

Aranco

Sustainability Report 2022.



Arancō

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A WORD FROM OUR CHIEF EXECUTIVE OFFICER

A word from our Chief Executive Officer.

Dear readers:

For a number of reasons, 2022 was an extraordinary year for Aranco. It is the first year included in our current four-year Strategic Plan 2022-2025, a plan whose main thrusts are growth, digitalisation and innovation based on sustainable development criteria. This report therefore deals with a year that is, in a way, a point of departure, at a time when our company is being relaunched, with new ambitions, new fellow travellers and also new and important challenges. I'm going to highlight just a few of the key events of 2022 and the reasons why I consider it to be an exceptional year.

First of all, our business and sales in Spain and Portugal have continued to grow, reaching sales of €25 million for our services in 2022. This has been a complex year from an economic and market point of view, but despite this we have continued to grow solidly throughout Iberia thanks to the confidence of our customers and the added value of our Sie+ (Wrapping as a Service).

Secondly, we have taken the first steps in our deployment in France. In 2022, we set up Aranco France (our first subsidiary outside Spain). Since our origins, we have been a company with close links to other European companies, which led us to enter the Portuguese market almost a decade ago.

Today, we want to extend our packaging services beyond the Iberian Peninsula. France is the first country we have reached as part of our ambitious internationalisation plan. We have a team of excellent professionals in France. We also plan to set up our own subsidiaries in other European countries over the next few years, a challenge to which we will return in future reports.

To enhance this process of internationalisation, we have decided to bring in a new partner in 2022 to support us in our approach and give us greater resources. The third milestone of the year was the incorporation of Tresmares Capital as a minority shareholder in Aranco. In the Tresmaresteam we have found people and professionals who fit in perfectly with our vision, culture and strategy. We are and will remain a family business, and we have strengthened ourselves with the right team and resources to become the European benchmark in pallet packaging services in the years to come.

Fourthly, I would like to mention, among the achievements of 2022, the

manufacture of our first rotary-arm wrapping machines in the new SW range (Smart Wrapping Machines). Thanks to our ongoing commitment to innovation, this smart wrapping machines project was launched in 2019, with our own significant investment and also with the support of public institutions. I sincerely believe that the new range of SW wrapping machines (a fixed model and two mobile models, including an AMR, 100% autonomous and awarded by a major logistics multinational) will reinvent pallet wrapping in Europe.

Alongside our new SW machines, I would like to mention as the fifth major milestone of the year another of our major technological projects to be launched in 2022: our 'Smart Films', rolls of stretch film equipped with RFID (radio frequency identification) tags. We want to integrate this technology into every roll of film we put on the market. These RFID-tagged films will improve the traceability of each roll and generate valuable data from the packaging process. Our rolls will 'talk' to our machines, and this dialogue



Today, we want to extend our packaging services beyond the Iberian Peninsula. France is the first country we have reached as part of our ambitious internationalisation plan."



Gaizka Lara Goiricelaya,
Aranco Chief Executive Officer.

between the wrapper and the film will bring benefits to our customers.

And as a digital technological challenge to manage both machines and intelligent films, we launched our Nebula interoperability platform. This platform efficiently manages all the data obtained from different internal and external environments. At Aranco, we believe that data and, above all, data converted into value are and will be at the heart of all current and future innovations.

Finally, 2022 was also a year of preparation for the new regulatory requirements that came into force in 2023, in particular the new Spanish tax on single-use plastics. At Aranco, we have dedicated resources and months of work by our employees to adapting to these new requirements

and rigorously fulfilling our obligations. We are continuing to prepare ourselves for the new regulations and obligations that will be approved at different levels of government over the next few years and which will soon be applied in different areas of our business. It is part of our corporate culture to anticipate new requirements and prepare our company in advance for new challenges, including regulatory ones.

We want to continue to have a positive impact on the environment by providing increasingly efficient and low-carbon



We want to continue to lead the packaging sector's transition towards sustainability in Spain and other European countries"

services, by maintaining sustainable and trusting relationships with our customers, employees, suppliers, partners and stakeholders, based on innovation and the digitalisation of wrapping processes. And we want to continue to lead the packaging sector's

transition towards sustainability in Spain and other European countries. I am convinced that this report faithfully reflects this commitment.

Thank you for your attention.



Gaizka Lara Goiricelaya



ARANCO AT A GLANCE.

- »» **2.1 Our history.**
- »» **2.2 Presence.**
- »» **2.3 Mission, vision and values.**
- »» **2.4 Value proposition.**
- »» **2.5 Our headquarters.**
- »» **2.6 Aranco 2022.**

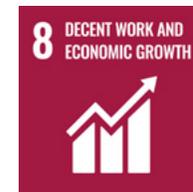


Over 35 years transforming the end of line.

We are a Spanish company specialised in packaging services with connected wrapping machines, high-performance stretch films and digital tools with over 35 years' experience.

We design and manufacture our own wrapping machines in Spain, using our own technology. And in collaboration with leading European partners in the sector, we develop high-performance films that offer extraordinary quality.

Our customers are leading companies in sectors such as logistics, large retail, food and beverages, canning and refrigeration, pharmaceuticals and cosmetics, chemicals, textiles, and more.



Sie+ Full Wrapping Service



Sod+ Optimisation and Data Service



We currently operate in Spain, Portugal and France. With an experienced, multilingual team, we are engaged in an ambitious process of internationalisation with a view to offering our packaging services to other European countries in the near future.

Our history.

1988 Mr. Luis Lara founds Aranco



International presence

Spain, Portugal and France

+700
customers

1.900
Working machines

24/48
hour on-site technical response time

+20
Technical services

+30
specialist technicians

+45
employees

9
patents

6.500 m²
installations

Where we are.

SPAIN AND PORTUGAL

Delegations in:

Catalonia, north, centre, Andalusia and Galicia and Portugal.

Headquarters in Valencia.

Logistics warehouses to ensure 48/72-hour coverage throughout Spain and Portugal.

Local technical services.

FRANCE.

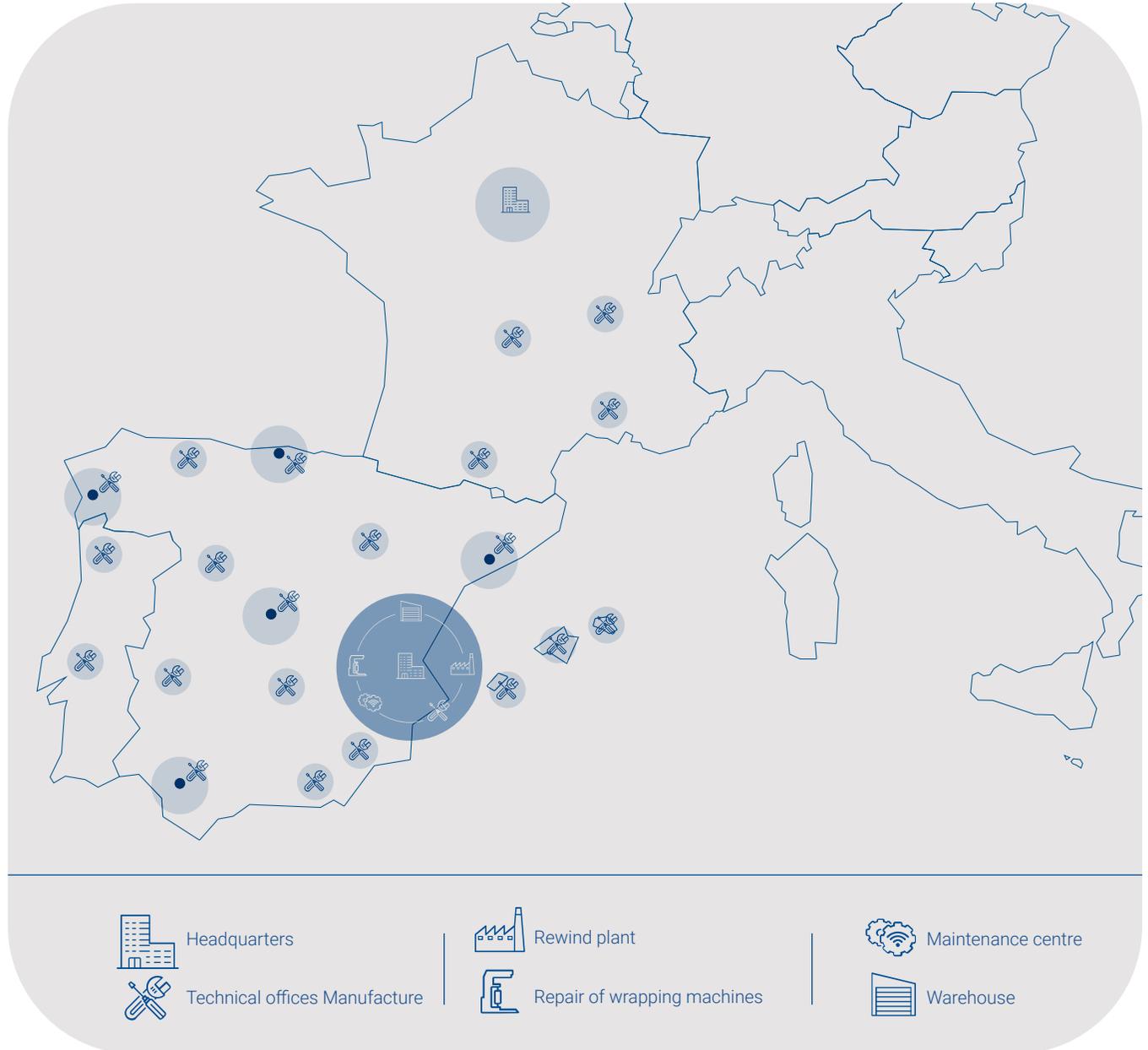
Delegations in:

Paris and Salon-de-Provence.

Headquarters in Paris.

Logistics warehouses to ensure 72/96-hour coverage throughout France.

Local technical services.



Our first subsidiary: Aranco France.

During 2022, we took the first steps in our deployment in France. We took steps to incorporate Aranco France, our first subsidiary outside Spain.

Over the 35 years of our company's existence, Aranco has always demonstrated a clear international vocation. Our main suppliers and partners have always been, and continue to be, major European companies with whom we have developed first products and then innovative packaging services. We have been present in the Portuguese market for almost a decade and we are proud to count major Portuguese companies among our customers.

Today, with our well-trained, multilingual staff, we want to take our packaging services beyond the Iberian Peninsula. France is the first country we have reached as part of our ambitious internationalisation plan.

Aranco France has already been operational since the beginning of 2023. We have started our first sales in the neighbouring country. We have a team of excellent French professionals who know the market in our neighbouring country and at the same time have linguistic and cultural links with Spain. This will ensure smooth and efficient coordination between all areas of the company and the success of our presence in France.

We also plan to set up our own subsidiaries in other European countries over the course of this decade, a challenge to which we will return in future reports.





Mission, Vision and Values.

Our Mission

Is to transform the European industrial packaging sector, adding value and productivity, improving people's lives, and having a positive impact on the environment.

Our Vision

Is to improve our world.

Differential Values :

Team commitment:

The link between **commitment, teamwork and service.**

Generofidence

Confidence, respect and generosity.

Client oriented:

We analyse our customers' needs in depth to offer them a unique, **made-to-measure service experience.**



Life project:

The motivation to work in an **environment of understanding and in line with the reality** and life approach of each one of us.

Curiosity in action:

Learning, improving and **innovation.**

Value Proposition .

Our added value

Lower costs and higher productivity without investment:

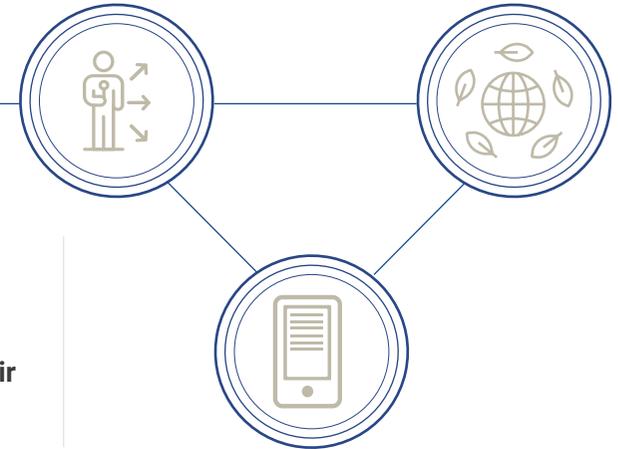
- Real savings on packaging costs: euros/metre versus euros/kg. by optimising the use of film in our machines.
- Greater productivity: automation, digitalisation, improved quality, ergonomics, etc.
- No investment and no costs. Wrapping as a Service.

More sustainability and less waste:

- We reduce film losses.
- We are reducing waste: average reduction of 50%.
- New range of films with recycled content (minimum 30% PCR).
- Emissions reductions.

Digital transformation of the end-of-line:

- Online private area: Client Website.
- Customer access to all relevant data on their wrapping process, updated continuously.

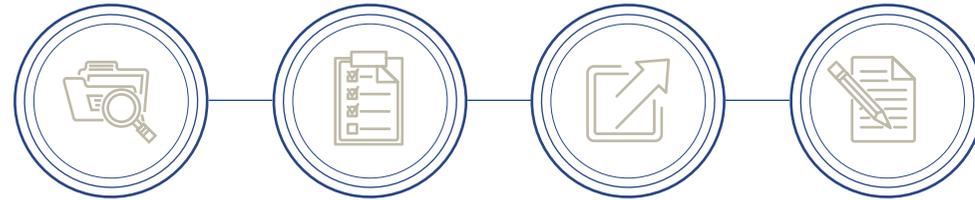


Our services are based on quality, innovation, digitalisation, process automation, improving people's working conditions and sustainability. Our vocation to generate technology enables us to be more competitive, efficient, sustainable and profitable, offering our customers services with more advanced wrapping machines, stretch films with better performance and valuable data to optimise their packaging processes with criteria of economic profitability and sustainability.

<h1>OUR SERVICES</h1>	<h2>SIE+ FULL WRAPPING SERVICE</h2> <p>We install our stretch wrapping machines on the customer's facilities at no cost to the customer (provision): the customer pays neither costs nor rent for the stretch wrapping machines. They only pay for the stretch film they use. The Sie+ service includes maintenance, repairs and spare parts for the machines, as well as access to the client website, at no extra cost.</p>	<h2>SOD OPTIMISATION AND DATA SERVICE</h2> <p>The customer already has its own wrapping machines. We optimise and reduce costs, supply high-performance films and provide access to the client website.</p>	<h2>SOD+ OPTIMISATION AND DATA SERVICE</h2> <p>The customer already has its own wrapping machines. We optimise and reduce costs, provide high-performance films and access to the customer's web. Maintenance, repairs and support included.</p>
<p>BUSINESS MODEL</p> <p>With this service, the customer does not bear the cost of the stock. The customer pays exclusively for the film consumed.</p>			
<p>ARANCO CONNECTED WRAPPING MACHINES</p> <p>Wrapping machines available at no investment or cost. Top-of-the-range wrapping machines: technology, connectivity, digitalisation, efficiency, savings and sustainability.</p>			
<p>HIGH-PERFORMANCE STRETCH FILMS</p> <p>Low micron films, effective and reliable retention of goods. Guaranteed reduction in film use, and less waste (on average 50%).</p>			
<p>MAINTENANCE, REPAIRS AND ASSISTANCE</p> <p>Included in the service. Preventive maintenance plans. Wrapping machines always connected to a remote management centre, to identify incidents as quickly as possible and avoid stoppages.</p>			
<p>CLIENT WEBSITE</p> <p>An online data tool that goes beyond your ERP. Private area with relevant information on the wrapping process, including economic, production and technical data, etc.</p>			

Value proposition.

How we work



Analysis of needs:

- Free initial diagnosis of customer needs.
- Personalised proposal with savings report.
- Workflow optimisation plan.
- Industrial demo with a trial period for the customer using the wrapping machines supplied by Aranco.

A full service and response:

- Projects tailored to customer needs.
- Delivery in 48/72 hours in Spain and Portugal. 72/96 hours in France.
- On-site technical assistance within 24 to 48 hours.
- Immediate online support from our remote technicians to reduce downtime.

- Multilingual technical hotline (Spanish, English, French and German).

- Preventive maintenance and support plan.

Flexibility and permanent adaptation:

- Continuous improvement and innovation of wrapping machines and films.
- Adapting wrapping machines and films to changing customer requirements.



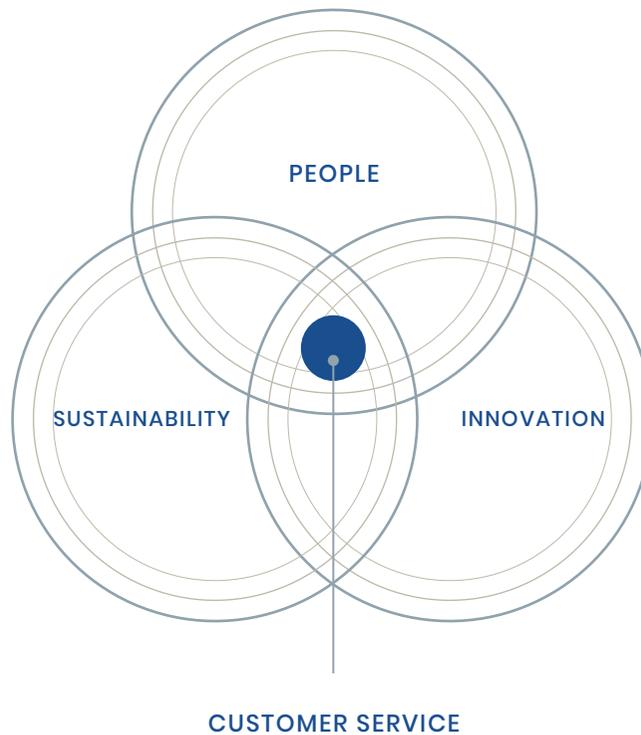
Value proposition.

Committed to service, innovation and sustainability

Our packaging services are based on three key pillars:

- The most advanced wrapping machines on the market with no investment on the part of the customer (*Wrapping as a Service*), improving packaging quality, reducing waste, increasing productivity and saving money.
- Digital, connected wrapping machines that provide transparent information to customers and enable us to act proactively to provide ongoing customer support.
- Low-micron stretch films, including PCR films, to reduce consumption and emissions

OUR SERVICE CULTURE



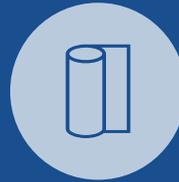
Pillars of the sustainable business model



PLANET. **Regenerative Nature.**

We want to make a better future by the developing our business model towards circularity and climate neutrality, to preserve and conserve the planet's natural heritage.

- Circularity
- Climate
- Natural resources



PRODUCT. **Transformer services.**

Innovate in more sustainable and profitable solutions that promote the change of production models capable of maximising the generation of economic, social and environmental value.

- Eco-innovation
- Eco-efficiency
- Productivity

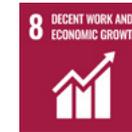


PEOPLE. **A fairer society.**

At Aranco, people are at the heart of the business, with the firm conviction of being a generator of well-being and making society more inclusive, with an eye on future generations.

- Ethical management
- Well-being
- Future generations

Our headquarters.



In 2021, we inaugurated our new facilities in the municipality of Massamagrell, around 15 km north of the city of Valencia. The new headquarters, an expression of our commitment to sustainable development, comprises three buildings:

- **Headquarters building.**
- **An auxiliary building that includes a company canteen on the ground floor and a multi-purpose room on the first floor, where numerous meetings, training sessions, etc. are held.**
- **A large industrial building housing our central warehouse, stretch film production plant, machinery centre and auxiliary warehouse for spare parts, laboratory, showroom, gymnasium, changing rooms and other ancillary services.**



Our headquarters.



The new headquarters office was designed and built according to criteria of productivity, well-being and low environmental impact. During construction, priority was given to the use of sustainable, low-maintenance materials, such as the material of the outer shell of the buildings, made of sheets similar to wood but manufactured from rice pulp and recycled resins, which give our headquarters its distinctive appearance.

Facilities include a company canteen where meals are served daily free of charge to staff by a catering service, as well as a gymnasium and full changing facilities available to staff for physical exercise. The headquarters also has extensive landscaped areas with native trees, and rainwater is used for irrigation (drip irrigation).

All workstations are designed to ergonomic standards. The office building is air-conditioned by means of a water-cooling system, so that no refrigerant gas is used. The buildings are equipped with CO₂ exchange and purification equipment, thermodynamic recovery and partial free-cooling, with equipment located on the roofs. This



Our headquarters.



equipment is capable of regulating pressure and flow according to demand.

The facilities are equipped with a 100-kW photovoltaic power plant. To encourage the use of sunlight and energy savings, the buildings have large windows and skylights, as well as lighting control systems using presence sensors (the lights are switched off if the system does not detect the movement of people). All the lighting is LED or low-energy technology. The headquarters also has a recharging zone for electric and hybrid vehicles in the car park.

Digitalisation and home automation of installations mean that consumption can be monitored exhaustively.



Thermal energy from the air conditioning system



Energy produced by the photovoltaic plant



Electrical energy



Lighting

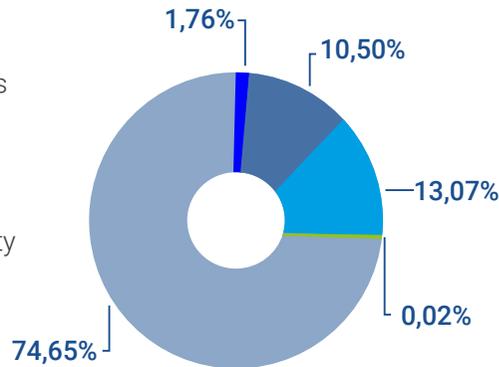
Aranco 2022.

Governance.

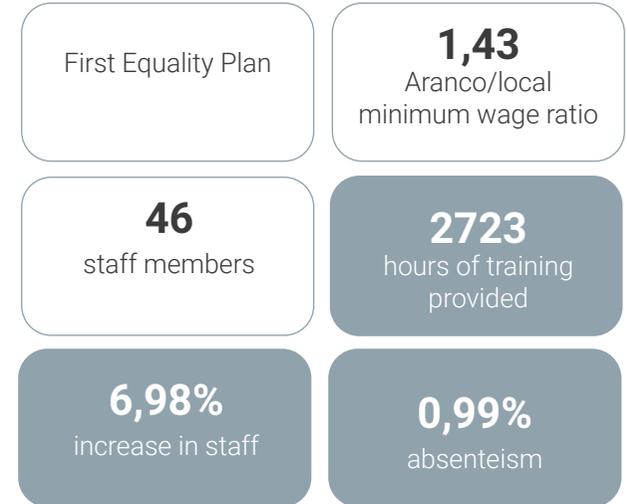


Percentage breakdown of economic value distributed

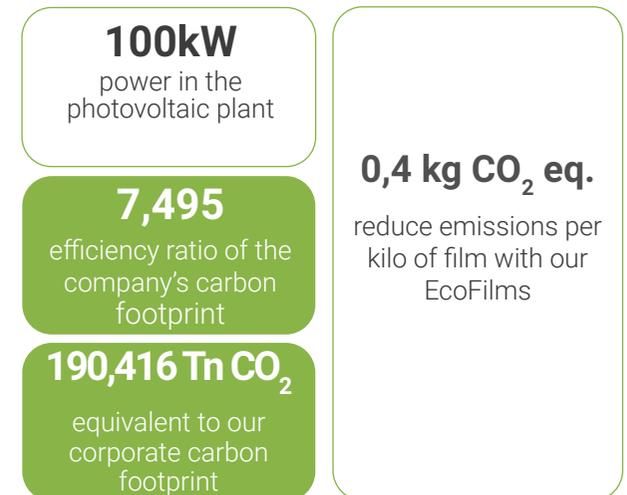
- Payments to capital providers
- Salaries and benefits
- Public administration
- Investments in the community
- Operational costs



Social.



Environmental.



Aranco 2022.

Value generation:

MAIN FINANCIAL FIGURES	2020	2021	2022
Turnover	16.320.534,67 €	20.827.798,98 €	25.405.045,34 €
Turnover growth	5,14%	27,62%	21,98%
EBITDA	3.534.059,90 €	4.283.632,28 €	4.639.352,77 €
EBITDA growth	11,07%	21,21%	8,30%
Fixed assets	12.554.445,52 €	14.055.368,77 €	16.704.151,28 €
Net assets	6.439.190,62 €	7.545.981,02 €	9.173.402,44 €

COMPOSITION OF DISTRIBUTED ECONOMIC VALUE	2021	2022
Payments to capital providers	390.870,26 €	441.684,30 €
Salaries and employee benefits	2.393.802,37 €	2.633.331,17 €
Public administrations	2.816.841,58 €	3.278.000,53 €
Investments in the community	270,00 €	4.069,84 €
Operational costs	14.626.421,71 €	18.723.451,10 €



NEW DEVELOPMENTS.

- >> **3.1 New smart wrapping machines.**
- >> **3.2 Smart Films.**
- >> **3.3 *Nebula*.**



New Smart Wrapping machines.

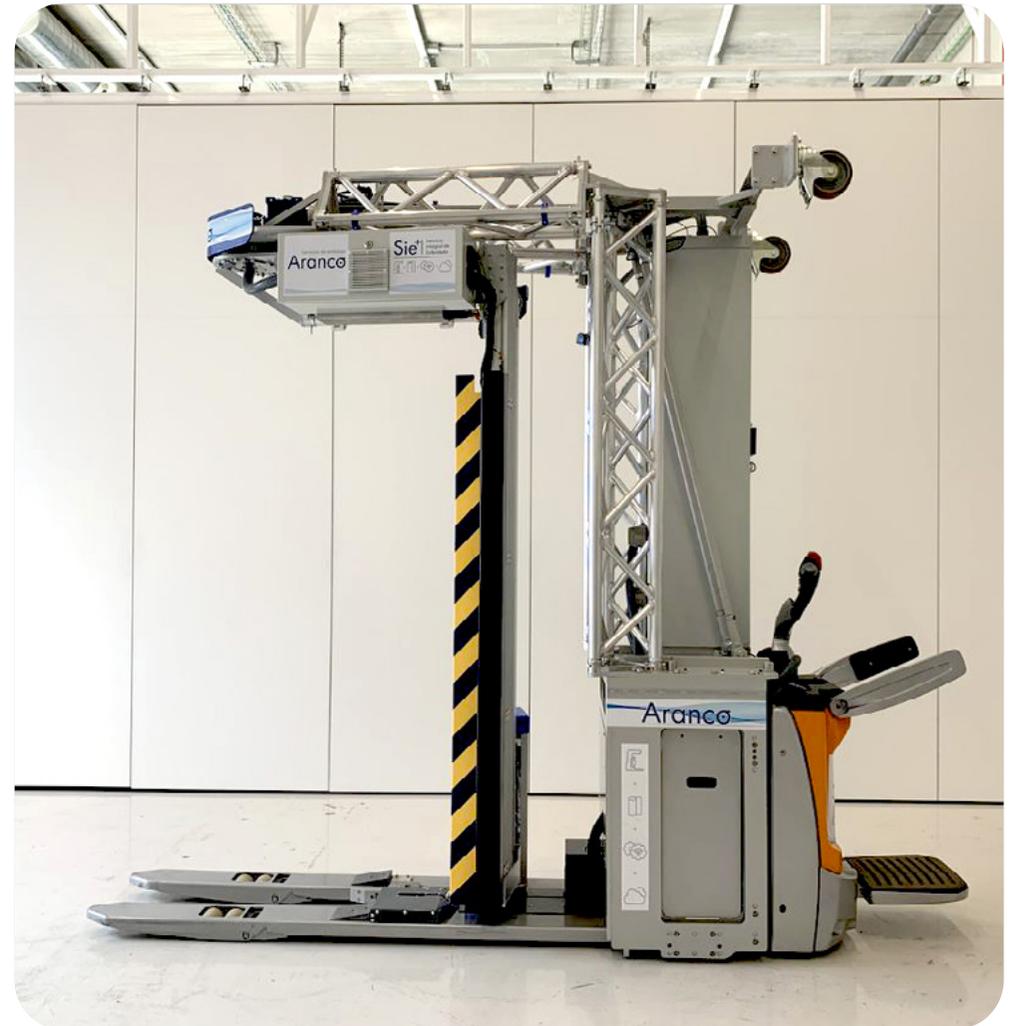
The result of our innovative vocation is our new range of SW (Smart Wrapping machines) with rotating arm, designed by us and which we began manufacturing in Spain in 2022. This new range has been developed with sustainability, durability, repairability, efficiency, material savings and easy recyclability in mind.

The new range of SW intelligent wrapping machines (two mobile models and one fixed model) stands out visually for the special design of its structure, made up mainly of prefabricated aluminium modules (the famous "truss", usually used in stage assembly), which are lighter than the traditional metal structures of this type of machine, but are extremely strong and durable, allowing repairs to be carried out quickly and with less consumption of resources and energy.

In line with eco-design criteria and the need to save resources and materials, the structure of SW wrapping machines does not include any superfluous casings or aesthetic elements. The

modular aluminium structure is visible, and the few plastic components it incorporates have been manufactured by 3D printing using recycled materials.

The fixed wrapping machine (SWF) has been designed so as not to require an auxiliary support column, thus reducing material consumption, weight for transport, storage space and savings.



New Smart Wrapping machines.

New SW wrappers do not require wooden cages or crates for transport and storage. The new wrappers are transported and stored on their own wheels, attached to the machines by removable plates. Once the wrappers have been installed for commissioning at the customer's site, the plates with the wheels can be removed and stored for reuse.

This new range of intelligent wrapping machines is equipped with a host of electronic devices and sensors that make it possible to automate many of the wrapping processes and even, in the case of the mobile SWA-AMR model, to operate 100% autonomously and unattended. Among its safety features are three laser devices that detect the presence of people near the radius of rotation of the wrapping arm and automatically stop the wrapping machine.

Thanks to the RFID technology incorporated in the new SW intelligent wrappers, these machines can communicate with the film rolls, guaranteeing traceability of this



consumable and providing customers with valuable data on consumption and wrapping operations. SW wrappers feature an offline memory, which collects and stores data without the need for an internet connection, and have their own technology developed by Aranco to detect anomalies.

The new SW smart wrapping machines use high-performance stretch films (pre-stretch of over 250%) to ensure

that the wrapped goods are held in place as the pallet moves through the supply chain (loading, transport, unloading, etc.), with the lowest possible film consumption and, consequently, a reduction in waste production.

The wrapping machines offer fully configurable wrapping programmes according to customer requirements, with variable speeds, and can wrap any

type of load on fixed pallets, including unstable pallets, picking pallets, etc. The useful wrapping height is 2,200 mm for the mobile wrapping machines (SWM and SWA-AMR) and 2,500 mm for the fixed wrapping machine (SWF). Production can reach up to 40 wrapped pallets per hour.

As an ergonomic advantage for warehouse operators, SW wrapping machines automatically cut and seal the film at the end of each wrapping cycle, without the operator having to intervene between cycles, thus avoiding tiring postures.

New Smart Wrapping machines.

Three families of SW wrapping machines. The new range of intelligent SW rotary arm wrapping machines comprises three families:



Fixed SWF wrapping machine

- Useful wrapping machines height: 2,500mm.
- Operates without an access ramp.

Mobile SWM wrapping machine

- Useful wrapping height: 2,200mm.
- The wrapping machine is mounted on a top-of-the-range electric pallet truck. The pallet truck's lithium battery also powers the wrapping machine.

SWA intelligent autonomous mobile wrapping machine (AMR, Autonomous Mobile Robot)

- Useful wrapping height: 2,200mm.

This wrapping machine* is a world first. The wrapper is mounted on a top-of-the-range electric pallet truck equipped with a lithium battery, which also powers the wrapping machine. The set (wrapping machine + electric pallet truck) is equipped with advanced navigation technology (AMR, autonomous mobile robot), capable of moving and working 100% autonomously, unattended and collaboratively, without human intervention during operation.

This wrapping machine transforms the conventional tasks of an operator, often unproductive due to the various movements of a pallet in the warehouse, into an automated, controlled and much more productive process, in which the machine itself autonomously carries out the transport of the pallet, the wrapping and the generation of useful data for the customer, with the ensuing time savings and improved productivity.

This autonomous wrapping machine reduces the number of moving machines in warehouses, since it can do with a single AMR machine what was previously done with several machines.

**This SWA autonomous mobile wrapping machine has been awarded the DHL Digital Innovation Award 2023 in the category "Innovation for the robotisation of the supply chain", a competition organised by DHL Supply Chain Iberia in its third edition to recognise and disseminate the most sustainable and innovative projects in the logistics 4.0 environment.*

Smart Films: RFID technology.



Our packaging services are designed to bring more quality, innovation, digitalisation, automation and sustainability to the pallet wrapping process.

To this end, and in collaboration with Spanish and European partners, we are generating technology that enables us to offer our customers improved services through more advanced wrapping machines machines, higher performance stretch films and more and better data.

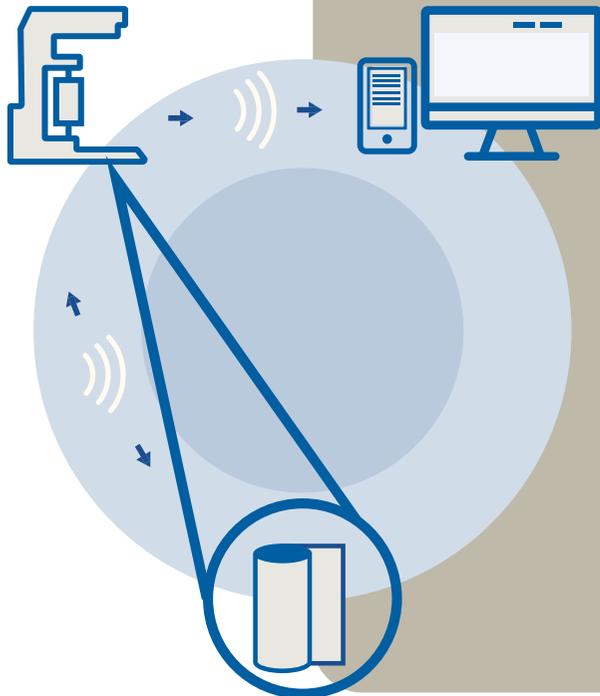
In parallel with the production of our new SW machines, in 2022 we launched our “Smart Films” project: RFID-tagged stretch film rolls. We will be incorporating this technology

into every roll of film we put on the market. These RFID-enabled films bring much greater traceability to each roll and generate useful data from the wrapping process. Our rolls will be able to ‘talk’ to our wrapping machines, and this wrapping-film dialogue will bring advantages and benefits to our customers.

We are applying this technology as standard to the new range of intelligent wrapping machines machines designed and manufactured in 2022 (wrapping machines equipped with RFID reading devices), but thanks to our own technology, we will also be able to gradually apply it to the wrapping machines currently in service (more than 1,900 wrapping machines) installed at customers in Spain, Portugal and France.

Benefits of our intelligent films with RFID technology: more data, more traceability, more sustainability.

RFID technology applied to stretch wrapping machines and rolls of stretch film will make it possible to take a giant step forward in the pallet wrapping process, with numerous benefits for our customers:



More profitability:

- More and better information on the wrapping process, with accurate data: our customers will be able to know the cost of wrapping each pallet, as well as the number of metres of film applied and other essential data on the process.
- This set of new data will enable our customers to establish KPIs with which they can measure the efficiency, profitability and productivity of their wrapping processes and make better decisions to achieve their objectives.

Traceability:

- In the event of quality problems with a batch of film, the RFID technology incorporated into each roll will provide detailed manufacturing data on the film from its origin.

More productivity and sustainability:

- In multi-shift operations, our customers will have comparative data to measure the productivity and efficiency of each team.
- With more data, the wrapping process will be more accurate and efficient, with film consumption adapted to customer needs, without unnecessary costs and with less waste.
- RFID technology will improve communication and coordination between machines, consumables (rolls), equipment and people.

Stock control and minimum stock:

- Up-to-date data: our rolls and wrappers equipped with RFID technology will enable our customers to keep track of their stock of stretch film rolls via the Client Website, with access from any device.
- This technology will enable the system to automatically generate orders for customers, who simply need to validate them.

An improved service at no cost to the customer:

- For our customers, implementing RFID technology in the wrapping process is free of charge.

Nebula: our Interoperability Platform.

We are committed to the process of digitalisation and digital transition as a key aspect of meeting the internal needs of administrative and operational processes and the system of indicators that facilitate and improve decision-making and company control.

Thanks to our own investment of over €500,000 and the support of the CDTI (Spanish Centre for Technological Development and Innovation), we will have completed the development of the *Nebula* Interoperability Platform by 2022.

In the *Nebula* Platform, the life cycle of data is important, from data ingestion, through analysis, processing and recording, to making it available to our customers via the Client Website or integration processes with their information systems. In this way, we help them to complete the information circuits that form the end of their logistics line.

In addition, the predictive AI models available on the platform enable us to offer services to improve the workflow of our SAT technical department, as well as for film replenishment and quality management.

Our new generation of SW (Smart Wrapping machines) and the adaptation of the previous range of wrapping machines to RFID technology meant that we needed a powerful, efficient and secure digital platform for remote management of the wrapping machines and for improved quality of the data generated during the wrapping process. All this to improve our wrapping services and make the wrapping of our customers' pallets

a more efficient, cost-effective and sustainable process.

Nebula will also improve our company's internal processes, in particular the production of stretch film at our Massamagrell plant, by controlling the manufacture of the film with greater precision, with real-time data on the process and unattended control of all the physical elements involved in its manufacture, including industrial machinery, robots, conveyor belts and transport elements, labelling, etc.

The benefits for our customers:

- Demand prediction using machine learning models to make stretch film replenishment proposals to customers.
- Improving our technical response through predictive analysis and troubleshooting.
- Integration with our customers' IT systems.
- Security and confidentiality of information.
- Full traceability thanks to RFID technology.

GOVERNANCE

- »» **4.1 Ethics and good governance.**
- »» **4.2 Sustainability system and strategy.**



Ethics and good governance.

Our governance model reflects our commitment to the professionalisation of the family business and to effective management, based on the following pillars:

1. **Compliance with the law**, commitments to third parties and internal regulations.
2. **Ethical management**, based on value-based management of our corporate identity.
3. **Adaptation**, by maintaining a governance structure capable of adapting to the demands of today's global and uncertain environment.
4. **Professionalisation**, by developing a governance model based on business, strategic and sustainable criteria.



Values of our model.

One of the keys to our success over all this time has been our commitment to managing our business in an integral and exemplary way as a family business. We have learned from our founder, Mr. Luis Lara, and we retain the values that we apply in our governance model.



Ethics and good governance.

To enhance our internationalisation process and other relevant projects in our 2022-2025 strategic plan, in 2022 we wanted a new partner to support us in our approach and give us more resources. After several years of contacts and good understanding, the Spanish **Tresmares Capital** fund joined Aranco in September 2022, taking a minority stake in the company. **Tresmares** brings people and professionals who fit in perfectly with our corporate culture. We remain a family business, with a **flat organisational structure and a strong culture of collaboration between people and sectors.**



The entry of this investment fund (the largest in Spain specialising in cutting-edge SMEs) means strengthening our company with the right team and resources to make it, in the years to come, Europe's leading pallet wrapping services company with the most advanced wrapping machines and wrapping robots on the continent and with the highest quality stretch films on the market, including recycled-content stretch films. We want to be bigger and more competitive to meet new challenges based

on innovation, digital transformation, productivity, sustainability and people.

In our governance model, we have integrated sustainable development into the functions of the various bodies in order to promote sustainable development as a key element of our strategic development.

Corporate governance model.

PRESIDENCY	BOARD OF DIRECTORS	MONITORING COMMITTEE	CHEF EXECUTIVE OFFICER
Sustainability functions	Sustainability functions	Sustainability functions	Sustainability functions
<ul style="list-style-type: none"> Representing Aranco and its interests in sustainability. Approving of the corporate social responsibility policy and code of ethics. Setting and determining the agenda for Board meetings, including those relating to sustainability issues. 	<ul style="list-style-type: none"> Establishing and unifying sustainability objectives and strategy. Determining risk management and control policy, including tax risks, and supervising internal control and information systems. Overseeing compliance with the company's corporate governance rules and internal codes of conduct, ensuring that the corporate culture is consistent with its purpose and values. Overseeing of the financial and non-financial reporting process. 	<ul style="list-style-type: none"> Overseeing the implementation of the company's global strategy, which integrates employees, customer and sustainability issues. Monitoring key projects that are part of the sustainability strategy. Coordination of areas for the development of the Master Plan for Sustainability. Results presentation of sustainability actions implemented. 	<ul style="list-style-type: none"> Implementing the actions necessary to achieve the objectives set by the Board of Directors. Overseeing that environmental and social practices are in line with strategy and policy. Monitoring and evaluation of stakeholder engagement processes. Contributing to the preparation of the ESG (environmental, social and governance) risk map, monitoring and updating. Analysis of new emerging ESG risks.

The company is currently chaired by Mr. Gaizka Lara Goiricelaya from 31/12/2022.

Composition of the Board of Directors.

100% > 50 years old.	4 people 100% men.	
50% executive directors.	25% owners.	25% independent.
1 council in 2022 (after the new composition).	12 councils established per year	
Members of the Board of Directors do not receive any remuneration or other payment for the performance of their duties.		

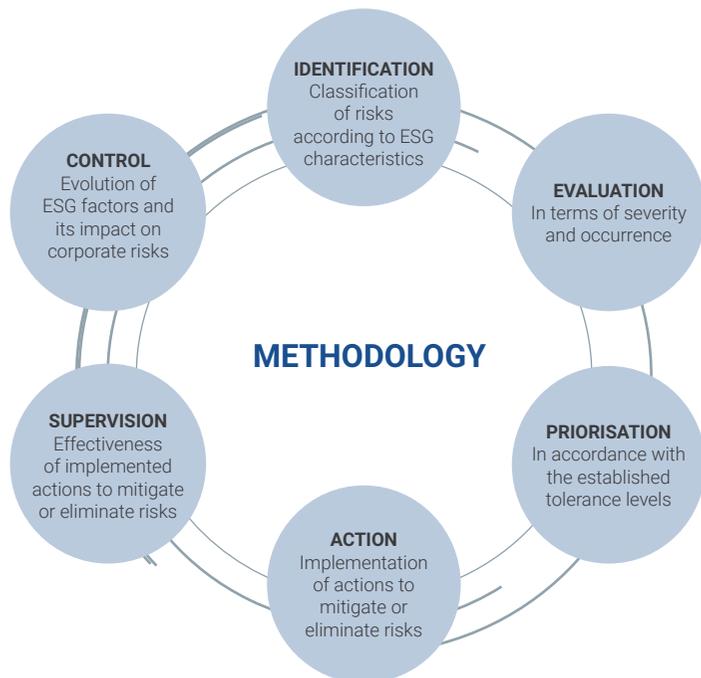
Composition and operation of the Board of Directors.

9 committees in 2022 (starting in March).	
78% Aranco management team.	22% team of external consultants.
11 committees created per year.	
44,44% > 50 years old.	9 people 66% men / 34% women

The current CEO is Mr. Gaizka Lara Goiricelaya.

ESG risk control and management.

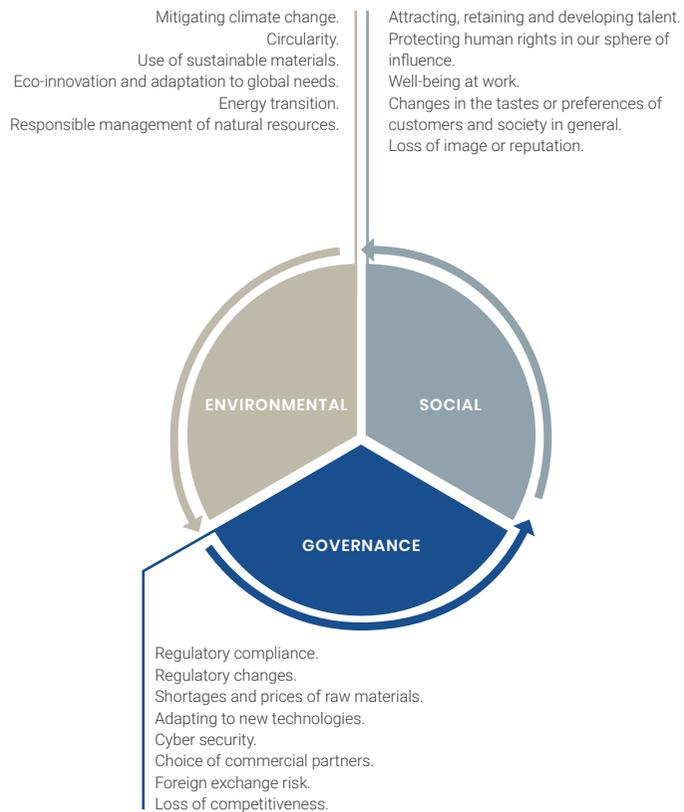
As part of the process of drawing up our Sustainability Master Plan for 2022, we carried out an analysis of the environmental, social and governance (ESG) risks to which we are exposed, with a view to implementing action plans to mitigate or eliminate them.



Structure of risks analysed

Strategic risks	Linked to the environment of the markets in which we operate or interact.
Compliance risks	Associated with breaches of the law, agreements with third parties or our internal rules.
Financial risks	Linked to our economic and financial management, to taxation and to events in our sector that jeopardise our viability or growth.
Governance risks	Related to corporate governance and due diligence.
Operational risks	Linked to our production processes and service provision.
Geopolitical risks	They stem from the deterioration of the national and international political situation and from local or supranational military conflicts, leading to regulatory changes, market volatility, etc.
Technological risks and cyber security	Those linked to technological development and change, cybersecurity and the effective use of information systems.
Reporting risks	Derived from the responsibility of our sustainable and ESG management towards our stakeholders.
Environmental risks	Conditions caused by human interaction with the environment, leading to extreme weather events, natural disasters, loss of biodiversity and depletion of natural resources.
Social risks	Derived from changes in socio-economic trends, demographic changes, changes in the demand for labour and the loss of social rights.
Reputation risks	Linked to the loss of our image or reputation.

Main ESG risks identified, which may impede the achievement of strategic objectives set out in our Sustainability Master Plan.



Management system.

To ensure effective management of the model, we have put in place a formal management structure, integrating new bodies with those already formalised, establishing a consistent separation of responsibilities in line with best practice in sustainability management.



<p>CHIEF EXECUTIVE OFFICER</p>	<ul style="list-style-type: none"> • Providing the resources required for the management system to function properly. • Overseeing ESG and sustainable development reports. • Ensuring that targets are met. • Overseeing the development of the actions set out in the development Sustainability Master Plan.
<p>STRATEGIC COMMITTEE</p>	<ul style="list-style-type: none"> • Proposing and supervising the management system. • Integrate sustainable development objectives in all areas. • Approve the stakeholder interaction system. • Determine internal relevance and analyse stakeholder information. • Advising and proposing sustainable development issues to the Board of Directors. • Suggest improvements to ESG and sustainability reports.
<p>SUSTAINABILITY MANAGER</p>	<ul style="list-style-type: none"> • To draw up the Master Plan in collaboration with the Sustainability Committee. • Suggest improvements to the management system. • Overseeing and monitoring the proper implementation of the sustainability master plan. • Implement the stakeholder management system. • Preparing or supervising the preparation of ESG and sustainable development reports.

Ethical management: anti-corruption.

In accordance with our culture of compliance, at Aranco we have established different protocols and internal controls, which aim to guarantee management based on compliance with the law and the prevention of fraud, corruption and crime. Trust and transparency when dealing with stakeholders is a conviction we have and which is also in line with the values that characterise us, demonstrating our desire to establish relationships with third parties based on compliance and ethics.

Actions aimed at preventing and mitigating the risks of committing fraudulent acts or acts contrary to legislation and internal regulations (in particular those relating to financial and tax engineering):

- Auditing the accounts by independent third parties and subsequent public registration.
- Avoiding tax havens localised banks.
- Paying our taxes in Spain.
- Using of digital or documented means of collection and payment, which facilitate traceability.
- Rejecting any payments or bribing from or by public officials, customers or suppliers.
- No directly or indirectly finance political parties, candidacies or other.
- Requesting supplier's documentation prior to the making of payments.
- Multi-faceted measures for financial and tax management.
- Internal authorisation system for use of bank accounts, for authorised internal staff.

During 2022, Aranco did not receive any sanctions or complaints in the areas of taxation, prevention of money laundering and financing of terrorism or corruption with public administrations or third parties.

Management areas with compliance controls and protocols:

 Quality and safety of products and services.	 Relationships management with business partners, collaborators and other third parties.
 Finance and taxation.	 Human and labour rights.
 Health and safety at work.	 Environmental management.
 Personnel management.	 Non-interference with public administration.

Sustainability system and strategy.

Structure and objectives of the SMP 22/25

During the 2021 financial year, we carried out our first materiality study, in accordance with the guidelines set out in the GRI (*Global Reporting Initiative*) benchmark standard, which enabled us to identify the internal and external relevance of our materiality.

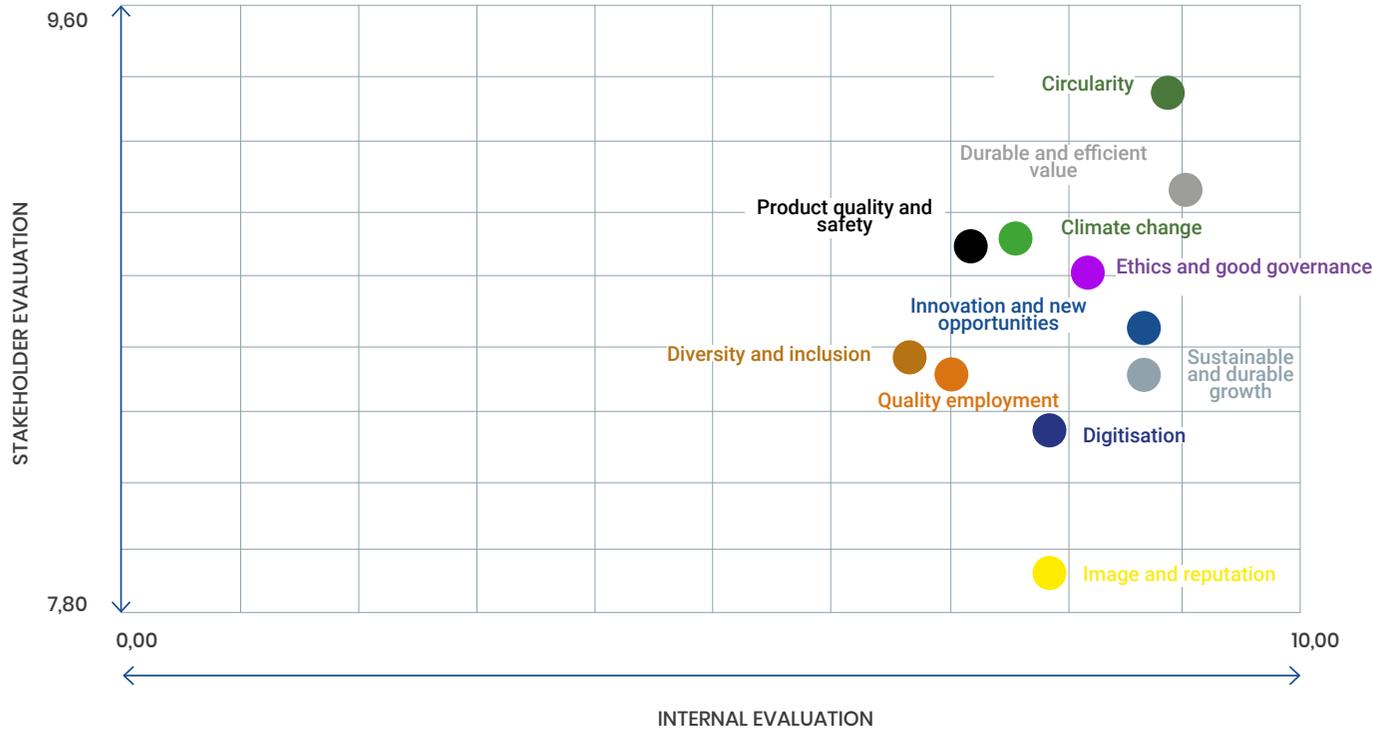
To this end, we implemented a systematic and structured system of dialogue, in which we selected the most effective channels of communication and the various tools for interaction, from surveys to interviews, and so on.

Stakeholder map:

<i>The property.</i>	<i>Research centres.</i>
<i>Our customers.</i>	<i>Teaching centres.</i>
<i>Aranco staff.</i>	<i>Public administrations.</i>
<i>Suppliers.</i>	<i>Company associations and organisations.</i>
<i>Financial backers.</i>	<i>Local community.</i>
<i>Opinion formers.</i>	<i>Third-sector organisations.</i>



Aranco's Materiality Matrix 2021



Based on this materiality analysis, we have produced our first Sustainability Master Plan, which will guide our progress and development in this area over the period 2022 - 2025.

Main objectives of the SMP 22/25:

1. **Strengthen** the sustainable management of the business model.
2. **Consolidate and acquire** new competitive advantages based on the sustainable development of our activities, products and services.
3. **Define and communicate** our main ESG commitments.
4. **Increase** engagement with our stakeholders, by improving our communication on ESG performance, on the impact of our products and services.
5. **Adapting and anticipating** environmental and social regulatory requirements.
6. **Strengthen** internationalisation.

Structure of the SMP 22/25

27
planned actions

11
action programs

10
SDGs adopted, linked to the development of our business

You will find below the objectives that have been identified for each aspect of our materiality matrix, as well as the GRI indicators with which we show our progress in this report.

ASPECT	OBJECTIVE	GRI INDICATOR
Quality jobs.	Establishing work conditions and talent management that maintain a high level of team satisfaction and motivation.	GRI 202- 401 - 403 - 404
An efficient and sustainable value chain.	Maintaining an efficient and evaluated value chain, in which its environmental and social impacts are assessed.	GRI 201 - 204 - 308 - 414
Ethics and good governance.	Developing exemplary business management, based on excellence and regulatory compliance.	GRI 103 - 205 - 407 - 408 409 - 410 - 411 - 412
Climate change.	Developing business activities by reducing or eliminating greenhouse gases, which are responsible for global warming, in particular by minimising our carbon footprint.	GRI 302 - 305
Diversity and inclusion.	Managing staff on the basis of equal opportunities and non-discrimination, developing an inclusive and diverse model.	GRI 405 - 406 - 412
Circular economy.	Designing and manufacturing products that minimise the production of waste and facilitate management based on the efficiency of sustainable materials, allowing them to be recycled.	GRI 306
Product quality and safety.	Maintaining high standards of quality and service for our products, enabling us to differentiate ourselves and guarantee high levels of customer satisfaction.	GRI 416 - 417
Sustained growth.	Promoting an economic model based on sustainability, enabling sustained growth over time.	GRI 201 - 202
Image and reputation.	Maintaining a good reputation and a distinctive brand image, based on the company's culture and values.	GRI 103 - 416 - 417
Innovation and new business opportunities.	Identifying new business opportunities and developing a culture of innovation to make the company more competitive.	GRI 103 - 206
Digitalisation.	Promoting the technological evolution and automation of information systems, which improve the efficiency of operational processes, production and services, thereby increasing Aranco's competitiveness.	GRI 103 -201

Adoption of the SDGs:



SDGs related to the development of our activities.



SDGs related to our business model.

ESG Framework of the Aranco SMP 22/25



9. Ethics and good governance

- 9.1 Corporate governance.
- 9.2 Regulatory compliance.
- 9.3 Due diligence and ESG risks.



8. Image and reputation

- 8.1 Dialogue with stakeholders.
- 8.2 ESG reporting.
- 8.3 Responsible communication.



7. Sustainable and sustained growth

- 7.1 Development of new business opportunities.
- 7.2 Generation of shared value.
- 7.3 Financial management.



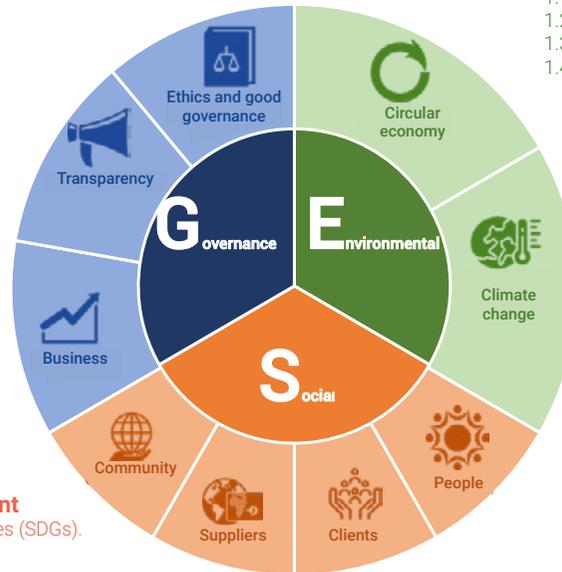
6. Contribution to the environment

- 6.1 Adaptation to global challenges (SDGs).
- 6.2 Social footprint.
- 6.3 Environmental footprint.



5. Supply chain

- 5.1 Environmental assessment.
- 5.2 Protection of Human Rights.
- 5.3 Proximity.
- 5.4 Joint innovation.



1. Circularity

- 1.1 Use of sustainable materials.
- 1.2 Certified circular business model.
- 1.3 Design and development of products and services with circular criteria.
- 1.4 Adaptation and anticipation of environmental regulation.



2. Climate Change Mitigation

- 2.1 Use of sustainable materials, energy transition.
- 2.2 Neutrality of our activities.
- 2.3 Enhance the neutrality of our products and services.
- 2.4 Certified measurement of carbon footprints (corporate and product).

3. Talent

- 3.1 Welfare and quality employment.
- 3.2 Training and development.
- 3.3 Equality and diversity.



4. Service culture

- 4.1 Quality and safety.
- 4.2 Sustainable innovation (ergonomic and environmental).
- 4.3 Invocation at the service of the client (ad hoc projects).
- 4.4 Digitisation.

SOCIAL

- »» **5.1 Talent management at Aranco.**
- »» **5.2 Health and well-being.**
- »» **5.3 Training and development.**
- »» **5.4 Equality.**
- »» **5.5 Protection of human rights.**
- »» **5.6 Contribution to the environment.**



Talent management.



The ongoing development of our talent is a strategic pillar of our business model.

Currently, the labour market demands a talent management that is in line with the business project and that cares for people. These are all essential elements that configure a high-quality and attractive job offer.

For this reason, our Talent and People Management area works every day to implement policies and actions that seek to maintain high satisfaction and motivation standards within our people, as we consider the driving force behind our competitiveness.

ARANCO profile.

Distribution by gender and business area:

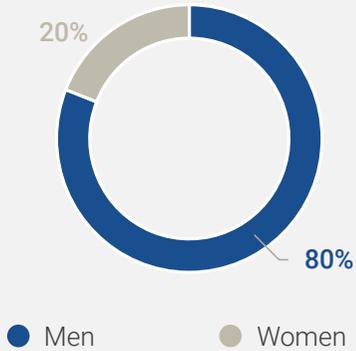


Distribution by gender and by area (data from the first Equal Opportunity Plan- EOP)

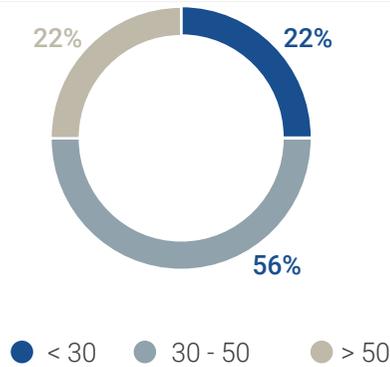
	WOMEN	MEN	TOTAL
Technical / qualified staff	47,4%	52,6%	39,6%
Middle management	0,0%	100,0%	31,3%
Business area responsables	12,5%	87,5%	14,6%
Business area managers	20,0%	80,0%	10,4%
Chief executives	0,0%	100,0%	4,2%



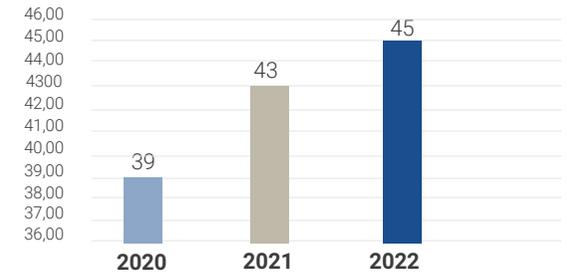
Percentage distribution of staff by gender



Percentage distribution of staff by age



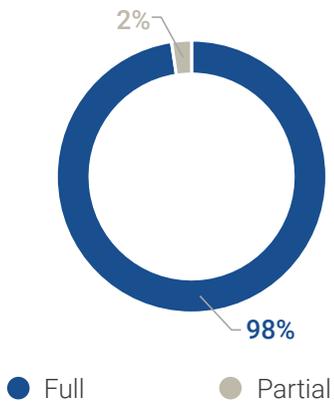
Evolution of the average staff



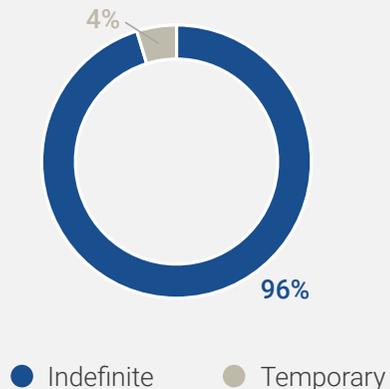
Staff by working day and gender

	WOMEN	MEN	TOTAL
Complete	9	38	97,9%
Partial	1	0	2,1%
Total	10	38	100,0%

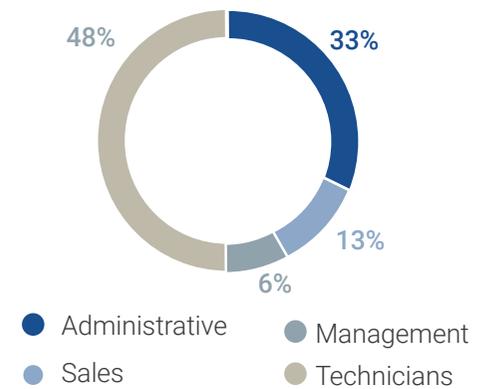
Percentage distribution of staff by type of working day



Percentage distribution of staff by type of contract



Percentage distribution of staff by area



Talent management.

Key elements of our talent management:

People at the centre.

The ongoing development of our talent is a strategic pillar of our business model. Our People & Talent department works to implement policies and actions that maintain the high levels of employee satisfaction and motivation that drive our competitiveness.

ATARI

The use of information technology is an essential part of our talent management. Atari is our information and documentation management intranet. It is a space designed to facilitate the internal management of our staff, as well as a consultation tool through which relevant news, reminders, internal calls, information on the progress of projects, etc. are transmitted.

ARANCO WITH PURPOSE

We are more than a company: we are an organisation with a transformative purpose, based on innovation and sustainability. People are at the heart of the company, and our team can develop a vital project for personal and professional growth.

CARING FOR PEOPLE

We're a company that looks for exceptional people to take on exceptional challenges and deliver exceptional treatment and care.

EQUALITY PLAN

In 2022, we began drawing up our first Equality Plan, which was finally approved in early 2023.

WORKING ENVIRONMENT

As a family-run business, one of our hallmarks is being close to people and respecting them. We foster a working environment based on trust and commitment.

INVOLVEMENT

We encourage the participation and involvement of people through a flat internal structure, managed by interrelated areas (rather than "departments") and geared towards collaboration and the development of cross-functional projects.

CROSS-CUTTING COMMUNICATION

We have a range of internal communication channels and resources that enable us to interact with everyone and every area of the company. Atari is our information intranet, complemented by other internal intercommunication tools and channels.

COMPETITIVE CONDITIONS

Our remuneration system is based on the applicable collective agreements. We have defined a system of salary bands based on job classification. This system is based on objective criteria for the exercise of responsibilities and the achievement of objectives and guarantees equity both internally and externally. Our remuneration system is higher than that provided for in collective agreements.

Health and well-being.

We maintain a safe and healthy working environment for our staff and collaborators. This commitment to health and safety is a strategic priority.

Occupational health and safety management criteria:

- Respect for the law.
- Protection of people, both those of Aranco and those of our collaborators, our suppliers and all those with whom we interact.
- Cross-functional integration of occupational health and safety management into our overall management approach.
- A culture of prevention in occupational risk management.
- Systematic assessment and management of hazards to reduce or eliminate occupational risks.
- Putting people first, creating a healthy working environment.

Our People and Talent area manages health and safety at work, in collaboration with an external prevention service, which handles all the system's specialities and advises us on new legislation and best management practices.

Essential and practical elements of our preventive activity:

Occupational risk assessment.

Coordination of business activities (CBA).

Training, information and awareness programmes.

Incident and emergency management.

Health monitoring. Annual medical examinations.

Supply and fitting of personal protective equipment.

Maternity protection.



Health and well-being.

2022	WOMEN	MEN
Minor accidents at work	0	1*
Serious accidents at work	0	0
Very serious accidents at work	0	0
Fatal accidents	0	0
Occupational illnesses	0	0

*The minor accident occurred in the workplace. 100% male.

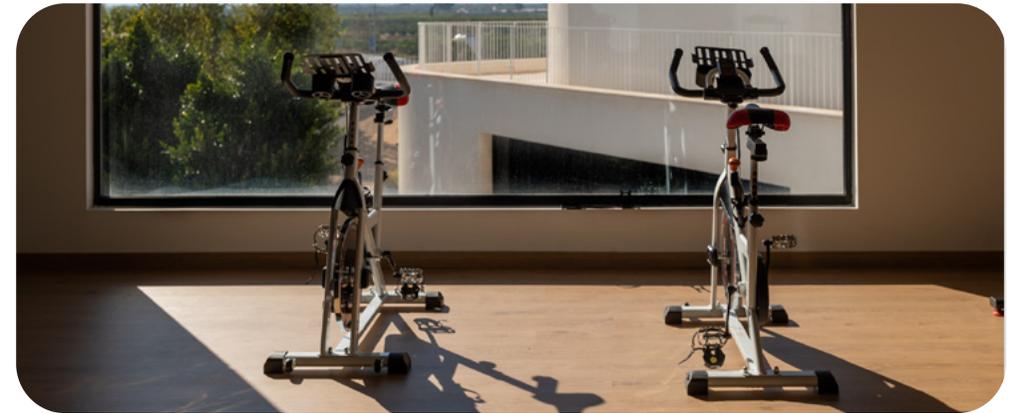
	2020	2021	2022
Accidents at work	1	2	1*
Occupational diseases	0	0	0
Investment in health and safety at work	12.934,38€	12.881,29€	8.355,71€
Absenteeism	1,02 %	0,32 %	0,99 %
Sector average		2,93 %	3,49
Variation		-78,20 %	209,38%

Of the €2,881.29 invested in health and safety in 2021, €8,108.07 corresponded to Covid expenditure.
Of the €8,355.71 invested in health and safety at work in 2022, €1,620.00 corresponded to Covid expenditure.

Coordination of business activities (CBA)

In our occupational health and safety management system, the coordination of business activities (CBA) is of paramount importance. Given the nature of our business and our internal services, we receive visits or carry out interventions on our customers' premises.

The digitisation of our management system and its documentary support facilitates the justification of documentary requirements to verify compliance with our occupational risk prevention system and current regulations.



A healthy working environment

Our commitment to putting people at the centre of our business model goes beyond simply complying with the law. We take action to develop a healthy working environment that promotes the well-being of the whole team and healthy lifestyles:

- We encourage healthy eating in our free company canteen, which is also designed as a place for informal meetings and interaction. The space also has an outdoor terrace with tables, chairs and umbrellas for al fresco dining in the months when the weather is favourable. Daily meals are provided free of charge to staff by an external catering system.
- We encourage physical activity to avoid a sedentary lifestyle. Our facilities include a free gym for staff, as well as fully equipped changing rooms.
- We encourage the reconciliation of professional, social and family life.
- We provide information and raise awareness about healthcare.
- We are a company with cardiovascular protection. Our head office is equipped with defibrillation equipment and several people in our organisation have been trained in the use of the AED (automated external defibrillator).

Training and development.

Talent retention is one of our competitive advantages, which requires effective training management. The aim is to integrate new management approaches, increasingly productive work methodologies, develop better professional skills, adapt effectively and anticipate new trends and regulatory changes in order to remain at the forefront of our sector, improve our capacity for innovation and successfully adapt to new markets and countries.

We draw up an annual training plan that takes into account the training needs and requests of our staff and is structured as follows:

- Compulsory training:**
 Training to meet legal requirements (occupational risk prevention, regulatory compliance, etc.).
- Planned training:**
 Training needs identified by the managers of each area, in agreement with the “People and Talent” area.
- Unplanned training:**
 Training activities carried out throughout the year for unforeseen reasons, such as changes in legislation, staff promotions, prospecting for new markets, etc.

Themes of the 2022 training plan:

- Technical training.
- Regulatory compliance.
- Health and safety at work.
- Skills development.
- Languages (English, French).
- Sustainability management.

TRAINING PLAN	2021	2022
Total number of people trained	15	28
Total training hours	257	2.723
Total training initiatives	18	18
Average hours of training per person	6,11	97,25
Average hours of training women	6,38	109
Average hours of training men	6,04	90,75
Investment in training	3.643,48€	28.105,04€

Equality.



During the 2022 financial year, we developed our first Equal Opportunities Plan (EOP) as a sign of our commitment to our staff and society. By completing the process at the beginning of 2023, we have organised and integrated our equal opportunities policy for men and women across the board.

The fundamental objectives proposed in the Aranco equality plan are as follows:

- Guarantee equal treatment and opportunities for women and men.
- Integrating an equal opportunities perspective into all areas of the organisation.
- Integrating an equal opportunities perspective into personnel management.
- Facilitate and disseminate measures aimed at reconciling the personal and professional lives of staff and promote co-responsibility between women and men.
- Make visible Aranco's commitment to promoting effective equality between women and men.

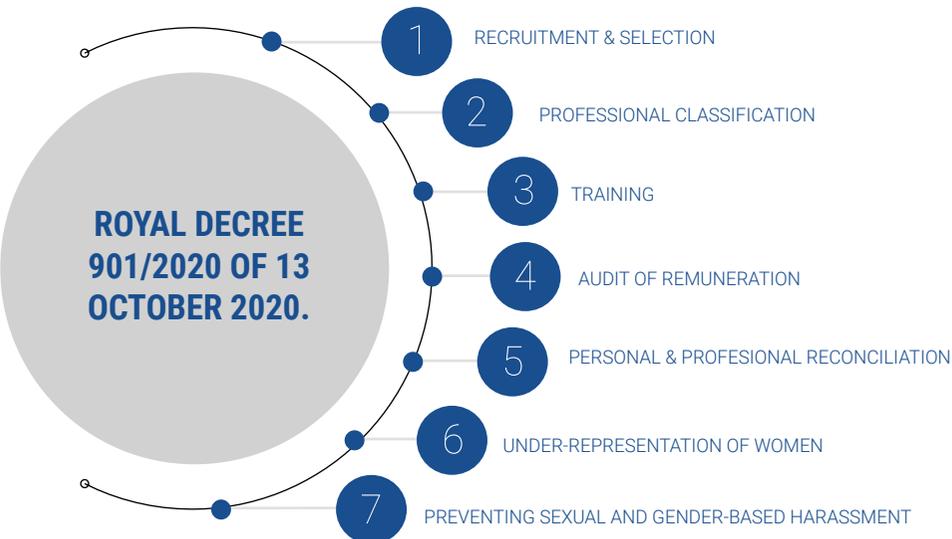
The process of drawing up the equality plan began with the creation of a negotiating committee, made up of company and employee representatives, whose task was to agree on objectives for the coming years. These objectives were defined on the basis of the results of the diagnosis carried out by means of interviews, focus groups and questionnaires, with the participation of all staff.

Participation in terms of diagnosis at Aranco was **79.2% of our staff**, where 92% of those who took part in the survey consider that **there is good or great equality in terms of treatment and opportunities** between women and men.

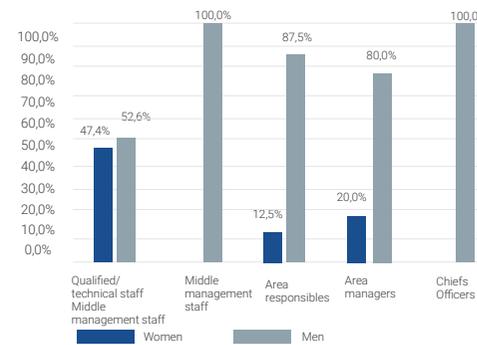
Equality.

The followed process:

DECEMBER 2022	JANUARY 2023	FEBRUARY 2023	MARCH 2023
Constitution of the negotiating committee	Diagnostic process: interviews, focus group and questionnaire	Approval of the diagnostic report	Co-creation session for the Equal Opportunities Plan (EOP) actions
Training of the negotiating committee			Approval of the first EOP
			Registration of the first EOP with REGCON (Register of collective agreements)



A few facts and figures:



	HIRING			
	WOMEN	%	MEN	%
2020	0	0,0%	3	100,0%
2021	1	25,0%	3	75,0%
2022	3	50,0%	3	50,0%

Training in equality by sex (period 2020-2022)

	TRAINING: EQUALITY			
	WOMEN	%	MEN	%
2020	0	0,0%	0	0,0%
2021	0	0,0%	0	0,0%
2022	2	50,0%	2	50,0%
Total	2	50,0%	2	50,0%

Average total remuneration

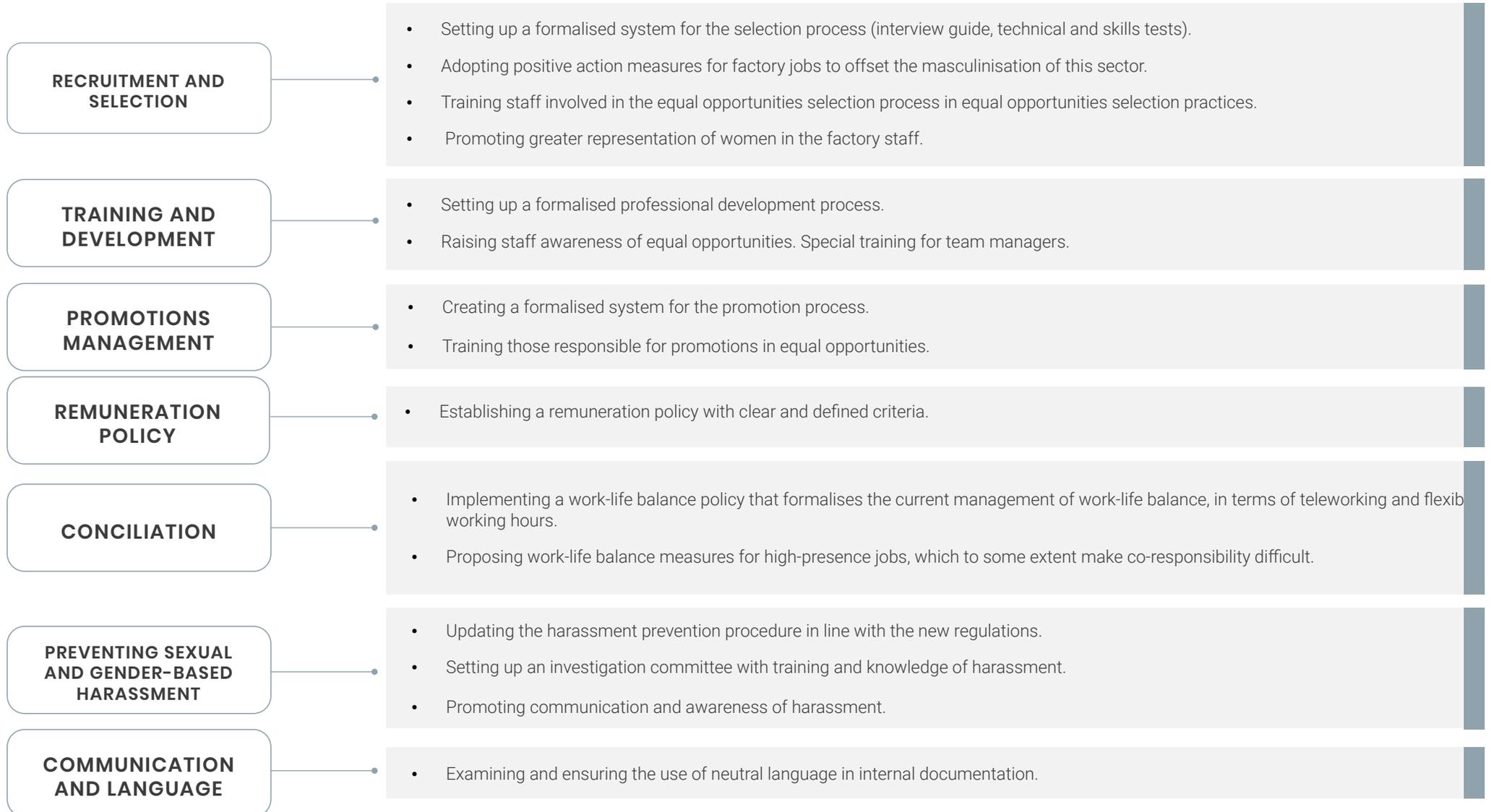
Average	WOMEN	MEN	Dif.
Total remuneration	38.727,24€	46.117,20€	16,02%

Parental leave 2020-2022

	WOMEN	MEN	TOTAL
	Parental leave	1	0

Equality.

Following the analysis, the objectives to be covered in the coming years are as follows:



Protection of human rights.

Our commitment is to develop a sustainable business model that generates employment, in which decent working conditions and equal opportunities are established, based on respect for human rights and workers' labour rights.

Aranco's commitment to the protection of human and labour rights:

- Not using or encouraging the use of child labour.
- Not using or encouraging the use of forced, compulsory or bonded labour.
- Avoiding all forms of human trafficking.
- Not using or encouraging work carried out by people under sentence.
- Guaranteeing effective and decent pay.
- Eliminating all forms of discrimination.
- Not using or encouraging or authorise abusive disciplinary measures or measures that infringe the freedom or dignity of individuals.
- Ensuring a safe and healthy working environment.
- Educating and train employees so that they can carry out their responsibilities effectively and safely.
- Respecting the rights to freedom of association, affiliation and collective bargaining.

This is why we have put in place various management mechanisms aimed at preventing or mitigating the risks of human rights and labour rights violations:

Selection, training and professional development.

Occupational health and safety management.

Managing equal opportunities and non-discrimination.

Efficient and fair remuneration.

Controlling and managing working hours.

Structured and systematic social dialogue.

Protection of human rights.

We extend our commitment to respect and protect human and labour rights to our supply chain, in line with our purchasing policy, where we seek to establish business relationships with organisations that share our business philosophy.

Current human rights compliance controls in the supply chain, established for strategic and high-risk suppliers (film, machinery and workclothes):

1. **All the production sites** of our value chain suppliers are in the European Union and have a low rate of human and labour rights violations, according to the United Nations Human Development Index.
2. **Our workclothes supplier** is certified Sedex-Smeta 4 pillars (distributor) and the producer has various human rights certifications, such as no use of child labour, guarantee of decent conditions, etc.
3. **Carry out commercial visits**, during which the technical, social and environmental aspects of our film suppliers are assessed.
4. **Our logistics and production suppliers are local**, which means that we can maintain close relations; visits are made more regularly, and social aspects are also considered.

In 2022, neither Aranco nor its suppliers received any sanctions or complaints concerning violations of human and labour rights.



Responsible sourcing.

Our suppliers are strategic partners and fundamental to our success. That's why we seek to build strong, long-term relationships with them, based on transparency, trust and mutually beneficial collaboration.

Our responsible purchasing strategy is based on the following pillars:

- **Strategic alignment.** We extend our values and business philosophy to our suppliers, which is why we apply social, ethical and environmental assessment criteria.
- **Focus.** At Aranco, we have always been committed to having a small and efficient pool of suppliers, which allows us to get to know them well and work together to develop innovative projects and share our best management practices. This is why choosing and collaborating with them is an essential part of our competitiveness.
- **Proximity.** Working with local suppliers allows us to develop projects together, assess their performance and reputation, maximise the economic and social impact on the community and reduce environmental costs.

Principles of action of our responsible purchasing model:

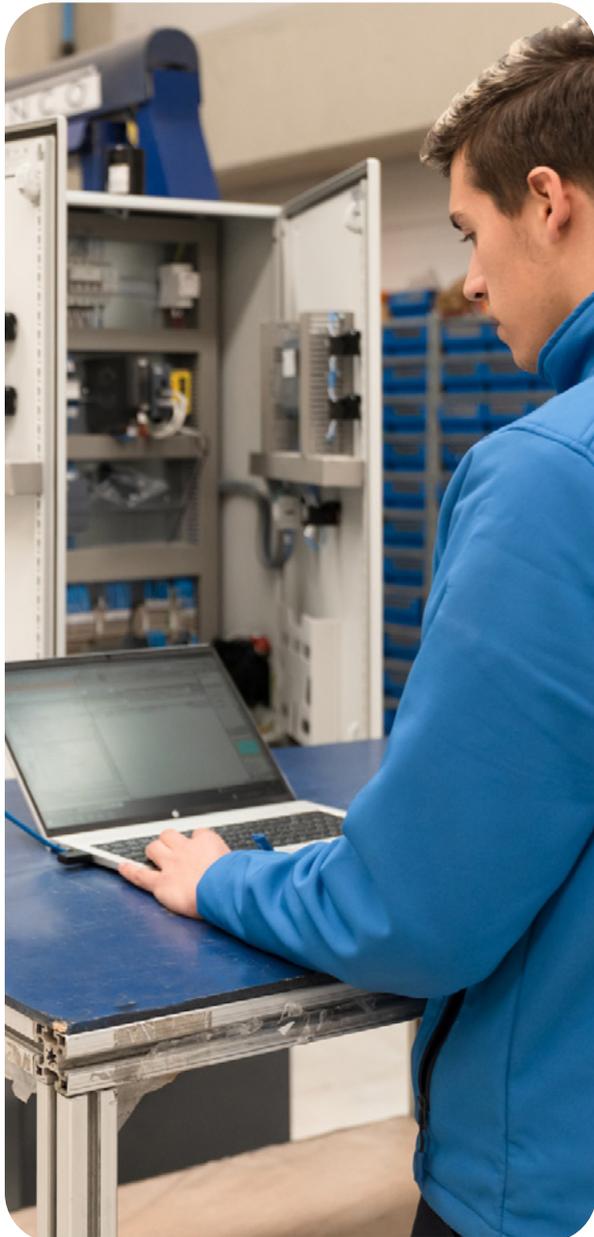
- Procedures based on legal compliance and due diligence.
- Compliance with the obligations established between the parties.
- Transparent management and constant dialogue.
- Confidentiality of shared information.
- Taking ESG aspects into account when evaluating and assessing our suppliers.
- Absence of conflicts of interest and independent decision-making, based on objective criteria.
- Reducing economic, social and environmental costs.
- Promoting continuous improvement, innovation and the exchange of best practice.

Supplier evaluation criteria, applied on a weighted basis, in the approval and evaluation processes:

- Value for money.
- Technical and financial solvency.
- Operational efficiency.
- Ethical behaviour and reputation.
- Social impact (respect for decent and fair working conditions).
- Environmental impact (circularity and climate).
- Proximity.

Our purchasing department is responsible for developing and improving the company's responsible sourcing model. This model consists of an initial evaluation phase of supplier companies, during which the following elements are verified:

- Compliance with established quality and safety standards.
- Supply and/or service coverage.
- Compliance with agreed delivery times.
- Receipt of technical and quality documentation, where applicable.
- Validity of product or management certifications or verifications.
- Acceptance of internal management conditions: payment deadlines and methods, among others.



Responsible sourcing.

In addition to documentary control, and depending on the product or service required, quality tests are carried out, as well as on-site visits to production centres, particularly companies supplying film, machinery and logistics.

Periodically or at the end of projects, we carry out an ongoing assessment of our suppliers to determine whether they are complying with established requirements and managing any incidents that may occur. This ongoing process may lead to the temporary or definitive unapproval of the supplier.

Indicators:

0,19%
of products returned for lack of quality.

54 days
average supplier payment period.

Local suppliers of machinery and logistics.

Only approved suppliers.

100%
of our logistics service providers have certified environmental management systems and measures in place to reduce environmental impact.

100%
of stretch film suppliers have environmental management certification and calculate and verify the carbon footprint of their products.

100%
of our film suppliers have their production sites in Europe.

Contribution to the environment.

Our community contribution strategy aims to maximise spin-offs and value creation by pursuing the following objectives:

- Steering the organisation's sustainable development towards meeting global environmental and social challenges by effectively adopting the SDGs.
- Contributing to the economic and social development, as well as the conservation of the natural heritage, of the communities in which we operate.
- Improving the implementation of concrete social and environmental actions for our stakeholders.

The priority themes of our actions are linked to:

- Environmental impact, climate change and the circular economy.
- Research, innovation, knowledge transfer and entrepreneurship with a social or environmental impact, particularly those related to our commercial activities.
- Education and employability.
- Promoting healthy lifestyles, such as sport and a healthy food.

- Ensuring decent living conditions, particularly for children.
- Working with industry associations to promote the sustainable development of the sectors in which we operate.

Our priority action groups:

- Young people, in particular the groups linked to employability and access to employment.
- Children and vulnerable social groups.
- People at risk of social and professional exclusion.
- Disadvantaged groups.

We organise visits to our facilities at nearby schools, where we try to raise young people's awareness of the importance of generating useful businesses, and we are members of the FP Dual (dual vocational training) programme, which has alternatives aimed at providing students with a vocational qualification that combines the training received at an educational centre with a training activity in a company, in order to promote job placement and direct hiring of students. Since 2019, we have used this modality

Historically, we have endeavoured to be an organisation concerned with the promotion of our socio-economic and environmental environment, carrying out actions in various organisations in the tertiary sector and with particular sensitivity to the contribution to employability. In particular, we have been committed for years to local development and the professional future of our young people, which is why we have developed collaborative alternatives with several local educational centres.

to hire a significant part of our team. Throughout the 2019-2022 period, Aranco has had a total of 13 people with DUAL contracts, 44.4% of whom have become permanent contracts, currently representing 8.33% of our total workforce.

As a sign of our commitment to this format, during this period, and for everyone on the programme

who interacts with Aranco, we are establishing the following guidelines:

- Each student is assigned a tutor who monitors the programme on a weekly basis.
- All students are registered for social security even during the non-compulsory FCT (training centre for work) work placement period.
- Each student is paid, at least to cover travel expenses.



ENVIRONMENTAL

- »» **6.1 Environmental management.**
- »» **6.2 Circular economy.**
- »» **6.3 Climate change.**



Environmental management.

At Aranco, we develop our commercial activities and the provision of our services with a view to minimising the environmental impact of our products.

The action criteria for reducing impacts are as follows:

1. **Compliance** with legislation.
2. **Identification and management** of environmental aspects.
3. **Preventive management**, based on the mitigation and elimination, as far as possible, of environmental impacts.
4. **Efficiency** and responsible consumption.
5. **Eco-design**.
6. **Sustainable performance** of the company's commercial activities, products and services.

Key environmental aspects of Aranco:



Atmospheric emissions from our activities, products and services.



Diesel and petrol consumption.



Noise pollution.



Circularity.



Water consumption.



Use of sustainable materials.



Electricity consumption.



Waste production and management.



Sustainable design of products and services.

In our environmental management, production efficiency and responsible consumption are priority action criteria, applied through the following criteria:

- We are reducing the economic and environmental costs of our activities and increasing our competitiveness.
- We help to mitigate the risks associated with the environmental aspects identified.
- We make our staff aware of the importance of sustainable development.
- We comply with and align with our mission, vision and corporate identity.

The inauguration of our Massamagrell site in 2021 marks an important step in our company's drive to improve our environmental performance, particularly in terms of the energy transition, since it has been designed and built in line with sustainability criteria.

Noise pollution.

The main source of noise pollution in our industrial activity comes from our industrial building, where the rewinding processes are located. Soundproofing booths have been installed in this building to reduce noise emissions. To obtain environmental permits for the new installations, they were subjected to various noise pollution tests, both in the industrial building itself (for the prevention of occupational hazards) and outside. All the results were positive, as the noise limits set by law were not exceeded.

Use of materials.

We manage raw and auxiliary materials efficiently, because of their significant impact on the quality and safety of products and services, as well as on reducing and controlling production and environmental costs.

Key measures for effective materials management:

- Implementation of a quality management system that keeps losses to residual levels.
- Digitalisation of materials management and control in the warehouse and production process.
- Purchasing model with quality control and materials fraud prevention.
- Collaboration with suppliers, with strict delivery deadlines and a close relationship that promotes efficient supply management.
- Informing, training and raising the awareness of the team in the correct use and management of materials.

Energy efficiency.

Energy efficiency and the use of renewable energy have been one of our main commitments and one of the main design criteria for new facilities.

Electricity is currently our main source of energy at Aranco, in addition to diesel and petrol for the vehicle fleet.

Main energy efficiency measures :

- Design, location and orientation of our facilities (inaugurated in 2021), which minimise the use of air-conditioning systems and encourage the use of natural lighting and open spaces.
- Installation of a 100-kW photovoltaic power plant.

- Intelligent lighting and climate control system.
- Cladding several façades of our facilities with wood-like slats (made from rice pulp and recycled resins) to reduce solar impact during the hottest months.
- CO₂ exchange and purification equipment with CO₂ renewal, filtration and expulsion devices, recovery and thermodynamics and partial free cooling.
- Hot water production for showers and changing rooms using a heat pump.
- Light and presence detectors for switching exterior and interior lights on and off.
- Use of LED or low-energy luminaires.



Measures to reduce diesel and petrol consumption by the vehicle fleet:

- Gradual migration of the car fleet towards more efficient, less polluting cars.
- Recharging points for hybrid and electric vehicles in our car park.
- Designing efficient itineraries for our technicians and sales staff for face-to-face visits and technical interventions.
- Teleworking, with different levels of implementation depending on needs, in all areas of the business that do not require physical activity in person.
- Remote training.
- Use of information technology to organise meetings by videoconference.
- Digitalisation of packaging services, enabling preventive and predictive monitoring of wrapping machines, as well as adjustments and repairs in certain cases, avoiding a percentage of physical visits by our technicians.

Water consumption.

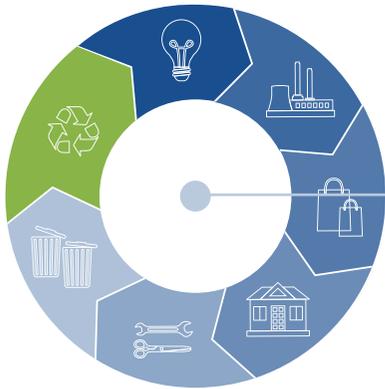
Our main water consumption is for personal use, both for drinking and for the changing rooms and showers in our gymnasium, as well as for watering the outside green spaces.

Our industrial activity does not require large quantities of water. However, we have implemented several water-saving measures in order to use a precious natural resource responsibly.

- Digital monitoring of water meters to identify any leaks or faults.
- Installation of purified water dispensers in all facilities (offices, warehouses, etc.) connected to the general water distribution network and provision of all staff with metal bottles to fill the water dispensers, to eliminate the use of water in PET bottles.
- Installation of aerators on taps to reduce the amount of water flowing.
- Installation of double pushbuttons on the toilets.
- Use of rainwater for irrigation thanks to a rainwater recovery system.
- Drip irrigation system.



Circular economy.



REUSE
RECYCLE
REDUCE

One of the main pillars of our environmental management is the development of a circular business model. To this end, one of the main environmental objectives of SMP 22/25 is to obtain certification as a circular company.

The circular economy is one of Aranco's hallmarks. From the outset, circularity has been an environmental criterion that has shaped our business model, as well as the design and differentiation of our products and services.

Pillars of our circular management:

- Encouraging the use of sustainable materials.
- Reducing waste production to a minimum.
- Promoting the recovery of resources, particularly raw materials.
- Revaluing the life cycle of our raw and auxiliary materials.
- Involving our key stakeholders in our initiatives.
- Basing our product and service innovations on eco-design.

- Increasing the efficiency of our production processes.
- Working with our strategic suppliers to develop more sustainable and circular products and processes.
- Comply with regulatory obligations regarding the management and communication of information on packaging.

At Aranco, we believe that our commitment to circularity can offer us new opportunities to differentiate ourselves and improve our competitiveness and environmental performance.



Zero Waste label.

In December 2022, we were awarded the 'Zero Waste' label by SaicaNatur, a distinction that recognises Aranco's efforts in our commitment to sustainable development, respect for the environment and our commitment to society.

This certification, officially known as “De Residuos a Recursos: Zero a vertedero” (From Waste to Resources: Zero to Landfill), verifies that our company manages to recycle or recover energetically more than 95% of the waste generated at our facilities in Massamagrell (Valencia).



REUSE



RECYCLE



REDUCE

The certification was issued by SaicaNatur, a Saica Group company specialising in waste management and environmental services and was audited and verified by the multinational certification body TÜV SÜD.

This label highlights the circular economy and waste recovery initiatives implemented by our company, thanks to which 98.78% of the waste generated at our Massamagrell facilities is recycled or reused for energy recovery purposes.

Our aim is to find alternatives to landfill so that waste can be given a second life as a secondary raw material, remaining in the production cycle as long as possible and minimising the impact on the environment. Our waste management model, in alliance with our partner SaicaNatur, promotes and guarantees transparency in the traceability of all waste, in every phase of our company's production.

Zero Waste Label.

By obtaining this label, we became the first company in the industrial packaging sector to obtain it in Spain, a milestone that was combined with the publication, also in 2022, of our sustainability report, corresponding to the 2021 financial year, which was also the first in the industrial packaging services sector.



Based on our 'Zero Waste' approach, in 2022 we recovered more than 132 tonnes of non-recyclable waste, avoiding landfill, and generating more than 274,000 kWh of electricity, equivalent to the consumption of 84 homes in Spain for an entire year.

Our responsible waste management is in line with the United Nations Sustainable Development Goals (SDGs), more specifically SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action), goals that we have adopted as strategic, as already demonstrated in our 2021 Sustainability Report.

This recognition demonstrates our determination to be the leading company in the transition of the industrial packaging industry towards sustainability.

Reduce.

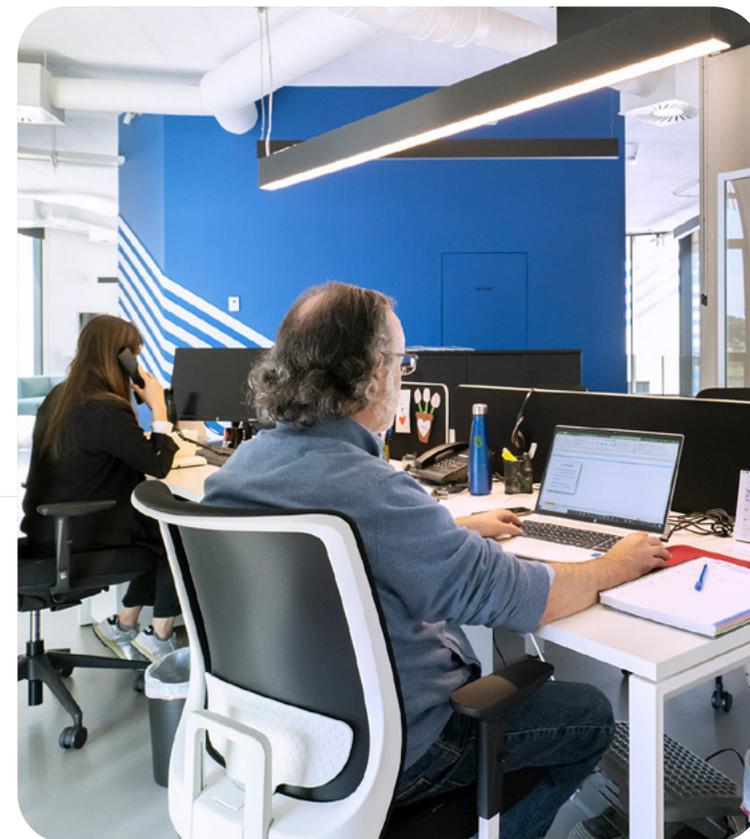
Responsible consumption and operational efficiency are two pillars of our business, which we apply both internally and, in the design, and development of our products and services.



Inside Aranco

Internally, we are taking steps to achieve the greatest possible efficiency in all areas of action:

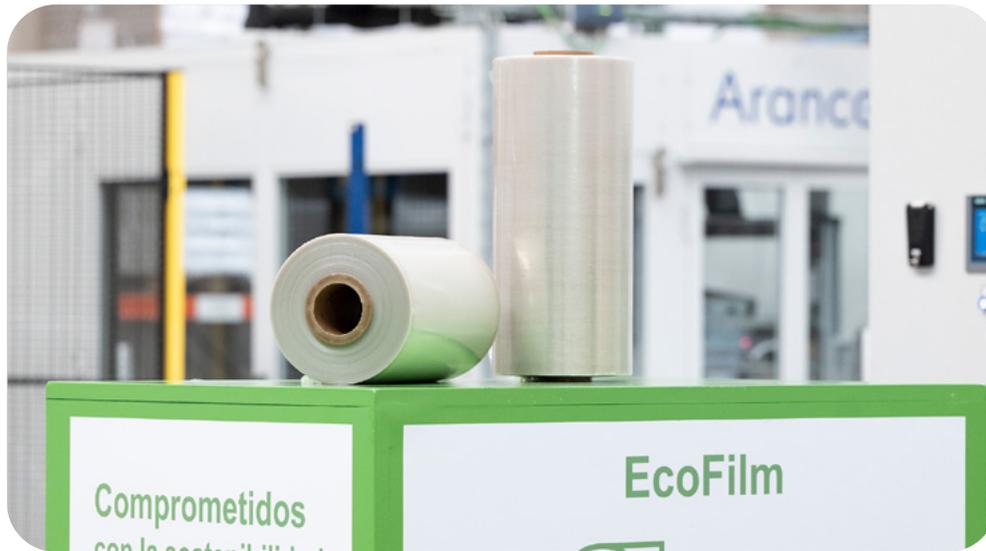
- Digitalising our management, reducing the use of paper.
- Distribution of corporate aluminium bottles to our staff, to encourage the use of properly treated tap water.
- Reducing the number of printed documents to the strict minimum.
- Personalised management of the menus for our company canteen (a free buffet for our employees), using an application to ensure that only the food requested is cooked and served, thereby reducing food waste.
- Reduced electricity consumption thanks to home automation tools and efficient lighting, as well as an efficient air-conditioning system.
- Reduced consumption of irrigation water.



Consumption of supplies:

SUPPLIES	QUANTITIES 2021	QUANTITIES 2022
Water (megalitres)	2,34*	0,739
Light (kilowatts)	353.437	356.043
Diesel B7 (litres)	41.760,46	28.198,20
Petrol E5 (litres)	454,69	10.330,66

**The 2021 value (2.34 megalitres) includes part of the water consumption during the construction of Aranco's new facilities at Massamagrell.*



The impact of our products and services

Our products and services have the greatest impact on reducing consumption. Efficiency is a differentiating feature of our business services and one of the most valued by our customers.

The new range of intelligent wrapping machines developed and due to go into production in 2022 is based on eco-design criteria, with a structure of prefabricated aluminium tubular modules and no superfluous or unnecessary aesthetic elements. The plastic components of the wrapping machines have been reduced to the minimum necessary and are made from recycled plastic using 3D printing.

Thanks to our products and services, we are able to:

- Improving the quality of wrapping machines, thereby reducing losses, increasing shipping capacity and reducing film waste.
- Reducing film consumption by up to 67% on average for new customers.
- 85% reduction in the consumption of kg of cardboard in rolls.
- Reducing the micronage of stretch film.
- Increasing number of metres of film per roll.
- In collaboration with our logistics partner, reducing emissions related to the transport of our products (pallets of film rolls, wrapping machines), with delivery times (48/72 hours in Spain and Portugal; 72/96 hours in France) adapted to our customers' needs, avoiding in most cases urgent transport.
- Reducing in emissions generated by our technicians' vehicles, thanks to optimised routes planned to use artificial intelligence tools.
- Increasing the productivity of the wrapping machines process through digitalization, the application of RFID technology, the implementation of wrapping machines machine maintenance plans, remote assistance, etc., all of which help to reduce breakdowns and downtime.

Recycle.

Recycling is another essential element of our environmental management. It is an integral part of our business activities and the delivery of our services. We manage waste responsibly and effectively to facilitate its recovery and extend its useful life.

Main waste management measures in Aranco:

- Working with approved recycling managers, who guarantee that our waste is recycled. In 2022, we obtained the Saica Natur *Residuo Zero* label.
- Separation of waste, which we deposit in specially designated areas and containers.
- Packaging and labelling of toxic and hazardous waste, in compliance with legal requirements.
- Training for team members in charge of waste management.
- Information and training programmes for all staff to separate and correctly dispose of the waste generated.

- Implementation of a protocol for classifying, depositing and removing waste.
- Film remnants and other waste from suppliers' packaging, waste or returns from suppliers, managed by our approved recycling manager.
- Wooden pallets, cores and sheets of cardboard used to pack our products, and which cannot be reused are handed over to our approved waste manager for recycling.

WASTE	LER CODE	TYPE	KG 2021	KG 2022
Cardboard	200101	Non-hazardous	1.465	1.635
Scrap metal	200140	Non-hazardous	1.230	355
Low-density polyethylene	191204	Non-hazardous	1.240	0
Polyethylene	150102	Non-hazardous	5.390	6.705
Strapping	2001139	Non-hazardous	615	520
Wood	170201	Non-hazardous	6.175	5.420
Recyclable waste to be sorted	200307	Non-hazardous	116.815	132.840

During 2022, Aranco produced an insignificant amount of hazardous waste, such as aerosol cans, rags and the like, which is managed in accordance with legislation.

Reuse.

Our main actions in the field of reuse include the following:



- Design and manufacture of heavy-duty wrapping machines, using top-quality materials that guarantee a long service life thanks to their durability and reparability.
- Wrapping machine maintenance plans that maximise the useful life of them, while maintaining high productivity.
- Refurbishment of obsolete or damaged wrapping machines, extending their useful life. Although we will be carrying out a major refurbishment of our fleet in 2022, we are committed to this model and continue to carry out this work on many of them:

	YEAR 2021	YEAR 2022
Refurbished wrapping machines	71	58

- Dismantling damaged machines to reuse their components.
- Marketing of high-performance stretch films manufactured with at least 30% recycled raw materials (from used stretch films collected on the market, PCR or Post Consumer Recycled).

- Use of high-quality films, making it easy to reuse, after a recovery process, both as film and as raw material for other industries.

Reuse is another criterion we consider when acquiring materials. We try to promote the use of materials of sustainable origin (recyclable or reusable):

- We reuse wooden pallets from film suppliers and only buy second-hand wooden pallets from a local supplier if necessary.
- We use FSC-certified cardboard cores.
- We use FSC-certified cardboard sheets for the film pallets.
- We have purchased furniture for our facilities made from FSC-certified wood. The origin of the components is also certified as recycled and recyclable materials.
- The roofs and batten systems of the buildings are made from rice pulp and recycled resins.

Climate change.



We are aware of the need to decarbonise the economy in order to combat climate change, one of the major issues facing the planet and the global community. That's why we are committed to continuing to develop a business model based on reducing consumption and emissions, bringing our knowledge, technology and advances in the packaging sector to bear on this challenge.

Low-carbon services.

Controlling company emissions.

Low-carbon services.

Our main environmental commitment is to develop a circular, low-carbon economic and business model. We contribute to the fight against climate change by designing and developing low-carbon services that support the transition to climate neutrality for our customers and suppliers.

Main measures to reduce emissions:

- Design and development of services based on eco-innovation and eco-efficiency criteria.
- Reducing resource consumption. We are reducing the micronage of our films (over 70% of the films we market are 6 or 7 microns thick) and maintaining our high standards of quality and strength. We are encouraging the introduction in Spain and other European markets of low micronage, high quality films with a minimum PCR recycled content of 30%.
- Digitalisation of our services, enabling us to carry out work on our wrapping machines remotely, without having to travel to the site, as well as checking and maintaining the wrapping machines to ensure they are working at optimum efficiency.
- Design and manufacture of wrapping machines that are more energy-efficient and consume fewer

material resources (avoiding superfluous aesthetic features and prioritising durability, reparability and operating efficiency).

- More sustainable mobility, with our technicians designing efficient routes using artificial intelligence tools developed with technology partners.
- Replacing diesel and petrol vehicles with hybrid and electric cars.
- Intelligent logistics, working with logistics partners who take effective measures to reduce emissions through efficient routing, effective groupage, more efficient vehicles, and appropriate delivery times (48/72/96 hours) that avoid urgent deliveries wherever possible.
- Use of information technology to avoid having to travel for meetings, etc.
- Teleworking, with different levels of implementation depending on needs, in all areas of the business that do not require face-to-face physical activity.

Corporate emissions control.

During the 2021 financial year, we calculated our company's carbon footprint for the first time, to coincide with the inauguration of our new facilities at Massamagrell. We wanted to start with a baseline year of measurement, find out our main sources of greenhouse gas emissions and measure the effectiveness of the reduction and mitigation actions we have implemented.

In 2022, we recalculated our carbon footprint using the same methodology as that used in 2021, developed by the World Resources Institute and the World Business Council for Sustainable Development (WBSCDI): the Greenhouse Gas Protocol (GHG Protocol), which provides standards and guidelines for companies and other organisations to calculate their carbon footprint in scopes 1, 2 and 3.

In 2022, we have also calculated the mandatory scopes 1 and 2, so that the following sources of emissions have been identified:

- **Scope 1:**
consumption of B7 diesel and E5 petrol by our fleet of vehicles.
- **Scope 2:**
electricity consumption at our facilities.

The emission factors used are those published by the Spanish Ministry of Ecological Transition and Demographic Challenge for the year 2022, which were published in 2023.

Company carbon footprint 2021 v. 2022

	2021	2022
Scope 1 (Tn CO₂ eq)	106,248	94,285
Petrol E5	1,023	23,241
Diesel B7	105,225	71,044
Scope 2 (Tn CO₂ eq)	81,997	96,131
Total carbon footprint (Scope 1 + 2)	188,245	190,416
Efficiency ratio (turnover) Tn CO ₂ eq/1M€	9,038	7,495

To calculate the emissions intensity ratio, we have used sales figures, as they are directly linked to the company's activity and provide a better indication of the effectiveness of the actions taken.

Our company's carbon footprint efficiency ratio is significantly better than last year: we have increased our turnover by 22%, but we have maintained our emissions, reducing the number of tonnes of CO₂ equivalent per million turnovers by 17%.

Main measures taken to reduce company emissions:

- Decarbonising the energy supply for buildings, using electricity as the sole source of energy.
- Installation of a 100-kW photovoltaic power plant on the roof of our industrial building. The plant will be operational in 2023.
- Change of electricity distribution company, guaranteeing neutrality of emissions linked to electricity consumption.
- Digitalisation and home automation of facilities, to increase their efficiency.
- A policy of acquiring more energy-efficient equipment and machinery.
- Use of water systems for air conditioning installations.
- Conclusion of contracts and agreements with more efficient, lower-emission logistics partners. Introduction of electric trucks in certain supply chain operations.
- Gradual migration of the fleet of vehicles, both industrial and representative, to fewer polluting models (hybrid and electric).

Our mobility policy.

Our mobility policy provides for the renewal of company vehicles through leasing operations for four, five or six years, depending on the number of kilometres covered by each car. As part of this renewal, we are replacing diesel and petrol vehicles with hybrids (in 2023, we have integrated a 100% electric vehicle into the technical department of our subsidiary Aranco France).

Type of vehicle	VEHICLE FLEET 2021				VEHICLE FLEET 2022			
	Diesel	Petrol	Electric	Hybrid	Diesel	Petrol	Electric	Hybrid
Cars	17	0	0	1	9	0	0	10
Forklifts	0	0	5	0	0	0	5	0

The aim of this fleet renewal is twofold. Firstly, to ensure that our employees, who must travel regularly by company car, have a quality vehicle that has been renewed and offers the best guarantees of safety. Secondly, to ensure that emissions and polluting gases and particles are reduced as much as possible, thanks to increasingly durable engines.

At our headquarters (Massamagrell), we have a recharging zone for electric and hybrid cars, which will be operational as soon as it is built in 2020.

The average age of our cars in 2022 was 1.4 years.

The electrification and renewal of our vehicle fleet is permanent, and we are committed to ensuring the safety of our employees and reducing emissions.

Logistics with fewer emissions

We don't have any vans or commercial or industrial transport vehicles because the logistics of our business is outsourced to a supplier who specialises in optimising routes according to criteria of efficiency, economy and sustainability, while at the same time guaranteeing adequate delivery times for our customers. Thanks to these delivery times, by using groupage routes and avoiding as far as possible urgent deliveries (which we only make in truly exceptional cases), our logistics partner reduces fuel consumption and emissions.



Our logistics provider is strongly committed to decarbonising its business, and since the start of 2023 has begun using a 100% electric trailer truck for the daily collection of our orders from our central warehouse in Massamagrell.

Contact us.

Aranco

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Annex: Table of GRI indicators

Annex: Table of GRI indicators.

Aranco has prepared this report in accordance with GRI 2016 standards for the period from 1 January 2022 to 31 December 2022.

Index of general and specific GRI content, according to compliance option– *Essential*

GRI Standard	Description	Page	Direct response
GRI 101: FUNDAMENTAL PRINCIPLES, 2016 GRI 102: GENERAL CONTENT, 2016			
1. PROFILE OF THE ORGANISATION			
GRI 102-1	Name of the organisation		Aranguren Comercial del Embalaje, S.L
GRI 102-2	Activities, brands, services or products	Pages 12-15	
GRI 102-3	Location of the organisation's headquarters		Polígo industrial Massamagrell, C/ industrias nº 10, 46130 Massamagrell (Valencia) Spain
GRI 102-4	Location of operations	Pages 9-10	
GRI 102-5	Ownership and legalform		Sociedad limitada Unipersonal. Civis LKH Holding España S.L.
GRI 102-6	Markets and services	Pages 9, 12-15	
GRI 102-7	Size of organisation	Pages 20-21	
GRI 102-8	Information on employees and other workers	Pages 41-42	
GRI 102-9	Supply chain	Pages 52-53	
GRI 102-10	Significant organisational and supply chain changes		Tresmares Capital investment fund entry
GRI 102-11	Precautionary principle or approach	Pages 33-35	
GRI 102-12	External initiatives		We do not approve the external articles of association
GRI 102-13	Membership of associations		ANAIP and ADL
2. STRATEGY			
GRI 102-14	Statement by senior executive decision-makers	Pages 4-5	
GRI 102-15	Main impacts, risks and opportunities	Pages 33-34, 37-38	
3. ETHICS AND INTEGRITY			
GRI 102-16	Values, principles, standards and norms of conduct	Pages 11, 30-31, 35	
GRI 102-17	Consultative mechanisms and ethical concerns		Óscar Bailo Goiricelaya

GRI Standard	Description	Page	Direct response
GRI 101: FUNDAMENTAL PRINCIPLES, 2016 GRI 102: GENERAL CONTENT, 2016			
4. GOVERNANCE			
GRI 102-18	Governance structure	Page 32	
GRI 102-19	Delegation of authority	Page 32	
GRI 102-21	Stakeholder consultation on economic, environmental and social issues	Pages 36-37	
GRI 102-22	Composition of the supreme governing body and its committees	Page 32	
GRI 102-23	Chairperson of the Board of Directors		Gaizka Lara Goiricelaya
GRI 102-24	Nomination and selection of the highest governance body	Page 12-15	The Chairmanship of the Board is elected by consensus of the Board members by means of minutes of the Board itself and public record.
GRI 102-26	Role of the highest governance body in selection of purpose, values and strategy	Page 32	
GRI 102-29	Identification and management of economic, environmental and social impacts	Pages 33-34, 36-37	
GRI 102-32	Role of the highest governance body in sustainability report		Commissioning and approval of the final document.
GRI 102-33	Communication of critical concerns		No
GRI 102-34	Nature and number of critical concerns	Pages 33-34, 37	
5. STAKEHOLDER PARTICIPATION			
GRI 102-40	List of stakeholders	Page 36	
GRI 102-41	Collective agreements		100% of employees covered by the collective agreement
GRI 102-42	Identification and selection of stakeholders	Page 36	
GRI 102-43	Approach to stakeholder engagement	Page 36	Triennial
GRI 102-44	Key issues and concerns raised	Page 38	
6. REPORTING PRACTICES			
GRI 102-45	Entities included in the consolidated financial statements		Aranguren Comercial del Embalaje, S.L.
GRI 102-46	Defining the content of reports and coverage	Page 37	
GRI 102-47	List of material items	Page 38	
GRI 102-48	Restatement of information		Not applicable
GRI 102-49	Changes in reporting		Not applicable

GRI Standard	Description	Page	Direct response
GRI 101: FUNDAMENTAL PRINCIPLES, 2016 GRI 102: GENERAL CONTENT, 2016			
GRI 102-50	Reporting period		Financial year 2022, from 1 January to 31 December
GRI 102-51	Date of last report		Second report
GRI 102-52	Annual reporting cycle		Annual
GRI 102-53	Contact point for questions about the report	Page 69	sostenibilidad@aranco.com
GRI 102-54	Statement of preparation of the report in accordance GRI standards	Page 71	
GRI 102-55	GRI content index	Pages 71-76	Essential
GRI 102-56	External audit		
GRI 103: MANAGEMENT APPROACH, 2016			
GRI 103-1	Explanation of the material topic and its coverage	Pages 37-38	
GRI 103-2	The management approach and its components	Pages 16, 33-39	
GRI 103-3	Evaluation of the management approach	Pages 30-35	
GRI 201: ECONOMIC PERFORMANCE, 2016			
GRI 201-1	Direct economic value generated and distributed	Pages 20-21	
GRI 201-3	Defined benefit plan obligations and other retirement plans		No
GRI 201-4	Financial assistance received from the Government		298.799,40 €
GRI 202: MARKET PRESENCE, 2016			
GRI 202-1	Ratio of standard entry-level wage by sexto local minimum wage	Page 20	
GRI 202-2	Proportion of senior managers recruited from the local community		100%
GRI 204: PROCUREMENT PRACTICES, 2016			
GRI 204-1	Proportion of expenditure on local suppliers	Pages 20-21	
GRI 205: ANTI-CORRUPTION, 2016			
GRI 205-1	Operations assessed for corruption-related risks		100% of operations evaluated
GRI 205-3	Confirmed cases of corruption and measures taken		No cases detected
GRI 206: UNFAIR COMPETITION, 2016			
GRI 206-1	Legal actions relating to unfair competition and monopolistic and anti-competitive practices		No cases detected

GRI Standard	Description	Page	Direct response
GRI 302: ENERGY, 2016			
GRI 302-1	Energy consumption within the organisation	Page 62	
GRI 302-4	Reducing energy consumption	Page 67	
GRI 303: WATER AND EFFLUENTS, 2018			
GRI 303-1	Interaction with water as a shared resource	Page 58	
GRI 303-2	Management of the impacts related to water discharges	Page 58	
GRI 303-5	Water withdrawal	Page 62	
GRI 304: BIODIVERSITY, 2016			
GRI 304-1	Owned, leased or managed operations centres located in or near protected areas or areas of high biodiversity value outside protected areas.		No
GRI 304-3	Protected or restored habitats		No
GRI 304-4	Species listed on the IUCN red list and on national conservation lists whose habitats occur in habitats affected by operations.		Not applicable
GRI 305: EMISSIONS, 2016			
GRI-305-1	Direct GHG emissions	Page 67	
GRI-305-2	Indirect GHG emissions	Page 67	
GRI-305-4	GHG emissionsintensity	Page 67	
GRI-305-5	Reducing GHG emissions	Page 67	
GRI 306: WASTE, 2020			
GRI 306-1	Waste genertion and significant waste related impacts	Pages 60-61	
GRI 306-2	Management of significant waste related impacts	Pages 60-61	
GRI 306-3	Waste generated	Pages 60-61	
GRI 306-4	Waste not intended for disposal	Pages 64-65	
GRI 306-5	Waste for disposal	Pages 64-65	
GRI 307: ENVIRONMENTAL COMPLIANCE, 2016			
GRI 307-1	Non-compliance with environmental legislation and regulations		No non-conformities detected
GRI 401: EMPLOYMENT, 2016			
GRI 401-1	New employee recruitment and staff turnover	Pages 41, 48	
GRI 401-2	Benefits for full-time employees not given to part-time employees		No
GRI 401-3	Parental leave	Page 48	

GRI Standard	Description	Page	Direct response
GRI 403: HEALTH AND SAFETY AT WORK, 2018			
GRI 403-1	Occupational health and safety management system	Pages 44-45	
GRI 403-2	Hazard identification, risk assessment and incident investigation	Pages 44-45	
GRI 403-3	Occupational health services	Pages 44-45	
GRI 403-5	Workplace health and safety training for workers	Page 46	
GRI 403-6	Promotion employee health	Pages 44-45	
GRI 403-8	Coverage of the occupational health and safety management system	Pages 44-45	
GRI 403-9	Injuries due to accidents at work	Pages 44-45	
GRI 403-10	Occupational diseases and illnesses	Pages 44-45	
GRI 404: TRAINING AND EDUCATION, 2016			
GRI 404-1	Average hours of training per year per employee	Page 46	
GRI 404-2	Programmes to improve employee skills and transition support programmes	Page 46	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES, 2016			
GRI 405-1	Diversity in governing bodies and employees	Pages 32, 42	
GRI 405-2	Ratio of base salary and remuneration for women to men	Page 48	
GRI 406: NON DISCRIMINATION, 2016			
GRI 406-1	Cases of discrimination and corrective measures taken		No cases detected
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING, 2016			
GRI 407-1	Operations and suppliers whose right to freedom of association and collective bargaining may be threatened		No cases detected
GRI 408: CHILD LABOUR LOCAL COMMUNITIES, 2016			
GRI 408-1	Operations and suppliers with significant risk of child labour cases		No cases detected
GRI 409: FORCED OR COMPULSORY LABOUR, 2016			
GRI 409-1	Operations and suppliers with significant risk cases of forced or compulsory labour		No cases detected
GRI 410: SECURITY PRACTICES, 2016			
GRI 410-1	Security personnel trained in human rights policies or procedures		No
GRI 411: INDIGENOUS PEOPLES RIGHTS, 2016			
GRI 411-1	Cases of violations of the rights of indigenous peoples		Not applicable

GRI Standard	Description	Page	Direct response
GRI 412: HUMAN RIGHTS ASSESSMENT, 2016			
GRI 412-1	Operations subject to human rights impact assessments or reviews		100% of strategic suppliers
GRI 412-2	Training of employees on human rights policies or procedures		No
GRI 414: SOCIAL ASSESMENT OF SUPPLIERS, 2016			
GRI 414-1	New suppliers that have passed selection filters according to the social criteria		100%
GRI 414-2	Negative social impacts on the supply chain and measures taken		100% of new supplier companies approved
GRI 415: PUBLIC POLICY, 2016			
GRI 415-1	Contributions to political parties and/or representatives		No contributions have been paid
GRI 416: CLIENT HEALTH AND SAFETY, 2016			
GRI 416-1	Health and safety impact assessment of product or service categories		No cases detected
GRI 416-2	Cases of non-compliance concerning health and safety impact of product and service categories		No cases detected
GRI 417: MARKETING AND LABELLING, 2016			
GRI 417-2	Cases of non-compliance related to product and service information and labeling		No cases detected
GRI 417-3	Cases of non-compliance related to marketing communications		No cases detected
GRI 418: CUSTOMER PRIVACY, 2016			
GRI 418-1	Substantiated complaints regarding breaches of customer privacy and loss of customer data		No cases detected
GRI 419: SOCIO-ECONOMIC COMPLIANCE, 2016			
GRI 419-1	Non-compliance with laws and regulations in the social and economic fields		No cases detected

