2023 Sustainability Report

DEPLOYING OUR RAISON D'ÊTRE

HINOJOSA

HINOJOSA

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Rubén Martínez
Chairman of Hinojosa Packaging Group

"OUR SECTOR IS EXPANDING AND PRESENTING ITSELF AS A SUSTAINABLE ALTERNATIVE. WE ARE A KEY PLAYER IN THE ECOLOGICAL TRANSITION.

We live in changing times. Both the global market and our sector are facing a backdrop of challenges, but also opportunities. As Marie Curie said, "nothing in life is to be feared, it is only to be understood". These words have been very inspiring for us over the past year. This is a challenging time that requires resilience and leadership, but also the ability to continue combining talent, hard work and ideas. Every day, we must maintain our spirit of continuous improvement, always hand in hand with our customers, moving forward together as we look to a future where our commitment to sustainability sets us apart.

Our sector is continuing to expand and is presenting itself as a sustainable alternative, which has been endorsed by European institutions in their new regulations, after months of legislative uncertainty. At a time of climate crisis, we are a key player in the ecological transition the environment needs. There can be no doubt that cardboard is a material of the future. Everyone's ambition to achieve a fully circular economy means that we must continue our commitment to this sector, with innovation as the key to achieving our goals.

Our purpose is clear: to improve the common good with sustainable packaging solutions. We continued to work towards this in 2023. We are continuing to expand our activities and influence internationally. We are improving our results, enabling us to continue investing in optimising our processes and improving the experience of our customers. We are continuing to grow with one eye on the legacy we inherited and the other on the legacy we want to leave for future generations.

> We have reduced emissions from our operations by up to 16% and improved resource use and waste management, achieving a 95.2% recovery rate"

These and other aspects of our commitment to care for the planet are detailed in this report. The report provides an overview of our strategy and our initiatives to make a positive impact.

This year we have made steady progress on our ESG commitments, with a strong focus on decarbonisation. We have reduced emissions from our business by up to 16%, significantly reducing our carbon footprint. Our willingness to make further progress and improvements in this area has led us to make a commitment to the Science Based Targets Initiative (SBTi), which aims to limit the global temperature rise to 1.5°C in the short term. We have a clear goal and are working tirelessly to achieve the SBTi net-zero standard by 2050.

We have also improved our environmental performance in areas such as resource use and waste management, achieving a recycling rate of 95.2%. We are also becoming more efficient in our use of water, and we are making strides to improve management of the chain of custody. As a result, we have once again been awarded the EcoVadis Gold Medal, scoring higher than over 95% of the more than 100,000 companies assessed. This is something we are very proud of and something that drives us to improve our performance every day.

The recognition of our work is also evident in awards such as Liderpack, where three of the products we have developed with our customers were recognised for their innovation this year. This encourages us to continue on the path of collaboration and motivates us to continue refining, adapting and improving our work, while at the same time caring for the planet and seeking packaging solutions that are increasingly sustainable. Another example of this is our new line of primary packaging, Foodservice, which was created in 2023 in response to the reality of our times, the new legislative framework and the challenge of the circular economy.

All this confirms that, for us, innovation is not an empty word but a robust and strategic commitment to meeting our customers' needs responsively. We understand innovation in a broad sense, as a tool to help us develop products that meet the needs of both the present and the future.

To this end, we must continue to keep attracting and developing talent as the key to our activities. We do this through initiatives such as Dual Vocational Training, which also promotes access to the labour market for younger generations and is becoming more and more established every year. We can only continue to make progress in creating new sustainable products by focusing on innovation and talent.

We believe strongly in the need to act to meet new challenges, both at home and abroad. At Hinojosa Packaging Group, we are increasingly expanding our activities and taking firm steps towards our internationalisation goals. We always do this hand in hand with our customers, with a decentralised organisational model that allows us to be close to them to make it easier for us to meet their needs. This is why, in 2023, we acquired a stake in the capital of the French company ASV Packaging, strengthening our presence in France. In addition, we have completed the acquisition of the Italian company MS Packaging in 2024, giving us access to the second largest packaging market in Europe. In both of these countries, we aim to be a dynamic agent of social progress, rooted in local communities, because our commitment to the environment and the people who live there is global but starts at the local level.

The outlook for the future motivates us to improve continually and to work to be the best we can be. In 2023, we completed our "Be Stronger" strategic plan. Looking back at the road we have travelled, the daily effort has paid off: we are continuing to make progress and are getting closer to our goals every day.

As a result, our competitive advantages are well established. Despite the economic slowdown, we have always grown more strongly than the market. We have one of the widest product ranges in Europe, and we continue to expand our portfolio with new additions, becoming a benchmark in the food sector without losing our essence.

I cannot end this letter without emphasising that the milestones we have reached would not have been possible without the daily efforts of the teams that make up our company. Their talent and creativity have made us what we are today: a key player in the sustainable packaging sector in Europe.

Our contribution to society is to preserve the value of the products contained in our packaging. But our work does not end there. We want the positive impact of our activities to continue to grow and for everybody to become aware of the role their consumption habits play in a climate fight that involves us all. It is our duty to work with this momentum and to seek to bring us a little closer, every day, to the future we want to see, and that we are confident we can build.

02

ABOUT US

At Hinojosa Packaging Group, our mission goes beyond producing innovative and sustainable packaging. We strive to improve our positive impact on the areas where we operate. Together with our customers, we seek to contribute to the common good every day. These are our goals wherever we operate: to care for our environment and planet, our employees and our communities. What we do is a reflection of who we are.

WHAT YOU WILL FIND IN THIS CHAPTER

MORE THAN 75 YEARS OF STRIVING TO IMPROVE
OUR VALUES, OUR PURPOSE
SUSTAINABLE PROGRESS
OUR PLANTS
CIRCULAR NATURE: BEYOND PACKAGING
THE TIME FOR PARTNERSHIPS
SUSTAINABILITY POLICY AND COMMITMENTS
TIME TO INNOVATE

02.1

MORE THAN 75 YEARS OF STRIVING TO IMPROVE

Goals are achieved through effort and perseverance. If we wake up every day determined to be a little better, then, with persistence, hard work and dedication, we can turn our aspirations into realities that will last for generations. This way of looking at the world is the great legacy we have treasured at Hinojosa Packaging Group for more than 75 years.

In 1947, Rafael Hinojosa Sanchís began the project of a lifetime. Although times were difficult, his confidence in the work and his good ideas have brought us to where we are today. That first factory dedicated to the use of cardboard for packaging has become a leading brand in the packaging sector throughout southern Europe, with plants in Spain, Portugal, France and Italy. That entrepreneurial spirit and the drive for continuous improvement remain intact.

The road to get here has been long, always adapting to the context and rhythm of new times and the needs of the people living in them. Now, with the third Hinojosa generation at the helm, the challenges we face require us to redouble our efforts. Consumers and society as a whole are aware of the complexity of today's challenges. More than ever, it is imperative that both materials and processes are designed with circularity at their core, from the start of production to the end of their useful life.

We strive to combine the interests of our customers with our commitment to care for the planet

This is what we strive to do every day, combining the interests of our customers, to whom we want to provide the best packaging solutions, with our commitment to caring for the planet. Every improvement in our impact is closely linked to this vision, and every goal we achieve brings us closer to our shared goal of being better. For example, in 2023 we launched 'Foodservice', our first range of 100% recyclable packaging in this booming sector, helping to reduce single-use plastics, which is one of the great challenges of our time.

At the same time, we are an increasingly international business. In 2023, the acquisition of a 49% stake in the French company ASV Packaging marked a new milestone in our history. In 2024, we have completed the acquisition of the Italian company MS Packaging, with two plants in the country and a strong presence in the food and beverage market, giving us access to the second-largest packaging market in Europe. Internationalisation is already part of our daily work: we operate and lead the sector in Southern Europe (France, Portugal, Italy and Spain), where we have strong roots in the community and great influence on their markets, and we are determined to continue growing in the medium term.

At this key moment when we are shaping our future, we never forget who we are and how we got here. In the same spirit of commitment as those who came before us, we will continue to work to ensure that our customers' progress has a greater positive impact on the planet and the environment every day.

1947 — **Rafael Hinojosa** starts the business.

1995 — **Vertical integration** of the first paper mill.

2000 — **European Corrugated Packaging Alliance.** Blue Box Partners is founded to provide a single pan-European partner for major customers.

2014 — **We expand our product range.** Folding Packaging. Acquisition of the first plant specialising in end-consumer packaging.

2015 — **Pioneers in digital printing** We install Europe's first digital Single Pass printer.

2016 — **1st Sustainability Report.** Publication of the first report to stakeholders on the company's ESG progress and contribution, demonstrating our firm commitment to sustainable development.

2020 — **Expansion into Portugal.** Our internationalisation begins with the acquisition of Graphicsleader in Portugal.

We expand our product range. Entry into the premium packaging market with the acquisition of a plant specialising in this product.

2021 — **Expansion into France.** First acquisition in France. We now have 7 plants in this market.

2022 — **Purpose and rebranding.** Defining the shared purpose and adapting the value proposition to the new reality of the business.

2023 — **We expand our product range**
- New business line
- We take a stake in ASV Packaging.

Folding-Siquos Packaging Partners Alliance

2024 — **Expansion into Italy.** Acquisition of MS Packaging and the group's entry into the second largest European market in our sector

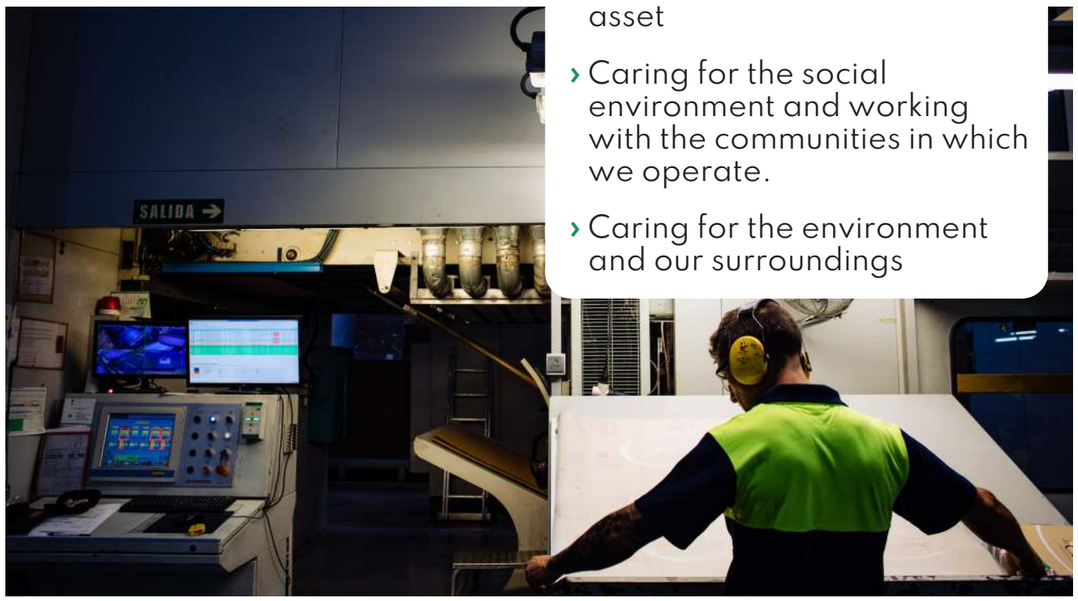
02.2

OUR VALUES, OUR PURPOSE

We share a clear purpose: to improve the common good through sustainable packaging solutions. Our value proposition is based on sustainable excellence for each customer's needs, while offering flexibility and agility. We strive to make the sustainability and positive impact of our packaging an outstanding value in itself to achieve maximum consumer satisfaction.

In addition to producing high-quality packaging, we take care of everything around us: the customer, with tailor-made solutions; our employees, who are our most valuable asset; our social environment, working with the communities where we are based; and the environment, on which we depend.

- Caring for our customers with tailor-made solutions.
- Caring for our employees, who are our most valuable asset
- Caring for the social environment and working with the communities in which we operate.
- Caring for the environment and our surroundings



In order to move towards this goal of caring for the environment and our stakeholders, we rely on a corporate culture shared by the entire Hinojosa Packaging Group.

THE VALUES THAT UNDERPIN OUR CORPORATE CULTURE

Customer orientation

We want to help and satisfy our internal and external customers by always meeting their needs.

Positive attitude

We understand the reality and try to improve it, focusing on the positive aspects that enable us to progress.

Excellence

We want to do things right, and we always do them right by aiming for optimum quality from the very start.

Trust

We believe in people and trust them to act appropriately in a given situation.

02.3 SUSTAINABLE PROGRESS

In the face of the immense current and future challenges, we need a holistic vision that integrates consumer needs with our commitment to social and environmental well-being. This is the only way we can chart a sustainable and prosperous course for future generations.

To achieve this, we apply the principles of the circular economy to our packaging solutions, and we work to preserve the essence of what we do locally in all our operations in a global market.

Sector, markets and products

The packaging sector is undergoing a transformation. Digitalisation, design, innovation and sustainability are essential factors in our work. Sustainability in its broadest sense (environmental, social, economic and governance) informs our actions and decisions and is at the heart of our business development strategy.

The serious health crisis we experienced four years ago highlighted the interdependence of human and environmental health, and also our role as a vital sector that guarantees the supply of products to people. More recently, rising raw material, energy and distribution costs, as well as economic and inflationary pressures, have brought new challenges for the company. Always true to our unwavering principles of sustainability, digitalisation and customisation, we are working to anticipate trends and improve our performance as a benchmark in the sector.

Packaging trends 2023

- Sustainability
- Digitalisation
- Design and storytelling
- Decarbonisation
- Positive impact
- *Smart packaging*
- Customisation

→ FIND OUT MORE ABOUT KEY PACKAGING TRENDS

24 production plants in Spain, Portugal, France and Italy

EMPLOYEES + 2,500

+9,000 customers

2 DIVISIONS Paper and Packaging

1,063 million m² of cardboard produced

280,916 T of paper produced each year

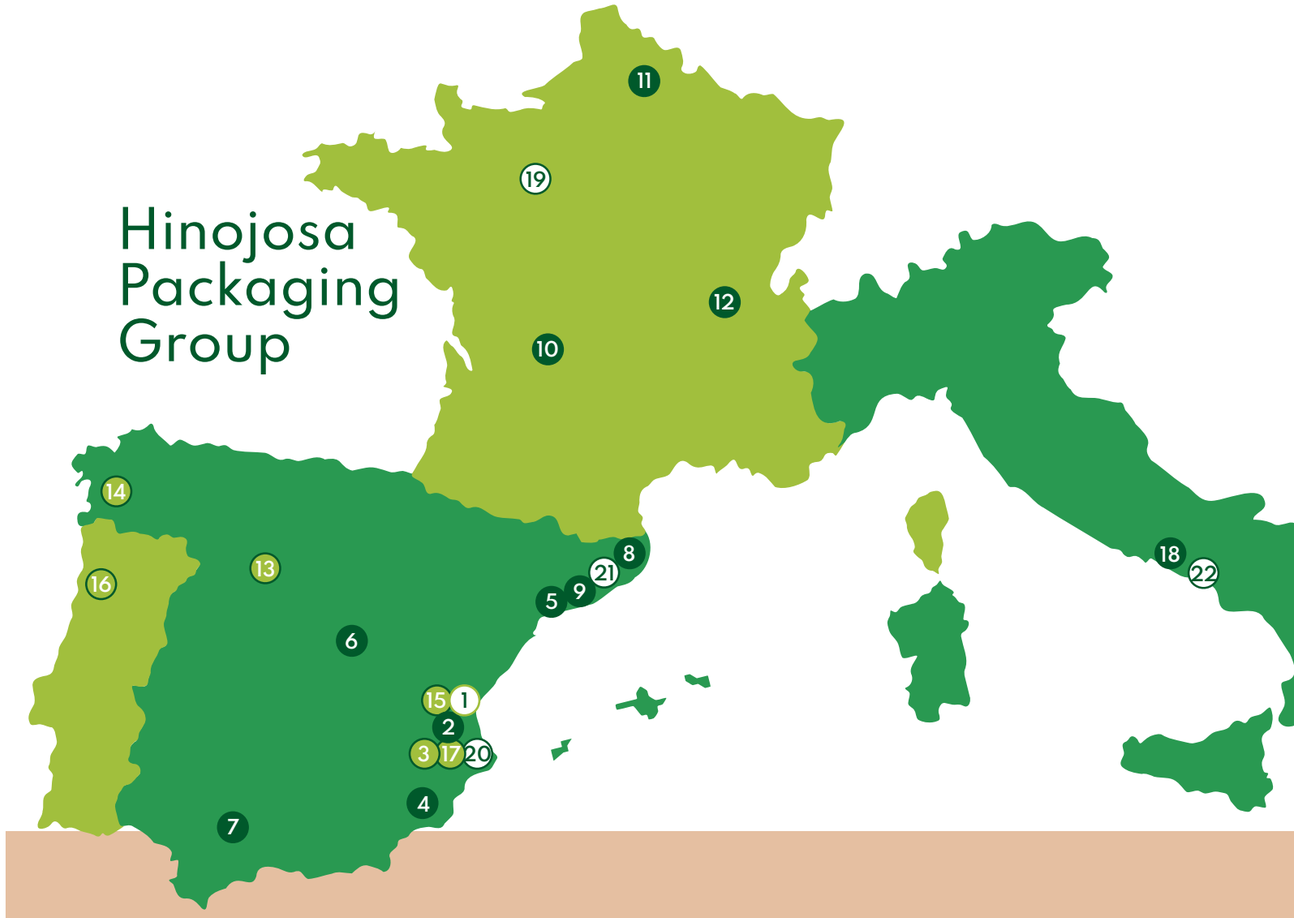
02.4

OUR PLANTS

From the outset, our aim has been to be close to our customers and suppliers, because being close to them is a part of our identity and something of which we are proud. We are committed to decentralisation as a way of achieving this: we want our plants to have a high degree of autonomy, both in terms of decision-making and responsibility.

What does a decentralised model allow us to do?

- Meet our customers' needs.
- Have a greater positive impact on the communities in which we operate.
- Develop local talent and roots in the places where we operate.
- Listen, optimise solutions and anticipate our customers' needs.
- Bring a human, agile and flexible approach to suppliers, customers and employees.



Headquarters

1. HINOJOSA PACKAGING GROUP

Hinojosa Packaging

Consumer Packaging

2. HINOJOSA PACKAGING XÀTIVA
3. CARTONAJES BERNABEU
4. VEGABAJA PACKAGING
5. HINOJOSA PACKAGING PACS
6. HINOJOSA PACKAGING GUADALAJARA
7. HINOJOSA PACKAGING CÓRDOBA
8. HINOJOSA PACKAGING SARRIÀ
9. HINOJOSA PACKAGING CARDEDEU
10. ALLARD EMBALLAGES BRIVE
11. ALLARD EMBALLAGES COMPIÈGNE
12. ALLARD EMBALLAGES SAINT-VULBAS
13. HINOJOSA PACKAGING VALLADOLID
14. HINOJOSA PACKAGING VIGO
15. HINOJOSA PACKAGING GALERÍA GRÁFICA
16. HINOJOSA PACKAGING GRAPHICSLEADER
17. HINOJOSA PACKAGING FOODSERVICE
18. MS PACKAGING ARZANO*

Hinojosa Paper

19. HINOJOSA PAPER VARENNES
20. HINOJOSA PAPER ALQUERÍA
21. HINOJOSA PAPER SARRIÀ
22. MS PACKAGING SALERNO*

* Acquisition in 2024

** ASV's plants are not included in the map as we did not have control of the investee during the reporting period.

02.5

CIRCULAR NATURE: BEYOND PACKAGING

There is no such thing as waste, only resources. This is the creed of the circular economy, which promotes the redesign of products and systems to keep materials in use for as long as possible and minimise waste. Being aware of the climate emergency, Hinojosa Packaging Group is working to promote the sector's transition to a more efficient and sustainable circular model, incorporating best practices, methodologies and processes that foster the well-being of people and the planet.

This includes the implementation of leading technologies for the management and reuse of materials and resources. These tools - together with the efforts and talents of everyone in the Hinojosa Packaging Group - enable us to understand that circularity begins with the design of the product, where the end of its useful life must be considered in order to optimise and maximise resources.

We work with 100% sustainable raw materials and in an intrinsically circular process

Circular natives

We have worked with 100% sustainable raw materials and in an intrinsically circular process since the beginning of our business. Circularity is part of who we are. It is a measurable and verifiable fact that crystallises in every step we take. For example, in our facilities, the recycled paper we produce is used to make sustainable packaging in our packaging plants. Once used, this packaging is placed in the blue bin and returned to the paper mills to start the cycle again.

The climate context we are living in further underlines the value of the material we work with. Legislation is increasingly moving towards reducing plastic, with cardboard and paper being the main alternatives that are emerging to meet the targets set. Proof of this is the new European Packaging and Packaging Waste Regulation, which was developed in 2023. This offers a huge business opportunity for the sector and underlines the circular potential of the materials we work with.

Our history has given us a long apprenticeship and the conviction that technology, together with our talent, will enable us to optimise this circular process. We are creating mechanisms and means to implement models that help prevent pollution. This is not only for legal reasons. It is also because of the way we understand what we do: we are circular natives and, for Hinojosa, the word "waste" is a synonym for "resource".

At Hinojosa Packaging Group, we strive to facilitate the industry's transition to a more efficient and sustainable circular model by incorporating best practices, methods and processes that benefit people and the planet

One product, one solution

At Hinojosa Packaging Group, we have an extensive portfolio of innovative solutions for agriculture, logistics, e-commerce and end users. Each product is designed with a high level of circularity and to meet the needs of our customers. Among the most important products we launched during the year is a new line of 100% recyclable packaging, Foodservice, which is designed to protect both fresh food and the environment.

AGRICULTURE

- Heat-sealable punnets
- Fruit and vegetable punnets
- Agricultural trays
- Box for melons and watermelons
- Octabox for fruit concentrates

FRESH FOOD

- Halopack
- Stone fruit
- Frozen food/Ready meals
- Meat
- Fish
- Primary packaging

E-COMMERCE

- Boxes: self-adjustable boxes in varying heights, returnable boxes for product returns, extra-strong auto-bottom boxes for sending bottles and flowers.
- Returnable envelopes
- Tamper-evident seals
- Protection accessories

FOOD AND BEVERAGES

- Display cases, stands, and point-of-purchase displays
- Ecogrip, Cartonclip solutions for cans and Bottleclip solutions for PET bottles
- Beverages
- Coffee/Sugar
- Dairy products/Desserts
- Confectionery/Cereals
- Preserves

CONSUMER PACKAGED GOODS

- Display cases, stands, and point-of-purchase displays
- Household cleaning
- Fashion and footwear
- Perfumery and cosmetics

INDUSTRIAL SECTOR

- Paints and chemicals
- Ceramics sector
- Fanfold

FOODSERVICE

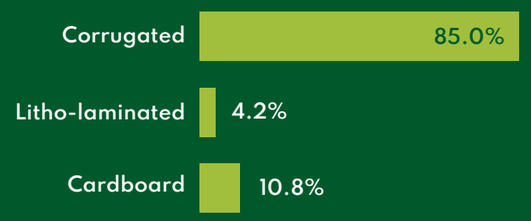
- Ice cream tubs
- Take away
- Cups and lids

Markets and segments: extending our reach

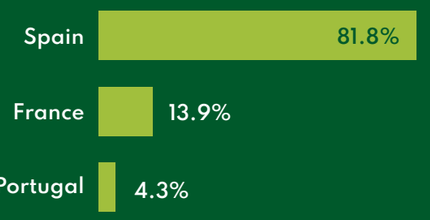
In recent years, our range of packaging has broadened, both in terms of the types of materials used (paper and cardboard are undoubtedly the most important) and in terms of applications, whether in the industrial, agricultural, food and beverage or e-commerce sectors. The importance of packaging in people's daily lives has made the packaging sector an industrial, economic and social driving force in the country - in Spain, it accounts for 3% of GDP. With this comes a responsibility in the way we understand what we do.

Among the solutions offered by the packaging market, we work with cardboard and corrugated cardboard, which account for 95.8% of our production. The Hinojosa Packaging Group has production plants in France, Portugal and Italy, in addition to our main market, Spain, with Madrid, Catalonia and Valencia as its main hubs.

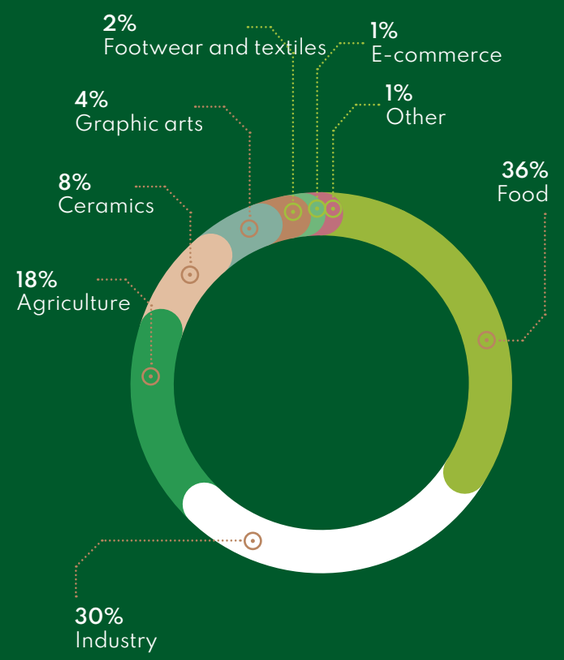
HINOJOSA SALES DISTRIBUTION



DISTRIBUTION OF HINOJOSA PRODUCTION BY COUNTRY



ECONOMIC SECTORS*



*Data not included: Hinojosa Packaging Galeria Grafica, Allard Emballages and Hinojosa Packaging Foodservice.

02.6 THE TIME FOR PARTNERSHIPS

Our international reach continues to expand, strengthening our partnerships and the company's position in Europe. The key to overcoming today's challenges and those that the future holds for us in the short, medium and long term will be the ability to build strong and lasting partnerships.

Blue Box Partners

Blue Box Partners is one of the most important alliances we are part of. It is a European-level alliance comprising Hinojosa Packaging Group and three other companies that are leaders in the corrugated-cardboard sector in their respective countries. The aim is to offer the best cardboard-packaging solutions throughout Europe.

13,418 employees

4,550 million m² of cardboard production

4,220 million euros in sales

13 paper mills

600 million euros invested in 2023

Siquos

Siquos Packaging Partners was launched in 2023. This strategic commercial alliance between Hinojosa Packaging Group and Sada Group is aimed at pan-European customers in the sector of offset printing for packaging, aiming to offer the best solutions tailored to our customers.

+1,300 employees

10 production plants

4 Hinojosa Packaging Group plants in Spain, **1** in Portugal and **3** in France

2 Sada Group plants in Italy

02.7 SUSTAINABILITY POLICY AND COMMITMENTS

Be Stronger Sustainability Plan - Main achievements

To align our sustainability goals with market changes and our customers' needs, in 2021 we launched our **"Be Stronger"** strategic plan, which reinforced the group's sustainability pillars and set out a roadmap for the coming years. The performance of the business and the results of these three years have improved the competitiveness of our plants through a policy of cost reduction and an investment plan focused on efficiency, product quality and service improvement. We increased our market share in 2023 through opportunities such as e-commerce and multi-product offerings.

STRATEGIC LINE	SUSTAINABLE DEVELOPMENT GOALS	2023 SUSTAINABILITY PLAN TARGET	2021 MILESTONES	2022 MILESTONES	2023 MILESTONES
Actions to minimise the group's carbon footprint.	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**60%** renewable energy used **10 MWh** of photovoltaic solar energy **100%** electricity from renewable sources in the Iberian Peninsula **2.5 GJ/T** in the energy consumption ratio	**52.3%** renewable energy **1.5 MWh** generated **100%** renewable electricity **2.98 GJ/T produced**	**63.7%** renewable energy **6.2 MWh** generated **100%** renewable electricity **3.30 GJ/T produced**	**71%** renewable energy **10 MWh** generated **99.5%** renewable electricity **3.61 GJ/T produced**
	13 CLIMATE ACTION	**30%** carbon footprint reduction (scope 1+2) **130 kg CO_2eq/T** emissions CO_2 (scope 1+2) **80%** scope 1 emission reduction in Paper Division	**26.1%** reduction Reduction to **173.2 kg CO_2 eq/kg prod** **9.4%** reduction	**42%** reduction Reduction to **143.2 kg CO_2 eq/kg prod** **28%** reduction	**59.8%** reduction Reduction to **107.43 kg CO_2 eq/kg prod** **56%** reduction
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Zero Waste**. Extend to packaging plants on the Iberian Peninsula **100%** Paper Division with accreditation Zero Waste Optimisation of the **final destination of waste**	**1st** Zero Waste **packaging plant** **1st** Zero Waste **paper mill** **94.5%** of waste sent for recovery	**1st** Zero Waste **packaging plant** **1st** Zero Waste **paper mill** **93.6%** of waste sent for recovery	**1st** Zero Waste **packaging plant** **1st** Zero Waste **paper mill** **95.2%** of waste sent for recovery

STRATEGIC LINE	SUSTAINABLE DEVELOPMENT GOALS	2023 SUSTAINABILITY PLAN TARGET	2021 MILESTONES	2022 MILESTONES	2023 MILESTONES
Actions to ensure quality education and decent work. Promote actions that improve health and well-being. Develop talent to ensure growth.	4 QUALITY EDUCATION	**Dual Vocational Training**, extension **100%** of staff aware of CSR issues	**2nd round**of Dual Vocational Training Awareness-raising sessions for sales representatives	Graduation of **2nd round** of Dual Vocational Training	Graduation of **3rd round** of Dual Vocational Training Awareness-raising sessions for sales representatives
	3 GOOD HEALTH AND WELL-BEING	**Promoting healthy habits** among employees **0 accidents**	Health Week, Healthy City challenge **Reduction** of the overall accident rate to **9.51**	Health Week, Healthy City challenge Overall accident rate **12.2**	Health Week **Reduction** of the overall accident rate to **6.41**
	8 DECENT WORK AND ECONOMIC GROWTH	**Professional development** for young graduates **Career and training plans** for internal development **Talent recruitment** and **management**	**Hinojosa Graduate Programme** **Metatop** Campus, **HiTalent**	— **Metatop** Campus, **HiTalent**	— **Metatop** Campus , **HiTalent, Hinojosa Chair**
Social and environmental actions linked to our products (donation of boxes for social purposes, search for sustainable uses, etc.).	17 PARTNERSHIPS FOR THE GOALS	**10%** increase in our actions in the local community	—	**Corporate Volunteering** Programme at two plants	**Corporate Volunteering** Programme at three plants
	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**50%** of our products with carbon footprint calculated	Creation of **Carbon Footprint Calculator**	—	**Carbon Footprint Calculator:** product analysis and internal training
	13 CLIMATE ACTION	**100% of office staff** trained in circular economy and ecodesign	—	**70%** of technical offices trained	**70%** of technical offices trained

A global commitment

As part of our commitment to care for our environment and the planet, we have joined the United Nations Global Compact, the world's leading corporate sustainability initiative, aligning our strategy and operations with its ten universal principles on human rights, labour, the environment and anti-corruption. We have also voluntarily adopted the Sustainable Development Goals (SDGs), which help us to remain aligned with a development model that promotes the positive impact of our activities throughout the value chain.

SBTi commitment

Decarbonisation is one of the biggest challenges we face as a society and as a business. To meet this challenge, Hinojosa Packaging Group has made a commitment to the SBTi (Science Based Targets Initiative), which aims to limit the increase in global temperature to 1.5°C in the short term and to achieve net zero emissions by 2050. Joining this urgent SBTi initiative is an important gesture that confirms the strength of our commitment. But this is only a first step on our path towards decarbonisation, which we must address in a measurable way, with data and a continuous effort to improve the impact of our activities.

Ecovadis: gold medal

At Hinojosa Packaging Group, we are part of the supply chain for our customers, who audit, verify and evaluate our sustainability performance through various external platforms, such as CDP and Ecovadis. Among other things, these external assessments validate our sustainability performance. In 2023, we once again retained the Ecovadis gold medal, scoring higher than 95% of the 100,000 companies assessed.

For example, we scored 71 out of 100 in the areas of environmental impact, labour practices, human rights, ethics and sustainable procurement.

We also work with The Supply Ethical Data Exchange (SEDEX), a non-profit organisation that promotes ethical and responsible business practices for the development of global supply chains.

02.8 TIME TO INNOVATE

Innovation is key to improving our efficiency, resource management and, ultimately, impact. By innovation, we mean the set of initiatives aimed at identifying the opportunities presented to us through talent, open-mindedness and a spirit of continuous improvement. These initiatives are applied to the design and development of products, services and processes that deliver sustainable value to customers and society.

It is impossible to think about the future of sustainable packaging without considering innovation. The demands of our customers and the new regulatory framework provide an opportunity to make a real difference.

Our Innovation Plan enables us to anticipate the challenges we face and strengthen our leadership position. The results of this plan are currently one of the main drivers of our business. The foundations of the plan are sustainability, digital transformation and competitiveness.

The demands of our customers and the new regulatory framework are an opportunity for innovation to be a lever that really makes a difference.

THE FOUNDATIONS OF OUR INNOVATION PLAN:

Sustainability

The circular economy and new packaging and materials

Digital transformation

New technologies and smart packaging

Competitiveness

New markets and business and customer experience.

A culture of innovation

We recognise that a commitment to innovation is not just a one-off decision, but the result of a culture that nurtures it, sustains it and makes it part of what we do. Both collaboration and knowledge based on open innovation enable the building of, and participation in, collective intelligence.

In 2023, we participated in various innovation forums, such as Area101 and the Valencia Region Innovation Club, as well as a number of clusters and associations for customers and the sector. We are also incorporating agile methodologies throughout the organisation to generate innovation projects effectively, identify opportunities and find ways to realise them.

Our corporate values, reinforced by cooperation and collaboration as our main approaches, ultimately support an increasingly tangible conclusion: innovation is part of the way we understand our role in the industry and our business model.

Collaboration and knowledge based on open innovation enable the building of, and participation in, collective intelligence.

New products

FOODSERVICE LINE

A portfolio of packaging, some of it compostable and customisable, for hot and cold beverages, and pre-prepared and pre-cooked convenience foods. It is designed to protect both fresh food and the environment.

VEGABAJA PACKAGING AND CHAMPIÑONES EMAR PUNNETS

100% recyclable, biodegradable and FSC certified punnets. They maintain the quality of the product until the end of its useful life thanks to their durability and anti-humidity treatment.

SPB WATER-SOLUBLE CAPSULES PACKAGING

They are an alternative solution to the plastic boxes that were previously used to store water-soluble washing capsules. The packaging is made from 100% recyclable corrugated cardboard, with its one-piece design reducing production costs.

CHRISTMAS HAMPER DESIGNED FOR THE DISBER GROUP

This packaging represents a breakthrough in innovation for this type of product, particularly in terms of logistics and distribution. Its features include a divider and a cardboard carton that makes it easier to include perishable products at the last minute.

VEGABAJA PACKAGING SMART PACKAGING

These boxes have a unique and dynamic QR code on each pack, enabling differentiation and unique identification of each product, avoiding wastage and allowing full traceability throughout the supply chain. Its digital printing enables stock control and traceability of individual products.

(Re)thinking innovation

Hinojosa Packaging Group also supports many other initiatives and collaborations in innovative projects to promote new solutions that meet the needs of our consumers and customers in the short, medium and long term.

Our initiatives

- **Hinojosa Customer LAB** - innovation activities with customers to help them respond to the challenges they face.
- **Hingenia** - intra-entrepreneurship programme to encourage the creation of disruptive projects.
- **Strategic watch** - key to keeping abreast of emerging technologies, consumer needs and market trends.

Recognition

Our innovation has been recognised in various international awards, where the good work, talent and efforts of our people have been acknowledged by the industry. These awards fill us with pride and encourage us to continue supporting ideas as an essential route to progress.

Our awards in 2023

- **Liderpack Awards 2023,** are Spain's most prestigious awards for packaging and point-of-sale (POS) advertising. In 2023, we received this recognition in three categories:
  - **Best logistics and distribution packaging** for the Christmas hamper designed for the Disber Group.
  - **Best digital packaging** for the smart packaging with digital printing system using QR codes created with Clarios from Vegabaja Packaging.
  - **Best household product packaging** for the sustainable packaging of single-dose water-soluble detergent developed together with SPB.
- **Pap'Awards**. Created in 2023 by the French trade publication Pap'Argus, these awards recognise the best innovations, achievements and leading individuals in the paper and cardboard industry each year. We won the Circularity Award in the food packaging category for our 100% recyclable, heat-sealable cardboard trays for fruit and vegetables.

03

GOVERNANCE

Our values and purpose define who we are. However, to continue to grow, we must continue fostering a spirit of continuous improvement and actively listen to our environment and stakeholders. As our Group expands, so must our positive impact on the places where we operate. To this end, our commitment to ethics, transparency and good governance must be robust and rooted in day-to-day activity locally, but with a global perspective.

WHAT YOU WILL FIND IN THIS CHAPTER

CORPORATE GOVERNANCE AND BUSINESS CONDUCT

Good governance tools

A common leadership structure

Hinojosa Excellence System (HES)

Risk management: a global context

Supply chain

MATERIALITY ANALYSIS

Caring for our stakeholders

Materiality matrix

03.1

CORPORATE GOVERNANCE AND BUSINESS CONDUCT

The complexity of the global context in which we live demands robustness and commitment to our values and purpose. At Hinojosa Packaging Group, we accept our responsibility by implementing tools and procedures that guarantee the fulfilment of our commitment to ethics, transparency and good governance in an exemplary and measurable manner.

Our *purpose*

INCREASING THE COMMON GOOD WITH SUSTAINABLE PACKAGING SOLUTIONS.

OUR TASK IS NOT JUST PRODUCING EXCELLENT PACKAGING, WE WANT TO **TAKE CARE OF EVERYTHING INVOLVED IN IT**.

03.1.1

Good governance tools

Code of Conduct

This reflects our commitment to legality, ethical behaviour and respect for people's rights.

Aims of the Code of Conduct

- Compliance with regulations and laws
- Honesty and integrity in the workplace
- Dignity, respect and consideration for others
- Prompt reporting of incidents, violations, problems and suspicions.
- Demanding compliance with the Code from others, regardless of their role

How do we ensure that everyone in the Hinojosa Packaging Group is aware of and applies this Code of Conduct?

- The internal Somos H (We Are H) app, which gives the whole team access to this document.
- A general in-house training programme on the Code of Conduct

→ CODE OF CONDUCT

Human Rights Policy

Our Human Rights Policy, approved in 2022 and aligned with the recommendations of international organisations such as the UN, OECD and ILO, reflects our strong commitment to good labour practices and care for society and local communities.

Compliance committee

Faced with the challenge of anticipating trends and legislative changes in a particularly changing environment, we maintain an active Compliance committee to analyse and prevent the risks of non-compliance to which Hinojosa Packaging Group may be exposed due to the nature of its activities. When potential risks are identified, an organisational model and prevention and control measures are designed to prevent them from materialising

Whistleblower channel

The creation of an ethics channel provides an open and permanent communication line that is available to employees and anyone with a professional relationship with Hinojosa Packaging Group. Through this channel, they can ask questions about the application of the Code of Conduct, report non-compliances and raise any suspicion they may have, always confidentially.

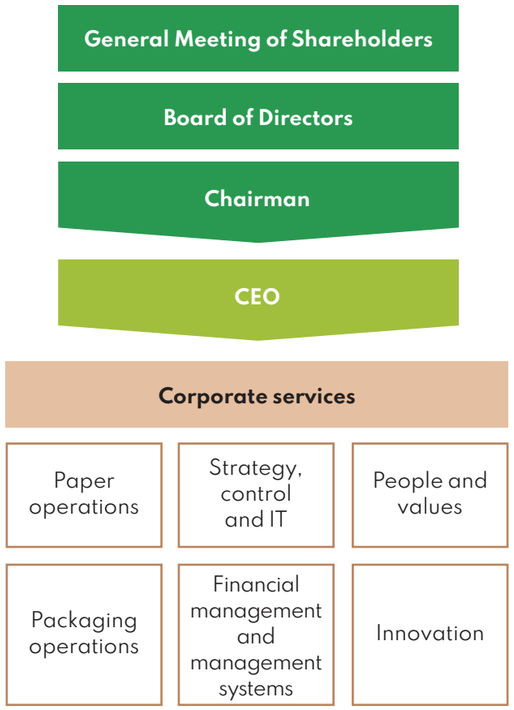
03.1.2

A common leadership structure

The Hinojosa Packaging Group has a decentralised management model in which our plants have a high degree of autonomy. This commitment to decentralisation coexists in our organisational structure with the Group's corporate divisions, which coordinate and give cohesion to our activities.

In turn, Corporate Governance, the main bodies in which are the General Meeting of Shareholders, the Board of Directors and the Chairman, ensures the efficiency of management, the supervision of operations, the sustainable growth of the business and the creation of value for all stakeholders. The Secretary of the Board has executive functions and is responsible for reporting to the Board of Directors, as necessary, on matters and decisions taken within the Group in relation to corporate social responsibility and regulatory compliance. Hinojosa's governing bodies are supported by various committees to ensure the proper functioning of each area of activity.

Corporate Governance Structure



03.1.3

Hinojosa Excellence System (HES)

Going beyond the most recognised international quality and safety standards, we strive to do things a little better every day. We have implemented our own management system - the Hinojosa Excellence System (HES) - to achieve this. This is a single, standardised method for the entire Group that seeks continuous progress in all stages of our activities, from strategic planning to the operational instructions for each process.

Built on the Lean model, it is a methodical and orderly management system based on the elimination of waste. It provides all employees with efficient methods and tools to improve their performance in the constant search for excellence.

03.1.4

Risk management: a global context

Against the current backdrop of uncertainty, robust management of financial and non-financial risks is essential. We have various protocols in place to identify, manage, prevent and ensure an appropriate response to risks of all kinds, and to identify any new opportunities that may arise.

The risk map explicitly sets out the preventive measures taken to avoid identified risks, including those related to human rights, anti-corruption and bribery. This map demonstrates increasing concern about non-financial risks, such as reputational risks, ESG risks, risks arising from globalisation, digitalisation and climate change, and risks that may arise from new technologies and international operations in an increasingly dynamic and complex business environment.

Types of non-financial risks identified

- Environmental risks: arising from political, economic, social, technological, environmental and legal factors.
- Strategic risks: arising from poor strategic decisions, poor execution or an organisation's inability to adapt to changes in the sector or environment.
- Operational risks: related to our value chain and arising from inadequacies or failures in our internal processes. They can also result from unforeseen external events, such as system failure, human error or accidents.
- Legal and compliance risks: risks associated with non-compliance with laws and regulations in the countries where we operate, internal rules and contractual obligations with third parties.

Principles for managing non-financial risks

- **Incorporating a risk vision**
- **Systematic and structured risk management**
- **A proactive approach to risk management**
- **Clear separation of duties between risk-taking areas and managers and those responsible for their control and monitoring**
- **Ensuring compliance with the Code of Conduct and internal procedures, policies and regulations**

03.1.5

Supply chain

When it comes to sustainability, every detail matters. One of the clearest examples is our supply chain management. This is a fundamental part of our responsibility as a company. Every day, we strive to ensure that our policies guarantee the supply of goods and services to the supply chain. We set high standards for our suppliers, both in terms of efficiency and product quality, and compliance with legislation and the ethical standards we demand of ourselves.

How do we engage with our suppliers?

- We foster high-quality, long-term relationships based on mutual trust to achieve our goals.
- We work within the common framework of our Supplier Code of Ethics, which is a necessary condition for working together.
- We conduct a rigorous selection process with regular evaluation of our suppliers to ensure that our goals and positive impact criteria remain aligned.

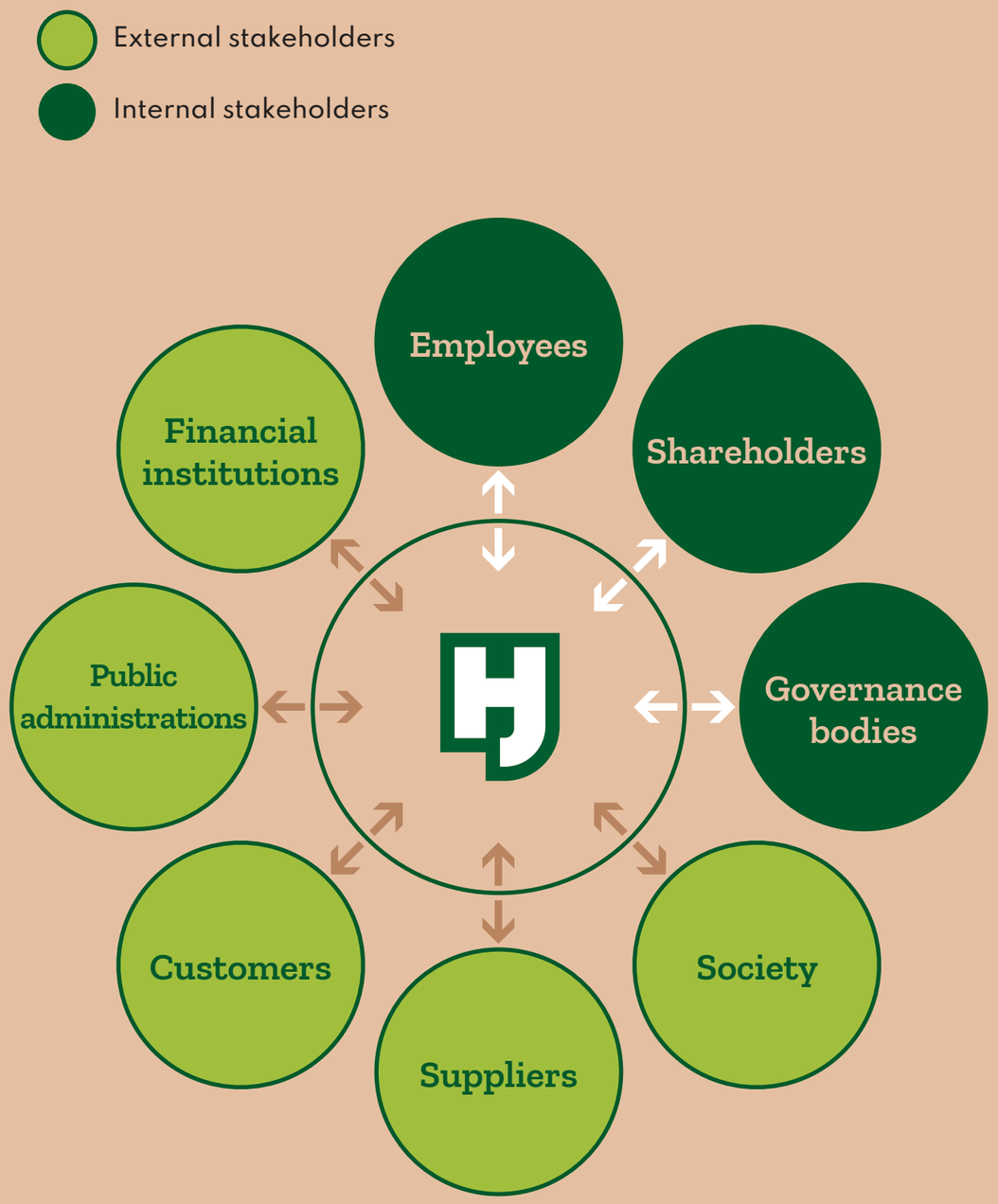
03.2 MATERIALITY ANALYSIS

Caring for our stakeholders

Giving each of our stakeholders the opportunity to express their expectations, concerns and needs is essential for making better decisions and promoting the value of excellence: helping them, understanding them, accompanying them on their journey. Caring for our stakeholders is a differentiating factor in the development of our strategy and ensures the progress of our business and its long-term sustainability.

What we do creates value for our stakeholders. For example, we help our customers meet their sustainability commitments by producing chain-of-custody certified packaging. We also develop supply chain policies with our suppliers, measuring our impact on the products and locations where we operate.

Caring for our stakeholders is a differentiating factor in the development of our strategy



Cooperation and collaboration with customers, suppliers and competitors enables us to face the challenges of the future with greater confidence.

Materiality matrix

Ongoing dialogue with our stakeholders inevitably leads us to seek to identify the aspects and issues that are most important to both sides, taking into account the economic, environmental and social impacts of our activities.

With this objective in mind, we carry out analysis to prioritise the material issues that affect us. This is based on two clear perspectives: the importance of the aspect analysed for Hinojosa Packaging Group and the importance for our stakeholders.

Prioritisation	Aspect	Material issue
1	Social	Health and safety
2	Environment	Circular economy
3	Environment	Emissions and climate change
4	Environment	Efficient water management
5	Prosperity	Innovation
6	Environment	Use of resources
7	Environment	Waste management.
8	Environment	Energy management
9	Social	Attracting and retaining talent

04 ENVIRONMENTAL ASPECTS

As we grow as a Group, we are mindful of the legacy we inherited and the legacy we want to leave for future generations. Our commitment to caring for the planet requires us to make the best and most efficient use of the resources that nature provides, and to strive continually to improve our impact on and protection of the environment.

WHAT YOU WILL FIND IN THIS CHAPTER

- CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS
- THE IMPORTANCE OF WATER
- CIRCULAR ECONOMY
- CARING FOR OUR ENVIRONMENT, A PRIORITY
- PROTECTING BIODIVERSITY

04.1

CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS

04.1.1

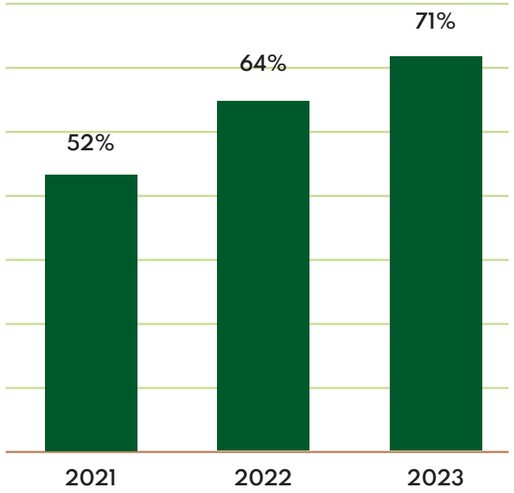
Energy

Energy and how we manage it is one of the central issues of our time. Energy is essential to all production processes, including our own. The energy transition is an aspiration and a responsibility we all share. It is also an opportunity to improve in our objective of having a more positive impact on our environment.

Hinojosa Packaging Group is firmly committed to renewable energy, which represents a robust and measurable alternative in this transition. In 2023, renewable energy accounted for 71% of our total energy, 7% more than the previous year. We also rely on a number of international standards to help us track our progress and identify areas for improvement, such as ISO 14001 and ISO 50001, under which several of our sites are certified.

Focusing our resources and investment on enhancing our renewable energy infrastructure is a commitment that led us to commission four new solar photovoltaic plants by 2023. Located at the Hinojosa Packaging Guadalajara, Hinojosa Packaging Valladolid, Vegabaja Packaging and Hinojosa Paper Sarrià plants, these new facilities join those already in place at Hinojosa Packaging Córdoba and Cartonajes Bernabeu.

USE OF RENEWABLE ENERGIES



In addition to this progress with photovoltaic energy infrastructure, a new biomass boiler was installed at Cartonajes Bernabeu in 2023. The optimisation and smooth operation of this type of plant has enabled us to make significant progress towards our goal of increasing our use of renewable energy and reducing our emissions.

04.1.2

GHG emissions. Towards decarbonisation

Decarbonisation is undoubtedly one of the biggest challenges we will face as a society over the coming decades. Phasing out fossil fuels and transitioning to cleaner energy must be an unwavering goal. This is not only to meet the targets set by increasingly demanding legislation, but also as one of the crucial steps to avoid the worst consequences of the global warming the scientific community has been warning about for decades.

In response to this demand, our emissions reduction strategy enabled us to reduce emissions by 16% in 2023 compared to the previous year, mainly through the installation of biomass and biogas boilers, our commitment to solar photovoltaic energy and implementation of monitoring systems for energy consumption. We continue to improve year on year in our efforts to meet our decarbonisation targets, which, through our commitment to SBTi, are aligned with the levels required by experts to limit the rise in global temperatures to 1.5°C in the short term and to achieve net zero by 2050.

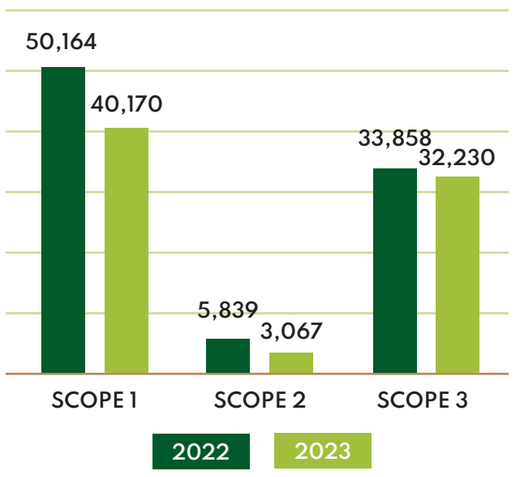
EMISSIONS

SCOPE 1
40,170.34
tonnes CO_2eq

SCOPE 2
3,067.16
tonnes CO_2eq

SCOPE 3
32,230.07
tonnes CO_2eq

-16%
GHG emissions in 2023



Mobility

Mobility plays a key role in our commitment to decarbonisation. The impact of our activities extends beyond the gates of our plants and factories.

Actions for more efficient and responsible transport

- Promoting megatrucks and electric trucks for transport between our sites
- Implementing IT tools to optimise truck loading and logistics routes
- Installing EV-charging stations and bike racks for our employees

CDP and our commitment to climate change

At Hinojosa Packaging Group, our commitment to the fight against climate change starts with evaluating our own activities. We disclose our policy and all the measures we take to achieve our goal of mitigating climate change, and we use all possible tools to evaluate our own performance.

The Carbon Disclosure Project (CDP) is a strong partner in this.

The CDP is a not-for-profit organisation used by public and private actors, from investors and companies to cities, states and regions. Thanks to this collaboration, we can achieve the dual objective of making our environmental impact public and examining what we are doing to improve it.

To this end, the CDP has an annual questionnaire that assesses impact and measures to reduce it. In the climate section, we received an overall score of B- in 2023, an improvement on previous years.

04.2 THE IMPORTANCE OF WATER

One of the most obvious manifestations of the climate emergency we are experiencing is water stress. Water is an increasingly scarce commodity, a treasure that belongs to all of us and must be protected. In the Iberian Peninsula, the situation is even more urgent in the context of the drought we experienced last year.

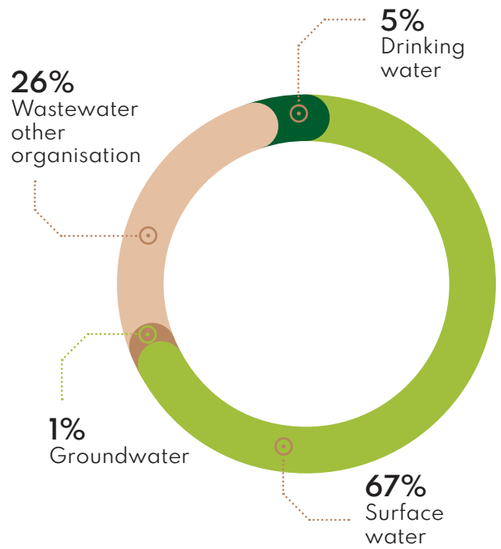
For our business, water is crucial for the production processes involved in making paper. In order to use this resource more efficiently, we are implementing initiatives to improve our impact and enable the sustainable development of our business.

The initiatives that help us use water efficiently include

- Reuse of water within our own facilities.
- Minimising consumption.
- Installing water treatment plants.

Water is crucial for our business. We seek to improve its efficient use and, thus, our impact.

WATER EXTRACTION IN M³ BY SOURCE



04.3 CIRCULAR ECONOMY

04.3.1

Cardboard, a leading material with a future

Circularity is a constant challenge for European and national institutions. Progress in sustainability and reducing environmental impact is increasing, and there is a growing desire to leave a better world for future generations and to create a system in which waste disappears and becomes a resource.

In this context, the objective set by the new European Packaging and Packaging Waste Regulation, which European institutions developed in 2023, is clear: all packaging put on the market must be recyclable by 2030.

With this ambition, cardboard has long since emerged as the best option for packaging and an indispensable material for achieving these goals. Not only is it compliant with the Regulation, it is also biodegradable and compostable. This has been demonstrated in a study commissioned by the European Federation of Corrugated Board Manufacturers (FEFCO) from the Swedish RISE Institute.

The results of this study show scientifically that corrugated cardboard exceeds the targets in the Regulation, as it is naturally circular. This demonstrates that cardboard will inevitably play a leading role in the journey to circularity.

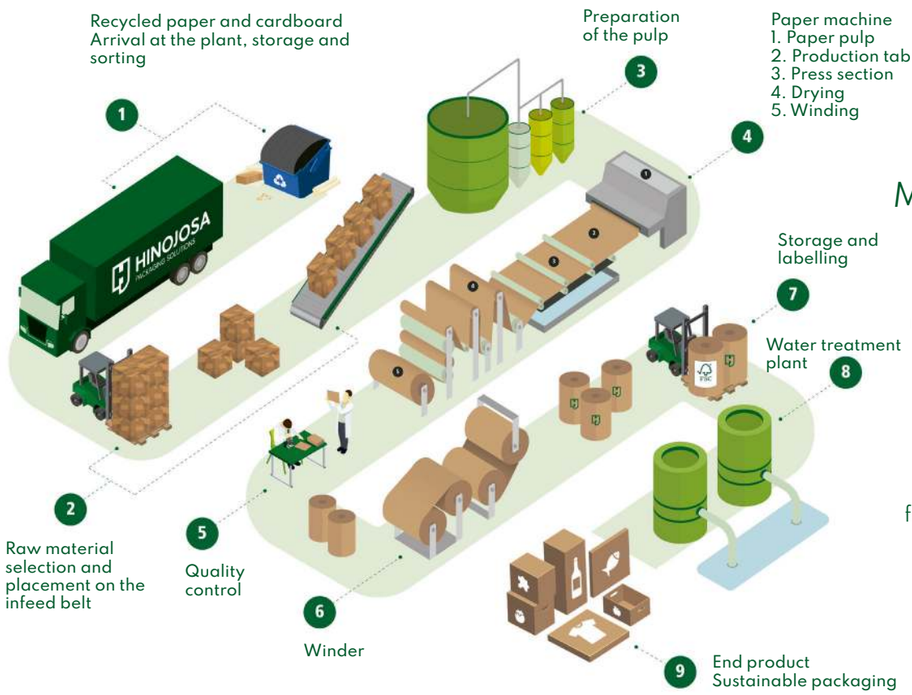
A circular and certified process

Guided by the European Commission's 2015 Circular Economy Action Plan, our progress is characterised by protection of the environment and minimisation of the environmental impact of our activities. As a result of this commitment to the circular economy, the Hinojosa Packaging Group has obtained FSC® and PEFC certification, which guarantee good forestry management and the sustainable origin of raw materials.

To meet the challenge of circularity, we develop manufacturing processes that aim to mimic nature's circular model, where everything has a function and nothing is considered waste. In our products, 69.24% of the waste is paper and cardboard waste generated in the production process of the packaging plants. At Hinojosa, we are able to recycle 100% of this waste, putting it back into the production process of our paper mills to make the paper that packaging companies need. A virtuous circle in which everything is reused.

To meet the challenge of circularity, we are developing manufacturing processes that aim to mimic nature's circular model, where nothing is considered waste.

It all starts with the production of recycled paper:



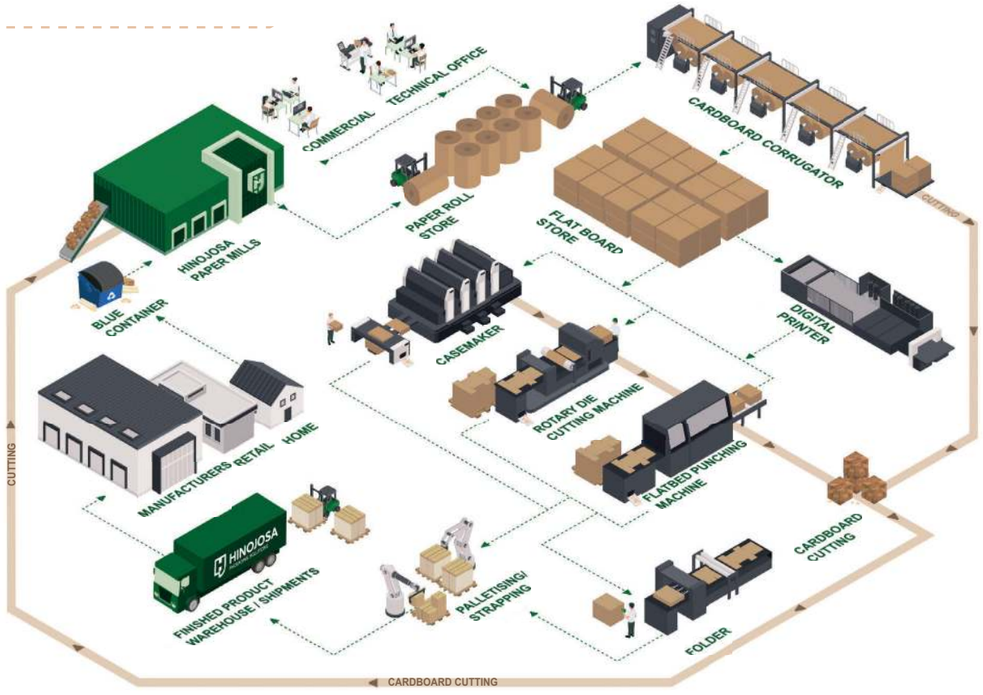
RAW MATERIALS

88.14%
resources of recycled origin

96.57%
raw material FSC® certified

99%
from renewable sources

And the transformation continues in the packaging plants:



04.3.2 Our products

Ecodesign, the starting point for sustainability in packaging

The search for sustainable solutions begins at the product design stage. Ecodesign is currently a widespread trend. At Hinojosa, we are part of a vanguard that understands that sustainability has its starting point in the design of products. This enables us to minimise the environmental impact of our products throughout their life cycle while maintaining and improving their functionality.

Our innovation plan places this aspect at the heart of our actions, putting resources, talent and the best ideas at the service of sustainable packaging solutions. Hinojosa Packaging Valladolid is a prime example of our commitment to ecodesign. This plant is ISO 14006 certified, which aims to identify opportunities in the design of each product to improve their positive impact.

CARTÓN CIRCULAR
SCRAP ENVASE INDUSTRIAL PARA TODOS LOS MATERIALES

'Circular Cardboard' - we recover resources

At Hinojosa Packaging Group, we are part of the Spanish Association of Corrugated Cardboard Packaging Manufacturers (AFCO), where we follow and promote the principles of the circular economy, always hand in hand with public institutions. In accordance with current legislation, in 2023 we participated in the creation of "Circular Cardboard", a Collective Extended Producer Responsibility System (SCRAP).

In Spain, a SCRAP is a key tool for promoting the proper management of our waste, taking responsibility for the waste we generate from the design of products to the end of their useful life. In this regard, 'Circular Cardboard' was created by our industry to manage packaging made of any material.

Ensuring sustainable development is essential for us. That is why we are committed to the government's drive for ecological transition. Little by little, we are taking firm steps towards full circularity, respecting the legal framework and promoting greater positive impact and improved protection of the planet.

→ CIRCULAR CARDBOARD - SCRAP INDUSTRIAL PACKAGING

A sustainable product line

The company works to bring our customers' products to life, and we help them develop better solutions that are more sustainable and environmentally friendly. With the European Union restricting the use of single-use plastics, Hinojosa Packaging Group has developed a broad portfolio of sustainable packaging in tune with current consumption trends.

360 Green Packaging

360 GREEN HALOPACK

HALOPACK©
This packaging is part of the green vanguard. It eliminates up to 90% of single-use plastics and increases the shelf life of fresh food, thus avoiding one of the evils of our time: waste. We are the exclusive manufacturer of this peelable and recyclable laminated plastic tray for the Iberian Peninsula.

360 GREEN CARTOSKIN

CARTOSKIN
The perfect alternative to plastic for fresh food. Developed in collaboration with **ULMA and Belmis,** this product allows food to be vacuum sealed on a cardboard plate or tray. This laminated tray reduces single-use plastics by up to 80%, and its materials are easily separable

360 GREEN SUMBOX

SUMBOX
This market-proven packaging is the **definitive alternative** to **POREX boxes**. This solution enables products to reach customers in the best possible condition, while helping to protect the environment. It is watertight and waterproof and can be recycled, like any paper and cardboard.

Foodservice

Our entry into the foodservice sector is a commitment to circularity. This new portfolio of packaging, some of which is compostable and customisable, is aimed at the hot and cold beverage segments, and pre-prepared and pre-cooked convenience foods. It is designed to protect both fresh food and the environment. It complies with the new legislative framework and aims to respond to the challenge of the circular economy. This is a milestone in our catalogue.

04.3.3

Waste management and recovery

Hinojosa Paper Alquería and Hinojosa Packaging Xàtiva were the first companies in the paper and packaging sector in Spain to obtain AENOR's "0 Waste" certification.

This certification is awarded to companies that recover more than 90% of the waste they produce, diverting it from landfill and promoting its transformation into new raw materials that are reintroduced into the value chain. In this way, they contribute to progress in the fight against climate change. Our goal is to progressively implement "0 Waste" certification in all our packaging plants in Spain over the next few years.

Keys to waste recovery

- In the circular economy, there is no waste, only resources
- Our management is based on the 3 Rs: Reduce, Reuse and Recycle.
- Our commitment: we will continually improve our environmental performance and reduce our environmental impact.

Of the **145,749.89 t** of waste generated

more than 95% is sent for recycling

04.4 CARING FOR OUR ENVIRONMENT, A PRIORITY

We want to care for and protect our environment. At Hinojosa Packaging Group, we consider this objective to be a priority. This is why we have implemented the mechanisms and means needed to ensure the prevention of pollution. For example, we work with the ISO 14001 environmental management standard, which certifies the excellent performance of several of our plants in this area.

In order to maintain total control of possible polluting emissions, our paper mills have an Integrated Environmental Permit or equivalent. This guarantees compliance with emission limits for pollutants, both in the atmosphere and in discharges to water and soil.

As far as noise emissions are concerned, most of our plants are in industrial areas. In addition, regular measurements are taken to ensure compliance with established limits.

Protecting our environment is a priority, and we have put in place the necessary mechanisms and resources

04.5 PROTECTING BIODIVERSITY

Resources are finite. Being aware of this and acting accordingly is one of the greatest challenges of our time. For this reason, one of Hinojosa's priorities is the responsible management of natural resources, focusing on the efficiency and circularity of processes and ensuring the sustainable origin of raw materials at all times through the implementation of chain-of-custody management systems in its plants.

Preventing deforestation effectively is key to protecting biodiversity and maintaining healthy ecosystems. Hinojosa Packaging Group contributes to the protection of biodiversity by ensuring that the raw materials it sources come from responsibly and sustainably managed forests. We always require FSC® certification from our suppliers.

We also disclose our chain-of-custody policy and management system, and evaluate our performance in this area, in the Forestry section of the CDP (Carbon Disclosure Project) platform. In 2023 we achieved an overall score of B-, an improvement on previous years.

05

SOCIAL ASPECTS

We believe that being close to and caring about our employees, our customers and our environment is essential for progress and growth. We are committed to attracting talent, and training and developing our people professionally and personally, while at the same time caring for and trying to make a positive impact on the places where we operate and their communities.

WHAT YOU WILL FIND IN THIS CHAPTER

THE TALENT TO GROW TOGETHER

FROM LOCAL TO GLOBAL IMPACT

WORKING WITH CUSTOMERS AND CONSUMERS

MEMBERSHIPS AND ASSOCIATIONS

05.1

THE TALENT TO GROW TOGETHER

The challenges we face are not easy. The talent of the people who are part of the Hinojosa Packaging Group is the key to continuing to grow and fulfil our purpose. Improving working conditions, promoting proximity to the workplace, work-life balance and gender equality, and, of course, guaranteeing health and safety conditions in all work centres are some of the tools that help us take care of and strengthen our highly committed and qualified human team.

This commitment to our teams emanates from the very top of our company and permeates it through numerous projects and initiatives promoted both by corporate services and by the plants themselves. This is a cultural issue that must permeate every area of Hinojosa.

Hinojosa's talent is the key to continuing to grow and fulfil our purpose

05.1.1

Our people

Our people - our talent - make us a better company that is more robust in facing the challenges confronting us. That is why we prioritise their care and professional development, always in a healthy working environment, giving them the confidence, drive and attention they need to progress together.

2,571
employees

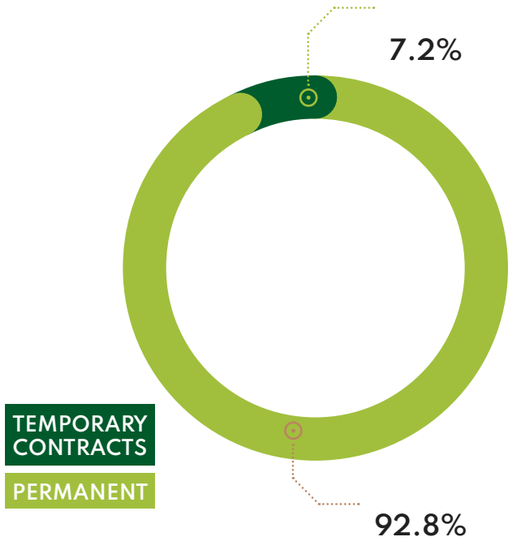
2.5%
more than the previous year

454
New employees

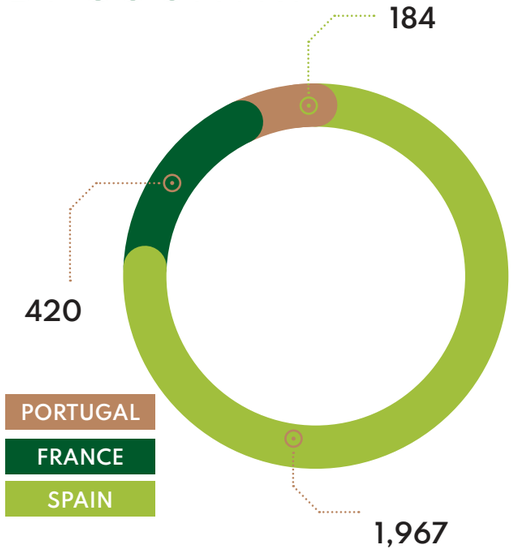
Proximity to the workplace:
85%
live within 25 km

16%
Proportion of women working in Hinojosa

EMPLOYEES BY CONTRACT



EMPLOYEES BY COUNTRY



05.1.2

A healthy environment

The safety, health and well-being of our employees are crucial for the Hinojosa Packaging Group. Our growth and business objectives depend on them and on the tools we use to achieve them.

Hinojosa Safety Model (HSM): prevention is the goal

Our ambitious health and safety management system aims to ensure the well-being of our employees and to promote a culture of prevention that is integrated throughout the company.

Accident-free days: Continuous improvement of health and safety

Accident-free days

+2,000	Hinojosa Packaging Sarrià
677	Hinojosa Packaging Pacs
671	Hinojosa Packaging Córdoba
642	Vegabaja Packaging

How did we achieve this?

- Commitment of all employees to the HSM (Hinojosa Safety Model)
- Implementation of a preventive action plan and its continuous monitoring
- Activation of an accident investigation process
- Involvement of middle management

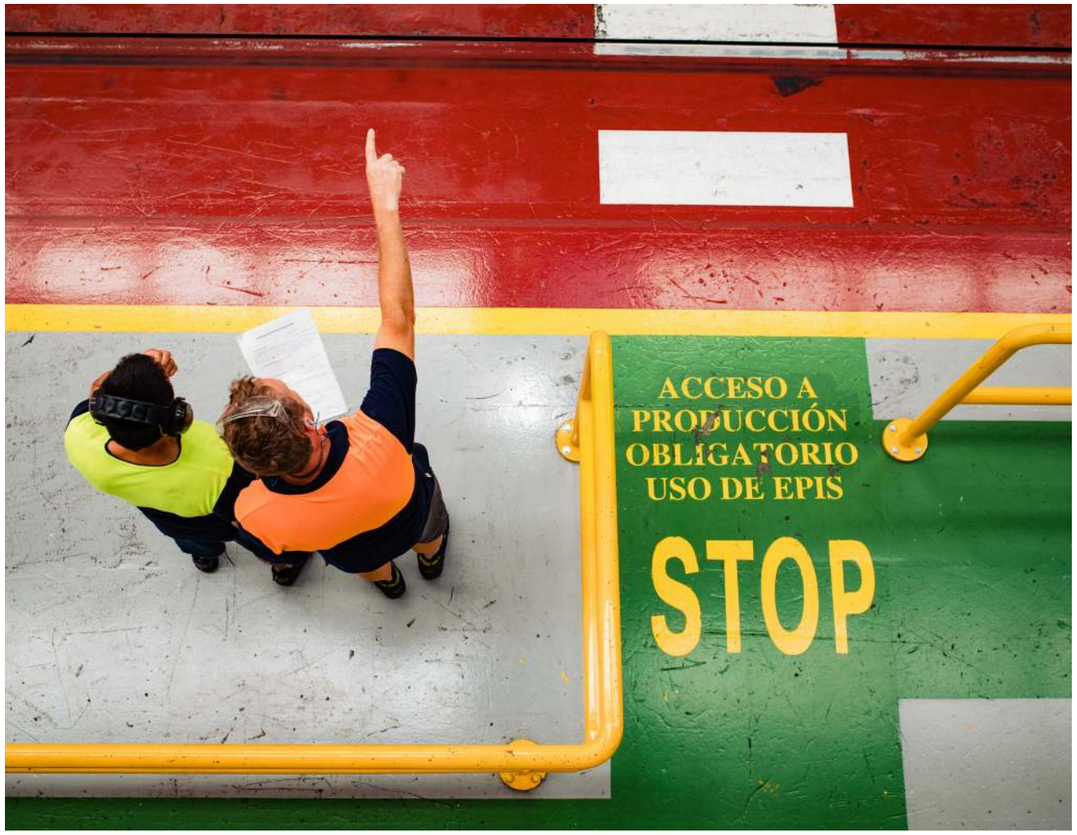
Hinojosa Safety System: building a culture of safety

Our strong culture of prevention in the Hinojosa Packaging Group is the result of our firm commitment to internal training that helps each employee to identify risks. The Safety First training module provides the team with the tools needed to identify and communicate potential risks and to take the necessary preventive measures.

To complement this internal training, Safety Talks - participatory discussions on safety between management and employees - were launched in 2023. We propose listening as an effective tool to promote our culture of prevention, and we are committed to continuous improvement.

In addition to our intensive training effort to protect the safety of all our plants, the Hinojosa Packaging Group has a Health and Safety Committee that encourages employee participation. This working group is also responsible for drawing up, developing and evaluating the company's prevention plan, among many other duties.

22% of the training provided relates to health and safety



05.1.3

The role of talent

Talent is the engine that drives us forward. Fostering good ideas, developing people and engaging them are key to attracting and retaining talent, which is central to the times we live in. Our aim is not only to attract talent, but also to ensure that it grows with the company. In a highly competitive environment, where all organisations want to have the best teams and leaders, this is essential for maintaining our most important asset: our people.

Attract and develop with values

The recruitment and selection process is a very important phase for attracting and developing the best professionals in the market. To this end, we participate in employment forums, collaborate with universities, institutes and other training centres, plan training activities aimed at young graduates, and manage media and social network to promote our activities and employment opportunities. It all counts and adds up.

In our selection processes, we seek out people who share our corporate values, which is a differentiating factor for working with us. With this in mind, in 2023 we implemented a new staff selection and recruitment policy that enables us to hire the professionals with the most appropriate skills, knowledge and abilities, and who are committed to Hinojosa's mission, values and code of ethics.

We seek out future professionals who share our corporate values

An excellent working environment

When we talk about excellence, it is not only about the results of our activity. It is a universal aspect of all our processes, and it must also permeate our working environment. Hinojosa Packaging Group carries out an annual work climate survey to measure the satisfaction, commitment and involvement of our employees. We do this to identify where we can improve, so we can offer our employees a more reliable environment in which to develop, thus maintaining our competitiveness in the labour market.

How do we create the best environment for our team?

Staff turnover, a challenge of our time

Staff turnover has increased in recent years. Increasing loyalty is now a challenge for every company. In 2023, Hinojosa's total turnover rate was 11.8%, which is below the national average. However, we still see this as a warning that we need to redouble our efforts to retain and develop talent.

11.8% staff turnover (national average 17%)
Source: Randstad Spain

Fair and competitive remuneration

An attractive remuneration policy is key to attracting and retaining the most talented people. We regularly consider salary studies from specialist consultancies and our own in-house studies to keep our remuneration system in line with the market.

Organised and flexible

Flexibility and the ability to balance work and family life in all the company's workplaces enable our employees to make the most of their free time and achieve higher satisfaction and identification with the company. Active listening by our team, the promotion of internal mobility and the Hinojosa Packaging Group's efforts to improve working hours and shift patterns allow us to adapt to the needs of each employee.

Training to never stop learning

Our commitment to training is key to ensuring that our workforce can continue to progress and that talent does not stagnate. This commitment is demonstrated by the significant investment we make in our training activities for our employees.

Continuous learning

775,000 euros invested in training

4,371 participants

440 training actions

39,131 hours of training provided

Monitoring and analysis
of key performance indicators (KPIs) to improve and optimise the management of training

Striving for continuous improvement

In addition, every year we evaluate the performance of the entire team in a process that helps to guide people in the planning of their careers and to design action plans that promote their development.

Hours of training by subject

	2023
Environment	1,317
Health and safety	8,539
Compliance	693
Data protection and cybersecurity	377
Technical training, IT, management development, languages and others	28,205
Total	39,131

Programmes to grow together

Metatop Campus

One of our objectives is for the whole organisation to share a general picture of the business. We implement various initiatives to achieve this. These include the Metatop Campus, a training programme targeted at company employees with high potential, which is held in various sessions at a number of the Group's plants. This programme provides technical training on all aspects of Hinojosa Packaging Group's business, promoting the Group's culture and personal exchanges among the attendees.

Hinojosa Graduates Programme

This is our own professional development programme, through which we attract, incorporate and transform the company's future leaders. This programme is open to recent graduates who are young and talented. It involves leading a six-month project at one of our plants while being trained in management processes and skills. If they are successful in all the stages, the programme culminates in the graduate joining the company, with a clear focus on them achieving leadership positions during their career with us.

Juan Antonio was one of the students of our first Graduates Programme, in 2021. He currently leads a team of more than 80 people as factory manager at the Madrid plant.

"In my personal experience, the programme can be summed up in three words: training, trust and opportunity. During these three years, Hinojosa has always provided me with the support and knowledge I've needed to grow in my career and become a professional capable of dealing with the challenges of day-to-day management".

Juan Antonio de la Mata
Factory Manager

Dual Vocational Training, a commitment to employment

As part of our commitment to talent, at Hinojosa Packaging Group we are implementing an ambitious training plan to attract future professionals to the paper industry and to train mentors to guide the students in their development. We therefore launched the Dual Vocational Training programme in graphic printing. This is a pioneering initiative in Spain with over 2,000 teaching hours, combining theoretical and practical training to help train the students in the skills needed in the packaging industry.

Thanks to this programme, dozens of young people are trained each year and gain in-depth knowledge of the graphic arts and the cardboard industry at several of our sites. In 2023, we further expanded the offer and are working on new collaboration agreements with centres in Cordoba and Valladolid to include students in future courses.

Plants that have signed agreements for Dual Vocational Training programmes

Hinojosa Chair, fostering talent in our sector

As part of our commitment to nurturing talent, one of our most important achievements has undoubtedly been the agreement with the Polytechnic University of Valencia to create the Hinojosa Chair. This is an exciting project with twin objectives:

- To create synergies between the company and academia, committing to the future and the talent of the university community, fostering their interest in, and integration into, our company.
- To highlight the job opportunities in the paper and packaging sector and how this sector contributes to the common good through environmentally friendly solutions.

The agreement includes initiatives such as conferences, awards for bachelor's and master's theses and scholarships for students. Our aim is to raise awareness of our company and the packaging sector in general - which currently generates more than 180,000 direct jobs in Spain - among the talent of the future and the university community in general.

The objective of the Hinojosa Chair is to create synergies between the company and universities and to highlight employment opportunities in the sector.

05.1.4

Equality, diversity and inclusion

Hinojosa Packaging Group believes that equal treatment and opportunities for men and women are of paramount importance. This is a strategic principle of our Corporate and Human Resources Policies. Avoiding gender discrimination and promoting and encouraging measures to achieve real equality within the organisation are clear objectives for us. This is reflected in all our activities: in the selection and promotion of teams, in salary policy, in training, in working and employment conditions, in occupational health, in the organisation of working time and in work-life balance.

Isabel, who has been with the Group for more than seven years, is the head of the Paper Division of the Hinojosa Packaging Group.

"Hinojosa is always looking to develop the talents of its team, valuing each person for their ability and commitment, regardless of other factors, such as their gender, age or personal situation. If you are competent, have a desire to grow and are committed to the team and the company, Hinojosa will offer you opportunities to develop".

PAY GAP

	2023	2022
Operator	0.84	0.88
Administrative	0.88	0.86
Middle management	1.05	1.07
Executive	0.89	0.88

Diverse and united

With regard to equality, we are committed to promoting the social and professional integration of people with disabilities. Diversity is an asset. This is why we are committed to initiatives such as the one we are involved in with Adecco to promote and support the training, autonomy and integration into the labour market of people with disabilities.

› **Together Project:** an employment-guidance programme for university and vocational training students with disabilities.

› **The Foundation's Family Plan:** a programme that helps people who have family members with disabilities to improve their development, autonomy and inclusion in the labour market.

Isabel García Claudio
Head of the Paper Division

05.2

FROM LOCAL TO GLOBAL IMPACT

Our commitment begins with trying to improve the lives of those closest to us. Increasing the well-being of people and their environment is a priority in fulfilling our purpose. That is why we undertake initiatives and projects to extend our positive impact on the communities in which we operate.

Our initiatives include:

› **Supporting local employment:** our operations - with plants in various locations - support direct and indirect employment and professional development in the communities where we operate. This also improves the competitiveness of their business fabric.

› **Solidarity:** we participate in initiatives promoted by institutions and civic associations. For example, in 2023, we worked with UNICEF to help people affected by the earthquake in Turkey and Syria. We are also contributing to the restoration of an old industrial building, working with foundations that support vulnerable groups and sponsoring the Valencian women's "pelota" team in Alquería de Aznar.

› **We promote volunteering:** with the conviction that change begins with ourselves, we offer our team the opportunity to get involved in volunteering actions, always seeking a positive impact on the community.

› **Developing talent:** we foster talent in the areas where we operate through a range of initiatives, such as the Dual Vocational Training Programme and the recent creation of the Hinojosa Chair. This contributes both directly and indirectly to the social and economic development of the area and increases opportunities, particularly for young people.

Corporate Volunteering Programme: working together to improve people's lives

Our Corporate Volunteering Programme allows our team to develop according to their concerns and abilities. Some of the many initiatives in which we participated in 2023 through Hinojosa Packaging Group volunteers include:

- **Action against litter:** a campaign launched by Ecoembes to clear an area of rubbish and contribute to creating a cleaner and nicer natural space. The **#LIBERA1m2** initiative was carried out by employees and family members of Hinojosa Packaging Guadalajara.
- **Child protection:** Hinojosa Packaging Xàtiva collaborated once again this year with the Pequeño Deseo Foundation in creating 'superpower' kits for children in the local hospital, using the company's packaging. A further 500 kits were produced for children in the Foundation's programme in 12 other hospitals in Spain.
- **Collaboration with the Red Cross:** volunteers from our Hinojosa Packaging Xàtiva plant collaborated with the Red Cross in activities including food collection, help with school work and support in administrative tasks for the institution.
- **Production of kits for families in need:** for the second year, the Hinojosa Paper Alquería plant, in collaboration with the Red Cross, produced breakfast and personal hygiene kits and collected toys for families in need.

05.3 WORKING WITH CUSTOMERS AND CONSUMERS

Our activities can only be understood if they are closely linked to the development of our customers, always striving to provide them with the excellent and sustainable packaging they need. This is the thrust of our value proposition, committed to the service we offer and to meeting the demands of consumers who are increasingly aware and demanding in terms of sustainability.

Value proposition

Commitment to sustainable excellence with every customer + Agility and flexibility + Packaging solutions that add value to their business + The highest customer satisfaction

Our keys to customer satisfaction:

- **Culture of excellence:** as the foundations for our understanding of what we do, the culture of excellence is a value that runs through all our activities every day.
- **Focus on our customers:** our development is inextricably linked to their success. Their growth is our growth, so we focus on satisfying and optimising their experience.
- **Spirit of continuous improvement:** we have a continuous evaluation process for the quality of our products and service, considering the advice offered, agility and flexibility in resolving incidents and emergencies, and the fluidity of communication.
- **Active listening:** we establish tools and channels to resolve any kinds of issues that do arise. We have procedures and systems in place to handle and manage any complaints and claims from our customers.

The food industry, a strategic sector where safety is paramount

The food sector is key to our business. It is characterised by the safety and quality of its products being inextricably linked to their reputation. In this context, excellence means paying attention to every detail. That is why we strive every day to provide our customers with the highest level of safety and confidence in our packaging solutions, always working to internationally recognised standards of quality and service. Last year, the Hinojosa Packaging Group carried out 49 food safety audits - 41 internal and 8 external - to offer our customers the highest safety and the best service. We have also implemented a Product Safety and Quality Culture Plan for 2023 to further improve our processes and promote a preventive approach in the actions of all our employees.

Premium Commitment Workshops: training to add value

One of our main objectives is to add value to our customers' businesses. In response to this challenge, we have launched the "Premium Commitment Workshops", training sessions in which we explore understanding of the sector with our customers.

Led by packaging experts, every participant learns in detail about aspects such as the manufacturing process of packaging, the main criteria to consider when selecting packaging, printing systems and the main challenges of packaging in a circular economy.

05.4 MEMBERSHIPS AND ASSOCIATIONS

Hinojosa Packaging Group is convinced that a solid system of cooperation is essential for meeting the challenges of our time and for continuing to boost our development and growth. We work together with business associations, business clusters, technology institutes, universities and foundations to address common challenges. These are opportunities to join forces, gather information and seek common interests for our sector, both nationally and internationally.

Main associations and institutions in which we are involved

Sector business associations

AFCO	Spanish Association of Corrugated Cardboard Containers and Packaging Manufacturers
FEFCO	European Federation of Corrugated Board Manufacturers
ASPAPEL	Spanish Association of Pulp, Paper and Cardboard Manufacturers
ASPACK	Spanish Association of Packaging and Cardboard Transformed Products Manufacturers
COPACEL	French Confederation of Paper, Cardboard and Pulp Industry
APIGRAF	Portuguese Association of Graphic and Paper Transforming Industries
CARTON ONDULE DE FRANCE	French Corrugated Board Federation

Institutes and other institutions or associations

AINIA	Agri-Food Industry Research Association
ITENE	Technological Institute for Packaging, Transport and Logistics
CERSCV	Responsible and Sustainable Companies Club of the Valencia Region
CICV	Valencia Region Innovation Club

ABOUT THIS REPORT

This document has been prepared on the basis of the information contained in the Rafael Hinojosa Group's 2023 **Non-Financial Report** (NFR). The NFR is included in the consolidated Directors' Report of Rafael Hinojosa, S.A. and subsidiaries, in compliance with Law 11/2018, of 28 December, which amends the Commercial Code, the consolidated text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on the Auditing of Accounts.

This document relates to the activities of Rafael Hinojosa, S.A. and its subsidiaries, which are dedicated to the manufacture and sale of packaging solutions. It includes information corresponding to all the companies that form part of the Hinojosa Group.

The Group has performed materiality analysis to identify the significant environmental, social and corporate governance issues for it. It has analysed the relevance of the aspects involved, both internally for the Group and externally for its stakeholders, in accordance with the methodology described in the NFR.

The Group uses the Global Reporting Initiative (GRI) Standards as a reference when preparing the content and indicators on non-financial information presented in the NFR and in this document.

The Group's 2023 NFR, on which this document is based, has been verified, with the scope of limited assurance, by PricewaterhouseCoopers Auditores, S.A., in its capacity as an independent provider of verification services, in accordance with article 49 of the Commercial Code, as amended by Law 11/2018 of 28 December.

This report enables us to share with our stakeholders the main achievements and results of the Hinojosa Group in its contribution to sustainable development during the last financial year.

TABLE OF CERTIFICATIONS

	ISO 9001	ISO 14001	ISO 22000	BRC IoP	ISO 50001	FSC®	PEFC	ISO 14006	ISO 45001	ISO 14064	Zero Waste	SDG
HINOJOSA PACKAGING												
Hinojosa Packaging Group	●	●				●						●
Hinojosa Packaging Xàtiva	●	●		●	●	●				●	●	
Hinojosa Packaging Pacs	●	●		●		●						
Hinojosa Packaging Sarrià	●											
Hinojosa Packaging Cardedeu	●					●						
Vegabaja Packaging	●			●		●						
Hinojosa Packaging Guadalajara	●					●						
Hinojosa Packaging Córdoba	●	●		●		●						
Hinojosa Packaging Vigo	●			●		●						
Hinojosa Packaging Valladolid	●			●		●		●	●			
Hinojosa Packaging Foodservice				●								
Cartonajes Bernabeu	●		●	●		●						
Hinojosa Packaging Graphicsleader	●					●						
Hinojosa Packaging Galería Gráfica				●		●	●					
Allard Emballages Saint Vulbas	●			●		●						
Allard Emballages Compiègne	●					●						
Allard Emballages Brive	●					●						
HINOJOSA PAPER												
Hinojosa Paper Alquería	●	●			●	●			●		●	
Hinojosa Paper Sarrià	●	●			●	●						
Hinojosa Paper Varennes	●	●			●	●						

HINOJOSA

In our quest for continuous improvement, we would like to know what you think about our Report. Can you spare us a minute?

Access a short survey using this QR code

HINOJOSA