers is adapted to comply with current regulations. They will have suitable and updated training in order to properly fulfil their duties. The organisations have an occupational hazard prevention policy implemented and preventive works scheduled. There is a fluid and ongoing communication with the prevention managers. Regular meetings are held with the health and safety committees to improve preventive measures and raise staff awareness.

All the Armando Alvarez Group's companies follow the established internal Code of Conduct. Moreover, professional development is encouraged, providing appropriate training to respond to the needs of each department.

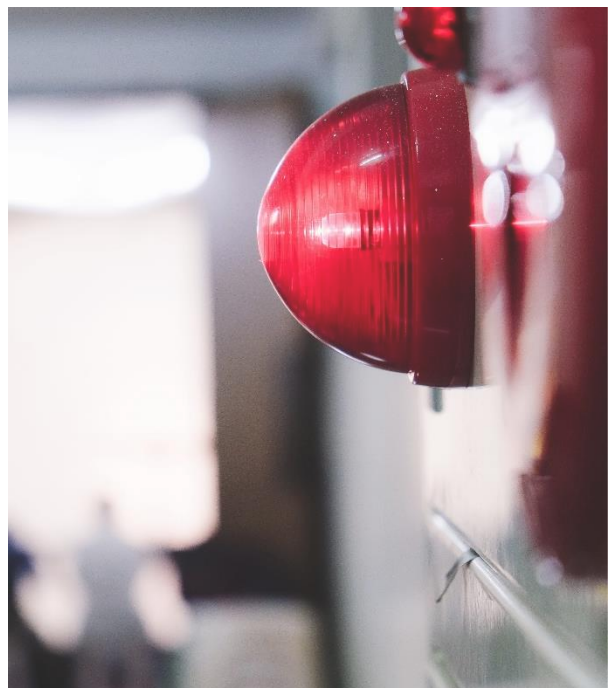
New hires are always trained on the potential hazards of their specific roles and, if necessary, on quality systems and compliance. All new hires receive on-board training, and then pass a written test on the training received.

It is also important to mention the close

collaboration between the members of the health and safety committee and the technical departments of each plant in order to improve equipment safety.

Regarding prevention services, some companies have an external provider, while others have a shared prevention service.

Group companies located outside of Cantabria have outsourced their prevention services. Moreover, the factories located in Catalonia, i.e. Silvalac, S.A., Macresac, S.A. and Reyde, S.A., share internal specialised hazard prevention coordinators.



In Cantabria, the Group has a joint prevention service, shared between Biomasa de Cantabria, S.L., Plásticos Españoles, S.A., Alvarez Maderas y Envases, S.L., Alvarez Forestal, S.A., and Armando Alvarez, S.A. There is also a person in charge of the service and a proprietary programme to track the plan and the service documentation. All members of the prevention department are properly trained. This service is audited by authorised external auditors, in accordance with the system’s legal requirements.

It is also important to highlight that no occupational illnesses were reported in any Group company this year.

As for workplace accident rates, the measures adopted proved highly effective. In 2023, the accident rate was 32.99 per million hours worked, and seriousness was 0.92. In 2023 there were 134 accidents with sick leave, a significant reduction compared to the 149 accidents occurred in 2022. The data in the table includes all the companies in Spain and in the United States (over 99% of the Group staff).

All companies internally review their occupational hazard prevention systems regularly.

| WORK ACCIDENTS* | | | | |
|--|-----------|-----------|------------|------------|
| DEPENDING ON THE SERIOUSNESS OF THE INJURY | 2022 | 2023 | 2022 | 2023 |
| | WOMEN | WOMEN | MEN | MEN |
| Minor injuries | 22 | 20 | 127 | 114 |
| Serious injuries | - | - | - | - |
| Very serious injuries | - | - | - | - |
| Fatal accidents | - | - | - | - |
| Total | 22 | 20 | 127 | 114 |

** Only those accidents that led to sick leave were considered.*

Transportes Mixtos Especiales, S.A. (Tramesa) is certified under ISO 45001. This reinforces their commitment to health and safety at the workplace, as well as their ability to effectively identify, assess and control occupational hazards.

People's health and safety is critical for the organisation. This reduced accident rate is not a coincidence. This is the result of the work carried out and the efforts to raise awareness among all members of the company regarding the importance of observing the rules on occupational risk prevention.

The measures implemented to manage health and safety risks at the workplace include:



Internal teams in all companies.



Ongoing and updated **training.**



Continuous renewal of industrial equipment.



Continuous investments in and improvement of personal protection equipment (PPE).



Awareness-raising and shared responsibility.

Some Group companies have implemented different initiatives to promote health, physical exercise, illness prevention or healthy eating among their members.

All Group companies run annual medical check-ups for all staff, and campaigns are circulated to prevent the common flu. As for physical exercise, Armando Alvarez, S.A. implemented the Actívate (Get active) campaign in late 2023 for the members of the international agricultural division, to encourage physical exercise by setting a common challenge for all participants. Tramesa, S.A. keeps fresh fruit baskets in the office as a healthy initiative.

In short, **the health, safety and well-being of the people who are part of the Group are key aspects for us**, as they not only protect the company members, they also contribute to the organisation's efficiency and productivity.

4.4. FREEDOM TO JOIN A UNION AND FREEDOM OF ASSOCIATION



Protecting the freedom to join a union and to collective bargaining is an essential aspect in our commitment to corporate responsibility and respect for human rights.

All companies in Spain have legal representation for their workers, and all their members are covered by applicable collective agreements. Ten of the Group companies have their own collective agreements, which are revised with the workers' legal representatives on a regular basis. The rest of the Spanish companies have agreed with the Workers' Legal Representatives (WLR) and with the workers' committee to adhere to Industry Agreements.

Regarding collective bargaining in the Group's foreign companies, each organisation complies with applicable local legislation, and there is a constant open dialogue with employees, although this is not always mandatory due to the size and nature of the companies, so that their expectations and needs are considered for internal management.

The company also considers that communication between all staff and legal representatives and unions is of major importance. For this purpose, it implements certain channels, such as

notice boards, where the unions can post communications directly to the staff. All staff members have a suggestions box they can use as well.

Additionally, meetings are held whenever the joint committee so requires. The senior leadership of each of the companies provides employees with information on investments, turnover, hiring and other relevant corporate and activity indicators on a regular basis.

The senior leadership, along with the WLR, also holds meetings with the Health and Safety Committee that they belong to, to focus on different challenges and problems that may arise in each area.

GAA guarantees that the staff will have the **chance to associate, collectively bargain and participate in the decisions that will affect their work lives.**

4.5. TALENT MANAGEMENT

The Armando Alvarez Group is committed to encouraging the skills and ongoing training of internal talent.

The main goal is to keep training aligned with the Group's needs at all times, so that our internal talent can easily adapt to new business demands.

Every company has its own annual training programme and an on-board programme. Both boost the knowledge and skills of their talent, ensuring their safety and updating. These training programmes also plan for the necessary skills for the succession to key positions.

The content of each programme is different and varied, and the training is categorised and adapted to each group. Training is provided on occupational hazards, first aid, IT, technical updating, ethics and compliance, cybersecurity, new laws and regulations, and languages, among others.

Our commitment to a culture of training is also evident in the signing of various collaboration agreements with educational centres.

Total training hours in the companies located in Spain reached 16,150 hours in 2023, a 30% increase compared to 2022. Training is tailored to the different professional profiles according to their respective tasks and risks.

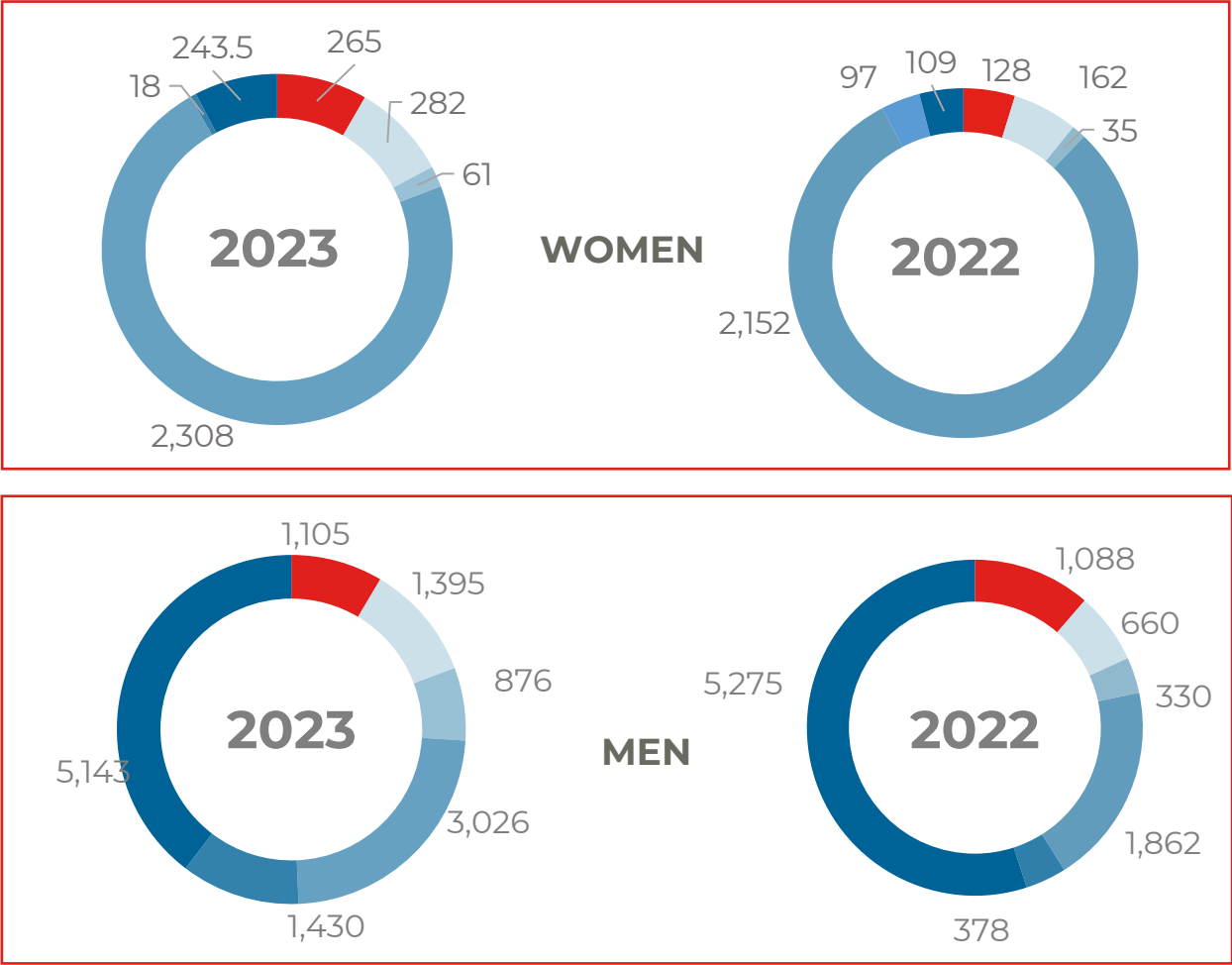
It is interesting to note that most of the training for plant staff is provided at the workplace, because it is often practical training on the requirements of industrial processes at each factory.

In 2023, total training hours for factory workers were 6,833 hours in Spain, and 216 hours in the U.S.



NUMBER OF TRAINING HOURS BY PROFESSIONAL CATEGORY

Below is a comparison of the training provided in the last two years, by professional category and gender:



- Factory staff
- Supervisors
- Technical administration, human resources and marketing staff
- Sales representatives
- Department directors
- Executives

It is important to mention that SPR Packaging, LLC has an agreement with a collaborating company that provides training services at different levels and on different areas. A career path has also been established so that anyone can find out in detail about their expected development, training and salary level.

GAA paid special attention to ESG skills in 2023, planning and working on a communication and training programme for internal and some external stakeholders.

ATTRACTION OF TALENT

Attracting and retaining the best talent is essential for the Group. In 2023, GAA strived to improve the different talent attraction initiatives implemented, to ensure alignment with the company's principles and business needs. These measures and initiatives include:

Job fairs: We attended several job fairs where we reached potential talent for the Group needs. This was also a chance to promote the GAA employer brand, highlight our corporate culture and attract professionals who share our vision and values.

Internship programme: We continue to offer last-year students the opportunity to complete their internship with us.

Several students participated in this programme in 2023. In addition, collaboration agreements were signed with professional training centres, participating in the development of dual training with a view to incorporating interns.

New selection tools: Our Job Portal is the proprietary tool where all our job openings are published. The portal was updated this year to make it more accessible and user-friendly.

To promote our employment brand and to reach more and better talent, we joined the LinkedIn network in 2023.

Some of the Group companies also organised visits to high schools and universities in 2023, to show them our production process, to create a positive connection with the academic community, and to potentially attract young talent.

Explore the daily ins and outs of the position that you like.

In collaboration with the talent recruitment platform Shapr.pro, we launched this campaign this year for the category of sales representatives. Interested applicants can experience a virtual simulation of the position and the Group can assess each candidate's skills.

4.6. DIVERSITY, EQUALITY AND INCLUSION

Diversity, equality and inclusion are core pillars for our organisation, as they promote excellence and competitiveness, encouraging creativity and efficiency and contributing to the Group companies' success.



GAA values diversity in all of its forms, as it strengthens our capacity for innovation and adaptation. In addition, we have a firm commitment to equal opportunities, preventing any form of discrimination and guaranteeing an inclusive and respectful work environment for all our collaborators.

The principle of equality and non-discrimination is acknowledged in the Group's Code of Conduct, the essential rule to be observed by all company members. This principle is also included in the Ethics Code for Suppliers in order to ensure a responsible supply chain.

Moreover, the principle of equality and non-discrimination applies to all hiring processes to recruit new talent. Strategies such as using inclusive and neutral language guarantee the equitable application of skill and merit criteria for all people who are interested in becoming part of our organisation.

Despite the progress made, reaching parity between men and women remains a major challenge. The Group is aware of the importance of increasing the number of women in the company, as they currently account for only 10.7% of the staff.



However, it is not easy to find women in the selection processes for some of our highly masculinised positions (for example, production activity or forestry activity positions).

GAA has established progressively incorporating a higher number of women as one of the organisation's strategic goals. This effort has paid off, as 33% of the new hires in 2023 were women, and 44% of the Group's technical administration, human resources and sales staff are women.

goal, the percentage of representation of both genders in the category and level of the opening will be taken into account in those selection processes for positions in categories where women are under-represented, under equal conditions and suitability.

Parity between men and women was reached in some of our companies, such as Alvaplast Maroc or Alvaplast Portugal LDA, with 50% of female workers, and Alvaplast, S.A. in C.V., Mexico, with 42% of female workers.

Among other measures to achieve this



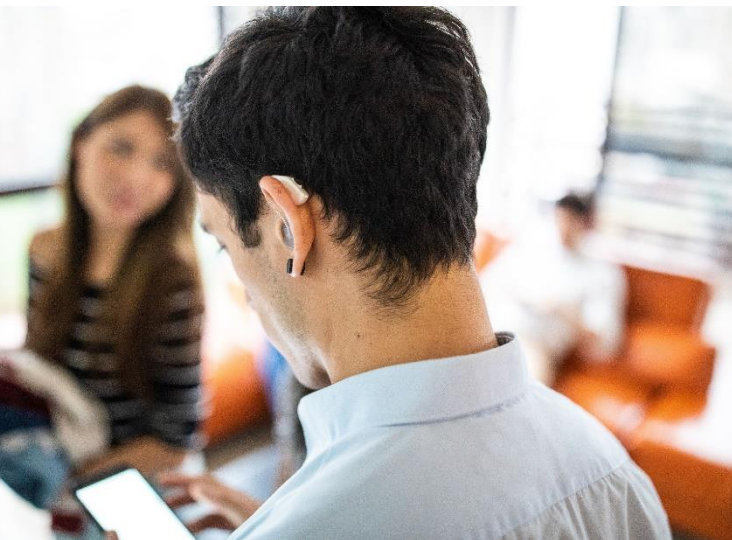
Four negotiation committees were formed in 2023 to complete or update the equality programmes for their subsequent registration. These committees are comprised of company members and union representatives.

All Group companies have implemented an anti-harassment protocol that sets clear guidelines and effective procedures to handle any type of moral, sexual or gender harassment, encouraging an inclusive and respectful work environment.

Regarding integration, 2% of the Group's staff in Spain is comprised of **people with disabilities**.

In addition, some Group companies, such as Reyenvas, S.A., Silvalac, S.A., Macrecac, S.A., Sotrafa, S.A. or Rafia Industrial, S.A., are collaborating with special employment agencies in order to promote professional inclusion for disabled people. For example, they work on garden maintenance or cleaning in some companies, or they supply us certain products.

As for accessibility, the Group has made a significant investment in gradually adapting its facilities. All companies have adapted facilities to guarantee that people with reduced mobility can work safely and self-sufficiently.



The Group considers it is essential to properly **manage cultural diversity**, respecting the particularities of local culture and local customs. One of the steps implemented for proper management is to keep a limited number of persons in charge of coordinating from Spain for each of the foreign companies, thus maximising learning and closeness to the local company staff.

Our staff includes more than 30 nationalities.

Several Group companies have taken over the responsibility of managing the subsidiaries abroad, with the aim to further understand operating and strategic issues. Solplast, S.A. is in charge of the sales representative in Turkey, Alvaplast Tarim, and in Mexico, Alvaplast S.A. de C.V., specialising in distribution of the agricultural plastics manufactured by the company in Murcia.

Sotrafa, S.A., in Almeria, specialising in agriculture and geosynthetics, coordinates the Alvaplast Maroc activities, regularly travelling there and remaining in constant contact with the staff in Tangiers.

The labour conditions in each region are adapted to the country's practises and rules. However, the internationally accepted minimum standards regarding breaks and wages are maintained.

4.7. PRODUCT SAFETY

Product quality and safety is an essential priority across the Group.

All Group members work to guarantee these standards, which are a large factor in our decisions and actions.

The Group adapts to the demands of a dynamic and diverse market, using internal programmes designed to encourage ongoing improvement and to guarantee the prevention and correction of defects in our supplies.

Most Group companies' quality management system is certified under ISO 9001, which ensures ongoing improvement and establishes a procedure to deal with potential non-conformities from clients. Some Group companies undergo voluntary audits, such as EcoVadis, obtaining quality/environmental ratings and setting new objectives to improve those aspects.

The companies apply a strict quality policy that defines annual goals and indicators so that the identified non-conformities can be traced. These indicators focus on several aspects, such as defects in raw materials, claims regarding the

end product and discrepancies in the packaging and labelling. A regular review of such indicators allows for a comprehensive analysis and the implementation of preventive and corrective measures. If we find deviations in the indices, corrective steps are taken to correct the defect.

The Group's quality system includes a specific procedure to manage claims. Most claims received have to do with minor defects of the finished product, but they do not pose health or safety risks for consumers.

All claims are subjected to a cause/root analysis, and corrective actions are implemented, with follow-up on their performance.

| INCIDENTS OCCURRED IN 2022 AND 2023 | | | |
|-------------------------------------|---------------------|--------------------|------------------------------------|
| COMPANY | NUMBER OF INCIDENTS | % INCIDENTS SOLVED | (*) REMAINING % IS BEING PROCESSED |
| Group's Total in 2022 | 4,641 | 80%* | |
| Group's Total in 2023 | 4,767 | 95%* | |



FOOD SAFETY

Several companies within the Group specialise in products for the food industry that are used by end consumers.

These companies have a thorough supplier certification process and they follow strict hygiene guidelines. They also have external collaborators who conduct testing to guarantee that all materials used meet the required standards. We also review the safety Data Sheets for our raw materials (when applicable), and we ensure that they meet the requirements before use.

Reyde, S.A. achieved its first certification under the standard FSSC 22000 in 2023, which ensures food harmlessness across the entire supply chain.

Plásticos Españoles, S.A. continues to be certified under FSSC 22000 and BRC, Global Standard for Packaging and Packaging Materials, which certify their food safety management system. Envaflex, S.A. is also BRC-certified. These verifications establish requirements to ensure our packaging is completely healthy.

These companies also have an HACCP system in place to identify, assess and control biological, chemical or physical

risks derived from food production, processing and distribution. This is an important tool to guarantee food safety and to prevent food-borne diseases.

Along these same lines, SPR Packaging, LLC successfully completed the audit by the American Association of Bread Makers and Similar Products, as they offer materials that have been certified for food contact and certification from major American manufacturers that guarantee official approval.

No complaints were received by any of the Group companies in connection with consumer health and safety in 2023.

No fines or sanctions were issued either due to breach of regulations on health and safety of products and services, or breach of legislation on information and labelling.

4.8. COMMUNITY AND SOCIAL IMPACT

Community and social impact are key for companies' success nowadays. By prioritising corporate social responsibility, we not only contribute to society's well-being, but we also strengthen the relationship with our stakeholders and promote sustainable development. This ethical approach lays the foundations for growth and resilience over the long term.

The GAA companies have a solid connection with the communities where they operate, creating jobs and collaborating with local associations and authorities to promote the region's economic, social and industrial development.

The initiative to wrap the fodder bales with pink film came about a few years ago, as a result of the close relationship that the AA Group companies have with their local communities. Given that we employ a significant number of people from the surrounding areas, this leads to promoting further social development through collaborations with local agencies and associations.

Wrap it up in pink

Aspla Plásticos Españoles, S.A. continues with the *Encíntalo en rosa (Wrap it in pink)* initiative, a solidarity action developed by the company in collaboration with the Biomedicine and Biotechnology Institute of Cantabria (Instituto de Biomedicina y Biotecnología de Cantabria, IBBTEC) to support breast cancer research.



17 PARTNERSHIPS FOR THE GOALS



ACTIONS WITH ASSOCIATIONS

The social collaboration with these associations and organisations is further detailed below.

- **AECOC** - Asociación Española de Codificación Comercial (Spanish Association for Commercial Coding)
- **AEDIPE** - Asociación Española de Dirección y Desarrollo de Personas (Spanish Association for Management and Development of People)
- **AEPF** - Asociación Española de Empresas Ferroviarias Privadas (Spanish Association of Private Railway businesses)
- **AIMPLAS** - Instituto Tecnológico del Plástico (Technological Institute of Plastics)
- **AITEX** - Instituto Tecnológico Textil (Textile Technological Institute)
- **ANAIP** - Asociación Española de Industrias del Plástico (Spanish Association of Plastics Industries)
- **ACEMM** - Asociación Cántabra de Empresas de la Madera y el Mueble (Cantabrian Association of Wood and Furniture Companies)
- **ACEFAM** - Asociación Cántabra de la Empresa Familiar (ACEFAM) (Cantabrian Association of Family-Owned Businesses)
- **APE EUROPE** - Agriculture Plastics Environment
- **CEMIDE** - Asociación Centro Montañés de Investigación y Desarrollo Empresarial (Cantabrian Association for Business Research and Development)
- **AEIM** - Asociación Española del Comercio e Industria de la madera (Spanish Association for Timber Trade and Industry)
- **ANDA** Asociación para el Progreso de la Dirección (Agrifood Association for Executive Management Progress)
- **CEP** - Centro Español de Plásticos (Spanish Centre for Plastics)
- **CEOE** - Confederación Española de Organizaciones Empresariales (Spanish Confederation of Business Organisations)
- **ECOEMBES** - Ecoembalajes España, S.A.
- **El Prat Empresarial Associació (El Prat Business Association)**
- **FAPROVE** - Asociación de propietarios de vagones de España (Spanish Association of Owners and Operators of Train Cars)
- **IEF** - Instituto de la Empresa Familiar (Institute for Family-Owned Businesses)
- **REDC** - Rockwall Economic Development Corporation (U.S.)
- **SIE Consegur** S.L.L. – Dangerous goods
- **UOTC** - Unión de Operadores de Transporte Comodal (Union of Co-modal Transportation Operators)
- **Associació Industrial per a la Producció Neta a la Vall Baixa i Delta el Llobregat (Industrial Association for net production in la Vall Baixa and Delta del Llobregat)**



DONATIONS AND SPONSORSHIPS

Within their possibilities, each organisation also collaborates with donations of goods or money, and by sponsoring associations, foundations or non-profit organisations.

Below are some of the collaboration projects carried out in 2023:

- Various local sports organisations
- Compañía de Jesús
- Collaboration with Iglesia Vistabella
- Rosa Navidad
- Hermandad Rocío de Palos de la Frontera
- Toy donations to the Hospital del Poniente (El Ejido)
- Food Bank
- Obra Social San Juan de Dios
- Collaboration with local neighbourhood associations



Alvaplast Maroc made a donation to help fight the effects of the earthquake occurred in Morocco in September 2023. They donated material to build temporary camps to shelter people who had lost their homes.

Sotrafa, S.A. held a blood drive and reached 27 donations, 15 of which were new donors.



Several GAA companies give presentations or organise visits to factories for university or high-school students, with the aim to bring the company a bit closer to the community, creating mutual learning opportunities and potential future collaborations.

Among these is the **Earth Project, in collaboration with Earth University**, located in Costa Rica. This project consists of regular training workshops on good plasticulture practises for the entire EARTH community. We explain the benefits of using plastic film in agriculture, promoting proper use and collection after use, with special emphasis on our sustainable ranges.

Another similar project was initiated in 2023 **with the Mexican university Ceickor**.



CEICKOR
UNIVERSIDAD



We must also mention that the Armando Alvarez Group won the “Award to the most noteworthy Social Commitment Policy” in acknowledgement of our continuous effort in promoting the well-being and improvement of the Cantabria region. This prestigious award was **awarded by CEOE-CEPYME** at a ceremony held on November 9, 2023.

This award highlights the Armando Alvarez Group’s dedicated commitment to corporate social responsibility, and our ongoing commitment to the community, which was our home base for over 70 years, **creating a positive impact with various social initiatives, and with our evolution and projects.**



05

COMMITTED TO GOOD PRACTISES

Corporate ethics is a deeply-rooted value at GAA and we strive to encourage it in all of our relationships, both internal and external, as a core part of our organisational culture.

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5.1. CORPORATE ETHICS

Corporate ethics is present in the Group's day-to-day, and GAA's goal is to promote this vision in the relationship with both internal and external stakeholders.

The foundations of the Armando Alvarez Group's corporate governance body rely on transparency, sustainability and efficient management.

Corporate ethics is an essential factor for the Group. This creates value, improves economic performance and reinforces the trust of our stakeholders. The rules, codes and procedures approved by the Board of Directors described in this section formally represent their commitment to corporate responsibility.

The Group's compliance programme is highly committed to good governance and to social, economic and environmental sustainability.



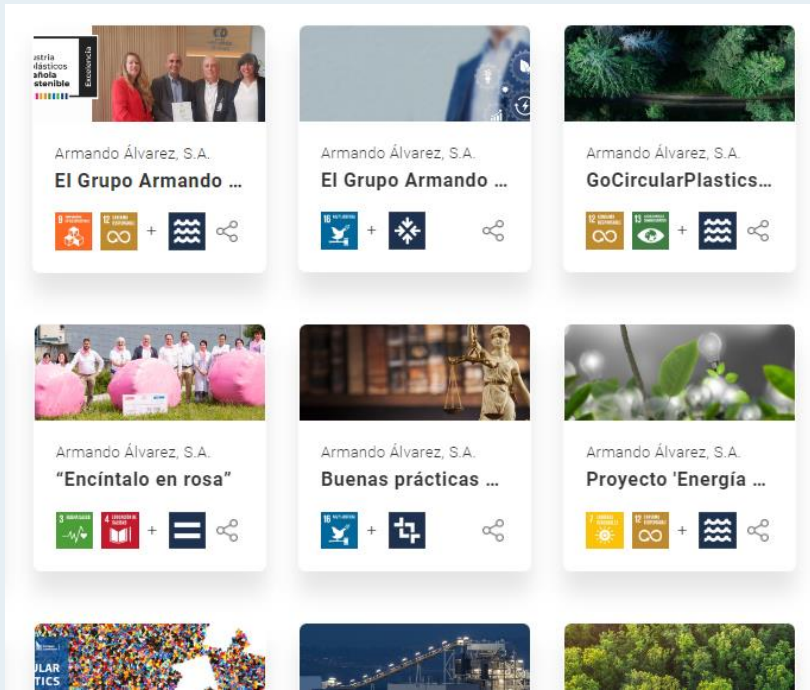
As **signatory members of the United Nations Global Compact since 2018**, we are committed to integrating the 10 principles of the Compact into the Group's strategies and operations, as well as to communicate our progress on a regular basis.

The main actions to reinforce the company's compliance culture in this period include:

- Approving an anti-corruption policy
- Approving a tax compliance policy
- Approving an ESG policy
- Approving a responsible procurement policy
- Updating the companies' criminal risk maps
- Updating the Ethics Channel procedure
- Successfully completing AENOR's review audit on the UNE19601 standard

We inform on good ethics and sustainability practises pertaining to the SDGs that we work with **through the COMparte platform**. In 2023, we published our practises relating to our

compliance programme and our sustainability plan, among others.



THE ARMANDO ALVAREZ GROUP'S RULES AND CODES

1

GOOD GOVERNANCE CODE

The Good Governance Code ensures that the Group's governing and administration bodies work properly to promote competitiveness, trust and transparency. It **includes the principles, rules and good practises that guide the government and management of the GAA companies**. It also reinforces the existing commitment to observing ethics principles, which are mandatory criteria for interpreting and applying the Code.

This Code complements each company's bylaws. The Group implements its Code of Good Governance following the relevant bylaws and applicable legislation framework. The Code was reviewed and updated in 2021.

2

CORPORATE CODE OF CONDUCT

The Armando Alvarez Group Code of Conduct is an internal set of rules defined by the Board of Directors as a high-level commitment.

It sets the ethics principles and the guidelines that govern the behaviour expected throughout all corporate activities.

The purpose of a business Code of Conduct is to **define a clear and consistent frame of reference to govern the ethical and responsible behaviour of the company and its members,** regardless of their role or position in the organisation. The Code of Conduct applies both to the members of GAA, and to other individuals or companies that regularly collaborate with the company, or that act in the interest or in the name and on behalf of the company.

The Code is available to all stakeholders both on the intranet and on the website. Training was provided to all staff in 2023 and the Code of Conduct was provided to all new-hires within the Group. It is an essential tool for the Group's ethics culture.

3

ETHICS CODE FOR SUPPLIERS

This Code describes the Group's expectations regarding suppliers' behaviour on different areas: respect for human rights, respect for free competition, prevention of corruption, care for and improvement of the environment, and corporate social responsibility.

The goal is to guarantee that the company works with responsible and ethical suppliers that share the same values and principles. The Code is available on our website.

4

CODE OF GOOD TAX PRACTISES

The Group seeks to promote ethical and responsible business practises in the supply chain, as this benefits not only the company, but society in general. This is why the Ethics Code for Suppliers was approved, with the goal to promote business relationships based on ethics and transparency.

The Group has undertaken to follow a set of principles and recommendations to improve tax compliance. Following the Code of Good Tax Practises affords the Group significant benefits, including improved compliance with our tax obligations, increased transparency in our tax management and lower risk of sanctions and fines by tax authorities.

The Group's tax strategy is based on proactive, responsible and transparent management of tax issues, to encourage a relationship of collaboration and trust with the Tax Administration. This intends to prevent and mitigate tax and reputational risks associated with our business activities.

5

CRIMINAL COMPLIANCE POLICY

In fulfilling its assigned duties, and as proof of our commitment to the Compliance Management System and to the promotion of a constant compliance culture within the organisation, the Board of Directors approved the Compliance Policy in 2022 and instructed that it should be made available to all stakeholders.

It sets the standards of conduct that are necessary, required, and interlinked with the organisation's values. With these values, the Group shows our commitment to observing applicable regulations and our intention to not tolerate conducts that are criminal or go against our internal rules. The purpose is to spread a culture of integrity and regulation compliance to all members of the organisation, by establishing a frame of action and conduct aligned with the company's fundamental values.

6

GIFTS POLICY

This policy forbids certain gifts and sets criteria for offering and accepting gifts to/from public officers, suppliers, clients or third parties.

This policy was reviewed in 2023 with the approval of the Anti-Corruption Policy, which establishes certain limits on the gifts that can be accepted.

The policy is in Section II of the Code of Conduct, and it is also referenced in the Anti-Corruption Policy.

The Group companies know this policy and have accepted its terms and conditions. In 2023, a memo was sent out to all Group members to inform of this

policy, and the management committees of each company received in-person training.

7

ANTI-CORRUPTION POLICY

The Group's Board of Directors approved this policy in 2023. The purpose of the policy is to regulate all conducts linked to the Group's commitment to reject all corrupt practises and bribes in business operations, in accordance with the Code of Conduct.

All persons subject to this policy must abstain from promoting, facilitating, participating in or covering up for any type of corrupt practise that they might learn of.

All of the Committees of the Group Companies received in-person training on this policy this year.

8

TAX COMPLIANCE POLICY

This policy was approved in July 2023 as proof of our commitment to the Code of Good Tax Practises. The tax compliance policy promotes transparency and ethics in financial operations across the Group.

Training on tax compliance was also provided to the administration departments across the Group.

9

RESPONSIBLE PROCUREMENT POLICY

The responsible procurement policy was approved this year. It aims to establish a general action framework for selecting and hiring suppliers and contractors.

This policy regulates the procedure to acquire goods, products and services of all kinds, and it applies to all GAA companies.

The policy defines the action principles that govern all procurement procedures. These include: legality, quality, efficiency, equal opportunities, sustainability, ethical and responsible behaviour, objectivity, transparency and communication.

The due diligence steps are also outlined, in order to ensure compliance with these principles.

contribute to sustainable development and to the well-being of the communities where we operate.

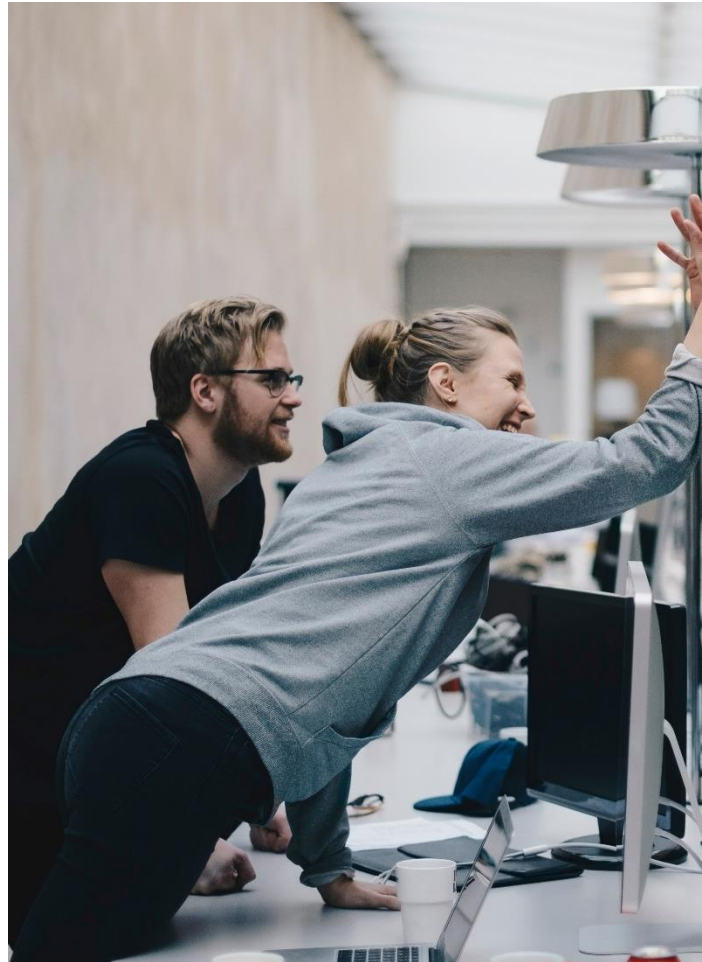
Throughout 2023 the Group worked relentlessly to develop the ESG strategic plan for the company.

10

SUSTAINABILITY POLICY

The goal of this policy is to improve the company's sustainability over the long term, mitigate risks, seize opportunities, and prove a commitment to corporate social responsibility.

Our ESG policy is the core commitment that drives all of our business actions and decisions in this area. Based on this commitment, we work to integrate environmental, social and corporate governance considerations into each and every aspect of our operations. By implementing responsible and transparent practises, we reinforce the trust of our stakeholders, we improve our reputation, and we significantly



COMPLIANCE PROGRAMME

The Board of Directors, as part of its duties, has implemented a **Criminal Compliance Programme**. The purpose is to send a clear and forceful message **rejecting any illegal activity** by any member of the company.

The **programme was audited by Becompliance this year in accordance with UNE 19601. AENOR also performed an external audit to review the system in accordance with this standard.** This year each company's risk matrices were reviewed as well.

The members of the Board of Directors reasserted in 2023 their commitment to zero-tolerance for crime, as stated in the programme. In 2022 all Group companies in Spain signed the letter to join the GAA Compliance Model, reasserting their responsibility to meet all guidelines, and their commitment to zero-tolerance for crimes and for breaches of ethical and conduct principles.

The Compliance Officer is responsible for managing and developing this programme, in their position as the maximum guarantor for the supervision, vigilance and control of the system.

The programme includes an on-board plan for all new hires. This plan provides information on the proper monitoring and control steps to prevent and significantly reduce the risk of crimes within the company and in relations with collaborators.

The Group has an ongoing training scheme on Compliance aimed at all members of the organisation in order to promote compliance with this rule as well as with the Group's standards and good practises. Training is yearly, but additional training opportunities are available whenever important changes or new items are introduced. The Group also has a communication and awareness-raising plan. All the staff was trained on business ethics in 2023.

The purpose is to highlight how important it is to know the risks associated with each position, how to detect them, what controls are in place, and the action protocol in the event of irregularities, and to be able to explain the established rules and policies.

The Board supervises the programme's performance and evolution very year based on the report produced for them by the Compliance Officer.

This programme encourages compliance with internal and external rules, and it promotes an ethical culture and good practises within the Group.



COMPLIANCE AUDITS

Internal audits within the Armando Alvarez Group include compliance audits, among other activities. These assessments verify payment control, travel expenses, purchases and investments. Objectiveness is guaranteed as no one is allowed to audit their own work during internal audits. Certification and re-certification audits are performed by auditors who meet established criteria.

An independent expert audited the Compliance System in accordance with UNE 19601 standard in 2023.

Reports on regulation compliance are also drawn up every year. They provide details on the observance of internal rules, breaches detected, monitoring of objectives, use of the ethics channel, results of audits and a review of the previous year's internal updates. The reports are first submitted to the Senior Management to discuss potential actions for improvement, and then to the Board of Directors.

The parent company also coordinates the review of the Group's sales representatives and subsidiaries to guarantee compliance.



ETHICS CHANNEL

This confidential tool is available to all GAA stakeholders. It complies with Law 2/2023, of 20 February, which regulates the protection for people who inform on breaches of regulations, and the fight against corruption. The Ethics Channel Policy and the Channel procedure, available on the website, were approved this year.

This Channel was designed for reporting on potential irregularities or inappropriate conduct linked to our business operations. It is an open channel where people can post anonymous communications. If you would like to make a report, you may do so on the website or by post.

The purpose is to prevent, investigate and correct any potential conducts that go against our values, and at the same time to ensure compliance with our ethics code, our procedures and the legal framework that governs our industry. Another purpose is to receive questions that may arise when applying the Company's internal rules and procedures.

The Group will not accept any type of retaliation against anyone who in good faith reports on potential breaches. Any illegal action will be punished in accordance with labour regulations and with due guarantees, notwithstanding any other responsibilities that may be incurred.

One report was received through this channel in 2023.

The Armando Alvarez Group is committed to transparency, and this is why we are happy to receive these communications, which allow us to correct events and constantly improve as a company.

ETHICS COMMITTEE

The Group has formed an Ethics Committee to manage all reports of breaches received through the Ethics Channel. The Ethics Channel Manager will receive the report and will consider whether it should be accepted or not. If it should be accepted, the facts will be notified to the Ethics Committee, who will take care of the investigation and decision stages.

The Ethics Committee is comprised by the Compliance Officer and the Human Resources General Management Office. The Ethics Committee members have the independence, integrity and authority required to perform the duties assigned to their role. These professionals have comprehensive knowledge on how the company works, as well as specific training on compliance issues and specific confidentiality obligations.

The members of the Ethics Channel are under the obligation to maintain professional secrecy on the informants' identity. This obligation also extends to any third party who participates in investigating the facts.





RESPECT FOR HUMAN RIGHTS

The governing bodies' commitment to Human Rights is proven in their approval of internal policies and procedures that prevent and correct, among others, any violation of Human Rights that may occur.

These rights are essential for the Group as they guarantee a fair, safe and respectful work environment for all stakeholders, promoting productivity and a commitment to corporate social responsibility. The parent company is responsible for compliance tasks, internal auditing, procurement and human resources, and these departments have the necessary policies in place to avoid any violation of these rights.

Respect for human rights is included in different internal rules of the Group, such as the Code of Conduct or the Ethics Code for Suppliers.

Respect for Human Rights is a key aspect of both of them.

The Group also undertakes different practises to ensure that these rights are observed, both in GAA companies and across the entire value chain. Any potential violation of human rights can be reported on the Group's Ethics Channel.

These rules and tools are available to all stakeholders on the corporate website.

No violations of human rights of human rights were reported in any of the Armando Alvarez Group companies in 2023.

All Group members were trained on the policies and procedures connected with human rights over the year.

General assessments on compliance risks (including human rights) are performed for all Group operations, especially for investments and for the purchase of companies.

5.2. SUSTAINABILITY IN THE SUPPLY CHAIN

Supply chain sustainability is essential to reduce the environmental and social impact of our business operations.

In a world that is increasingly concerned about sustainability, a responsible supply chain promotes collaboration with suppliers who are committed to social and environmental responsibility, thus encouraging innovation and business resilience.

In 2023 the Group implemented a policy, plan and strategy for responsible procurement. The main purpose is to foster business relations with responsible suppliers, encourage compliance with minimum ESG standards and promote respect and compliance with the 10 principles of the Global Compact and the SDGs.

The Group has a supplier certification process that takes into consideration various factors. During this process, on the one hand, the supplies are verified to meet the technical and quality requirements, and on the other hand, the minimum financial and non-financial standards are checked.

The company has developed a Model for Responsible Procurement to ensure compliance with these standards. The due diligence steps are laid out in the Strategy and in the Plan. These are some of the main actions: include ESG clauses in contracts, meet the requirements of our Ethics Code for Suppliers, potential audits to our suppliers and assessment through a questionnaire.

This questionnaire is regularly updated to assess how suppliers are progressing towards the implementation of environmental, social and good governance practises.

The Group has begun to implement this system with the suppliers who, given their characteristics, uniqueness and suitability, are strategic for the company.

It is important to highlight the fact that GAA's procurement team was trained on sustainability in 2023, so that their decisions are as aligned as possible with those criteria.



ENVIRONMENTAL RULES AND RECOMMENDATIONS

GAA has clear rules and recommendations for our suppliers in order to reduce the risk of illegal and irresponsible business practises, encouraging compliance, as well as ethical, fair and sustainable practises in their operations.



ENERGY CONSUMPTION

Suppliers are encouraged to calculate their CO2 carbon footprint according to the GHG Protocol.



MANAGING WATER

Suppliers are expected to monitor their water use and to have measurement parameters defined so they can know if they are using water efficiently.



WASTE MANAGER

If suppliers generate waste, they will be responsible for managing and controlling such waste in accordance with applicable laws.



OBLIGATION TO INFORM

Suppliers will make sure their employees and subcontractors comply with the applicable environmental and legal requirements. Suppliers will inform GAA of any significant environmental incident that arises from or in connection with their business activities.



TRANSPORTATION

Suppliers must be committed to reducing adverse environmental impacts, preferably relying on more sustainable transportation methods (road, sea or rail). They shall also use fuel-efficient and low-emission vehicles whenever possible.

Suppliers shall be prepared to provide the Group with information on the environmental characteristics of their transportation of goods.

For example, the type of transportation, the material used for packaging, and the location of their production sites.



ENVIRONMENTAL MANAGEMENT SYSTEM

They shall obtain and keep up-to-date the environmental permits required for their activity. The Group recommends that our suppliers comply with the following procedures

- ✓ Have an environmental policy in place.
- ✓ Identify and document the main environmental aspects of their activities.
- ✓ Have an ongoing environmental improvement programme with specific goals and action plans.
- ✓ Comply with applicable laws and obtain the relevant environmental permits.
- ✓ Ensure that their employees have suitable and documented skills to deal with environmental matters.
- ✓ Have an environmental certification in accordance with ISO 14001 or equivalent standards.

SOCIAL AND LABOUR RULES AND RECOMMENDATIONS



HEALTH AND SAFETY AT THE WORKPLACE

The Group is committed to its safety at the workplace and Social Security obligations. To this purpose we have an online platform where all suppliers and subcontractors must submit the requested documentation and complete the corresponding data sheet. The main documents required are:

Civil liability insurance policy

- Document describing the work usually performed by the company, the risks that may affect concurring companies and the preventive measures established.
- Certification that they are current with all social security and Tax Agency payments.
- TC-1 and TC-2 receipts of payment of social security for their employees.

In the case of subcontractors, every employee must submit certain documentation. The persons responsible for enforcing these rules at each company regularly review the documentation on a regular basis to ensure that it is valid and current. The business relationship will be terminated if the documentation is invalid or outdated.



LABOUR PRACTISES

Suppliers are firmly committed to treating all staff with dignity and respect, and they will never allow corporal punishment, harassment, or any type of abuse of power. They shall avoid all types of child labour, forced or coerced, and they shall respect the established maximum working hours and minimum salaries, with no discrimination whatsoever in the type of work. They shall also respect the employees' right to associate, to organise or to collectively bargain, and they shall not penalise any of these activities in any way.



HUMAN RIGHTS

According to the second principle of the Global Compact, “Businesses should make sure that they are not complicit in human rights abuses”. With this principle in mind, we analysed the Group activities and identified potential risks of human rights violations based on the location of our value chain. We are progressively establishing preventive measures such as:

- **Centralised procurement policy** including respect for Human Rights criteria.
- Monitoring of indicators such as **turnover evolution, reputation and**

the locations where suppliers operate.

- **Communication on compliance to suppliers** and to all company members.
- **Extension of the Ethics Channel.**
- **Regular visits to different companies,** verifying the degree of compliance with applicable regulations, especially regarding Human Rights.



ETHICS AND COMPLIANCE RULES AND RECOMMENDATIONS



COMPLIANCE WITH REGULATIONS

Suppliers shall meet current legislation, observing all legal and regulatory provisions that are applicable at all times.



FAIR COMPETITION

Suppliers' activities must respect fair competition at all times, and avoid any practise that is considered unfair competition, and in particular any strategy or behaviour related to collusion.



FIGHT AGAINST CORRUPTION

The Armando Alvarez Group is committed to fighting corruption; therefore we will not tolerate any form of corruption or bribery whatsoever, and we expect the same from our suppliers. Suppliers will guarantee their commitment to avoiding any type of activity that could be construed as corruption, bribery, influence trafficking or facilitating payments.



CONFLICT OF INTERESTS

Armando Alvarez Group suppliers must work independently and with transparency in their relationships with the Group companies. To this end, they must have internal procedures in place to verify situations of conflict of interests, whether actual or potential. They must inform of any situation that may affect their objectivity.



PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING

Suppliers shall collaborate and undertake to prevent money laundering and financing of illegal activities or terrorism. They must also implement the necessary measures to avoid this risk.

GAA worked hard in 2023 to develop our Responsible Procurement Model

5.3. INFORMATION SECURITY POLICY

Businesses are constantly exposed to external threats that can lead to serious operational and reputational damage.

The Armando Alvarez Group's information security and cybersecurity policy focuses on anticipation, prevention, detection and early response mechanisms against all the risks it is exposed to, guaranteeing minimal risk associated with unauthorised access, periods of operation unavailability, information theft, digital identity theft, etc.

These policies are based on full knowledge of the characteristics and location of the assets, as well as full knowledge of how the networks, agents and communication flows interact.

Aligned with our philosophy of constantly improving our protection against threats, the Armando Alvarez Group continues to meet the milestones established by the cybersecurity master plan. This plan contains initiatives on training and awareness-raising for the staff, implementation of an emergency plan to face potential cybersecurity incidents, and improved protection at all levels throughout the company. In addition,

new initiatives were introduced pertaining to the certifications issued by official organisations.

The Group also properly complies with the procedures for access to, and for storage, processing, transfer and dissemination of information, to meet all the requirements established by European Union General Data Protection Regulations, which came into force in May 2021.

Thanks to these policies and the constant work by all who are involved in information security and cybersecurity, no significant incidents were reported in the Armando Alvarez Group in connection with company assets, people, networks, applications or information in 2023.

5.4. GENERATION OF VALUE AND FINANCIAL OBLIGATIONS

Compliance is a basic action principle for the Armando Alvarez Group in all the countries where it operates.

Therefore, we consider it is essential to meet our tax obligations and to collaborate with Tax Agencies. This table shows the Armando Alvarez Group's contribution to Corporate Tax in the various countries where we operate.

CONTRIBUTIONS

| COUNTRY | PROFIT BEFORE TAXES | | CORPORATE TAX PAID (CASH BASIS CRITERIA) | | CORPORATE TAX ACCRUED IN CURRENT YEAR | |
|----------------|---------------------|-------------|--|-------------|---------------------------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Spain | €55,665,188 | €82,914,498 | €12,795,161 | €17,310,273 | €11,385,936 | €18,136,563 |
| France | €-109,973 | €333,085 | €98,104 | €101,288 | €0 | €86,086 |
| Portugal | €14,352 | €93,011 | €-8,408 | €7,238 | €4,427 | €23,189 |
| Germany* | €0 | €-4,597 | €0 | €0 | €0 | €0 |
| United Kingdom | €28,937 | €39,017 | €69 | €93 | €5,610 | €7,565 |
| Morocco | €-70,408 | €-651,401 | €32,640 | €33,536 | €24,681 | €55,900 |
| Turkey | €55,524 | €145,899 | €51,802 | €32,077 | €14,991 | €34,972 |
| U.S.A. | €5,590,114 | €2,590,828 | €-363,836 | €-468,750 | €1,160,948 | €204,139 |
| Peru | €-6,528 | €26,354 | €-6,790 | €17,681 | €0 | €5,774 |
| Mexico | €172,686 | €433,578 | €184,391 | €-79,395 | €62,138 | €169,629 |

*Company dissolved in 2023

The Armando Alvarez Group generates significant economic value in the countries where it operates, as shown in the table above. The economic value generated and distributed is detailed in the Annual Accounts submitted by the company to the Trade Registry.

The table below shows the main purposes of the financial aid received from Public Administrations in 2023:

| FINANCIAL AID RECEIVED FROM GOVERNMENT | | |
|---|--------------|--------------|
| | 2023 | 2022 |
| Amount of the subsidies for investments, subsidies for research and development and other relevant types of subsidies received: | 1,079,592.00 | 2,005,477.00 |

A total of €1,079,592 were received in 2023 in the form of subsidies. Most of the tax breaks and subsidies are for innovation and development for the Group companies' ongoing projects.

's consolidated financial statements were audited by Enrique Campos & Auditores S.L.P., who produces an annual Audit Report that is recorded in the Trade Registry, along with the consolidated Annual Accounts.

As for financial transparency, the Group

Additionally, **some of the Group companies have started working with sustainable financing.**

This type of financing encourages the achievement of ESG goals by the issuer/debtor. This is why we linked some of our existing credits to sustainability goals, which means we will obtain bonuses if we reach those goals, or penalties if we do not.



5.5. RISK MANAGEMENT

The Group's risk management strategy is based on the ability to anticipate, and on the autonomy, commitment and involvement of the governing body.

This system comprises all business areas. It begins with the strategic planning process, the formulation of strategic and business goals, and the identification, assessment and monitoring of the risks that may affect fulfilment of these goals at the various organisation levels.

The risks are assessed following a method designed and adapted to the Group's characteristics. After the assessment, we evaluate the efficiency of the controls that reduce the risks identified. The aim is to reach a level of residual risk that is considered acceptable by the executive bodies. If the residual risk level is still very high, additional controls must be put in place to reach an acceptable level.

The risk assessment is regularly submitted to the Board of Directors and the Senior Leadership for them to supervise performance, and they are ultimately responsible for supervising proper management. They also monitor the most relevant strategic risks.



The **Administrative Coordination department** integrates the Group areas and companies, controlling general operational risks.



The **Internal Audit** service provides the Board of Directors with an independent and objective verification of the Risk Management System, the Internal Control System and the financial information.



The Compliance department has its own programme, where it analyses and reduces certain risks by means of various controls, tools and supporting elements such as training, communication and awareness-raising plans.



Every Group company has a number of **committees that work on mitigating specific risks**, such as risks pertaining to health and safety or to quality management.

It is interesting to note that the certified management systems in place in the Group companies provide their own system for identification, prevention and mitigation of risks by areas and processes, and they are monitored by the heads of departments.



MAIN RISKS

Identifying risks allows the Group to take preventive actions and to develop efficient mitigation strategies, protecting assets, reputation and financial results. In addition, by understanding and proactively managing such risks, the Group is better prepared to seize opportunities and ensure competitiveness in an ever-changing business environment.

The Group operates in different countries and markets, which entails a series of risks that range from regulatory to political and socio-economic issues. To face these challenging issues, specific management measures have been taken to efficiently mitigate these risks.

Some of the most significant risks identified, as well as the strategies adopted by the Group to tackle them, are presented below:



Adaptation to reduced demand

The Group has a highly diversified client portfolio that will minimise the impact in the event of a loss in sales volume.

SUPPLY RISKS

Uncertainty in the supply of raw material

Most raw materials are purchased under framework contracts with a long term vision in order to prevent lack of supply insofar as possible.

TECHNICAL RISKS

Risk of technological machine obsolescence

Throughout the years, the Group has maintained a policy of constant reinvestment of profits for new machinery, which will prevent a situation of technological obsolescence of the production equipment.

POLITICAL RISKS

Political and economic instability

The Group monitors the geopolitical situation of the main countries where we operate, to assess and incorporate the effects of potential instability to the Group's forecasts and to the strategic and operational decisions, and it designs steps to reduce these effects.



IT RISKS

Cybersecurity

The Group has a cybersecurity risk management system, and it regularly undergoes IT audits based on the NIST Security Framework.

REGULATORY RISKS

New European and national regulations

Ongoing monitoring of all regulatory changes that may affect the Group, with a significant focus on R&D+I to mitigate the potential impact.

FINANCIAL RISKS

Risks associated with financial market fluctuations, such as exchange rates or interest rates, credit risk or cash risk

Use of financial instruments derived from exchange rates, or active credit lines.

COMPLIANCE RISKS

Risks associated with internal and external compliance

The Group took different steps and actions to promote compliance both at the internal and at the external level.

In addition, a channel was created to report non-compliances.

OCCUPATIONAL HAZARDS

Risks associated with attracting and retaining talent

Implementation of different initiatives and activities to become a more appealing employer.

Risks associated with health and safety

Keep working on defining and prioritising preventive measures to avoid labour risks and to reinforce the health and well-being of the people who are part of the Group.


MEASURES TO FACE RISKS

The measures taken to tackle the financial and non-financial risks that the Group is facing include:


- ✓ **The Group is a signatory member of the United Nations Global Compact.** As such, we are committed with our actions and collaborations to following its 10 Principles, as well as meeting the Sustainable Development Goals. The Group also actively participates on the Global Compact's COMparte platform to report its progress on the SDGs.
- ✓ **The internal regulations** are the set of rules that govern the Group's operations. These regulations establish the specific practises and behaviours that should be encouraged or forbidden in the organisation or for individuals, based on our statement of values, principles and beliefs. These include: **the Code of Good Governance, the Corporate Code of Conduct, the Code of Good Tax Practises, and the Ethics Code for Suppliers.**
- ✓ The Group companies are committed to ongoing improvement and economic, social and environmental sustainability. Some of them have successfully passed the **SMETA** (Sedex Members Ethical Trade Audit) **or Ecovadis audits.**

- ✓ Sustainability has become one of the main focus points in the Group's strategy. **GoCircularPlastics** is the SMITA Armando Alvarez Group's sustainability plan for plastics. This plan aims to progress with the firm commitment to implementing manufacturing and sales processes that offer sustainable solutions, based on a circular economic model.
- ✓ The existing **Compliance Programme** is certified under UNE 19601, and it actually goes far beyond mere compliance. This programme ensures compliance not only with external regulations, but also with internal regulations, and promotes an ethical culture as well as good practises. The Programme is approved by the Board, who performs regular reviews, ensuring efficiency.







Armando Alvarez, S.A. has an **Internal Control Model** based on the internationally recognised guidelines defined in COSO 2013. The main incidents are recorded in the internal control model.



The Group has implemented **Equality Committees, and Occupational Health and Safety Committees**, among others. The responsibilities for compliance with risk prevention regulations are clearly defined in the Group's organisation chart, and they concern all Group members.




Quality assurance based on ISO standards ensures that product performance will meet our clients' needs. All members of all Group companies are responsible for quality assurance, with senior managers at the top of their teams.



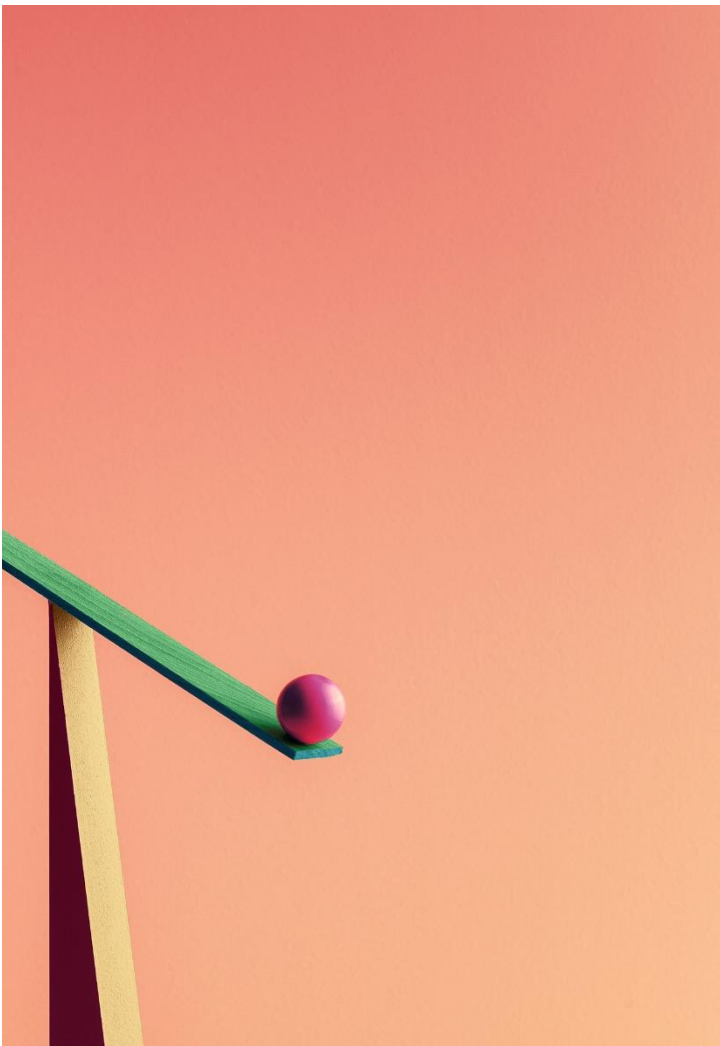
The Group has a **procedure in place to monitor information technologies, and a cybersecurity training programme**, to tackle technological risks. Aware of the necessary ongoing investment to avoid obsolescence and to maintain our service level, we also have a team dedicated to updating the system and preventing or anticipating these technological risks.



The Board regularly **reviews the Group's global risks**, including financial, technological, market and management risks, among others.



In addition to the above, at their criteria the Board may appoint **managing bodies** for specific work or projects. These bodies will report directly to the Board.



Appendix I

Table of GRI, Global Compact and SDG indicators

| GRI STANDARD | CONTENT | PAGE/ OMISSION | GLOBAL COMPACT | SDGs |
|---------------------------------|--|------------------|----------------|---------------|
| GRI 101: Basic elements | | | | |
| GRI 102: General Content | | | | |
| ORGANISATION PROFILE | | | | |
| 102-1 | Company name | 10 and 11 | | |
| 102-2 | Activities, brands, products and services | 11 | | |
| 102-3 | Location of headquarters | 16 and 17 | | |
| 102-4 | Location of operations | 16 and 17 | | |
| 102-5 | Ownership and legal status | 20-24 | | |
| 102-6 | Markets served | 19 | | |
| 102-7 | Organisation size | 16 and 17 | | |
| 102-8 | Information on employees and other workers | 90-124 | 3 | 4, 5, 8 |
| 102-9 | Supply chain | 143-148 | 1, 2 | 7, 8, 13, 12 |
| 102-10 | Significant changes in the company and its supply chain | 3-5 | 1, 2 | 8 |
| 102-11 | Precautionary principle or approach | 48-49 | 7 | |
| 102-12 | External initiatives | 59, 555, 127-130 | 1, 9 | 8, 12, 13, 14 |
| 102-13 | Membership with associations | 128 | 1, 9 | 7, 8, 12, 13 |
| STRATEGY | | | | |
| 102-14 | Declaration by senior executives responsible for decision-making | 3-5 | 1, 7, 9, 10 | 7, 8, 12, 13 |

| GRI STANDARD | CONTENT | PAGE/ OMISSION | GLOBAL COMPACT | SDGs |
|-----------------------------|--|---|----------------|-----------------|
| 102-15 | Main impacts, risks and opportunities | 152-157 There are no products or services with a negative impact on society. | 1, 7, 9, 10 | 7, 8, 12, 13 |
| ETHICS AND INTEGRITY | | | | |
| 102-16 | Values, principles, standards, and rules of behaviour | 14.134-139 | 1, 10 | 8, 16 |
| 102-17 | Consultancy mechanisms and ethical concerns | 134-141 | 10 | 8, 16 |
| GOVERNANCE | | | | |
| 102-18 | Governance structure | 20-24 | | |
| 102-19 | Delegation of authority | 20-24 | | |
| 102-20 | Executive-level responsibility for economic, environmental, and social issues | 28-29 | | |
| 102-21 | Consulting stakeholders on economic, environmental and social issues | 36-40 | 1, 7, 9, 10 | 5, 7, 8, 12, 13 |
| 102-22 | Composition of the highest governance body and its committees | 20-24 | 6 | 5, 8 |
| 102-23 | Chairman of the highest governing body | 21 | | |
| 102-24 | Appointment and selection of the highest governing body | The procedures to appoint and select the members of the governing body are set out in the Code of Good Governance, analysed on page 135 and available on the website. | 6, 10 | 5, 8 |
| 102-25 | Conflicts of interest | Conflicts of interest are described in the Code of Good Governance and the Code of Conduct, analysed on page 135 and available on the website. | 10 | |
| 102-26 | Role of the highest governance body in setting the purpose, values, and strategy | 20-24 | | |

| GRI STANDARD | CONTENT | PAGE/ OMISSION | GLOBAL COMPACT | SDGs |
|--------------------------------------|---|----------------|----------------|-------------|
| 102-29 | Identification and management of economic, environmental and social impacts | 38-40 | 7, 8 | 5, 7, 8, 12 |
| 102-30 | Efficiency of the risk management processes | 152-157 | 7, 8 | 8, 12, 13 |
| 102-31 | Review of economic, environmental, and social issues | 38-40 | 1, 7, 9, 10 | 7, 8, 12 |
| 102-35 | Pay policy | 105-106 | 6 | 5, 8 |
| 102-36 | Process to determine pay | 105-106 | 6 | 5, 8 |
| 102-37 | Stakeholders' participation in pay | 36-37 | 3 | 8 |
| 102-38 | Total annual pay ratio | 105-106 | 6 | 5, 8 |
| STAKEHOLDERS' INVOLVEMENT | | | | |
| 102-41 | Collective bargaining agreements | 118 | 1, 3, 4, 5, 6 | 5, 8 |
| 102-42 | Stakeholders identification and selection | 36-37 | | |
| REPORT PRODUCING PRACTISES | | | | |
| 102-47 | List of important issues | 39 | 1, 7, 9, 10 | 7, 8, 12 |
| 102-50 | Reporting period | 1 | | |
| 102-55 | Table of GRI content | 159-165 | | |
| 102-56 | External verification | APPENDIX II | | |
| GRI 200: Economic impact | | | | |
| GRI 201: Economic performance | | | | |
| 201-1 | Direct economic value generated and distributed | 150-151 | | 8 |
| 201-4 | Financial aid received from the government | 151 | | 9 |

| GRI STANDARD | CONTENT | PAGE/ OMISSION | GLOBAL COMPACT | SDGs |
|--------------------------------------|---|---|----------------|-------------|
| GRI 300: Environmental impact | | | | |
| GRI 301: Materials | | | | |
| 301-1 | Materials used by weight or volume | The information is contained on page 71. Does not include data on marketing companies. | 8, 9 | 7, 9, 12 |
| 301-2 | Recycled materials | The information is contained on page 72. Does not include data on marketing companies. | 8 | 9, 12 |
| GRI 302: Energy | | | | |
| 302-1 | Energy consumed within the organisation | The information is contained on page 74. Does not include data on marketing companies. | 8, 9 | 7, 8, 13 |
| 302-4 | Reduced energy consumption | The information is contained on pages 74-77. Does not include data on marketing companies. | 8, 9 | 7, 8, 9, 13 |
| GRI 303: Water | | | | |
| 303-1 | Water extraction by source | The information is contained on page 73. Does not include data on foreign companies. | 8 | |
| GRI 304: Biodiversity | | | | |
| 304-02 | Significant impact of activities, products and services on biodiversity | However, as shown on pages 84-88, the impact by Group companies on biodiversity is not significant. | 7 | 15 |

| GRI STANDARD | CONTENT | PAGE/ OMISSION | GLOBAL COMPACT | SDGs |
|--------------------------------------|--|---|----------------|-------|
| GRI 305: Emissions | | | | |
| 305-1 | Direct GHG emissions (scope 1) | The information contained on page 79 includes all companies in Spain. Does not include data on foreign companies. | 8, 9 | 7, 13 |
| 305-2 | Indirect GHG emissions when generating energy (scope 2) | The information contained on page 79 includes all companies in Spain. Does not include data on foreign companies. | 8, 9 | 7, 13 |
| 305-4 | Intensity of GHG emissions | The information contained on page 79 includes all companies in Spain. Does not include data on foreign companies. | 8, 9 | 7, 13 |
| 305-5 | Reduction of GHG emissions | The information is contained on page 79. Does not include data on foreign companies. | 8, 9 | 7, 13 |
| 305-6 | Emissions of ozone-depleting substances (ODS) | Insignificant, because these substances are not used. | 7, 8 | 13 |
| 305-7 | Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant emissions into the environment | The information contained on page 81 includes all companies in Spain. Does not include data on foreign companies. | 7, 8 | 12 |
| GRI 306: Discharges and waste | | | | |
| 306-1 | Water discharge according to quality and destination | The information contained on page 83 includes all companies in Spain. Does not include data on foreign companies. | 7, 8 | 12 |
| 306-2 | Waste by type and elimination method | The information contained on pages 51-60 includes all companies. Food waste is not significant, as food is not used by any company. | 7, 8 | 12 |

| GRI STANDARD | CONTENT | PAGE/ OMISSION | GLOBAL COMPACT | SDGs |
|--|---|--|----------------|------|
| 306-3 | Major spills | The information contained on page 83 does not include foreign companies. | 7, 8 | |
| GRI 307: Environmental compliance | | | | |
| 307-1 | Non-compliance with environmental laws and regulations | 48-49 | 7 | |
| GRI 308: Supplier environmental assessment | | | | |
| 308-2 | Negative environmental impact on the value chain and action taken | 152-157 | 1, 2 | 8 |
| GRI 400: Social impact | | | | |
| GRI 401: Employment | | | | |
| 401-1 | New employee hires and employee turnover | 99-104 | 6 | 5.8 |
| 401-3 | Parental leave | 112 | 6 | 5.8 |
| GRI 403: Health and safety at the workplace | | | | |
| 403-1 | Worker representation in formal worker-company health and safety committees | The information contained on page 118 includes all companies in Spain. | 3 | 8 |
| 403-2 | Types of accidents and accident frequency rates, occupational illnesses, days lost, absenteeism and number of deaths per workplace accident or occupational illness | 115-117 | | 8 |

| GRI STANDARD | CONTENT | PAGE/ OMISSION | GLOBAL COMPACT | SDGs |
|--|--|--|----------------|---------|
| GRI 404: Training and teaching | | | | |
| 404-1 | Average number of training hours per year and employee | The total number of training hours in 2022 is reported. The information is contained on page 120. | 6 | 5, 8, 9 |
| 404-2 | Programmes to improve employee skills and programmes to assist in the transition | 119 and 121 | 6 | 5, 8, 9 |
| GRI 405: Diversity and equal opportunities | | | | |
| 405-1 | Diversity in governing bodies and staff | 21, 122 and 124 | 6 | 5, 8 |
| 405-2 | Ratio of the base salary and pay for women compared to men | The information is contained on pages 105-108. Pay in foreign companies (United States) is not included because it distorts the consolidated data. | | 5, 8 |
| GRI 406: Non-discrimination | | | | |
| 406-1 | Discrimination cases and corrective actions taken | 122-124 | 6 | 5, 8 |
| GRI 407: Freedom to associate and collective bargaining | | | | |
| 407-1 | Operations and suppliers whose right to associate and collective bargaining may be at risk | There is no risk in this area given the geographical location of the workers and the centralised Human Resources management at the parent company. | 1, 2, 3 | |

Appendix II

AENOR Verification



Declaración de Verificación de Información No Financiera

declaración de Verificación de AENOR para

ARMANDO ALVAREZ S.A.

relativa al estado consolidado de información no financiera INFORME CORPORATIVO DE
SOSTENIBILIDAD 2023

conforme a la ley 11/2018

correspondiente al ejercicio anual finalizado el 31 de diciembre 2023

En Madrid a 18 de abril de 2024

Rafael García Meiro
Consejero Delegado/CEO





Avda. Pablo Garnica, 20
39300 Torrelavega
Cantabria (Spain)
(+34) 942 84 61 00

GAA's CORPORATE SUSTAINABILITY REPORT



www.armandoalvarez.com