



Hello!

Impact report 2020

Helping to build a more sustainable world

 QUADPACK

Helping
beauty brands
perform

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Chairman's statement

Hello!

Quadpack's second Annual Report presents both financial and non-financial information, including environmental, social and corporate governance, for the year ending 31 January 2021.

And what a year it was! This integrated document reports on a period like no other in history!

The COVID-19 pandemic overshadowed all activity, leaving nothing and no one untouched. In the midst of a worldwide crisis, Quadpack's 17th year was marked by the first decrease in turnover since it was founded and yet we still passed the €100 million in sales revenue, with a positive operating profit – undoubtedly a result to be proud of.

However, what makes me even more proud is to see how the company collectively functioned under such extraordinary circumstances, protecting our staff, preserving employment and preparing for the future.

The global Quadpack family banded together with a positive mindset, each and every member contributing in their own way to help the company adapt and evolve, in a way that will serve us beyond the crisis. We all contributed to aggressive cost reduction plans whilst still continuing to make selective investments in our future: in digitalisation, manufacturing capability and, above all, sustainability.

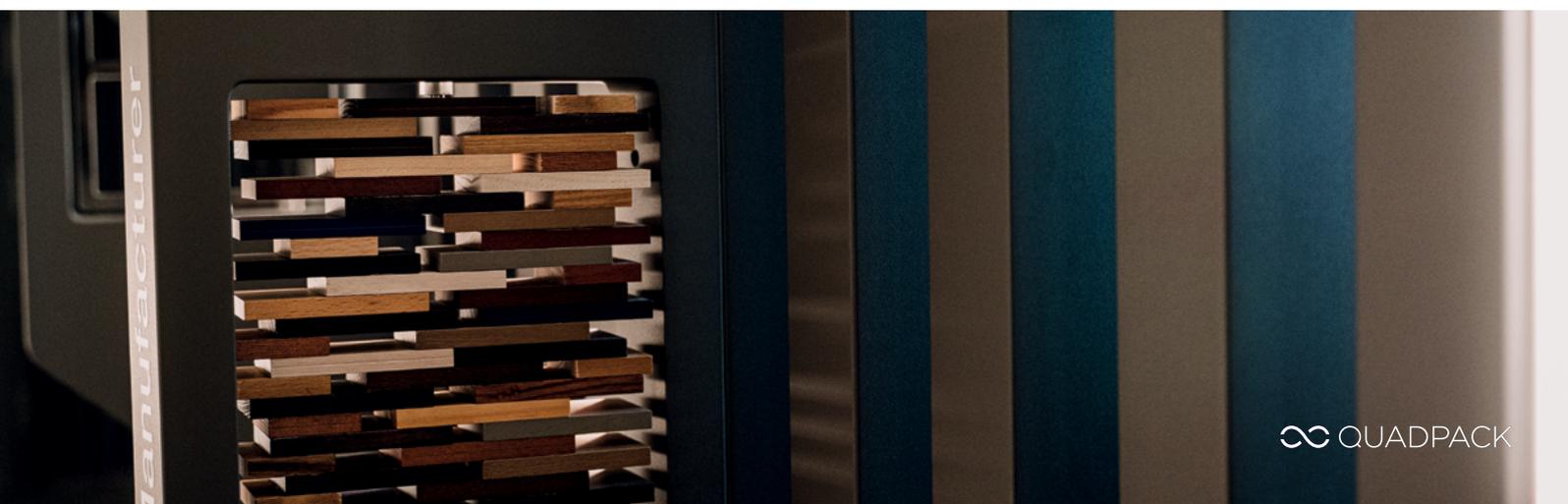
We also worked together with all of our stakeholders during the crisis and learnt so much in the process. We were grateful to be able to collaborate with others to help relief efforts, repurposing our production facilities and supply chain for a use we never foresaw.

It is generally acknowledged that the beauty sector is a resilient one and, whilst the global market saw an eight per cent decline in 2020, despite continuing uncertainty, it is starting to show signs of recovery, aided by an enduring sense of solidarity.

2020 marked the start of our five-year business strategy, which is based on five pillars: geographic expansion, agility, sustainability, collaborative innovation and being a great place to work. Right from the start, the crisis put our strategy to the test in the most rigorous way. I am happy to say it helped us withstand the situation and we were able to progress in every single one of our pillars.

We explored new frontiers, opening an office in Japan and expanding our operations in the Americas. With local facilities and a modular product portfolio, we are able to deliver sustainable solutions in the region, for the region, in each of our key territories, with greater agility.

Our expansion will be supported by digitalisation, as we move to a cloud-based global hub that connects the enterprise and streamlines our processes. Moreover, it



will facilitate faster integration with future acquisitions. Our factories made their first forays into smart manufacturing, piloting an Industry 4.0 project that encompasses IoT and artificial intelligence. The plants are well on their way to carbon neutrality, processing waste into fuel and raw materials and embracing clean energy.

This communication is also a reinforcement of Quadpack's commitment with the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption, signed in 2018.

We made a solid, lasting commitment to sustainability. With a sustainability strategy that covers our people, our processes and our products, we look to have a positive impact, not just on the environment, but on society as a whole. We also look internally, to create an inclusive culture reinforced by compliance policies and good governance practices.

We fostered partnerships to enrich our sustainable offer and to improve our service to our clients. We nurtured talent, collaborating with schools, universities and local business communities to encourage sustainable innovation.

In all this, we engaged with our stakeholders. We reached out to all those who affect or are affected by our business, to ask them their view on what matters most. We conducted a materiality assessment and its results will help us set ambitious targets as, together, we continue our sustainable journey towards using business as a force for good.

Cosmetically yours,

Tim Eaves

Chairman of the Board,
CEO and Co-Founder





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Quadpack at a glance

ACTIVITY



11

Total number of
operations (locations)

WORKFORCE



532

Number of
employees



54%

Female staff



90%

With a permanent
contract

CLIENTS



1,000

Number of clients

ENVIRONMENT



38,500

GHG emissions
(tCO₂eq)



0.38

GHG emissions (tCO₂eq) /
turnover (thousands of €)
2019-2020 variation -20.83%



56%

GHG emissions
savings vs 2019
28,000 (tCO₂eq)



100%

Renewable
energy

ecovadis
Business Sustainability Ratings

Ecovadis
Gold



CDP:
B-

SUPPLIERS



111

Number of
suppliers



50%

of purchases are coming
from local suppliers



54,000€

Contributions to
Foundations and
non-profit entities

SOCIETY



43,000

People impacted

Financial information

Millions of euros	2016	2017	2018	2019	2020
Sales	70.1	90.7	104.7	131.0	102.0
YoY%	28%	29%	15%	25%	-22%
EBITDA	6.6	6.8	9.7	13.6	8.5
% of Sales	9%	7%	9%	10%	8%
EBIT	5.1	4.9	6.5	7.1	0.2
% of Sales	7%	5%	6%	5%	0%
Financial	0.4	(0.9)	(1.5)	(1.8)	(2.3)
Tax	(1.7)	(1.3)	(1.4)	(1.4)	0.8
Net Income	4.1	2.7	3.7	3.7	(1.5)

SHARE PRICE INFORMATION

	2020	2019
No. of shares	4,380,572	4,203,926
Market Capitalisation	€134.1 million	€133.7 million
Share price	€30.6/share	€31.8/share
Earnings per share	-0.36	0.92
Dividends per share	-	0.29
Total dividend (€ m)	-	1.2
Dividend yield	-	1.0%

SECTION 1

Quadpack, the packaging partner for beauty brands

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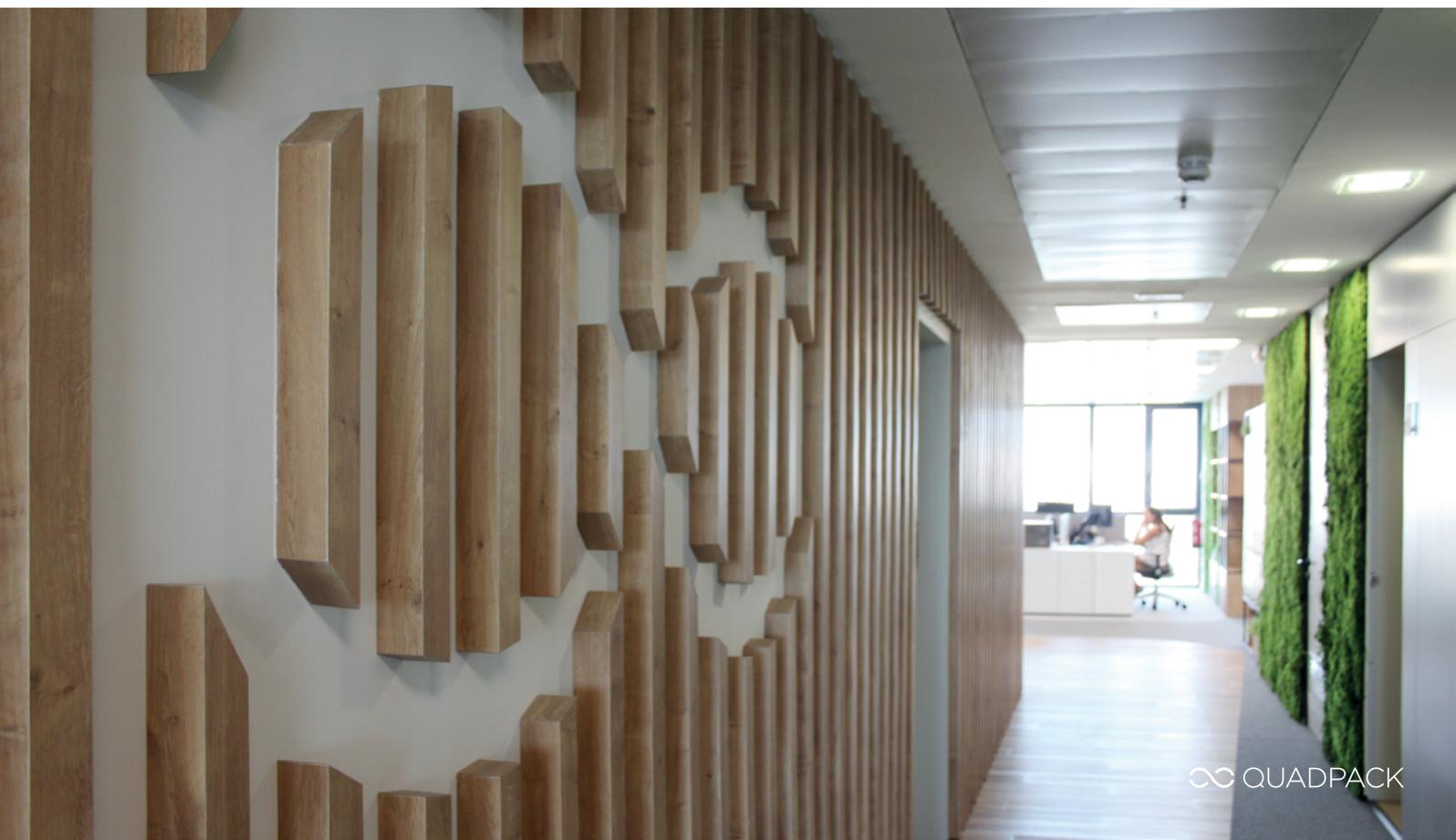
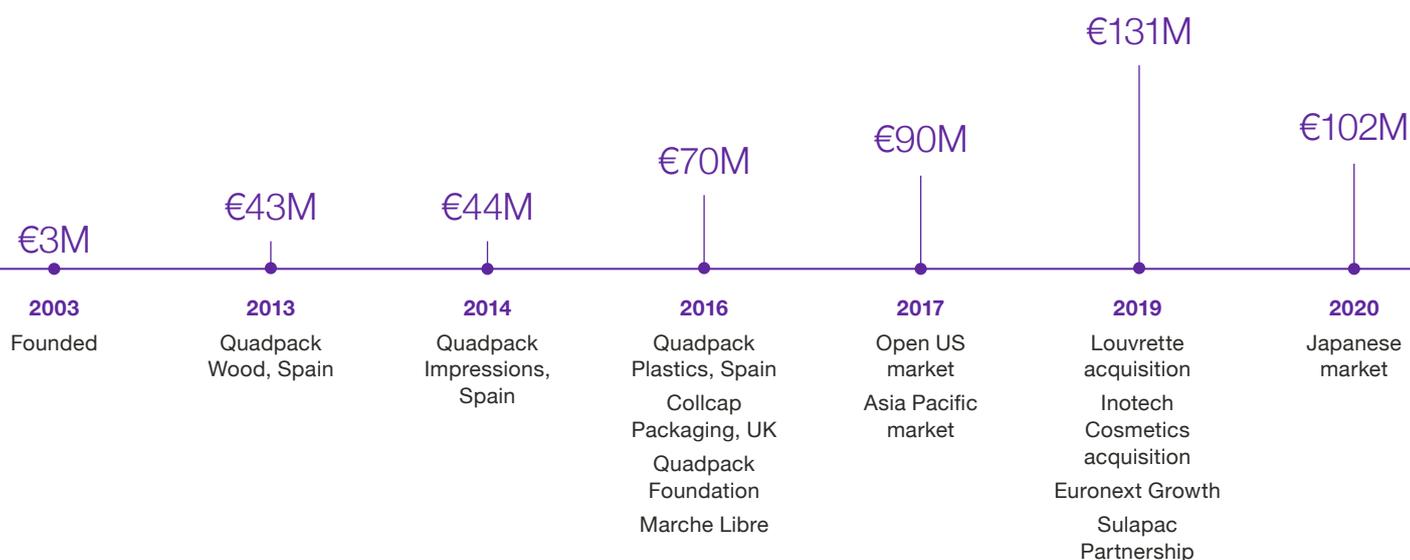
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A look at our history



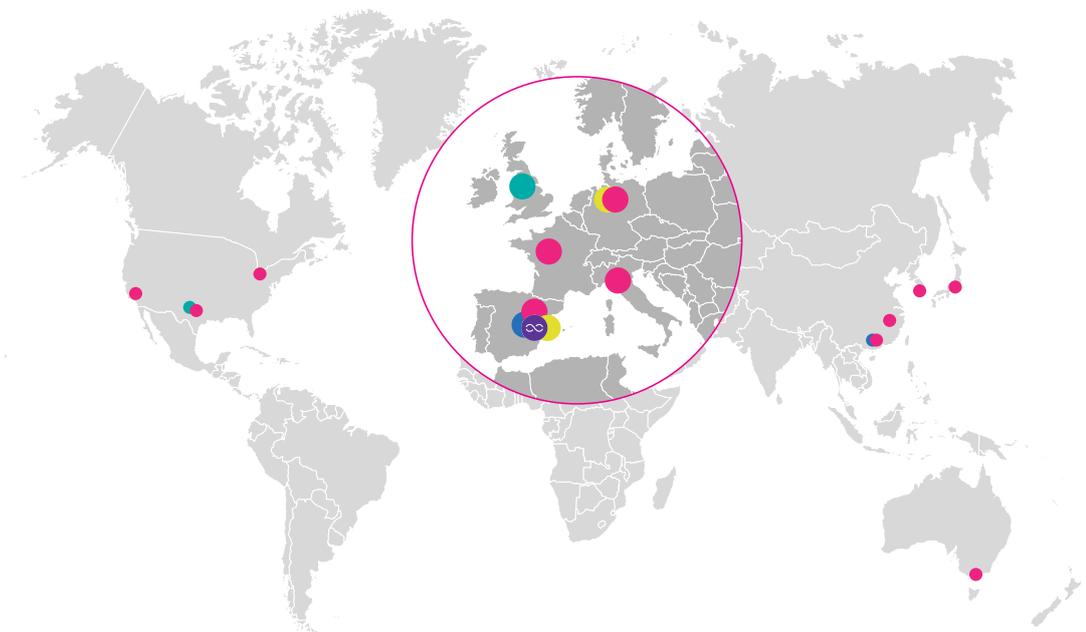
Identity and differential

About Quadpack

Quadpack Industries is an international manufacturer and provider of packaging solutions for the cosmetics industry. Established in 2003, it develops bespoke and customised packs for skincare, make-up and fragrance products.

QUADPACK AROUND THE WORLD

Quadpack has offices and production facilities in Europe, the Americas and Asia Pacific, as well as a strategic network of manufacturing partners. Its headquarters and central test laboratory are located in Barcelona, Spain.



- Headquarters:**
Barcelona
- Distribution hubs:**
UK, US
- Commercial locations:**
Australia
Hong Kong
Korea
Japan
Spain
France
Italy
United Kingdom
Germany
Dallas, US
New York, US
- Manufacturing facilities:**
3 in Spain
2 in Germany
- Laboratories:**
China
Barcelona

The world's leading beauty brands rely on Quadpack to create attractive, sustainable and innovative containers to package their products and attract consumers

Purpose, mission & values

QUADPACK'S PURPOSE

**We want to do it right,
differently, better.
We are Quadpackers.**

QUADPACK'S VALUES



AMBITION

We constantly evolve and push boundaries that lead to positive change.



INTEGRITY

We are open and honest. We prioritise ethics over results, always being transparent, sincere and fair.



CREATIVITY

We have the freedom and courage to disrupt and innovate.



EXCELLENCE

We are determined to exceed expectations. We believe in bringing the best quality to everything we do.



PASSION

We are passionate about what we do. We use our drive to motivate, engage and inspire others.



COLLABORATION

We build trust in all our relationships. By working together, we multiply our contribution.



The Quadpack difference

Since its establishment in 2003, Quadpack has achieved consistent and resilient growth, thanks to its ability to respond quickly to market demands and opportunities, as

well as its strong management and diverse global team. The Quadpack difference lies in its people, its strategy and its adaptability to an ever-changing market.



A careful balance of external and internal growth

Since entering manufacturing in 2013 with the acquisition of Quadpack Wood, the company has continuously expanded its manufacturing capabilities through acquisitions and investment in new technologies. It seeks to own the means of offering true added value, complemented by best-in-class products from its partner network. This strategy means that Quadpack is an innovative and dynamic player in the beauty packaging industry. In 2020, manufacturing activity accounted for 40 per cent of Quadpack's business.



Diversified activity that fosters innovation

Quadpack's manufacturing capabilities are complemented by sourcing from its global partner network. Its Market Development team comprises designers, packaging experts and engineers, providing the company with a complementary skillset that allows it to innovate to meet and exceed market expectations. Quadpack has also diversified its business into stocking, e-commerce and full-service (packaging filled with product), with local trials to test the market. Clients know that Quadpack has the know-how of a trend house, a design agency, a package developer, a manufacturer and a sourcing operation.



Providing solutions in the region, for the region

With a global sales network and commercial locations in the most important beauty markets in Europe, the Americas and Asia-Pacific region, Quadpack is able to offer solutions in the region, for the region, in tune with the local culture, demands and trends. Coupled with a portfolio of smart, modular solutions, Quadpack is able to stock, assemble and decorate differentiated products locally, accelerating turnaround times. This agility means that clients can deliver on-trend solutions without delay for greater competitive edge, while local supply ensures a low carbon footprint.



Sustainability as a purpose

Quadpack has long been guided by environmental, social and governance standards. Its focus is now on ensuring a positive impact on its people, the environment and society. Sustainability has been built into the company structure, guiding all business activity from the board room to the factory floor. Quadpack's purpose is to do it 'right, differently, better' and sustainability plays a critical role in making this happen. The company's 2020-2025 business strategy emphasises sustainable transformation in three areas: people, processes and products.

Business activity

Clients: close relationships in a global economy

Fostering close client relationships is one of the secrets of Quadpack's success. A deep understanding of the needs, desires and challenges of its clients engenders trust and inspires loyalty, while a global sales network and local supply ensures physical proximity. Today, Quadpack has more than 1,000 clients around the world, including 30 of the world's top 100 beauty brands.



Beiersdorf

CAUDALIÉ
PARIS

CHANEL

GROUPE
CLARINS

COLLISTAR
MADE IN ITALY

COTY

ESTÉE LAUDER

EuroItalia

LABORATOIRES
FILORGA
PARIS

GR
GROUPE ROCHER

Henkel

interparfums •

kao

KIKO
MILANO

L'ORÉAL
PARIS

L'OCCITANE
EN PROVENCE

LVMH

WEIYU ME™

NAOS

natura

NUXE
PARIS

Pierre Fabre

PUIG

RITUALS

SHISEIDO
GINZA TOKYO

sisley
PARIS

SODALIS
group

SPACE NK
APOTHECARY LONDON

Unilever

Walgreens Boots Alliance

Manufacturing and sourcing

Quadpack has a structure which combines in-house manufacture with selective sourcing from partners, allowing it to offer a diversified and balanced proposition. Through its factories, Quadpack controls the production of differentiated

components such as wood, as well as key packaging formats like jars and airless containers. For everything else, it has established partnerships with manufacturers to ensure the highest standards and greatest flexibility.



Louvrette, motor of growth and sustainable packaging

Louvrette, acquired at the middle of 2019, was fully integrated in 2020. Quadpack now has a firm foothold in Germany, the second-biggest cosmetics market in Europe, as well as a mature base in Austria, Switzerland and Scandinavia. More, the Kierspe plant has become Quadpack's manufacturing hub in the heart of Europe. In this way, the company is responding to market demand for localised supply, with faster lead times, a lower carbon footprint and greater control, as the plant is complemented by the

Spanish factories – Quadpack Plastics, Quadpack Impressions and Quadpack Wood – to ensure uninterrupted supply.

Significant investment was made in the 8,500m² manufacturing facilities, including €0.5 million in moulds and a €0.3 million state-of-the-art assembly line. Additional investment in decorating and assembly capacity will be made in 2021 to increase in-house capacity for late differentiation and greater agility.

Now working hand in hand with Quadpack's designers and package developers, Louvrette has become the

heart of sustainable product design, as the company pursues its programme of 'positive-impact packaging'.

Over the course of 2020, Louvrette has been a true motor of growth, reducing loss during the pandemic crisis.



Categories

Quadpack's products focus on the specific needs of its clients in each segment:

SKINCARE

DELIVERING PERFORMANCE THROUGH TECHNOLOGY

Skincare packaging has been Quadpack's core business from the beginning and remains so today, accounting for approximately 70 per cent of total revenue. Quadpack boasts state-of-the-art solutions in terms of materials, technology and design, which allow its clients to offer consumers an enhanced experience.

Quadpack offers skincare brands a wide range of standard products, as well as bespoke packaging solutions, adding value through features such as airless dispensing systems and special applicators and closure systems.

Value-added products and solutions, thanks to:

- Creativity coupled with technology
- Enhanced user experience
- Insight into markets and trends
- Modern, high-tech, high-performance solutions

MAKE-UP

TREND-SETTING SOLUTIONS FOR TOMORROW'S MAKE-UP

The colour cosmetics sector is all about trends and time to market. Quadpack's make-up solutions offer the perfect blend of the latest look and a fast turnaround. Its experts know how to translate emerging trends with novel solutions to deliver real competitive edge. This is reflected in its QLine portfolio, which is made up of smart, modular solutions – a range of the most popular

components which can be mixed and matched, then decorated to look entirely bespoke – respecting the strict launch plans of the world's leading brands. This strategy allows Quadpack's clients to respond to market demand on time and on trend.

Value-added products and solutions, thanks to:

- 'Insider knowledge' of the market and trends
- Solutions that embrace innovations in make-up formulations
- Bespoke products for limited editions
- Engaging designs for a heightened consumer experience
- Modular portfolio for fast creation of trend-setting packs

FRAGRANCE

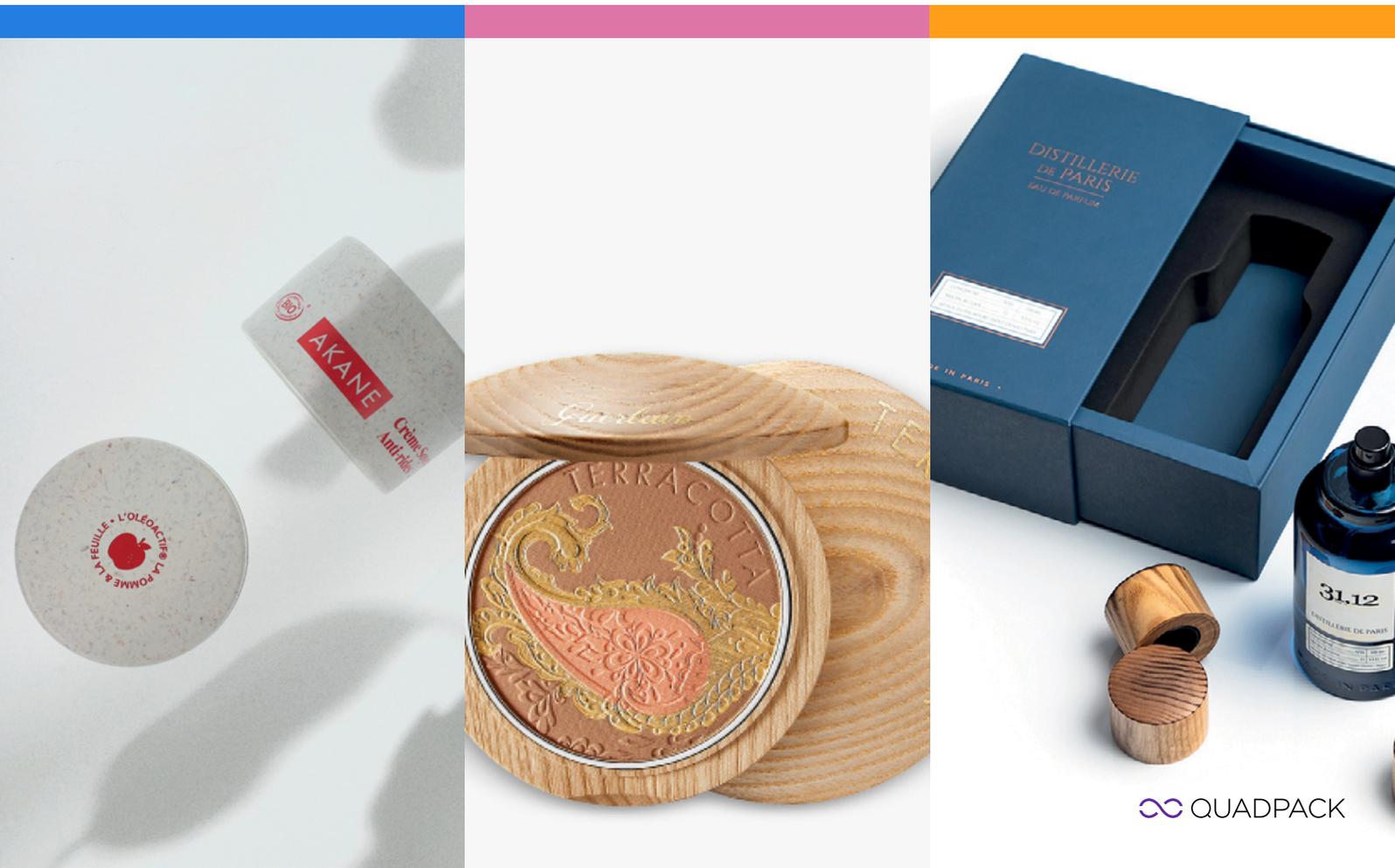
SHAPING UNIQUE FRAGRANCE DREAMS

Quadpack creates unique and inspiring packaging solutions for the fragrance sector. For niche brands and new entrants from other markets, Quadpack handles the entire process from design to delivery. For global luxury brands, its experts add a special touch that transforms their bottles into something extraordinary. Quadpack Wood has been hugely successful in this area, being the first company to

introduce sustainably sourced wood into the fragrance packaging market, with a cap for Burberry Touch for Women. Today, it continues to push the boundaries of sustainable design, creating beautiful components to adorn the most well-known and loved scents on the market.

Value-added products and solutions, thanks to:

- Tailored industrialisation
- Universal expertise in the design and development of new materials
- Design-to-delivery service
- Integral solutions from bottle to outer box
- Unique touches for true differentiation



Products

Quadpack's products are distinguished by an uncompromising focus on the needs and desires of its clients and, by extension, consumers. Whether designed and manufactured in-house, sourced or co-developed with partners, its solutions aim to offer differentiation, technological excellence and an enhanced user experience, all based on a foundation of sustainability. Of particular note are Quadpack's market-leading components in wood, cork

and the eco-safe biocomposite Sulapac. It also continues to lead the industry with its airless products, meeting the needs of the rising class of natural and organic formulas for brands in all market segments. Quadpack's products can be classified into three groups – Qline, QSelection and bespoke – supported by a range of services to enhance the final product.

QLine

Proprietary portfolio

QLine is Quadpack's own range of products, designed to meet or anticipate market demand, improve consumer experience and respect the planet. Produced either in-house or by selected manufacturing partners, the moulds and intellectual property belong to Quadpack. Consisting of smart, modular solutions, they can be mixed, matched and decorated to create a unique pack. Each QLine solution is characterised by an added benefit for the brand and consumer, as well as a varying level of sustainability, from basic recyclability to full circularity.

QSelection

Standard portfolio

QSelection is Quadpack's portfolio of packaging solutions carefully curated from the vast portfolios offered by its official supply partners. Once chosen, these products are thoroughly tested and brought in line with its own, strict standards. Wherever possible and desirable, Quadpack seeks exclusivity agreements for product types or technologies it considers to be outstanding in the market.

Bespoke

Tailored products

Bespoke products involve global brands. These solutions are custom-designed and typically driven by innovation. These projects are where Quadpack's designers can transform blue sky thinking into real, workable solutions that push the boundaries in terms of aesthetics, functionality and environmental impact. Its UK rapid prototyping centre accelerates the early stages of design, producing functional models that clients can touch and feel.



Services

Quadpack offers a range of standard and complementary services which add value to product development, in line with the client's priorities, from 3D modelling to custom testing, transportation options and stocking.



Design

Quadpack's designers create new packaging concepts, both for the company's QLine portfolio and directly for clients (bespoke). As part of this work, it tracks trends from a wide range of sectors, from fashion to vehicles, and distills these into blue-sky ideas as a basis for the inspiration behind new packaging formats. VIP clients are given trend previews and are invited to sponsor their development to create trend-setting, market-leading solutions.



Prototyping

Quadpack offers an industrial design service that helps clients explore different options prior to creating a pack, with inspiration drawn from its trends work. The service is equipped with the latest previsualisation equipment, including 3D rendering and 3D modelling to produce ultra-realistic prototypes in a range of colours and materials.



Package development

A team of experienced packaging engineers develops QLine products into customised packs for clients. Standard products are transformed into unique solutions by mixing and matching components and the clever application of decoration techniques. A modular catalogue and curated supply chain help to speed up time to market for a streamlined, design-to-delivery service.



Quality control and testing

Quadpack's central test laboratory in Spain adds a layer of quality assurance, complemented by the Shanghai laboratory situated near its Asian partners. New product and production sample tests are conducted as standard at the point of release from manufacturing, while pre-sales testing is available to clients as a value-added service.



Stocking & warehousing

Warehousing space is available in key territories for selected clients to allow them to stock semi-finished products for just-in-time assembly and decoration, ensuring an accelerated time to market.



Logistics

Quadpack provides a complete logistics service for all clients. This includes the handling of shipment, tracking and customs and duties where necessary. Each project starts with a full proposal based on a systematic analysis which considers fuel consumption and production deadlines, with contingency plans to ensure timely delivery.

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Corporate governance

Public commitment with ethics and good governance

Anti-corruption practices

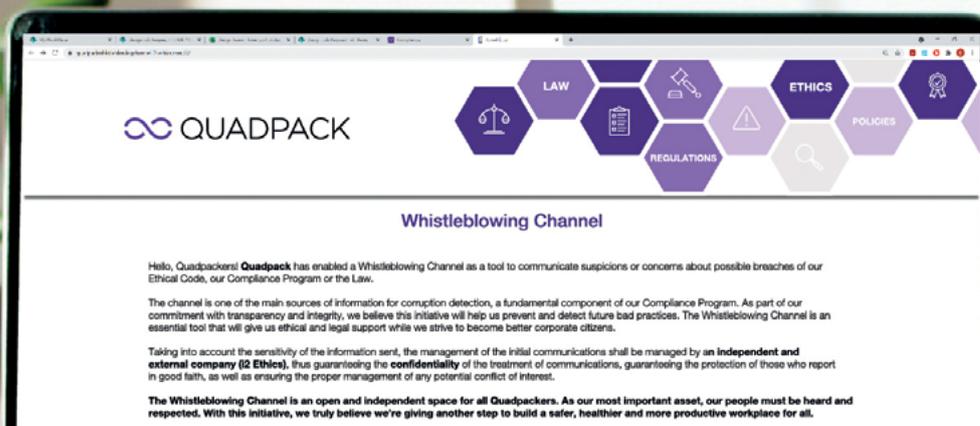
As a signatory to the United Nations Global Compact, Quadpack is committed to supporting Principle 10 on Anti-Corruption. This allows it to collaborate with its peers and share best practice related to work against corruption in all its forms. Internally, Quadpack's compliance programme establishes measures to eliminate any behaviour or practice that may involve abuse, enforced by the Compliance Officer. It also carries out third-party due diligence on its suppliers as part of the suppliers' validation programme, to minimise environmental and social risks. The programme comprises policies and channels to comply with laws, rules and regulations, including:

- **Code of ethics**
- **Anti-corruption & anti-bribery programme**
- **Anti-trust measures**
- **Anti-money laundering programme**
- **Whistle-blowing channel**

These policies require compliance with all applicable laws and provide guidance on good business practices

against corruption, bribery, money laundering and accepting or offering any type of payment, gift or compensation to or from any third party. They apply to all Quadpack employees, as well as to its business partners. The compliance programme also adopts the principle of fair competition and is designed to prevent any collusive or predatory behaviour or abuse of a position of power.

Quadpack's commitment to anti-corruption is also reflected in its management of third-party intermediaries and other business partners. Quadpack has implemented processes to control, detect and prevent collaboration with those involved in money-laundering activities. In addition, its anti-corruption policy forms part of its validation processes for clients and suppliers to ensure the ownership of the bank accounts to which Quadpack makes payments or from which it receives payments by means of bank ownership certificates and risk assessments, among others.



Whistle-blowing channel

The whistle-blowing channel, launched in 2016, was fully implemented in 2020 and is managed by independent contractor i2Ethics. It allows employees, suppliers and other stakeholders to report any suspected or actual fraud, corruption, illegal acts or unethical practices by employees and personnel of Quadpack, in good faith, for appropriate investigation and action subject to applicable laws. Part of Quadpack's compliance programme, the channel is an essential tool that provides Quadpack with ethical and legal support as it strives to become a better corporate citizen.

To ensure these commitments, 145 staff received training on the company's anti-corruption policy and procedures in 2020, while all new staff receive training on its code of ethics. Various communications were also carried out to explain the anti-corruption policy, code of ethics and whistle-blowing channel.

Thanks to a robust compliance programme, no fines or non-monetary sanctions were received in 2020 for non-compliance with social or economic laws and/or regulations.

Number of people receiving training on the anti-corruption policy and procedures by professional category

	2020
Steering committee	5
Senior management	5
Middle management	24
Rest of the staff	116
Total	145

Note: Factory training in 2020 was postponed due to the COVID-19 pandemic.

Communications

	2019	2020
Communications related to the anti-corruption policy	1	3
Communications related to the code of ethics	1	3
Communications related to the whistle-blowing channel	-	1

Whistle-blowing results

2020



270

VISITS



12

COUNTRIES



1 3

2019 2020
NUMBER OF
COMPLAINTS



100%

SUCCESSFULLY
RESOLVED
COMPLAINTS

Human rights

As a global company, Quadpack complies with the applicable laws in every country it operates and, among all those laws, there are none that Quadpack embraces more wholeheartedly than those relating to human rights. Strongly rejecting forced and compulsory labour and child labour, it complies with the International Labour Organization's fundamental conventions on freedom of association and the right to collective bargaining. Training is given on issues related to the code of ethics, which expressly includes:

- **Respect for the integrity of individuals**
- **Fair and equal treatment**
- **Prohibiting working conditions that harm employees' rights**
- **Guaranteeing freedom of association**
- **Preventing acts of violence, coercion, threats, deception, abuse of authority and taking advantage of situations of physical or mental inferiority or situations of need**

Across its supply chain, Quadpack aims to conduct ethical, social and environmentally-conscious business activities, working with suppliers and other

business partners to achieve this goal. Suppliers are required to sign Quadpack's code of ethics and supplier principles. These pledge to avoid, among others, corruption, bribery and conflicts of interests and commit to ensuring a positive impact on communities and the environment.

Quadpack's human rights actions are informed by the Universal Declaration of Human Rights, the fundamental conventions of the International Labour Organization, and the United Nations Guiding Principles on Business and Human Rights



Corporate structure

Governing bodies

Quadpack's corporate governance bodies are steered by the highest standards of integrity, compliance and transparency. Dialogue, transparency and responsiveness form the cornerstone of Quadpack's corporate governance and guide the actions of the Board of Directors, who are ultimately responsible for the company's activities.

The Board of Directors meets four times a year. Besides the Annual General Meeting, Extraordinary Meetings can be called by the Board of Directors or by shareholders representing at least five per cent of its share capital.

Board of Directors

Quadpack's Board of Directors establishes the company's strategic objectives and supervises the executive bodies to make sure their efforts are in line with these objectives. The Board Regulations describe the Board's specific duties, which include setting strategic plans, approving corporate transactions and remuneration, and determining the company's governing policies. It is also responsible for making strategic decisions, including those related to corporate social responsibility and sustainability.



TIMOTHY-JOHN EAVES

Co-Founder & Chairman of the Board

Tim Eaves has over 25 years' experience in the global beauty packaging industry. As co-founder and CEO of the Quadpack Group, he is responsible for the strategic direction of the company. His vision has steered Quadpack into becoming a multinational company serving leading beauty brands around the world.

Eaves is also an experienced professional in manufacturing and marketing and holds a degree in Marketing for Engineering from Huddersfield University, UK.

PHILIPPE LENGLART

Co-Founder & Board Member

Philippe Lenglart has overall responsibility of Quadpack in his capacities as co-founder, partner/ shareholder, director and board member. He dedicates himself to strategic planning and market observation in terms of mergers & acquisitions and recruitment.

With three decades' experience in cosmetics packaging, Lenglart is a well-known and respected player in the industry. He founded Lenglart Packaging in 1988, which later merged to become part of the Quadpack Group.

Lenglart is a graduate in sales and marketing from the Paris Chamber of Commerce University and from Georgia University, USA.

Philippe has retired from the Board in April 2021.

PATRICK JOHN MCDERMOTT

Board Member

John McDermott advises on the direction, strategy and performance of the Quadpack Group. A veteran in the cosmetics packaging industry since 1976, he founded Collcap Ltd. in 1993, an agency business specialising in plastic and metal caps, closures and collars. Collcap became one of the UK's leading cosmetic packaging providers. In 2016, he joined forces with the Quadpack Group, in a merger that saw the unification of two major players in beauty packaging. McDermott holds a Higher National Certificate in chemistry.

MARC GUY HENRI SAHONET

Board Member

Marc Sahonet helps establish the company's long-term vision from both a financial and strategic point of view. He also manages Quadpack's stock market presence. With 20 years' experience in business management, Sahonet has been on the board of the Quadpack Group since its inception in 2003 and has been involved in all the strategic decisions made.

Sahonet is a chartered accountant and holds a Master degree in finance and accounting from the Ecole Supérieure de Commerce de Montpellier.



IGNACIO FERNANDEZ GÓMEZ

Legal Counsel & Company Secretary

Ignacio Fernandez acts as Company Secretary and is Quadpack's legal counsel. As a board member, he advises on legal business management and direction, as well as sitting on strategic committees relating to company acquisitions. Fernandez graduated in law and economics at Deusto University (Bilbao, Spain) and holds a Master degree in legal and financial affairs from IESE. A member of the Barcelona Bar Association, he specialises in legal counsel in complex transactions, mergers, acquisitions and partnerships.

BEATRIZ REQUENA BLANES

Legal Advisor & Company Vice-Secretary

Beatriz Requena is Quadpack's Vice-Secretary and Legal Advisor. As a Board Member, she assists the company's Secretary, Ignacio Fernandez, and acts on his behalf in his absence. She specialises in international commercial trade and business legal advice. Requena has a Bachelor degree in law from the University of Alicante, Spain, a Postgraduate degree in corporate legal practice from UOC University (Barcelona) and a Master in logistics and international commerce from Abat Oliva CEU University (Barcelona).

STEVEN PHILLIP LEWIS

Board Member

Steven Lewis focuses on cross-border operations using his experience as a US financier living in Europe for more than 30 years. He joined Quadpack's Board of Directors in 2018, providing his extensive expertise in mergers & acquisitions. Lewis has a Bachelor degree in business administration from the University of Southern California (Los Angeles, USA) and holds a Master in business administration from the London Business School.

Quadpack has set itself the target of incorporating independent Board members in 2021.

In April 2021, institutional investor and analyst Chrysoula Zervoudakis was appointed as Quadpack's first independent member, in an initial move towards greater diversity and improved governance.



Governing committees

The Board Regulations provide for the delegation of certain boardroom duties to the following committees:



Executive
Committee



Strategy and
Corporate
Governance
Committee*



Appointments and
Remuneration
Committee*



Audit and
Compliance
Committee*

*To be constituted in 2021.

Executive team



Risk management

Quadpack's risk management framework provides a robust platform to identify complex and emerging risks, ensure mitigation processes and controls are in place, regularly monitor and manage key risk areas and provide timely and effective reporting. The Risk Management Committee, as the main governing body of this area, is responsible for formulating and updating the company's risk policy and identifying and classifying the risks to which it is exposed. It will be monitored by an Audit Committee, which will report to the Board and be responsible for coordinating and directing efforts to those business areas affected by each of the risks identified. The risk management process is carried out in stages:

Identify – A risk is identified and documented in the risk register.

Assess – The gross and net effect of any threats detected are documented, to assess their likelihood and impact. They are given a rating and prioritised.

Plan – Management responses are prepared in order to mitigate threats.

Implement – Risk contingency responses are defined, to be actioned in the event a risk becomes an incident.

Monitor and review – The performance of the risk management system and any changes to business initiatives are reviewed by the Risk Committee and monitored by the Audit Committee.

Communicate – Regular reports are presented to the Board and the Audit Committee at agreed times.

Based on this methodology, Quadpack has identified internal and external risks, which are classified into the following categories:

- **Reputational**
- **Legal**
- **Financial**
- **Operational**
- **Technological**
- **Human capital**



A risk map in matrix format helps Quadpack to prioritise actions and prevent probable, higher-impact risks compared with less probable, lower-impact ones. None of the risks identified materialised in 2020. However, the pandemic crisis caused by COVID-19 gave rise to new risks and challenges which led Quadpack to implement measures in response to the situation, in particular in relation to the safety of its staff, as detailed in the COVID-19 section.

In 2021, Quadpack is applying a new risk methodology in line with its materiality assessment. This will reflect the company's risks related to its economic, environmental and social impact, according to its stakeholders. Among the key areas of risk identified were cybersecurity and IP management, both areas in which Quadpack has already taken extensive measures.



Cybersecurity

A resilient IT infrastructure is essential to Quadpack's success but also an area of risk, from cyber-attacks, security breaches and continuity disruption. In response to risk priorities, Quadpack now boasts a degree of IT security that is high for a company of its size, using scanning and monitoring tools and automated cyber defences. Awareness campaigns educate employees about malicious emails, while ethical hacking techniques simulate cyber-attacks to test IT security.

Critical systems are set up with full disaster recovery capabilities and geographically-distributed locations support cross-site recovery. Legacy systems are being replaced with a new, more resilient infrastructure. A new cloud strategy is in place, complete with cloud security systems. Several change programmes are underway to intensify IT and network controls in order to meet new levels of risk.



Intellectual property management

Quadpack's intellectual property (IP) management is the responsibility of the legal department, with technical support from IP expert firm Manresa Industrial Property. Before launch, any standard product (QLine or QSelection) has its IP validated. This validation consists of investigating the existence of patents the product may infringe and analysing patentability based on originality and innovation.

The objective is to ensure that all products offered to clients, whether proprietary or developed by partners, are protected by IP rights and free from risk.

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Strategy in an uncertain environment

Market environment

The cosmetics market

Cosmetics is a particularly resilient market, as evidenced during recent crises. In 2020, the global cosmetics market was worth over €200 billion¹. It has been growing at an annual rate of between three and five per cent for the last 20 years, except for 2008 and 2009 due to the recession. In 2020, the beauty market declined by around eight per cent, as a result of the pandemic. The Asia-Pacific region, especially China, contained the pandemic more rapidly and saw its market recover in the second half of the year. This was the only region that grew compared with 2019 (2%). Western Europe was the most heavily impacted by the crisis (-14%) while Eastern Europe was affected to a lesser extent (-3%). After a sharp decline in the first half of the year (-3%), the US market recovered rapidly in the second half. South America, Africa and the Middle East saw a similar decline to the global market (-8%).

Within the cosmetics sector, mass-market cosmetics were relatively spared while luxury products were more heavily hit by the closing of department stores and other selective channels. Similarly, travel retail suffered greatly from the drastic drop in air traffic. Professional products declined sharply in volume due to salon closures; they also recorded a significant catch-up effect afterwards.

In terms of product categories, skincare experienced the lowest decrease: just -3%. This category remains the leading contributor to the beauty market (42%). Haircare also recorded a strong performance in 2020 and suffered a decline of just -4%. Make-up (-23%) and fragrance (-19%) were the most impacted categories.

Arguably the most positive market development in 2020 was the exponential acceleration in digitalisation, both in online sales and communication and also sales via social media.

Cosmetics packaging market

Packaging accounts for approximately 10% of the total Cosmetics sector turnover. We estimate that Quadpack's target market was close to €20billions in 2020¹. In Europe alone, where the company produces most of its revenue, cosmetics product packaging generated a turnover of €6.4 billion, nearly one-third of the total. Five countries account for 75 per cent of the European market: France (26%), Germany (17%), Italy (13%), the UK (11%) and Spain (8%).

The Americas is the biggest market, accounting for nearly 34 per cent of the industry, followed by Asia Pacific, which has grown to encompass another third of the market and is expected to continue delivering fast growth.

By packaging type, the sector is dominated by plastic packaging, which accounts for between 50 and 55 per cent of the market, although glass containers are predominant in the fragrance category. Other materials used include metals, paper and wood. Shifting consumer habits and preferences, particularly growing environmental awareness in Europe and America, suggest that sustainable materials such as bioplastics, cork and wood may become more important going forward.

As for the business landscape, the sector is highly fragmented. The three top firms boast revenues of over €500 million each. There are few medium-sized enterprises and a broad base of small businesses.

¹ According to a study by L'Oréal

Business strategy

In 2020, just before COVID-19 became a global crisis, Quadpack launched its vision and business strategy for 2020-2025. Its vision is to become a leader in the middle-market, based on five pillars:



Global expansion

We stay close to our clients, as we increase our presence in the Americas and Asia Pacific and deliver solutions in the region, for the region.



Agility

We exceed market expectations with speed and flexibility by reducing time to market and offering locally customised 'smart modular solutions' that leverage our operating model.



Sustainability

We are passionate about the planet and people as we work to increase our positive impact on society and the environment by pioneering sustainable transformation with our products, processes and people.



Collaborative innovation

We believe in collaboration as a catalyst for positive change by fostering partnerships to develop pioneering business solutions, manufacturing techniques, products and services.



Great place to work

We foster a performance-driven culture based on integrity, diversity and innovation, by focusing on leaner business foundations and on personal development, as we seek to ensure a positive impact on our people.

Product strategy

In 2020, Quadpack overhauled its product strategy to better meet market demands both now and in the future. It aims to develop a sustainable product portfolio and generate a high level of profitable sales growth, with priority given to the development of patented solutions. The focus of the QLine product portfolio was redirected onto three areas:



Added value

Adding benefit to brands and consumers through delivery systems such as special applicators, dispensing systems and closures. This includes airless dispensing solutions, which Quadpack is now able to design and manufacture at its German manufacturing plant. Over half the QLine range will incorporate a delivery system by 2025.



Sustainability

Offering escalating degrees of sustainability, as well as life cycle assessments for each new product. Six attributes define the sustainability level of each product, to enable brands to make informed decisions. By the end of 2025, all undecorated products in Quadpack's portfolio should be recyclable, compostable or refillable.



Exclusive innovation

Market-leading solutions protected by international patents. Quadpack's new product development process includes intellectual property validation, while a strong innovation pipeline will represent 25 per cent of its total product portfolio.

PRODUCT AWARDS

GERMAN DESIGN AWARD

Quadpack received the German Design Award for a beautiful pack developed for Charlotte Tilbury's Hollywood Flawless Filter.



Sustainability strategy

Ensuring a positive impact

Packaging continually makes headlines with regard to its environmental impact. Quadpack works hard to help turn this situation around by aiming for a positive impact, not only on the planet but also on society. By taking action through its people, its processes and its products and involving all its stakeholders, it is working to help build a more sustainable world.

The company operates in compliance with environmental legislation as well as its voluntary commitments, and has not received any fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations.

Quadpack's sustainability strategy is guided by ISO14001. Its integrated policy on quality, health & safety, environment and CSR establishes environmental criteria for all decision-making and planning processes that may affect the natural environment. It also sets out commitments to reduce waste and emissions, ensure energy efficiency, promote environmental practices and generally contribute to improving environmental conditions in the areas in which it operates.

Voluntary initiatives

Quadpack signed up to the United Nations Global Compact, the world's largest corporate sustainability initiative, in 2017 and aligns its strategies and operations with 10 universal principles on human rights, labour,

environment and anti-corruption. The UN Global Compact also proposes Sustainable Development Goals (SDGs) that lay out a path to end extreme poverty, fight inequality and injustice and protect our planet. Quadpack has selected the four SDGs where, as a beauty packaging provider, it can have the greatest impact:

7 AFFORDABLE AND
CLEAN ENERGY



8 DECENT WORK AND
ECONOMIC GROWTH



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



15 LIFE
ON LAND



Quadpack is listed in the Sedex database of ethical suppliers and is assessed annually by the CSR ratings company EcoVadis on a voluntary basis. Quadpack also joined the environmental reporting organisation CDP in 2020, to help identify, measure and disclose its environmental impact in a spirit of transparency.





EcoVadis Gold Medal

In 2020, Quadpack was awarded a Gold Medal by CSR ratings company EcoVadis. This positions Quadpack as best in class in four areas: environment, labour practices & human rights, fair business practices and sustainable procurement. This result places Quadpack Industries among the Top 5 companies assessed by EcoVadis globally in its industry. In 2020, the Louvrette factory also maintained its EcoVadis Silver Medal.



CDP assessment

Quadpack Industries scored B- in the CDP climate change assessment, a reasonable result for the first ever exercise and one which it hopes to improve in 2021.

A Sustainability Committee steers and advises the company on its sustainability strategy. Composed of employees and executives including the CEO, CFO and COO, it constantly reviews the company's sustainability policies and

programmes, identifying and analysing significant sustainability issues and trends that may impact its overall business strategy, global business continuity and financial results.

Sustainable packaging in the circular economy

The circular economy lies at the core of Quadpack's operations. What it takes from nature, it aims to give back. To ensure positive-impact processes, it continually looks to optimise resources, reduce raw material consumption and recycle and reuse waste. All Quadpack's factories run on renewable energy.

A shift towards sustainable materials like wood, the pioneering biocomposite Sulapac® and recycled plastics like PCR form a key part of its eco-design practices in new product development. Its Quadpack Wood factory is certified by the PEFC and FSC for the sourcing of raw materials from sustainable sources.

Eco-design is replacing traditional materials with bio-based and recycled materials such as Sulapac® and rPET.

To deliver positive-impact packaging solutions, Quadpack is conducting life-cycle assessments (LCAs) for its products, measuring indicators such as water consumption, waste and pollution. It has created a rating system based on the LCA assessment and six sustainability attributes that will be

available for all its products. Ranging from a minimal level of sustainability to positive-impact packaging, the rating will disclose every pack's environmental credentials. The sustainable attributes are:



Reduce

Smaller amount of material used or smaller amount of energy used to produce it.



Reuse

Refill system or reusable format.



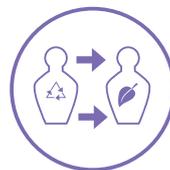
Replace

Materials replaced with more sustainable alternatives such as recyclable and/or biodegradable sources.



Recycled material

Packs made from post-consumer recycled material.



Recycle

Recyclable packs.



Biodegradable

Packs that can disintegrate without leaving harmful microplastics behind.

Half the QLine portfolio has been evaluated using the LCA tool and the whole product catalogue should have an LCA assessment by the end of 2021.



Engaging with the wider community

Quadpack's sustainability strategy reaches beyond its core activity and involves the wider community, starting with its key stakeholders. Besides employees and Board Members, Quadpack also engages with clients, business partners, investors, suppliers, consumers and industry associations, sharing knowledge and fostering sustainable practices in all areas of business.

Quadpack belongs to different national and international organisations such as the Beauty Cluster Barcelona, the Packaging Cluster, Aeball, Pimec, Cosmetic Valley, APCO, ICMAD, CEW, SEQC, Barcelona Global, Centro Español de Cosméticos, Fragrance Foundation and Polo Tecnológico della Cosmesi.

It works with academia to foster future talent within a sustainability framework, as well as sponsoring student and business awards to encourage new thinking in sustainable product design.

Most of all, it ensures a positive impact through the activities of the Quadpack Foundation, a non-profit organisation established in 2017 to help the people, communities and environment wherever the company is present.





SECTION 2

2020 in review: a year of resilience and sustainable transformation

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COVID-19 pandemic

The COVID-19 pandemic reached every part of the world and is still affecting almost the entire economy. Quadpack worked hard to manage any disruption in its supply chain or drop in demand. It worked together with its stakeholders in the beauty industry to minimise the effects of the pandemic on society. But first and foremost, it took measures to ensure the health & safety, security and wellbeing of its staff because their welfare is at the heart of everything we do.

A Crisis Committee was created which met on a daily basis, as well as a Board Committee which met weekly, in order to monitor the evolution of the pandemic and to inform employees of developments.

Protecting the Quadpack family

The People team played an important role in guiding the company and its employees through the COVID-19 health crisis. The pandemic had a substantial effect on all economic activity, with significant impact on Quadpackers across the organisation. To maintain business continuity, the company equipped itself with tools and processes to adapt to the situation, prioritising the physical, emotional and financial wellbeing of its employees. Flexible working arrangements were immediately adopted for office-based employees to enable home working, while more stringent safety measures were implemented for production staff and others who were not able to work remotely.

Within its production facilities, factory workers applied special safety measures such as body temperature checks, staggered shifts, maintaining a distance and disinfecting machinery between shifts, while following the guidelines of the World Health Organization.

To protect their financial wellbeing, the working hours of most employees were reduced to reflect the changes in activity levels. Quadpackers across the Group responded positively, many voluntarily reducing their hours in solidarity with their colleagues.



COVID-19 repercussions

2020

● ♀ ● ♂

43

NUMBER OF
COVID-19 CASES



603

NUMBER OF DAYS
LOST ASSOCIATED
WITH COVID-19



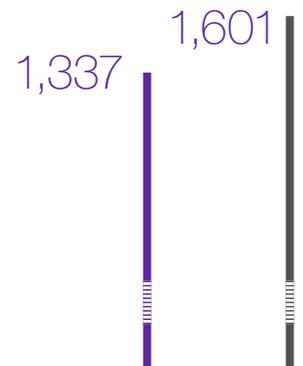
223

NUMBER OF PEOPLE
FURLOUGHED OR
SIMILAR



2,938

NUMBER OF DAYS
LOST DUE TO
FURLOUGH SCHEME



Operational transparency

Quadpack created an online dashboard to help keep stakeholders informed of the effects of the pandemic on the company's global operations. This dashboard showed real-time information about the status of Quadpack's factories in Europe and those of its supply partners in other parts of the world. The dashboard also shared information regarding support, shipping and logistics.

A small but important innovation, the new dashboard is one of the ways the company ensures transparency and keeps the lines of communication open with all its stakeholders.

Supporting the relief effort

Quadpack collaborated with local charity networks, partners and industry colleagues to manufacture and provide protective equipment and supplies. During this time, the following actions can be highlighted:



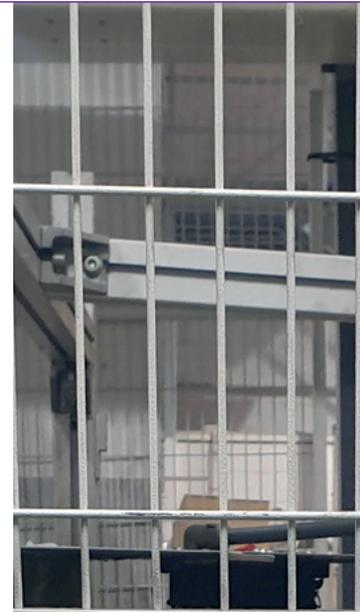
The Quadpack Plastics injection-moulding facility in Catalonia, Spain, modified a mould to manufacture over 100,000 components for face shields. Quadpack took part in a coordinated effort with other companies in the area to produce various parts of the visors, for easy assembly on-site by users. Likewise, Quadpack's rapid prototyping centre in Leek, UK, printed face shields and connector pieces for ventilators using its Stratasys J850 3D printer, in response to an urgent call from North Midlands University Hospital. The team worked closely with 3D printing partners Stratasys and Tri-Tech3D.



Quadpack's offices in China and South Korea worked with Asian partners to donate protective equipment and hand sanitiser packaging. Some of this material was used by Quadpack's factory and warehouse staff in Germany and the US, but most was donated to hospitals and care facilities.



Quadpack's relief efforts started with an initial donation of 300 standard face masks used in its wood factory in Spain to the staff at the Vic University Hospital in March.



AL DE SOPORTE





Digital transformation

Technology has been at the heart of Quadpack's global expansion. In January 2020, the company launched a digital transformation strategy that will support its future evolution: Quadpack Connect. This long-term business technology project will provide more flexibility and scalability to the business while also accelerating its growth.

An early adopter, Quadpack has chosen SAP's pioneering SAP 4/HANA platform. It will transform the company's business ecosystem via a cloud-based digital hub, connecting the entire business by consolidating data into a single database. Advanced analytics, machine learning, artificial intelligence (AI) and the Internet of Things are just some of the innovations that Quadpack aims to develop. An Industry 4.0 project is currently being deployed at its manufacturing plants, where automated and lean processes will bring greater efficiency and agility.

The benefits of the platform will be far-reaching. Quadpack Connect will:

- **Standardise processes and data into a single platform and database.**
- **Improve data quality and consolidation.**
- **Streamline business processes and workflows into a leaner, more efficient operating model.**
- **Accelerate decision-making processes through access to real-time information.**
- **Anticipate market needs using advanced data analytics and AI, to stay ahead of the competition.**
- **Provide agility in supply chain and manufacturing processes.**
- **Optimise the selling process and build a customer experience that is easy, simple and clear.**
- **Improve employee satisfaction by introducing new ways of working and collaborating.**
- **Facilitate business growth through a future-proof cloud platform.**
- **Build an achievement and innovation culture.**



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Sustainable management

Materiality matrix

Good practice in sustainability starts with understanding what matters most to all those involved in, and affected by, the business. In 2020, Quadpack started planning a materiality assessment which would involve all its staff and external stakeholders, to identify the importance of environmental, social and governance (ESG) issues. Topics were prepared following a benchmarking exercise that compared its sustainability strategy with peer companies.

The assessment was carried out in early 2021 and a report was prepared in accordance with the GRI Standards: Core option of the Global Reporting Initiative. The material topics identified present a snapshot of stakeholder priorities for Quadpack's business in 2021. These have been combined in a matrix that will guide Quadpack's sustainability strategy over the next year. Targets are currently being defined that will be measured against the baseline of the materiality matrix.

Sustainability materiality matrix



Stakeholder communications

Future developments related to these topics will be communicated to stakeholders in an open dialogue via various channels. Internally, email and intranet social platforms are used. Externally, the company has a monthly newsletter in seven languages (English, Spanish, French, Italian, German,

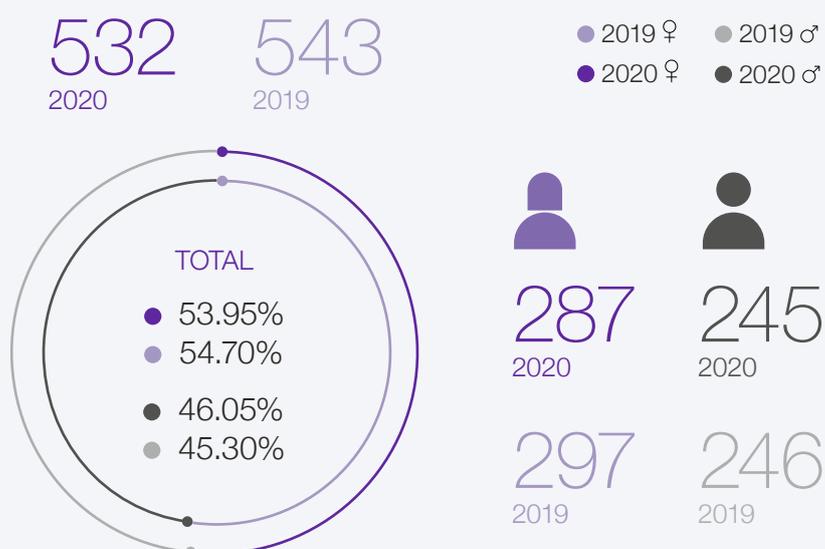
Korean and Japanese) that informs about corporate news, product launches, new trends and CSR initiatives, as well as various social media profiles and a busy press office to liaise with the global trade media.

The Quadpack family

Our people: our greatest asset

The greatest sustainable transformation within Quadpack in 2020 was related to its people. Its pursuit of a positive impact starts from within, with its employees. The company encourages dialogue and strives to ensure equal opportunities for all Quadpackers to realise their full potential. Quadpack fosters a welcoming workplace that prioritises the health & safety, wellbeing and personal development of all its people. Its workforce has grown to reach 532 in 11 countries, split roughly equally in terms of gender.

Number of employees by gender



Note: all the information in relation to Human Resources includes data from all the companies that make up the Group, except the data related to remuneration, as indicated in the corresponding table.



Number of employees
by country



SPAIN

	2020	2019
Total	231	242
♀	120	128
♂	111	114



UK

	2020	2019
Total	27	28
♀	14	14
♂	13	14



HONG KONG

	2020	2019
Total	2	3
♀	1	1
♂	1	2



GERMANY

	2020	2019
Total	189	183
♀	96	96
♂	93	87



SOUTH KOREA

	2020	2019
Total	4	4
♀	2	2
♂	2	2



CHINA

	2020	2019
Total	20	22
♀	11	12
♂	9	10



USA

	2020	2019
Total	23	22
♀	13	13
♂	10	9



AUSTRALIA

	2020	2019
Total	8	9
♀	5	5
♂	3	4



JAPAN

	2020	2019
Total	1	0
♀	0	0
♂	1	0



ITALY

	2020	2019
Total	7	7
♀	7	7
♂	0	0



TAIWAN

	2020	2019
Total	0	1
♀	0	1
♂	0	0



FRANCE

	2020	2019
Total	20	22
♀	18	18
♂	2	4



Nurturing our business culture

With 41 nationalities on its staff, Quadpack celebrates the diverse cultural backgrounds of its workforce. In 2020, it implemented a culture project, starting with an assessment to measure the current environment and define the ideal Quadpack culture. All Quadpackers were invited to participate in an online survey to understand how they experience the company's culture, highlighting positive aspects as well as areas for improvement. Based on the results, an action plan was drawn up with three key areas:

- Grow and develop our people
- Leadership excellence
- Communication and collaboration

This plan will help build a culture that enables the company to achieve its strategic objectives.

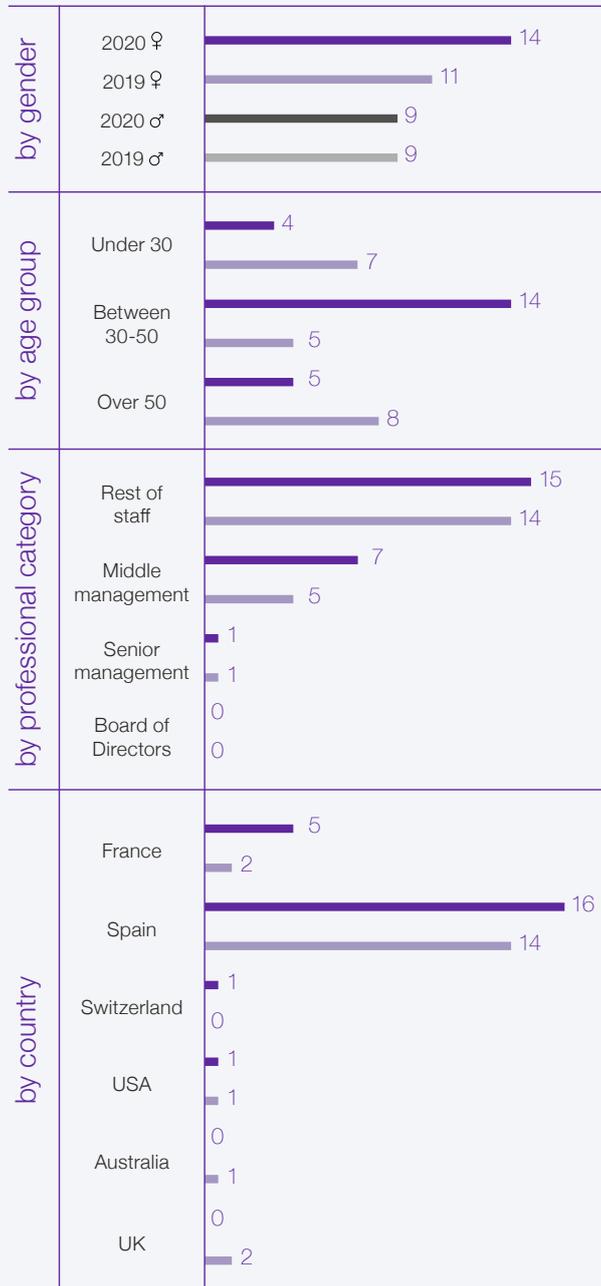
Quadpack fosters an inclusive, performance-driven culture based on integrity, diversity and innovation

Job stability

Being a great place to work is a core strategic aspect. The efforts of the People team aim to guarantee job stability and improve staff performance and wellbeing, whilst also delivering an excellent service that generates value for the company's clients. In 2020, 89.6 per cent of the workforce was employed on a permanent contract. The company also reduced its number of temporary workers and restructured its activity in the Asia-Pacific region, resulting in a decrease in the number of employees.

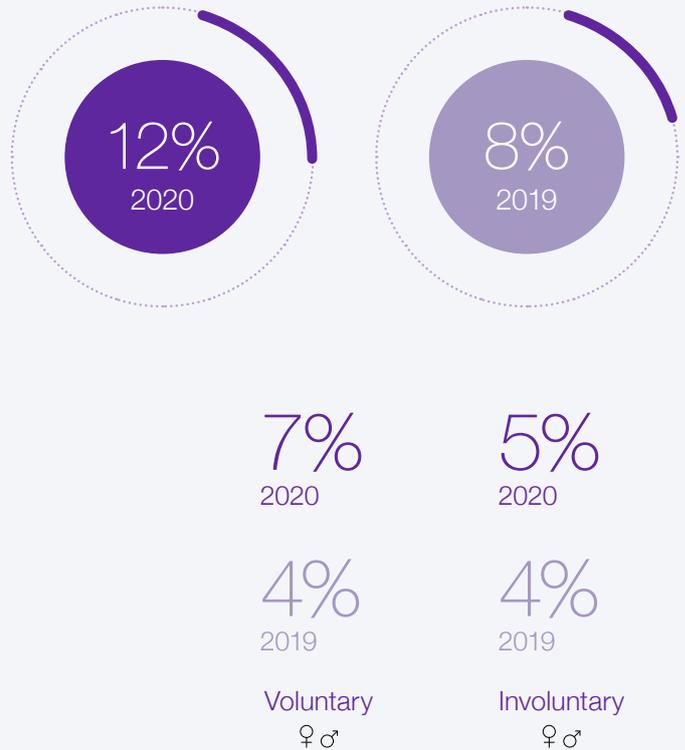
The table below details the number of dismissals, broken down by age range, gender and professional category:

Number of dismissals



Staff turnover during 2020, both voluntary and involuntary, increased significantly, largely due to the pandemic situation.

Staff turnover



A culture of dialogue

Good communication is key to the efficient running of any company. Quadpack is committed to communicating with its staff in an open, transparent and inclusive way, to ensure a sense of belonging to a global team. Its goal is to talk to people early on about important issues and involve employees in the process.

For significant operational changes, notice periods are established either by the corresponding agreements or by the Workers' Statute or other applicable law. All employees are subject to a collective bargaining agreement (CBA), when applicable in the location in question. In Spain, France, Italy and Australia, all support staff with whom Quadpack has an ordinary employment relationship are covered by a CBA. The rest of the countries do not legally require collective agreements.

In locations with large staff numbers, legal employee representatives or Employee Committees ensure open communication between staff and the executive team, to include everyone's input and jointly shape the future. New committees in 2020 include the Quadpack Forum at the Spanish headquarters and the Rainbow Committee in Germany.

In addition, local Health & Safety Committees provide a forum for employees and management to work together to resolve health & safety issues. These committees jointly promote a safety-first culture to prevent injury and illness, increase staff awareness, develop strategies and validate actions related to health & safety. Each facility has its own health representatives to communicate with staff and report to the committees.

Two new voluntary committees have been established in Spain and Germany to ensure an open dialogue

Equality and diversity

An inclusive culture is critical to Quadpack's long-term success, so it strives to ensure a non-discriminatory work environment that embraces diversity, respect and equality. Any decision taken must avoid discrimination based on age, gender, sexuality, health status, nationality, political opinions or religious beliefs, as set out in its code of ethics. Any conduct that deviates from these principles is subject to corrective or disciplinary measures. No case of discrimination was reported during 2020. Two complaints of workplace harassment were received through the compliance programme, both of which were processed and the appropriate measures taken.

Quadpack is committed to creating a work environment that embraces diversity, respect and equality

Recruitment policies are based on individual merit and qualifications related to the skills needed for the role. Temporary employment agencies are required to select candidates using the same criteria, without discrimination.

In 2020, Quadpack started to develop an Equality Plan for Spain in response to Chapter III of Organic Law 3/2007 of 22 March, on the effective equality of women and men. As part of its commitment, Quadpack also has a policy for the prevention of sexual harassment, sexist harassment and bullying in the workplace. This 'zero tolerance' approach to harassment aims to ensure that no individual's rights are violated. The policy guarantees confidentiality and protects the identity of all parties involved.

The following tables show the company's diversity in terms of age and gender.

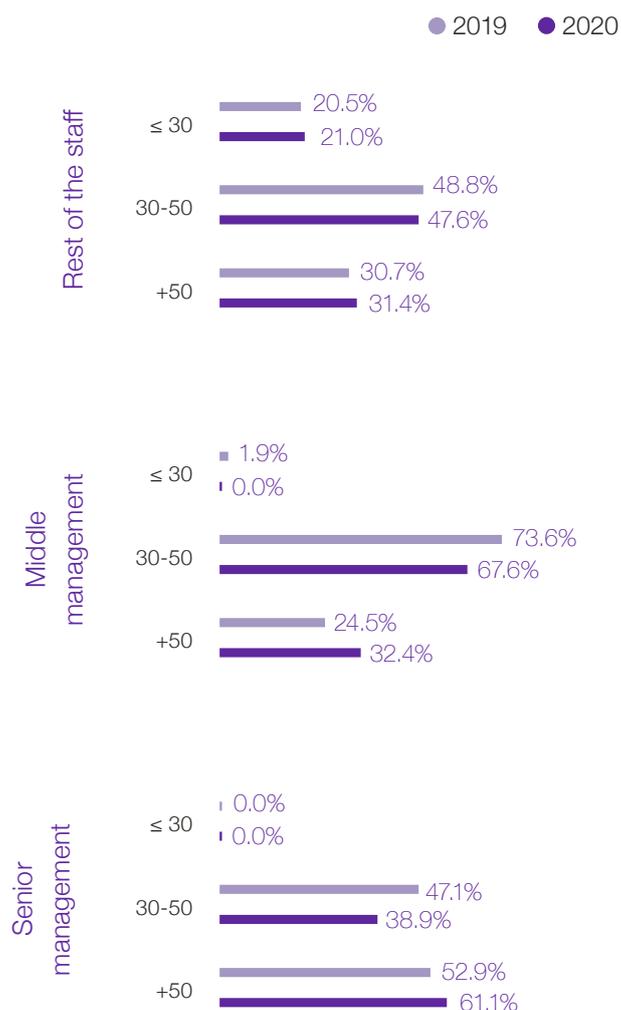
Average age

	2019	2020
Rest of the staff	39.15	40.15
Middle management	44.26	45.26
Senior management	48.03	49.03
Board Members	54.85	55.85

Number and percentage of employees

by professional category and age group

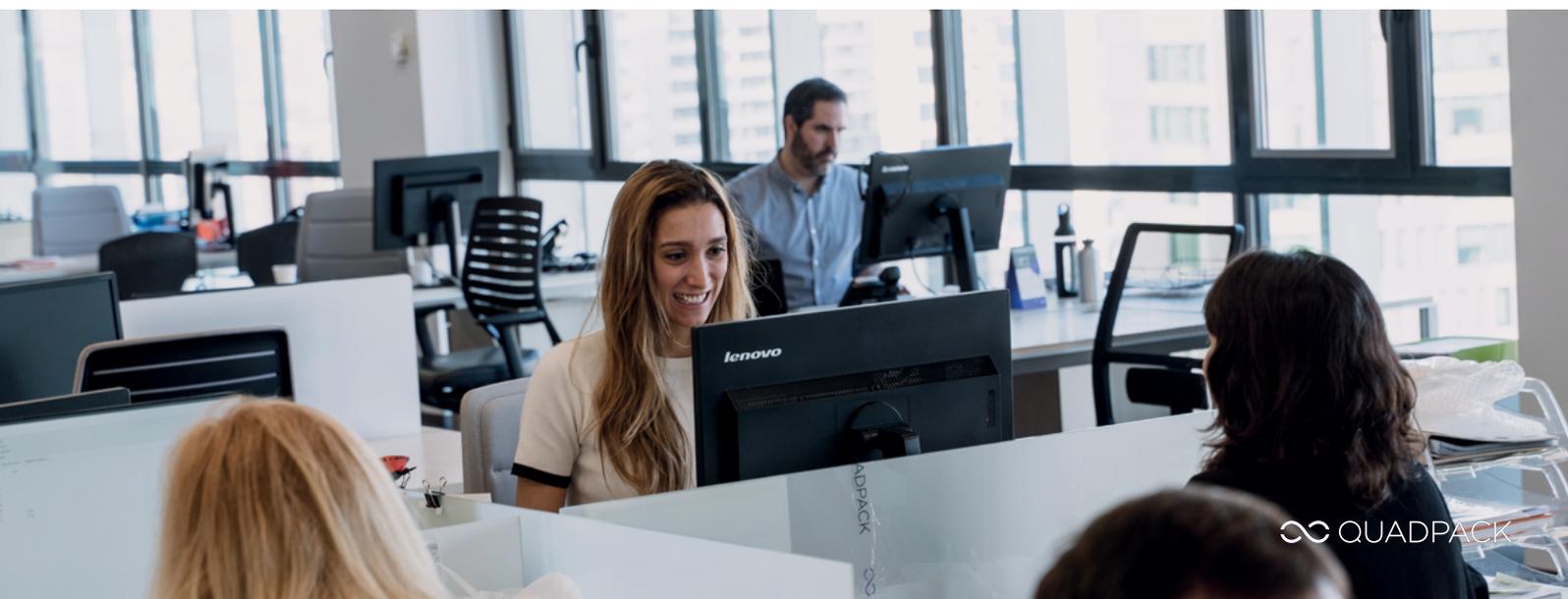
	2019	2020
Rest of the staff	420	410
Under 30	86	87
Between 30-50	205	197
Over 50	129	126
Middle management	106	104
Under 30	2	0
Between 30-50	78	70
Over 50	26	34
Senior management	17	18
Under 30	0	0
Between 30-50	8	7
Over 50	9	11



Number and percentage of employees
by professional category and gender

● 2019 ● 2020

	2019	2020
Rest of the staff	420	410
♀	248	238
♂	172	172
Middle management	106	104
♀	45	45
♂	61	59
Senior management	12	13
♀	4	4
♂	8	9
Board members	7	7
♀	1	1
♂	6	6

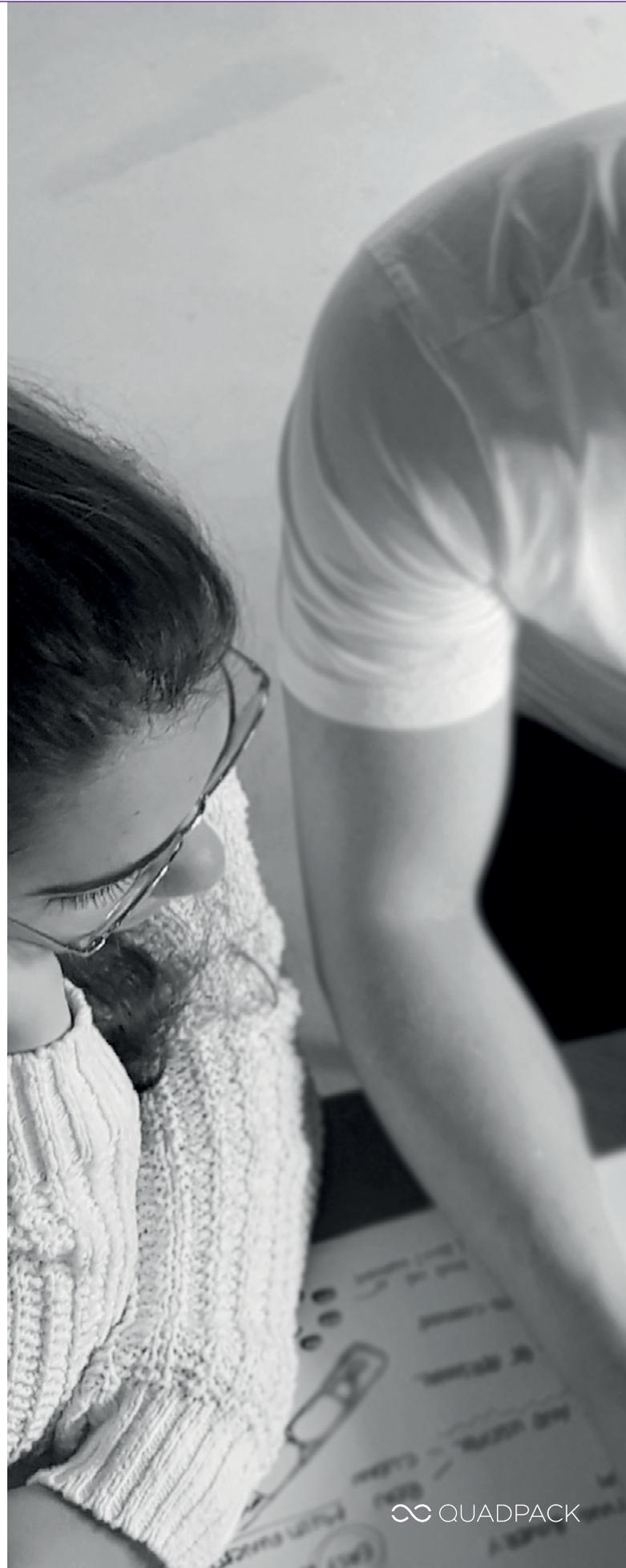


There are two key barriers to people with disabilities integrating fully within the work and social environment; firstly, because of physical impediments to accessing the work environment and, secondly, due to difficulties in using tools, objects and products, regardless of technical, cognitive or physical abilities. Quadpack understands that full, complete integration requires overcoming both types of barriers.

In order to overcome these barriers, Quadpack advocates that the work centres in which it carries out its activity are accessible by all people, in safety, comfort and autonomously.

Quadpack's culture of inclusion focuses on the individual skills and talents of people with disabilities. Two disabled people were employed in middle management positions in 2020 and the aim is to increase this number going forward.

Number of employees with disabilities by professional category



Work-Life balance

A balance between work and personal life is essential for wellbeing. While staff working hours comply with local labour laws, Quadpack has been able to extend different forms of flexibility, according to the schedules of its production and commercial operations. With the experience gained during the COVID-19 crisis, flexible working conditions have been improved. Most office-based employees can work eight-hour days with flexi-time. In production plants where flexible hours are not feasible, shift workers are able to change shift if necessary.

Staff are encouraged to take holiday during the summer period and school holidays of each local office. Employees are given the day off on their birthday and are allowed to spend two days a year to volunteer for Quadpack Foundation projects. To help Quadpackers achieve a good work-life balance, online training on this subject increased in 2020, as its necessity became all too apparent during the pandemic. Parenthood is a major area to balance with work obligations. In 2020, 10 Quadpackers took parental leave.

Quadpack offers flexible working arrangements in order to enhance work-life balance

Equitable pay

Remuneration at Quadpack is based on performance and other contributions and does not discriminate by gender or other such characteristics. The remuneration system was reviewed in 2020, based on an appropriate and competitive level of basic pay, in accordance with market conditions and the collective agreements in place. It also considers individual performance and potential, determined by a job grading model which defines assessment criteria such as autonomy, scope of action, knowledge and innovation. In this way, the remuneration system ensures equality whilst also recognising and compensating individual talent and contribution, in a fair and equitable manner and in accordance with the law and applicable collective agreement.

Quadpack's remuneration system focuses on individual performance, avoiding any kind of discrimination based on age, gender, sexual orientation or cultural background

The following table shows the average remuneration (including all types of remuneration), in thousands of euros, broken down by gender, age and professional category.

Average remuneration
in euros

		2019	2020
By gender	♀	€34,033.26	€35,631.27
	♂	€41,793.33	€43,307.22
By age group	Under 30	€25,931.70	€24,966.17
	Between 30-50	€40,207.67	€40,864.63
	Over 50	€37,163.52	€40,876.36
By professional classification	Rest of the staff	€26,154.86	€26,993.12
	Middle management	€60,181.17	€61,243.58
	Senior management	€130,311.32	€121,979.47

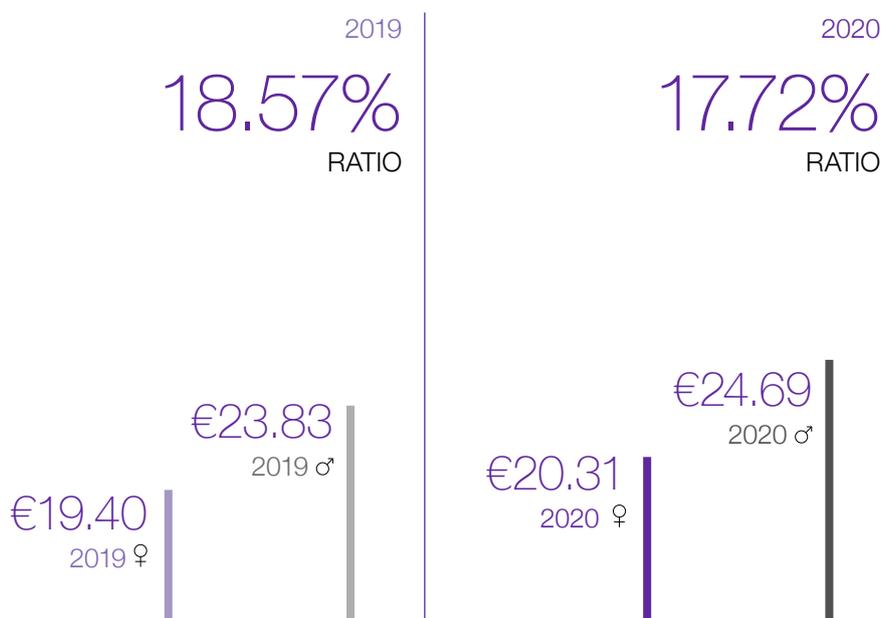
Note: This information does not include Louvrette.

Quadpack's recruitment and salary policies focus on the objective requirements of each position, without gender preference. The gender pay gap shown in the table below occurs mainly within senior leadership positions, where women are currently under-represented. Programmes being implemented should see an increase in the number of women and other under-represented groups in leadership positions and, therefore, a reduction in this gap.

It should be noted that these gender wage gaps are not the same as equal pay. Quadpack is committed to equal pay for equal work across its business. Its job grading model is based on an objective assessment of the responsibilities and impact of each position, without any gender preference. Internal and external benchmarking are regularly reviewed and measures taken to correct any irregularities, if necessary.



Wage gap
by gender



Note: The salary gap has been calculated using the following formula: (Average salary men - average salary women) / average salary men

Gross salary / h

Average salary of the Management Committee
in euros

- 2019 ♀
- 2019 ♂
- 2020 ♀
- 2020 ♂



€88,323.39
2020

€89,417.01
2019

€136,403.50
2020

€92,090.12
2019

Average salary of the Board of Directors*
in euros

- 2019 ♀
- 2019 ♂
- 2020 ♀
- 2020 ♂



€8,035.00
2020

€12,500.00
2019

€121,833.00
2020

€374,833.00
2019

*Note: At the beginning of the year, the Board was made up of 6 members (5 directors and the non-director Secretary). In July 2019, the position of Non-Director Deputy Secretary was incorporated, hence the remuneration reflected is 50%, since

the appointment was in the middle of the year. Throughout the year 2020, the Board has been made up of 7 members (5 directors and two non-directors reserved for Secretary and Vice Secretary).

Quadpack's remuneration system includes benefits in kind and social security components according to the circumstances of each country, such as health insurance, restaurant tickets, childcare vouchers, life insurance, meal allowance, travel allowance, etc. The company also offers retirement plans according to the regulatory framework of each country.

Health & Safety

The health and safety of every employee working at or visiting one of Quadpack's facilities is the company's responsibility. It strives to ensure that its health & safety system, incorporating its policies, procedures and training, puts safety first in all its activities.



Health & safety management

To minimise risk at Quadpack's manufacturing sites in Spain, implementation of an integrated quality, environmental and health & safety management system started in 2020. This system will be rolled out next at the Louvrette facilities in Germany and at any other factories integrated within the Group in the future. It is based on ISO9001 (quality management system), ISO14001 (environmental management system) and ISO45001 (occupational health and safety) standards. In addition, Quadpack complies with all health & safety provisions established in applicable collective bargaining agreements.

Health & safety training, policies and measures increased in 2020



Health & safety risks

Hazard identification and risk assessment form the basis on which preventive measures are defined to ensure the best working conditions for employees. To do so, precise measurements or specific studies are carried out that are updated if necessary. Risk assessments are calculated based on the Fine-Kinney method, which provides a mathematical formula for calculating the risk that arises due to a specified hazard. To understand what is required of them and how to raise concerns, all factory and warehouse workers receive the risk assessment manual for their workplaces. Moreover, employees are encouraged to raise concerns regarding unsafe conditions and can do so anonymously. To prevent and mitigate occupational health & safety impacts directly linked to Quadpack's business relationships, an external protocol is being developed in 2021.



Safety training and medical check-ups

Safety training is given to all new employees as part of the onboarding process, boosted by refresher courses on at least an annual basis. Employees also receive specific training related to their work, on topics such as electrical risk, driving forklifts or handling chemical products.

To promote health and encourage good habits, Quadpack staff in Spain are entitled to an annual medical check-up.



Emissions control

To prevent inhalation of toxic substances by factory workers, in 2020 Quadpack Wood made further investments in emissions control, with improvements of its bespoke regenerative thermal oxidiser. Moreover, hygienic measurements were taken to ensure that toxic substance levels were below the exposure limit.



Emotional support during the pandemic

Quadpack's occupational health & safety efforts had to quickly adapt to the new challenges posed by COVID-19 on staff's wellbeing, both physical and emotional. In addition to enhanced physical safety and risk prevention measures, specific training was also given on coping with stressful situations and developing resilience in a changing environment. These training materials will remain available after the pandemic, to help enhance mental health and emotional wellbeing.

Beyond legal requirements and to boost staff wellbeing, Quadpack also started offering free coffee, fresh fruit, special rates in gyms and other benefits in some of its offices.



COVID-19 health & safety measures

Throughout the pandemic, Quadpack implemented measures to protect its employees and stakeholders and maintain its ability to produce its products responsibly. See the COVID-19 pandemic section for full details.



Work-related injuries

for all employees



Deaths resulting
from a workplace
accident or injury

2020	0	0
2019	0	0
	Total number	RATE



High consequence
workplace injuries
(not including fatalities)

2020	0	0
2019	1	1
	Total number	RATE



Recordable
occupational
accident injuries

2020	4	11.15
2019	8	10.41
	Total number	RATE

RATE: Total number /number of hours worked x 200,000

Main types of workplace accident injury



Hand cut



Number of hours
worked

79,327
2020

153,571
2019

● 2019 ♀ ● 2019 ♂
● 2020 ♀ ● 2020 ♂

71,752
2020

118,927
2019

Occupational diseases and illnesses

for all employees

		2019	2020
Number of deaths resulting from an occupational disease or illness	♀	0	0
	♂	0	0
Number of recordable cases of occupational ailments and diseases	♀	1	0
	♂	0	0
Main types of workplace accident injury	♀	Chemical product manipulation	-
	♂	-	-



Hours of absenteeism

		2019	2020
Hours of absenteeism	♀	7,768	8,256
	♂	5,080	5,112
Frequency rate	♀	52	0
	♂	34	56
Severity rate	♀	2	0
	♂	1	0

Nurturing talent and enhancing employee engagement

All Quadpackers are given the opportunity to develop themselves and achieve their full potential. Tools and support are provided to pursue their learning and development objectives. Each year, Quadpack designs a training plan based on suitability, relevance and budget.

Digitisation was accelerated to ensure uninterrupted training and professional development of staff



Digital training

The COVID-19 pandemic highlighted the importance of adapting training to the digital age. Quadpack's training courses adopted new digital formats that are easily integrated into everyday working practices. Its online e-learning platform, Agora, allowed employees to easily access internal and external content at their convenience. The internal course catalogue was increased in 2020, providing more content related to Quadpack's products and manufacturing techniques. During lockdown, Agora enabled pandemic-related courses on COVID-19 safety measures, wellbeing, remote working and time management.



Arbinger Outward Mindset

In 2020, Quadpack also rolled out the Arbinger Outward Mindset training programme. The aim is to foster an 'outward mindset' through which employees focus on collective results. This leads to increased collaboration, innovation and a greater sense of belonging and shared purpose. To date, more than 120 employees have participated in the initial training programme.



Personal development

Personal development is enabled through structured processes and tools such as the Performance Development Reviews. A range of performance indicators are used to measure the effectiveness of employees, with a view to solving problems and increasing process efficiency. Individual career development plans help to identify and foster talent within Quadpack and plan for internal promotion. Quadpack's HR management platform, Bamboo, also contains performance management features which assist employees and managers through this process. Unfortunately, due to the COVID-19 crisis, the PDR process was postponed until 2021.



Internal promotions

4%
2020

15%
2019



N° of employees promoted

4
2020

8
2019



N° of vacancies

96
2020

54
2019



Total hours of training

by professional category

	2019	2020
Rest of the staff	2,734	627
Middle management	688	180
Senior management	99	18
Board Members	19	1
Total	3,539	826



Average hours
of training per
employee

3.57
2020

14.62
2019

A positive impact on the environment

Investment in a biomass plant

Despite the effects of the pandemic and corresponding cost cuts, Quadpack continued to invest in sustainability. In 2020, €1.3 million was invested in actions for environmental improvement. This included the completion of a multi-year, €2 million project to install a biomass plant at the Quadpack Wood factory in Spain.

In an important step towards carbon neutrality, the factory now uses its own wood scraps to generate energy for its dryers, heating and air conditioning, thereby eliminating the need for fossil fuels. The project includes two biomass boilers of 600kW/u (1,200kW) and a 750kW absorption water cooler and has achieved a reduction of approximately 200,000 litres of diesel oil a year, equivalent to about 430 tonnes of CO₂ per year.



The biomass plant
at Quadpack Wood
has reduced emissions
by about 430 tonnes
of CO₂ per year

Waste management

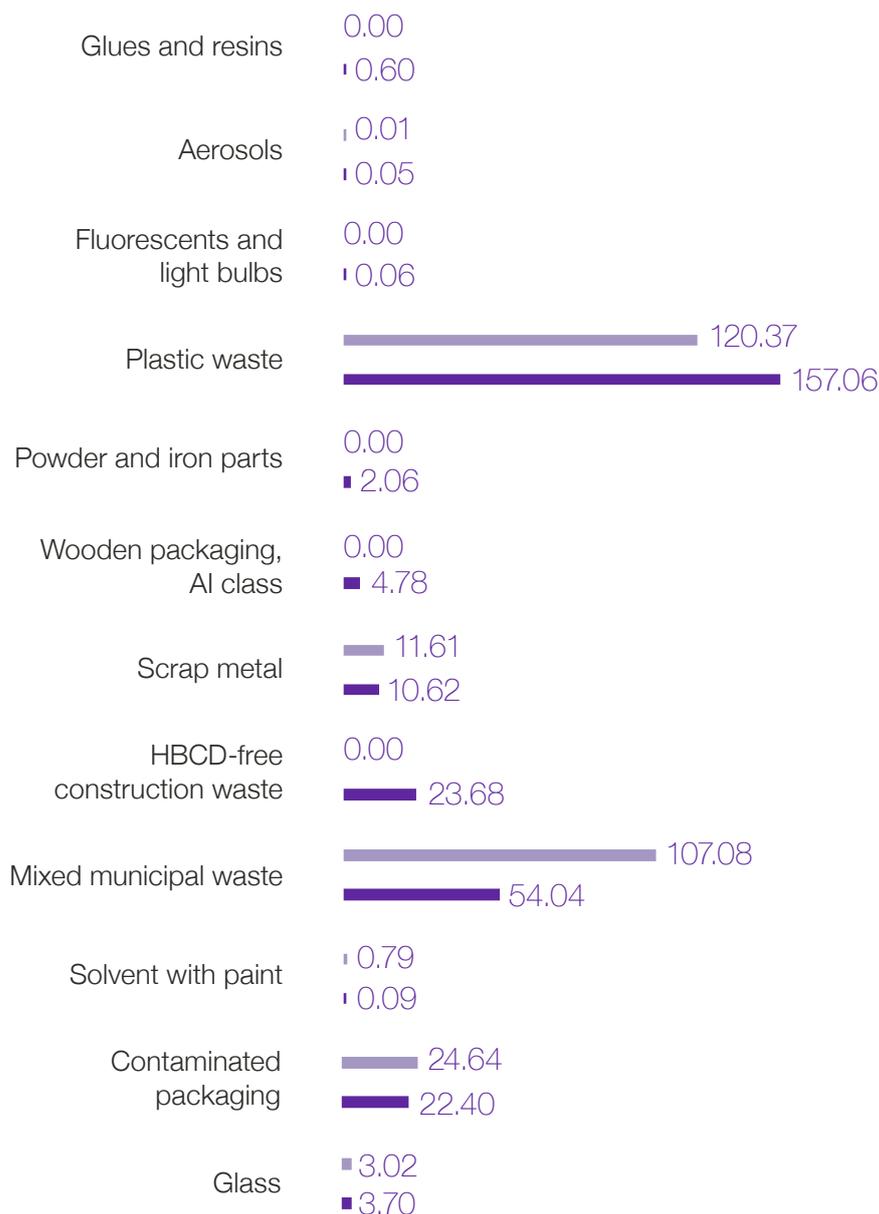
During 2020, Quadpack continued its work to prevent, recycle and reuse waste. Waste management was improved by separating waste into specific categories, for specific treatments. The Quadpack Plastics injection-moulding facility in Spain worked with the Leitat Technological Center on a plastic scrap recycling project to reuse injection waste

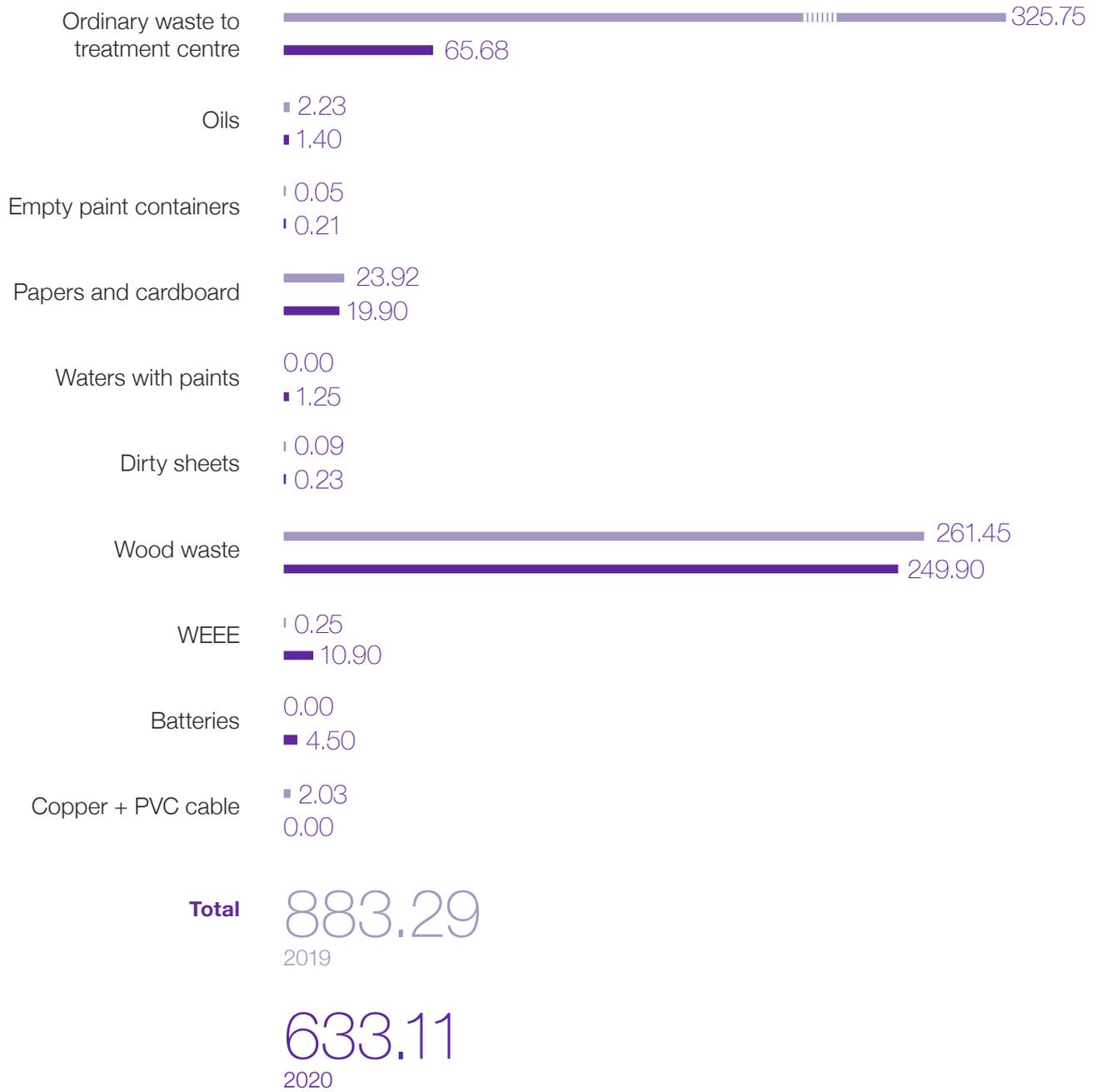
in the manufacture of new products. So far, this has helped to recycle 15 to 30 per cent of scrap material. Production waste at Quadpack Wood will be fully eliminated in 2021 thanks to its new biomass plant. Goals are being created to reduce landfill waste for the entire group.

Waste generated

broken down by composition (tonnes)*

● 2019 ● 2020



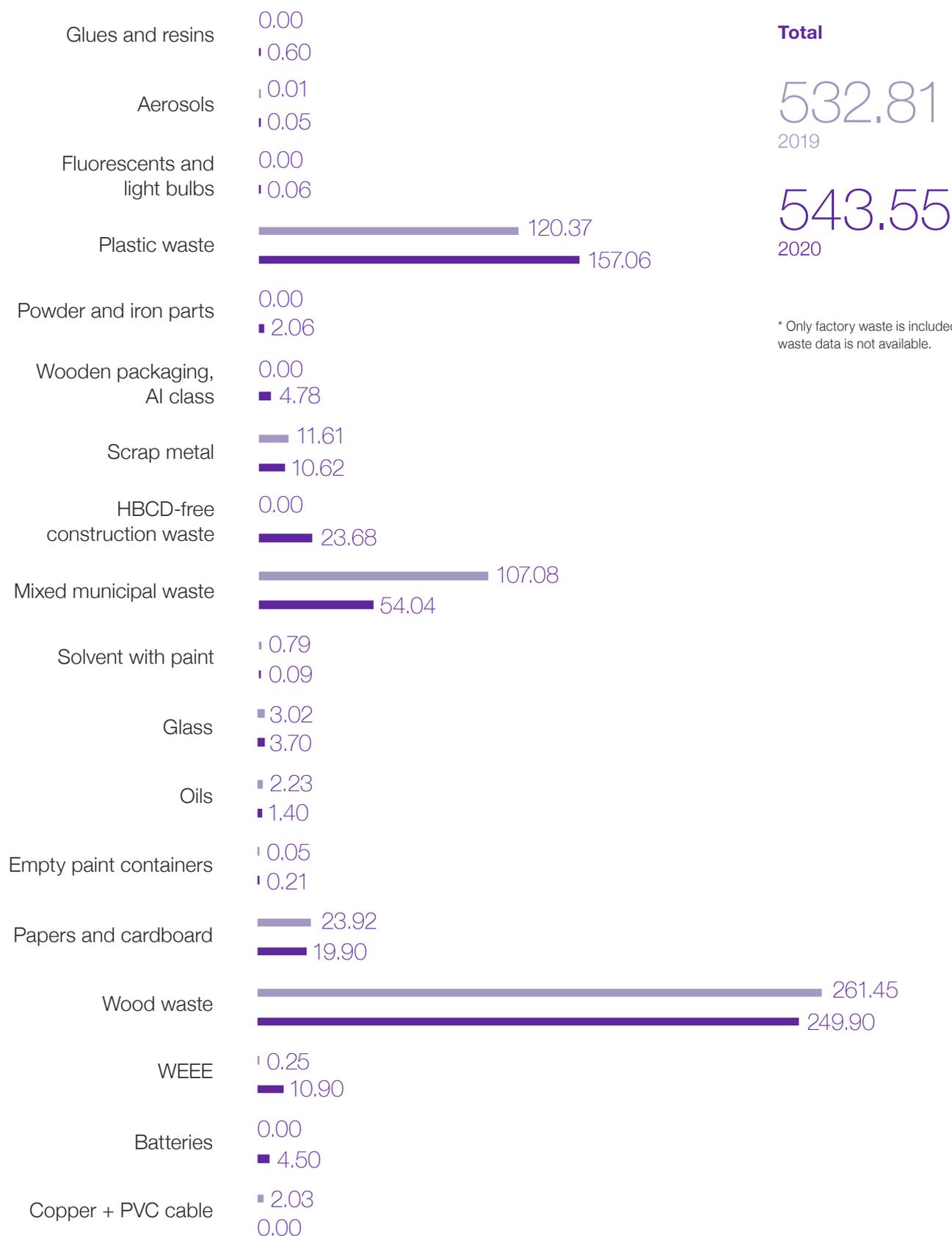


* Data from factories in Germany and Spain are included. Office waste is not included. Waste destined for disposal and non-disposal are included.



Waste not destined for elimination
broken down by composition (tonnes)*

● 2019 ● 2020



* Only factory waste is included, as office waste data is not available.

Waste not intended for disposal

(tonnes)*

● 2019 ● 2020



* Only factory waste is included, as office waste data is not available.

☠ Hazardous waste

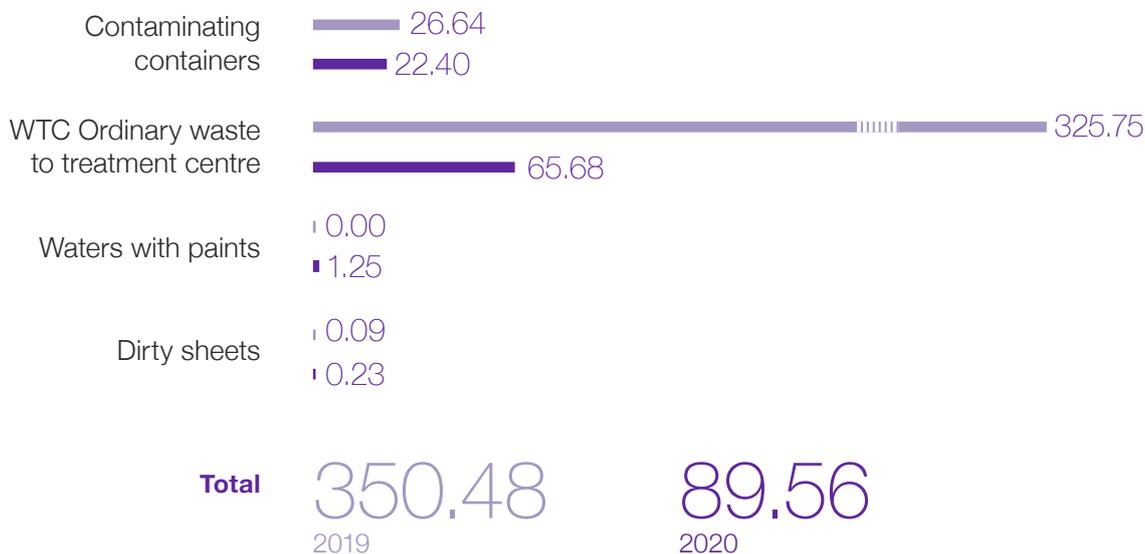
Total hazardous and non-hazardous waste not destined for disposal for each recovery operation included in the table above

broken down by operations (tonnes)**



Waste destined for disposal

broken down by composition (tonnes)*



* Only factory waste is included, as office waste data is not available.

Waste destined for disposal

(tonnes)*

● 2019 ● 2020

Disposal operations

Transfer to a landfill  24.73
22.63

Disposal operations

Physical-chemical
treatment  0.00
1.25

Transfer to a landfill 325.75
65.68

* Only factory waste is included, as office waste data is not available.

 Hazardous waste

Total hazardous and non-hazardous waste not destined for disposal
for each disposal operation included in the previous table
down by operations (tonnes)

Transfer to
a landfill

On premises 350.48
88.31

Off premises 0.00
0.00

Physical-chemical
treatment

On premises 0.00
1.25

Off premises 0.00
0.00



Climate change

The Paris Agreement on climate change proposes to limit global warming to less than two degrees Celsius. To achieve this, CO₂ emissions must be reduced by 80 to 90 per cent by 2050. Quadpack wants to make an active contribution by minimising the impact of all its business processes, as well as its supply chain. Starting with its own production facilities, the aim is to become carbon neutral with respect to Scope 1 and Scope 2 in its operations by the end of 2021. The company is drafting a roadmap of actions and targets to improve issues such as energy efficiency and emissions control.

In 2020, Quadpack calculated its carbon footprint to understand its impact on climate change. In relation to Scope 1, GHG emissions were reduced for various reasons. The biomass plant at Quadpack Wood led to a 64 per cent drop in the consumption of diesel B. In addition, reduced activity due to the COVID-19 pandemic saw a decrease in natural gas consumption, emissions from the vehicle fleet and fugitive emissions.

In relation to Scope 2, emissions derived from electricity consumption significantly decreased thanks to the use of renewable electricity in Spain, Italy, Germany and the USA.

In relation to Scope 3, an increase of own production and reduced third-party sourcing, as well as a decrease in activity due to the pandemic, led to an emissions decrease of 42 per cent versus 65,183 tCO₂eq emitted in 2019.

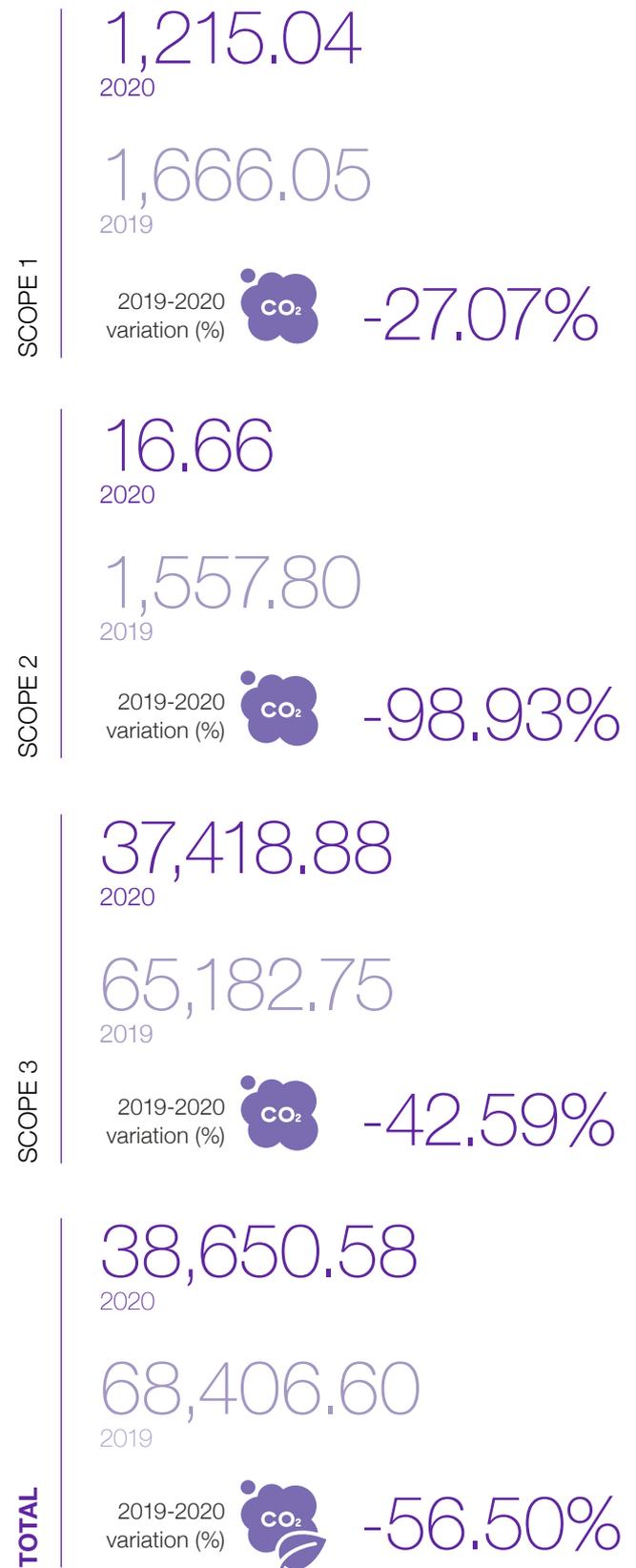
The installation of boilers at the Quadpack Impressions decoration plant in Spain and the use of electric and hybrid cars in its fleet also helped towards reducing the company's carbon footprint.

Quadpack aims to become carbon neutral in its operations by the end of 2021

GHG emissions

tCO₂eq

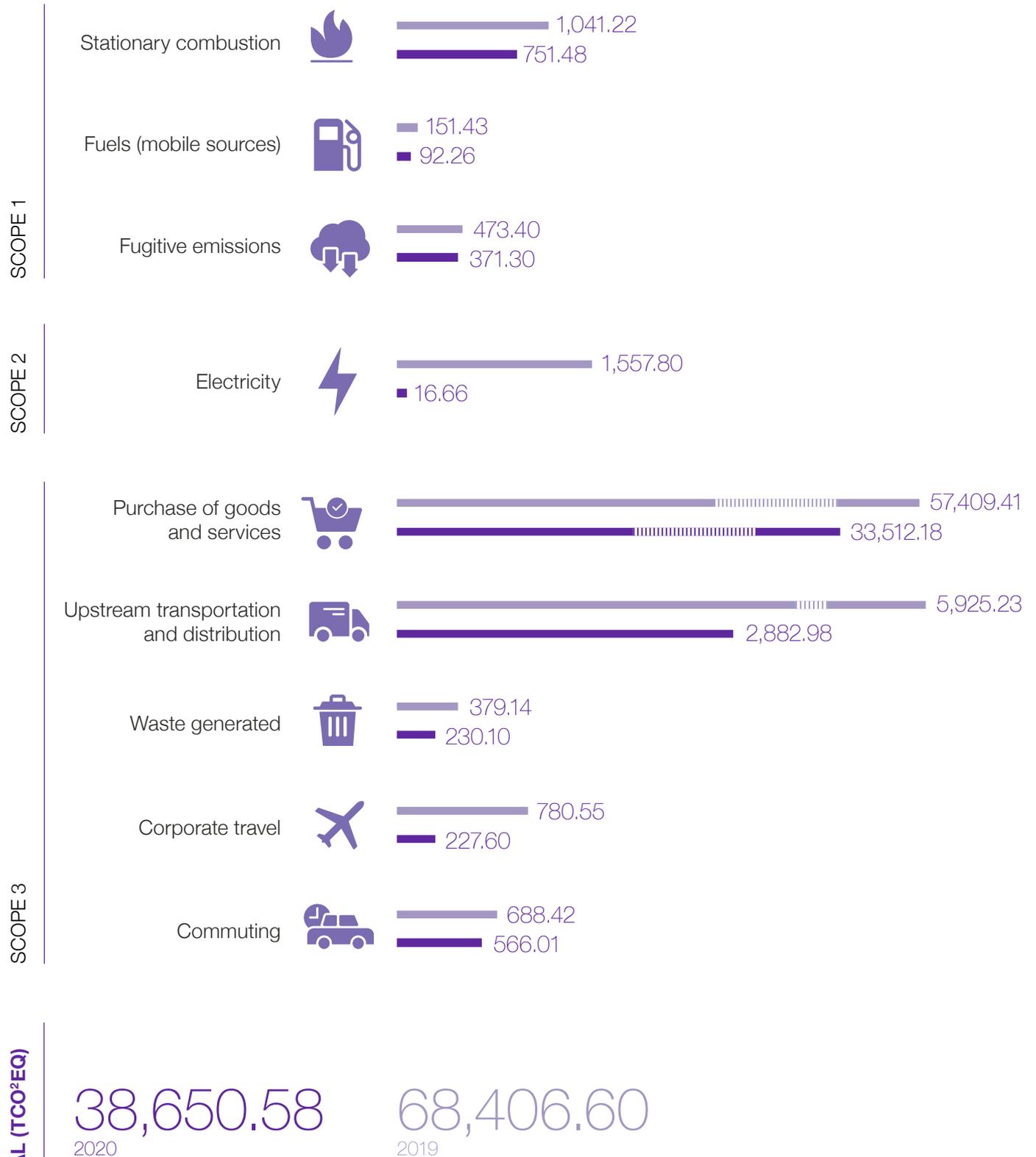
● 2019 ● 2020



Corporate carbon footprint

by source (% tCO₂eq)

● 2019 ● 2020



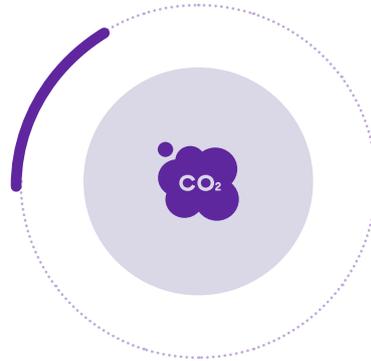
TOTAL (TCO₂EQ)

GHG emissions

ratio

-20.83%

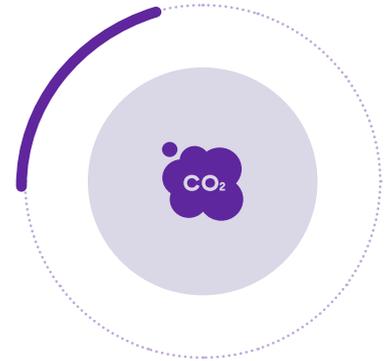
2019-2020 variation



0.38

2020

GHG emissions (tCO₂eq)
/ turnover (thousands of €)



0.48

2019

GHG emissions (tCO₂eq)
/ turnover (thousands of €)

Other significant atmospheric emissions

kg

Volatile organic compounds (VOCs)



150,975

118,722

Total

150,975

2019

118,722

2020

Note: Quadpack does not have other sources of light pollution. Regarding noise, some of our factories may produce internal noise but this does not significantly affect the environment.



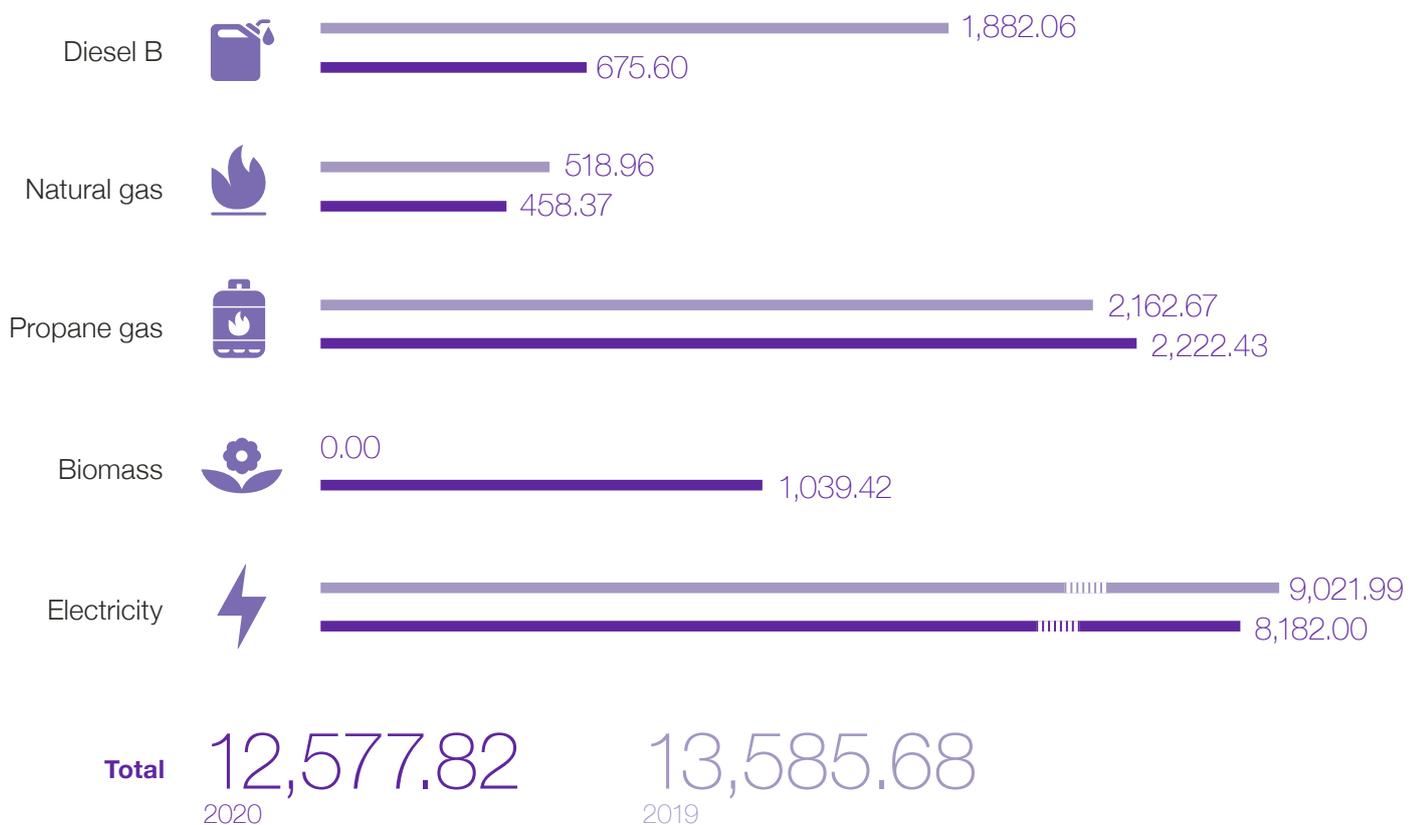
Energy efficiency

Quadpack is investing in energy efficiency. Besides its biomass project and transition to renewable electricity, it is evaluating the use of bio-propane where available. In addition, it aims to replace equipment, engines and lighting with more efficient equivalents. Quadpack's facilities also monitor energy consumption data which help it to analyse patterns and take measures to minimise peak consumption. All these measures have led to an improvement in energy efficiency and savings.

In 2020, all electrical energy used in Quadpack's factories and offices in Spain and Germany came from renewable sources

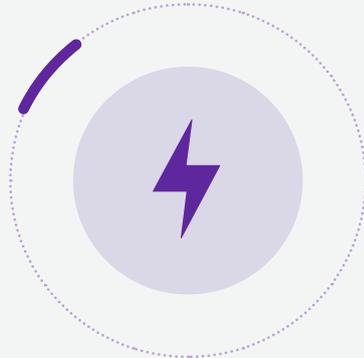
Energy consumption

by source (MWh or GJ)*



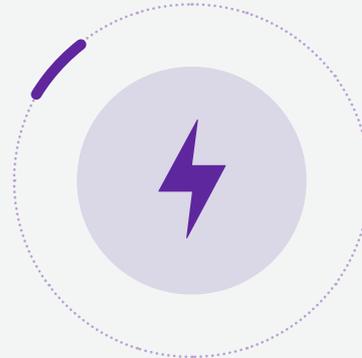
* Fixed source fuel consumption and electricity consumption are included. The electricity consumption by the office in Italy is not included as this is a co-working centre and separate data are not available.

Energy intensity ratio



0.11
2020

GHG emissions (tCO₂eq) /
turnover (thousands of €)



0.10
2019

GHG emissions (tCO₂eq) /
turnover (thousands of €)

Sustainable use of resources

RESPONSIBLE CONSUMPTION OF RAW MATERIALS

Quadpack's activity involves the use of raw materials for manufacture and the purchase of third-party products for resale. A large part of its material consumption comprises wood, plastic, carton, inks, coatings, solvents and other decoration materials (for manufacturing and conversion), as well as plastic, glass, aluminium and other metals (for trading).

To minimise waste and scrap at its production plants, Quadpack is defining a mid- to long-term strategy and goals regarding the use of recycled, recyclable and bio-based materials.

**Quadpack Wood uses
wood from controlled sources
and it is certified by the FSC®
and the PEFC™**



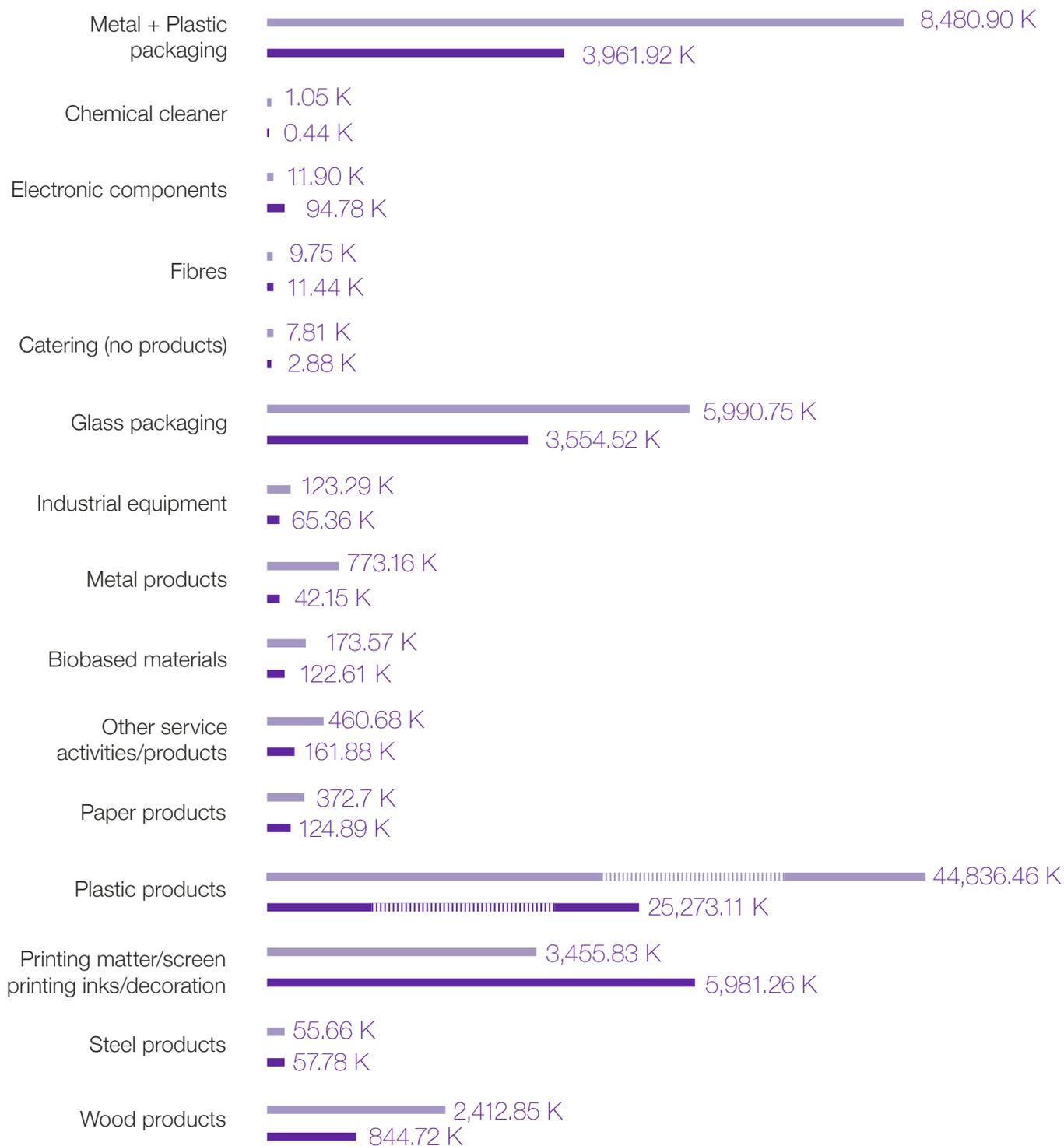
Acting against biodiversity loss

The World Environmental Day on 5 June 2020 called for urgent action to protect biodiversity. Quadpack supports this effort through the sourcing practices of its wood factory in Spain. Using only raw materials from sustainably managed forests, Quadpack reduces its impact on biodiversity. Quadpack Wood is certified by both the FSC® and the PEFC™, ensuring a chain of custody from forest to pack.

Consumption of materials and raw materials

by turnover in €

● 2019 ● 2020



Total

67,165.85 K
2019

40,299.75 K
2020

WATER STEWARDSHIP

As an essential resource that must be protected, Quadpack adopts measures to protect and conserve water. Water is essentially used for sanitary and cleaning purposes and in some cooling circuits, which does not entail significant risks. Nevertheless, all production sites carefully assess their potential to reduce water consumption and avoid wastewater.

Beyond its own water stewardship, Quadpack is also considering public awareness campaigns on environmental issues, such as posters describing good practices in terms of the responsible use of water.

Total water consumption in megalitres *



Factories

2.24
2020

2.78
2019



Offices

0.15
2020

0.19
2019



Offices + warehouse

0.16
2020

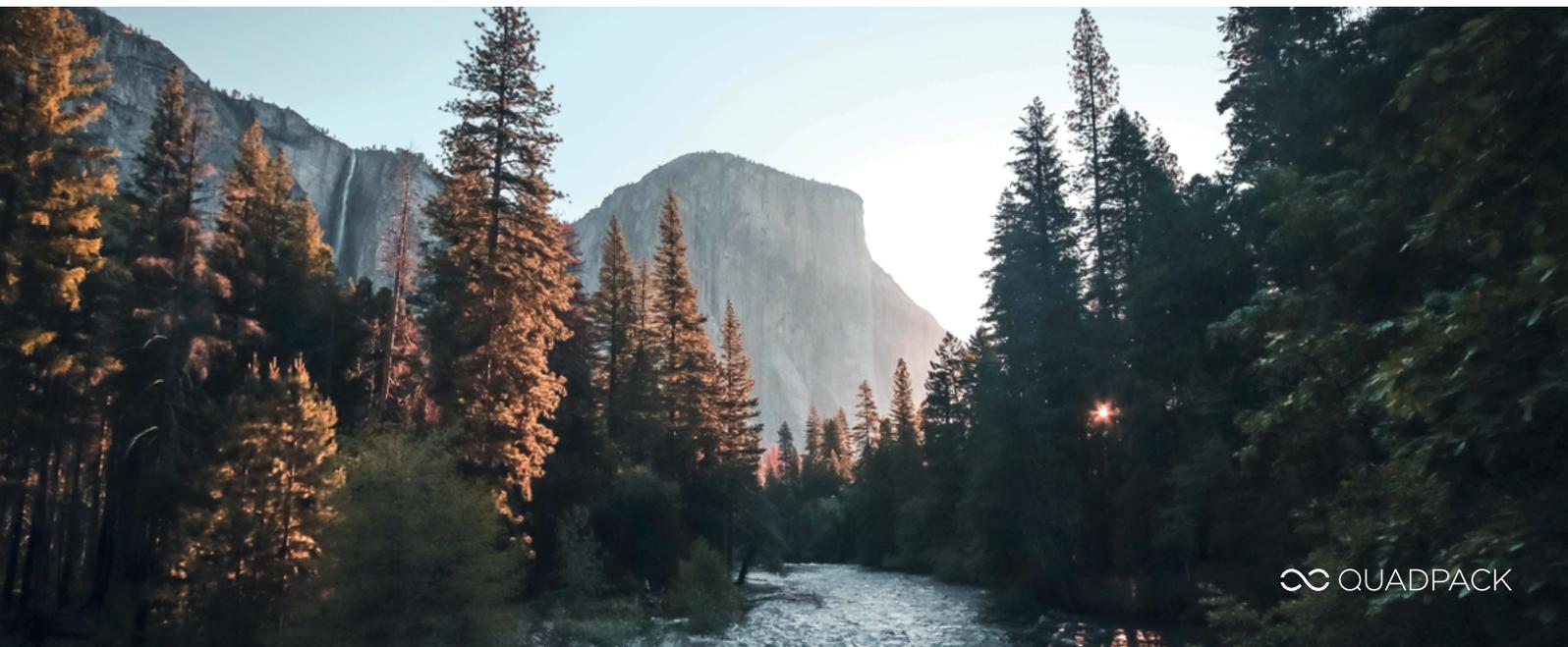
0.15
2019

Total

2.55
2020

3.12
2019

* The scope of the data is for all factories and some offices. Data is not included for those offices where there are no specific water meters. In these cases, the consumption is not significant since it only includes sanitary water.



Clients and consumers

Quadpack develops customer-oriented products based on high quality standards. Its sustainability strategy is transforming its portfolio to include positive-impact packaging solutions, enabling it to better inform clients about the life cycle of its products.

As part of its client engagement, customers took part in Quadpack's 2020 customer satisfaction survey. This annual survey gives valuable feedback on client satisfaction and loyalty which is used to improve processes and structures across the business.

Consumer safety

As a business-to-business company, there is little direct contact with the end user, yet consumer health & safety is clearly a priority. Quadpack's activity is controlled by its integrated policy on quality, health and safety, environment and CSR, which follows ISO45001 guidelines and is based on continuous improvement. It includes a health & safety risk assessment for consumers in the approval of new packs, especially relating to loose, sharp or dangerous packaging. Furthermore, a risk management protocol covers health & safety assessments focusing on operations and products.

During 2019 and 2020, Quadpack did not receive any complaints concerning breaches of customer privacy or losses of customer data. It also had no specific report regarding clients and final consumers as potentially affected by any health & safety incident.



Quadpack aims to guide its customers in their own sustainable transformation

Client engagement goes virtual

Quadpack encourages responsible behaviour with regard to the use of packaging, raising awareness among clients about sustainable solutions via a number of forums and communications channels. In 2020, the pandemic forced a dramatic shift in how providers interact with their audiences, particularly affecting events and exhibitions, as the beauty industry has always relied on the senses to promote its products through touch, sight or smell.

Quadpack turned to digital platforms to engage with brands, organising four webinars which focused on topics such as design, sustainable materials, trends and packaging for start-up brands. The situation gave rise to a new and a complementary approach to communicating with stakeholders, which Quadpack plans to continue in parallel with traditional events.

Sustainable supply chain

Quadpack's suppliers are key stakeholders in the success of its business. As part of its sustainability strategy, it encourages them to promote their own sustainable transformation, as well as apply good practices and respect human rights. Quadpack has developed a supplier code of conduct which, by 2020, had been signed by all suppliers, a sustainable sourcing policy and a procurement strategy, all of which address social and environmental issues in the supplier selection process. Within its compliance programme, a process and internal and external channels have been set up that allow any interested party to report irregularities in relation to suppliers.

Quadpack extends its commitment to sustainability to all links in the value chain

The global network of supply partners is also engaged through the annual regional supplier conventions on sustainability and innovation, allowing them to share strategies and common priorities. During these events, the Quadpack Supplier Awards recognise outstanding achievements in different categories. The COVID-19 pandemic prevented these events in 2020. However, Quadpack adapted its approach and provided digital communications to reinforce key messages and maintain Quadpack as their partner of choice.

Due diligence processes and ethical audits have been established for suppliers based on risk management criteria

In terms of a sustainable supply chain, Quadpack's strategy of delivering solutions in the region, for the region will mitigate the company's impact, reduce its carbon footprint and boost agility and efficiency. To make this happen, Quadpack is planning to reorganise sourcing from a global to local basis.



N° of Suppliers

111
2020

110
2019

Total

32,936,377
2020

59,672,340
2019

Quadpack is favouring contracts with local suppliers to increase the sustainability of its procurement. In 2020, 50 per cent of purchases were from local suppliers.

	Suppliers	2019	2020
EMEA	N° of suppliers	105	92
	Total spent €	49,949,705	25,892,449
	N° of local suppliers	30	29
	Spending on local suppliers	2,806,483	2,734,659
APAC	N° of suppliers	38	43
	Total spent €	4,980,863	4,990,565
	N° of local suppliers	34	37
	Spending on local suppliers	4,741,789	4,830,569
AMEX	N° of suppliers	86	82
	Total spent €	4,183,746	5,013,214
	N° of local suppliers	46	45
	Spending on local suppliers	1,124,059	1,323,878



Sustainable assessment of supply partners

Quadpack's suppliers are evaluated through the EcoVadis CSR platform to identify the most critical risks, promote transparency and enhance their sustainability performance. No significant negative environmental or social impacts were detected in the supply chain in 2020, including the environment and labour & human rights.

In 2020, Quadpack completed the assessment of all suppliers that cover 75 per cent of purchases by value. Just four of the 15 rated suppliers got a score below 45 out of 100. The minimum rating was 38 out of 100. During 2021, Quadpack aims to ensure that all suppliers reach at least a Bronze Medal rating (45 out of 100)



Number of suppliers
assessed for
environmental impact

15
2020

6
2019



Number of suppliers
assessed for social impact

15
2020

6
2019



Community impact

Sustainable community development

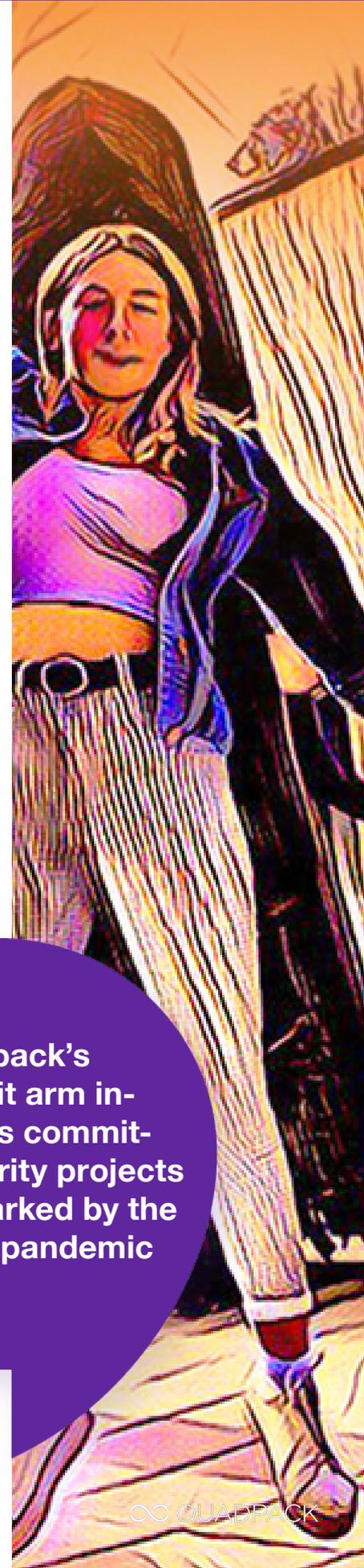
To have a positive impact on society forms part of Quadpack's sustainability strategy. That is why Quadpack promotes initiatives that support the economic and social development of the communities in which it operates. Its practice of sourcing and manufacturing solutions in the region, for the region has a direct impact on the local economy. This impact is especially positive at Quadpack's manufacturing sites in Kierspe (Germany), Torelló and Castellbisbal (Spain), since some of them are located in rural areas with limited employment opportunities.

We believe in sustainable growth, not only from a business perspective but also offering opportunities for people to thrive and supporting the communities in which we operate

THE QUADPACK FOUNDATION

Following ISO26000, Quadpack commits to supporting the development of communities, fostering an environment of integrity, diversity and innovation. Quadpack's community involvement is mainly achieved through the Quadpack Foundation. During 2020, the company increased its donations to the Foundation for the fifth consecutive year, reaffirming its engagement with vulnerable people at a time when demand for charitable support increased due to the pandemic.

Quadpack's non-profit arm increased its commitment to charity projects in a year marked by the COVID-19 pandemic



Throughout the year, the Foundation supported eight projects in four countries in which the company operates:



WWF Australia

Quadpack Foundation donated to WWF Australia to assist the wildlife and environment affected by the bushfires in January 2020. This donation was followed by an internal and external campaign supporting environmental action in the area, while many Quadpackers from the Australian office collaborated as volunteers or donors.



Casal dels Infants

Quadpack Foundation collaborated with Hub La Mina, a centre for social action in one of the most underprivileged neighbourhoods in Barcelona, supporting 150 children during the lockdown.



Fundació Impulsa

Quadpack Foundation partially covered a project to digitalise activities for young people. Besides this extra support, and due to the pandemic, the Foundation kept contributing with three scholarships a year and Quadpacker Jaume Ordeig continued his mentoring work.



Fundació 1859 Caixa Sabadell Quadpack

Foundation's donation to Fundació 1859 Caixa Sabadell has partially funded more than 1,000 public school children's visits to a nature conservation area.



Torelló Mountain Film Festival

For the second year, Quadpack Foundation was a premium sponsor of the film festival celebrated in Catalonia (Spain) and named the award for Best Mountain Culture Film, which fosters environmental awareness. This year, due to attendance restrictions, the festival was held online.



Atalanta Bergamasca

The Quadpack Foundation is an official sponsor of Atalanta football team, in Italy. The sponsorship helped Atalanta's training school and youth programme during the 2019-2020 season, supporting 7,000 children involved in different projects.



Special Children's Christmas Party

For the second year, Quadpack Foundation is a silver sponsor of a Christmas Party for special needs children and their families in Melbourne, Australia.



Tarrant Area Food Bank

Quadpack Foundation funded the distribution of 25,000 meals to this hunger-relief organisation in Northern Texas, which experienced increased demand in 2020.

During the 2020 financial year, donations to Foundations and NGOs amounted to €54,000, an increase over 2019 not only in volume but also as a percentage of the company's EBITDA. More importantly, 43,000 people were benefitted in 2020 compared to 1,800 in 2019.

Contributions to Foundations and non-profit entities

	2020		2019
Total monetary value (€)	54,000	Total monetary value (€)	51,300
Casal dels Infants	3,000	Starr in the community CIC	1,490
WWF Australia	10,000	Associazione la rondine ODV	2,500
Fundació Impulsa	6,000	Primos Dallas	5,000
Fundación 1859 Caixa Sabadell	5,000	Fundación Impulsa	4,500
Atalanta Bergamasca Calcio S.p.A.	10,000	Fundación Atalanta Bergamo	15,000
Special Children's Christmas Party	5,000	Fundación 1859 Caixa Sabadell	5,745
Tarrant Area Food Bank	5,000	Special Children's Event Australia	3,402
Casal dels Infants	10,000	Changing Young Lives Foundation	10,000
% of company EBITDA	1.1%	Fundació Festival Cinema Muntanya	3,630
Nº of people benefitted by the Quadpack Foundation	43,000	% of company EBITDA	0.4%
		Nº of people benefitted by the Quadpack Foundation	1,800

To give more focus and momentum to the Foundation, a full-time Foundation Manager has been hired in 2021.

Alliances with industry and local organisations

Quadpack maintains strong ties with academia and industry, sponsoring relevant prizes and awards, boosting entrepreneurship and supporting small business initiatives.

In 2020, Quadpack continued its collaboration with the ELISAVA design and engineering school in Barcelona on a collaborative degree project. It also continued its association with the Montserrat school to give secondary school students a taste of working life.

As in previous years, the company sponsored different awards related to innovation and design:

- **The ICMAD (Independent Cosmetic Manufacturers and Distributors) Young Designer of the Year Award in the US**, which showcases emerging design talent at college level.
- **Premios Nacionales de Diseño y Sostenibilidad de Envase y Embalaje** (National Packaging Design and Sustainability Awards) in Spain, with students from some of Spain's major universities taking part, presenting innovative, eco-friendly proposals for a wide range of sectors.
- **Innovocat awards** in Catalonia, Spain, which encourage local talent with a focus on business and social innovation.

Through various initiatives, Quadpack gives guidance to the next generation of designers and helps create an environment that fosters creativity and collaboration







SECTION 3

2020 financial results: economic stability in exceptional circumstances

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Resilient and sustainable economic performance

Hello!

2020 was a year in which we faced unprecedented challenges on a global scale. The COVID-19 pandemic led to a rapidly escalating crisis, which required fast action to mitigate its effects. For Quadpack, it meant managing deteriorating market conditions and falling customer demand. Financially, the Group saw its first ever decrease in revenue, ending an unbroken record of year-on-year growth. Turnover for the year ended 31 January 2021 reached €101.9 million – a drop of €29.1 million or 22% compared to 2019's results of €131m, which had been our highest to date. The decrease in turnover was reduced by external growth of €14 million, through the full-year consolidation of packaging manufacturer Louvrette and the cosmetics business of Inotech in Germany.

Rapid action and pro-active measures across the whole company mitigated our losses. Overall savings reduced our cost base by €6 million. Optimisation efforts in working capital generated a further €2.9 million in cash savings, while allowing us to maintain activity and service levels to our international customer base.

These savings helped us to reduce net debt levels from €41.6 million to €39.9 million and to continue selective investments in sustainable processes and products, efficiency and digitalisation.

The pandemic demonstrated the importance of lean digital work processes. Quadpack had already started its digital transformation journey to take all processes to SAP 4/HANA. Go-live is planned for the second half of 2021 at headquarters and the system will be rolled out to the wider organisation over the next few years. This project will catapult Quadpack to the forefront of digital business, enabling unprecedented transparency extended to customers, suppliers, investors and all stakeholders, while allowing us to generate new business and operating models.

Investment also focused heavily on sustainability, as we fulfil our ESG strategy, looking to create long-term value for our stakeholders through our people and processes.

Finally, together with our partner banks, we generated additional financing of €21 million to withstand the early impacts of the pandemic. Repayment of the loans will start in 2022 through 2026. We also agreed to waive covenant obligations for 2020.

Quadpack ended the year a more agile, more sustainable and more efficient organisation. Our investments all focused on improving future performance. Many of the measures we took in response to the crisis will also benefit the Group's performance long term. As sales volumes gradually return to pre-pandemic levels, we carry out our business strategy, confident that it withstood the test of the crisis. Our focus now is on returning to profitability in 2021, as we continue to invest in a sustainable future for Quadpack and our wider community.

Cosmetically yours,

Bardo Bevelander
Chief Financial Officer



Financial performance

Turnover for 2020 was €101.9 million, representing Quadpack's first ever decrease since it was established in 2003. A consequence of the COVID-19 pandemic, the figure represents a 22% drop versus 2019's turnover.

Quadpack's newly-implemented five-year business strategy placed it in a good position to react quickly. Pro-active measures included a cost savings plan and working capital optimisation, supported by all stakeholders. This allowed investments to continue, albeit on a reduced scale, focusing on strategic priorities such as digitalisation, smart manufacturing and sustainability. Business continuity was supported by financing plans for clients, generated in collaboration with partner banks.

Despite a net loss of €1.5 million, Quadpack ended the year with a positive operating profit and a reduction in net debt. The emergency measures have led to greater long-term efficiency, while the strategic investments will help the company to continue on its journey towards a profitable and sustainable future.

BALANCE SHEET STATEMENT

Millions of euros	2020-21	2019-20
Intangible Fixed Assets	37.9	38.5
Other non current Assets	27.6	28.4
Current Assets	33.2	48.8
Cash & cash-equivalents	22.8	9.7
TOTAL ASSETS	121.5	125.3
Equity	37.0	39.6
Financial Liabilities	58.9	47.2
Non-currents Liabilities	4.1	4.4
Rental Liabilities	4.5	5.7
Current Liabilities	16.9	28.5
TOTAL EQUITY & LIABILITIES	121.5	125.3

PROFIT & LOSS STATEMENT

Millions of euros	2020-21	2019-20
Turnover	102.0	131.0
Variation on stocks of finished goods and work-in-progress	(2.1)	0.9
Own work capitalised	0.8	0.1
Consumption of goods	(53.0)	(76.2)
Other operating income	0.0	0.0
Employee costs	(23.9)	(20.6)
Other operating costs	(16.9)	(22.4)
Depreciation of fixed assets	(7.4)	(5.6)
Provisions write-down/ (expense)	(0.0)	0.1
Impairment and (gains) losses on disposal of fixed assets	(0.0)	(0.1)
Other results	0.7	(0.1)
Operating Result	0.2	7.1
Financial Result	(2.3)	(1.8)
Result before tax	(2.2)	5.3
Corporation Tax	0.8	(1.4)
Result for the year	(1.3)	3.9
Result attributable to non-controlling interests	0.2	0.2
Result for the year attributable to Parent company	(1.5)	3.7

EBITDA Reconciliation	2020-21	2019-20
Operating result	0.2	7.1
Additions:	-	-
Depreciation of fixed assets	7.4	5.6
Non-recurrent results	-	-
Costs related to Corporate M&A	0.2	0.8
Impairment and (gains) losses on disposals	0.0	0.1
Other non-recurring (gains) losses	0.7	(0.1)
EBITDA	8.5	13.6

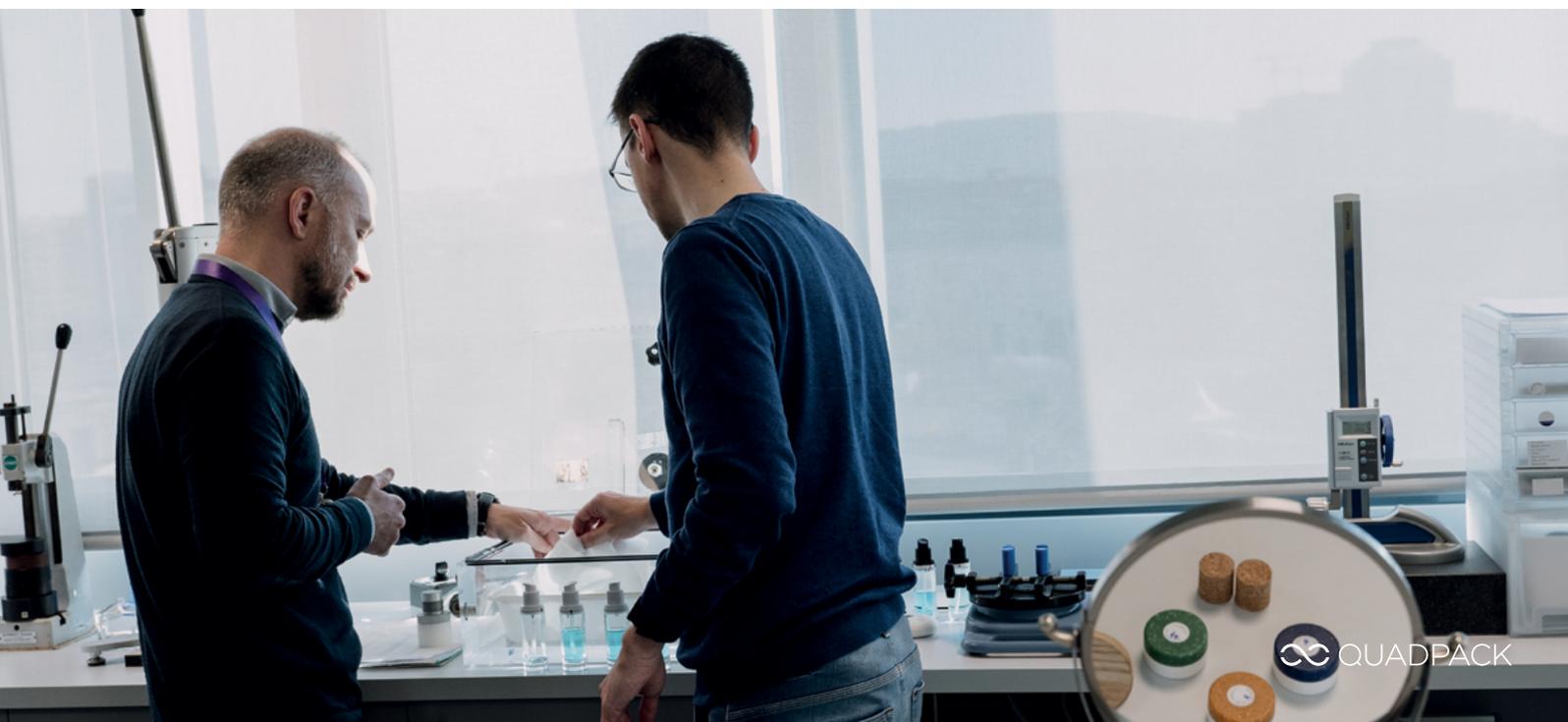
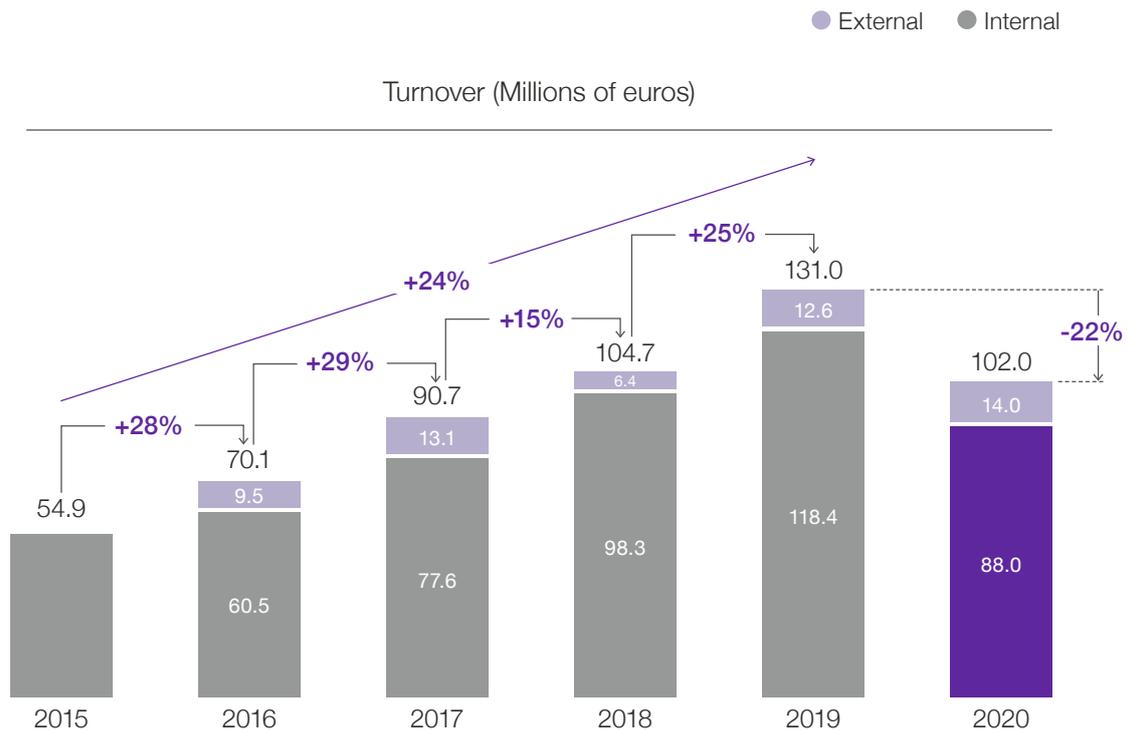
CASH FLOW STATEMENT

Millions of euros	2020-21	2019-20
Result before tax	(2.2)	5.3
Adjustments to the result	9.6	7.5
Changes in working capital	2.9	(2.6)
Other cash flow from operating activities	(1.4)	(3.8)
Cash flow from operating activities	9.0	6.4
Investments (-)	(13.2)	(17.6)
Divestments (+)	0.0	0.2
Cash flow from investing activities	(13.2)	(17.4)
Receipts/ (repayments) equity-based instruments (+/-)	(0.2)	3.0
Receipts/ (payments) financial liabilities	17.5	9.7
Payments of dividends and other equity-based instruments	-	(1.2)
Cash flow from financing activities	17.3	11.5
Net increase/decrease in cash and cash equivalents	13.1	0.5
Opening balance cash and cash-equivalents	9.7	9.2
Closing balance cash and cash-equivalents	22.8	9.7



Turnover

2020/21 | Turnover



Quadpack's turnover for the year ended 31 January 2021 was €101.9 million, down €29.1 million or 22% compared to 2019's turnover of €131 million (32% like-for-like).

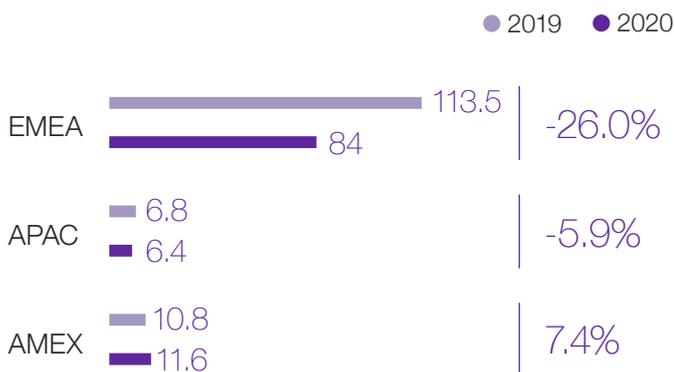
These results were affected by the global COVID-19 pandemic and the subsequent closures of most of the company's main markets. They reflect the conditions of the global beauty market, which decreased 8% in 2020, following a decade of annual growth of 3-5%.

External growth of €14 million compensated the decrease in turnover. This was obtained through the full-year consolidation of packaging manufacturer Louvrette and the cosmetics business of Inotech in Germany, both of which were acquired by Quadpack in July 2019. Overall results were further mitigated by a robust business strategy and fast action during the onset of the crisis.

By territory

Market conditions varied in EMEA, the Americas and Asia Pacific, Quadpack's three key territories. EMEA continued to be the Group's most important market, accounting for 80% of sales in 2020. However, it was also the most impacted region, with a 20% decrease in sales. The Americas remained resilient during the crisis, presenting a positive year-on-year growth of 8%. Asia Pacific, on the other hand, presented stagnant growth.

2020/21 | Turnover (Millions of euros)



2019-2020
variation

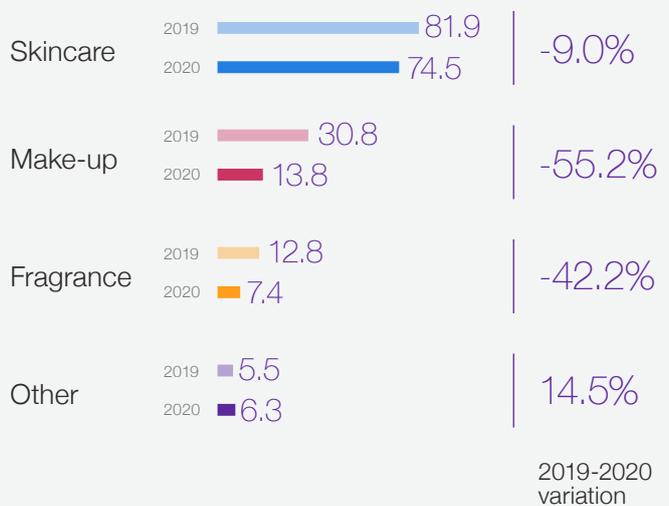




By Category

Of Quadpack's target market segments, skincare accounted for 76% of the company's total 2020 budget. Make-up and fragrance were badly hit with a decrease of 55% and 42% respectively.

2020/21 | Turnover (Millions of euros)

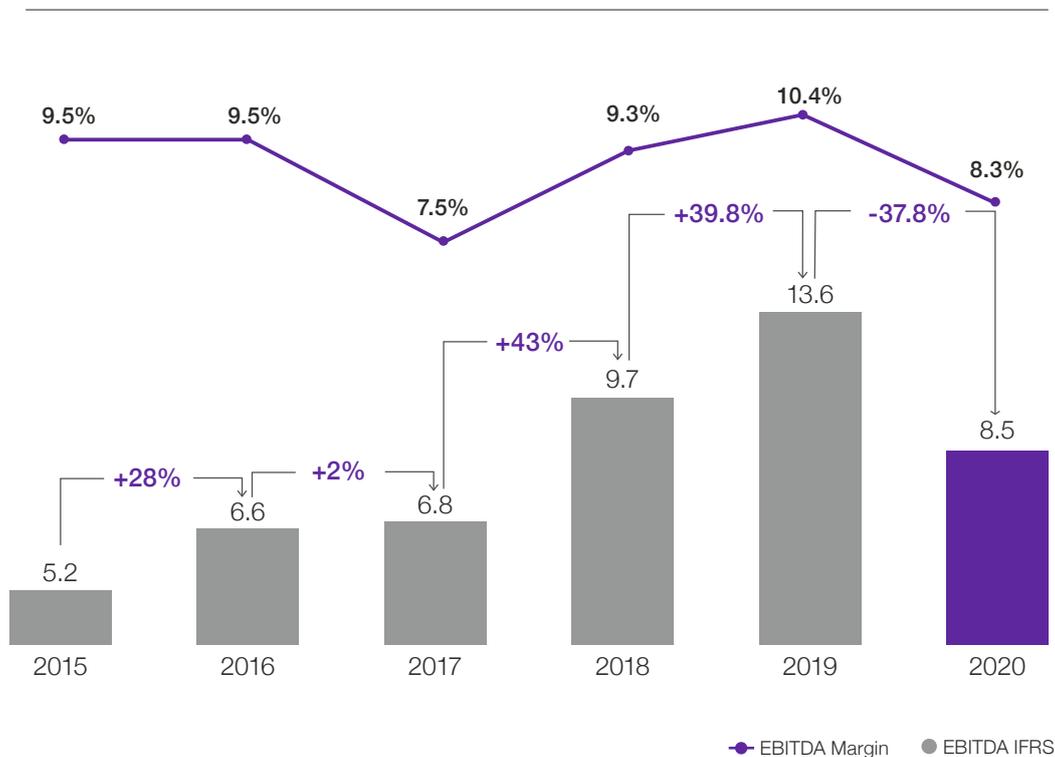


Profitability

From the start of the crisis, a solid recovery plan, supported by all stakeholders, focused on optimising operating expenses and preserving cash flow. Staff engaged in temporary salary reductions to safeguard employment when the crisis was at its peak. A collective effort generated €6 million in savings through multiple creative and bold actions. As a result, the year's operating profit (EBIT) was positive, at €0.2 million.

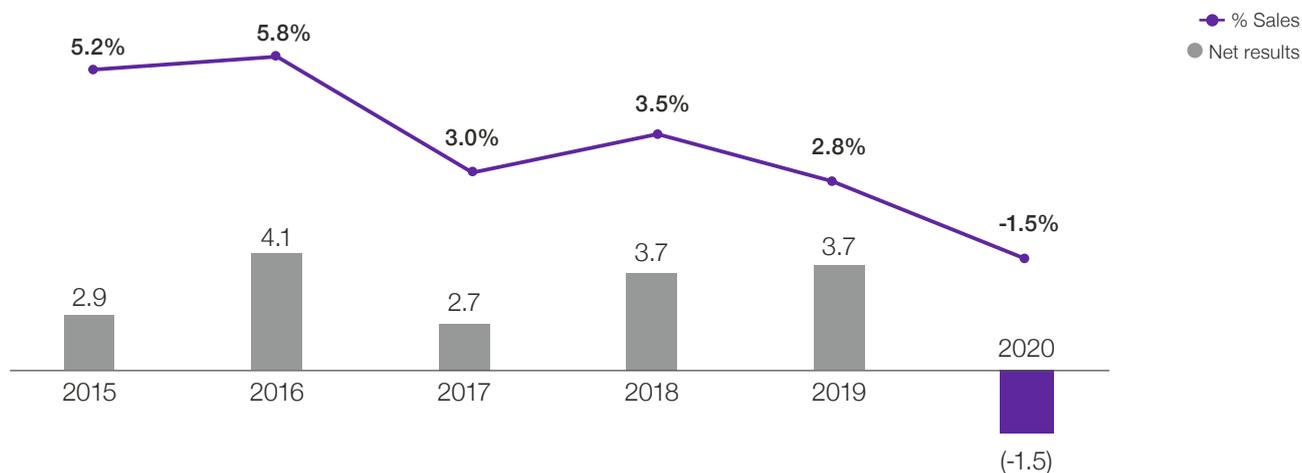
2020/21 | Profitability

EBITDA (Millions of euros)



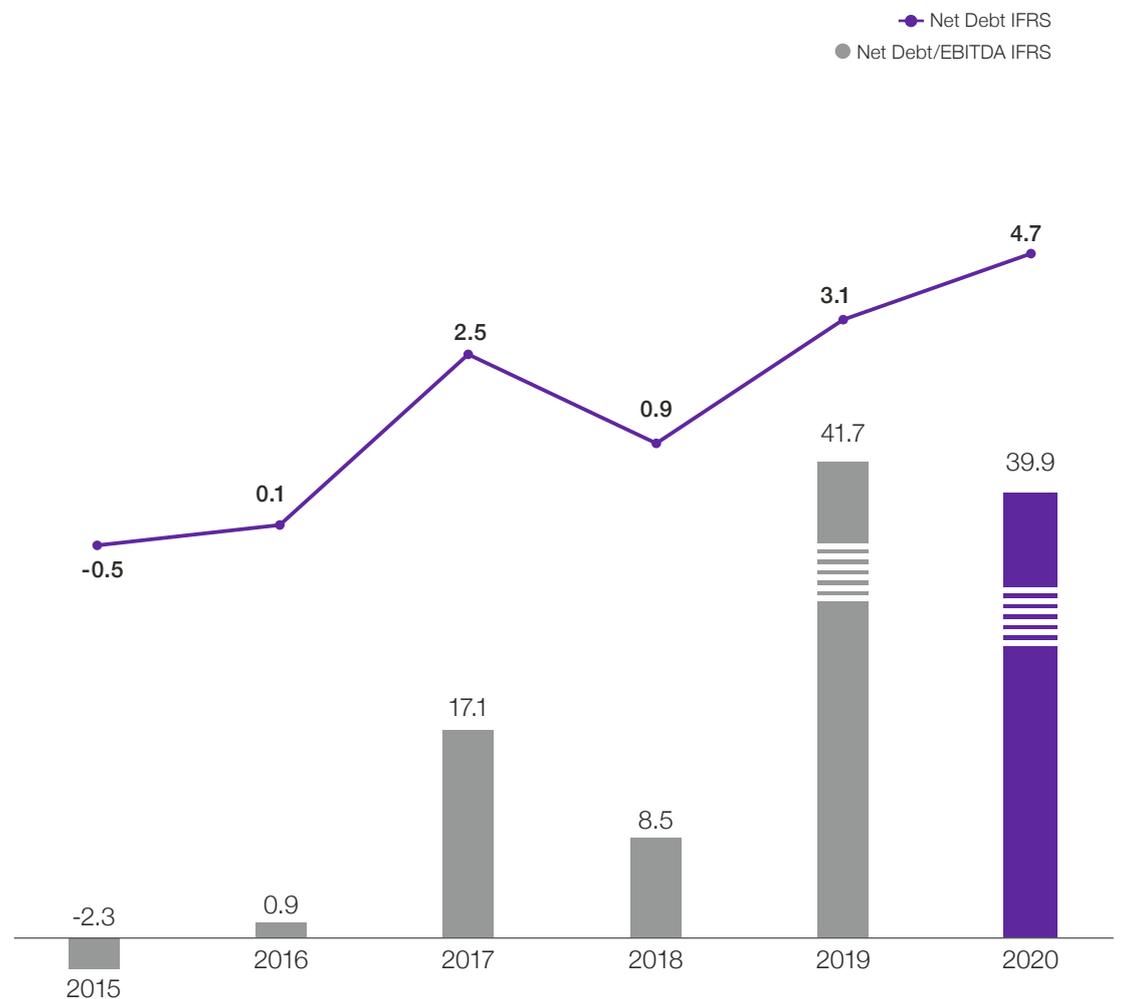
NET RESULTS

The net result for the fiscal year was a loss of €1.5 million, against a net profit of €3.7 million in the previous fiscal year. Dividends were suspended for the year.



NET DEBT

Bank financing of €21 million and working capital optimisation of €2.9 million were further measures taken to protect liquidity. Despite the adverse conditions, net debt level improved slightly against the previous year, amounting to €39.9 million, while leverage ratio covenant obligations were waived.

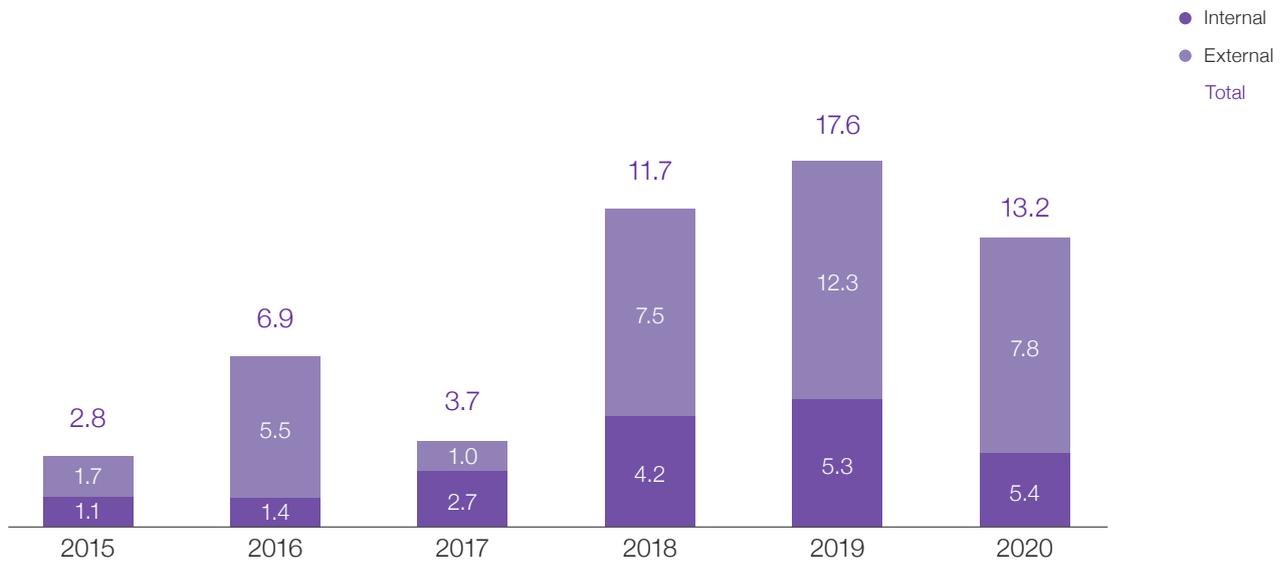


Investments

Capital expenditure concentrated on strategic priorities to ensure continued sustainability. Quadpack opened an office in Japan, a key market crucial to Quadpack's expansion in the Asia Pacific region. A multi-year digital transformation project continued during 2020, connecting all areas of the business for greater agility. The Quadpack Wood factory inaugurated a biomass plant, a move which brings it close to carbon neutrality. Other investments concentrated on increasing

sustainability and efficiency in Quadpack's factories in Spain and Germany, as well as workers' rights and wellbeing, including a new job grading scheme designed to enhance equality.

Investment in external growth also included the second and final payment to complete the acquisition of German packaging manufacturer Louvrette. The first payment was made in 2019.



Stock market listing

Quadpack is listed on the Euronext Growth stock exchange in Paris. Euronext Growth is a multilateral trading facility (MTF) operated by Euronext Paris SA in Brussels, Lisbon, and Paris. As it is not a regulated market within the meaning of EU directives, it offers market access with fewer obligations than those attached to the main Euronext market, while making small- and mid-cap companies available to a wide range of investors.

Euronext offers a range of trading platforms to allow companies

to progress towards full public listing, with escalating regulatory requirements. Quadpack first entered the stock market with a private listing on Euronext Access (then Marché Libre) on 21 April 2016 at €8.43 per share. It transferred to Euronext Growth on 18 October 2019 and, by the end of 2020, Quadpack's share value had risen to around €30 per share, approximately a four-fold increase. Within the same timeframe, Quadpack nearly doubled its business, from a €55 million turnover in 2015 to €102 million in 2020.

This listing on Euronext Growth is a means by which the company aims to fulfil its strategic plans. The Euronext stock exchange model allows Quadpack to learn and gain funding progressively, in an increasingly regulated environment. Its listing on Euronext Growth will help Quadpack to explore new opportunities and continue its objective of making a positive impact on the world.



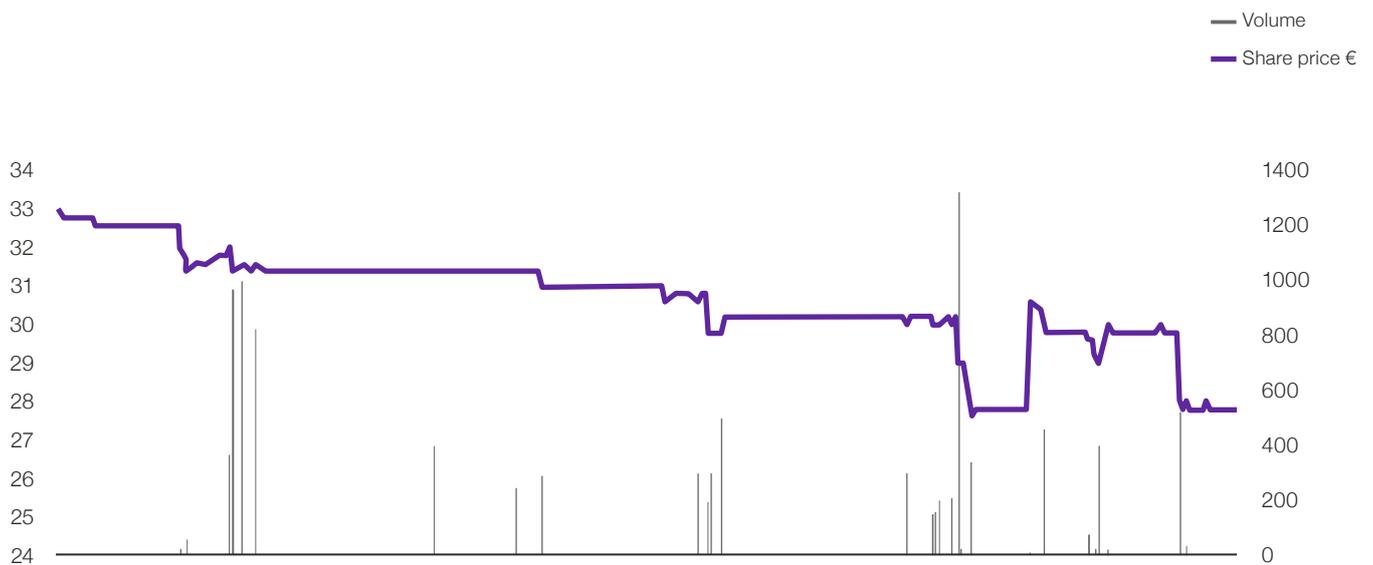
EURONEXT



Share price performance

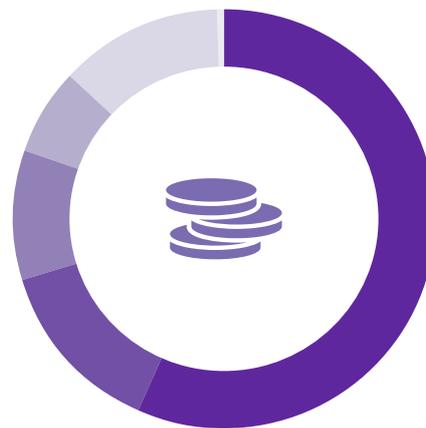
Quadpack's shares performed well in 2020 despite the covid crisis, rallying from €32.8 at the start of the year to closing at €27.8.

The company's share price outperformed the Euronext Growth index in 2020, the stock exchange on which its shares have been trading since 2019.



Shareholder structure

We have >100 shareholders split across the main countries of Europe



- Investor 1 (UK) - 56.7%
- Investor 2 (FR) - 13.8%
- Investor 3 (DE) - 9.9%
- Investor 4 (UK) - 6.8%
- Others - 12.5%
- Float - 0.3%



Shares
outstanding

4,380,572



Market cap

€125M



Float

0.3%



Market

Euronext Growth

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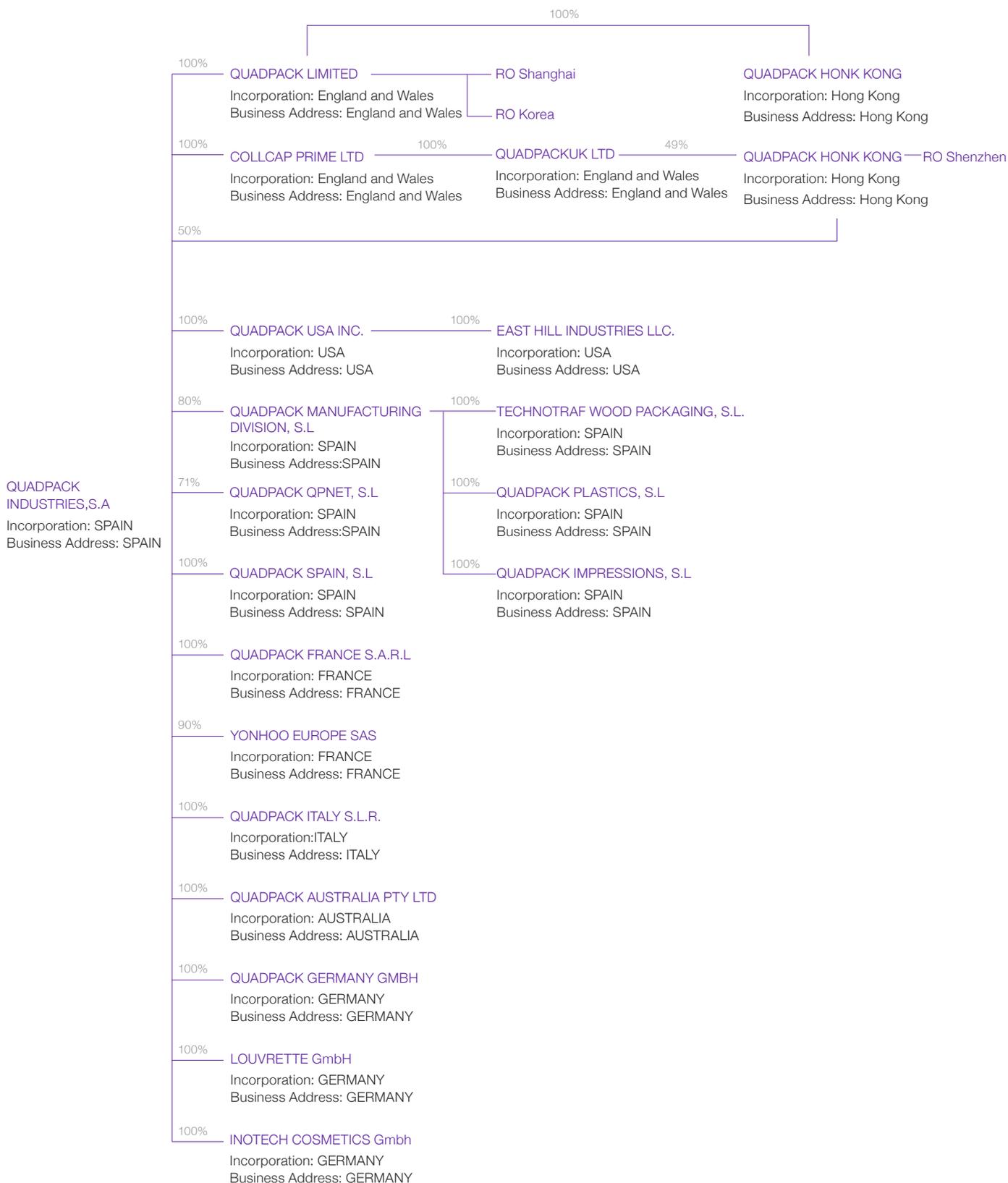
About this report

Quadpack has prepared its sustainability report, which is presented annually, in accordance with the Global Reporting Initiative (GRI) standards. This covers the period between 1 February 2020 and 31 January 2021 and also includes comparative data with the year 2019.

The scope of the information in the report corresponds to the Group's activity (from the holding company Quadpack Industries, S.A. to all the subsidiaries that make up the Quadpack Group) and contains transparent, reliable and balanced information on the social, economic and environmental performance of the organisation. Both positive aspects and those to be improved are reflected, so that stakeholders can obtain a reasonable assessment of the organisation's performance.



QUADPACK STRUCTURE



In addition, this document, which is presented as separate from the management report, is the first Non-Financial Information report published by Quadpack and has been prepared to comply with the requirements established in Law 11/2018 of 28 December 2018, amending the Code of Commerce, the revised text of the Capital Companies Law approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on the Auditing of Accounts regarding non-financial information and diversity. This therefore constitutes the Group's 2020 Consolidated Non-Financial Information Statement.

For any questions related to the content of this report, you can contact the following email address: investorrelations@quadpack.com



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Table of contents of the law on non-financial and diversity information

This report contains the non-financial information of Quadpack and its subsidiaries during 2020 and 2019. Through this document, the organisation responds to the non-financial information and diversity requirements contained in Law 11/2018, of 29 December.

The principles of comparability, reliability, materiality and relevance established by the Law on Non-Financial Information and Diversity have been applied:

- **Comparison criterion:** “The reporting organisation must select, collect and report the information consistently. The information reported must be presented in a way that allows stakeholders to analyse changes in the organisation’s performance and supports a comparative analysis with other organisations”.
- **Reliability criteria:** “The reporting organisation must gather, record, compile, analyse and report the information and processes used to prepare the report, so they can be subject to review, and the quality and materiality of the information established”.
- **Criterion of materiality and relevance:** “The reporting organisation must address issues that reflect the significant economic, environmental and social impacts of the reporting organisation and substantially influence the assessments and decisions of stakeholders”.



The aspects deemed relevant after the analysis have been reflected in the materiality matrix. Likewise, the material topics that, in turn, respond to the requirements of the law in matters of non-financial information and diversity are included in the table corresponding to this law that is presented below:

Requirements of the law

Reporting criteria Reference Chapter or direct answer

BUSINESS MODEL

Group's business model

Brief description of the group's business model, including:

- 1.) Its business environment;
- 2.) Its organisation and structure;
- 3.) The markets in which it operates;
- 4.) Its targets and strategies;
- 5.) The main factors and trends that may affect its future evolution.

GRI 102-1 Name of the organisation	1.2.1 About Quadpack										
GRI 102-2 Activities, brands, products and services	1.3.2 Manufacturing and sourcing 1.3.3 Categories 1.3.4 Products 1.3.5 Services										
GRI 102-3 Location of headquarters	1.2.1 About Quadpack										
GRI 102-4 Location of operations	1.2.1 About Quadpack										
GRI 102-5 Ownership and legal form	<p>Quadpack Industries, SA (Holding Company)</p> <table border="1"> <thead> <tr> <th>Shareholder</th> <th>Shares %</th> </tr> </thead> <tbody> <tr> <td>Eudald Holding S.L.</td> <td>56.7%</td> </tr> <tr> <td>Anlomo SAS</td> <td>13.8%</td> </tr> <tr> <td>Float</td> <td>0.3%</td> </tr> <tr> <td>Others</td> <td>29.2%</td> </tr> </tbody> </table>	Shareholder	Shares %	Eudald Holding S.L.	56.7%	Anlomo SAS	13.8%	Float	0.3%	Others	29.2%
Shareholder	Shares %										
Eudald Holding S.L.	56.7%										
Anlomo SAS	13.8%										
Float	0.3%										
Others	29.2%										
GRI 102-6 Markets served	1.2.3 The quadpack differential 1.3.1 Clients: Close relationships in a global economy										
GRI 102-7 Scale of the organisation	6.2.1 Our people: Our greatest asset										
GRI 102-10 Significant changes to the organisation and its supply chain	<p>During 2020, Quadpack opened an office in Japan and closed the office located in China.</p> <p>6.5 Sustainable supply chain</p>										
GRI 102-15 Key impacts, risks and opportunities	2.1.1 Anti-corruption practices 2.3 Risk management 3.1 Market environment 3.4 Sustainability strategy										

Requirements of the law

Reporting criteria Reference Chapter or direct answer

	Reporting criteria	Reference Chapter or direct answer
Reporting framework used	102-54 Claims of reporting in accordance with the GRI Standards	8. About this report
	GRI 102-40 List of stakeholder groups	3.4.3 Engaging the wider community
General		
Materiality analysis	GRI 102-42 Identifying and selecting stakeholders	Quadpack's stakeholders has been chosen based on criteria such as: dependence (those who depend on its activities, products or services and those on which it depends to continue its business), liability (whether commercial, legal, operational, social, etc.), proximity (those located within our surrounding area) and influence (can have an impact on its strategy or business).
	GRI 102-43 Approach to stakeholder engagement	3.4.3 Engaging the wider community 6.1 Materiality matrix
	GRI 102-46 Defining report content and topic boundaries	6.1 Materiality matrix
	GRI 102-47 List of material topics	6.1 Materiality matrix

Requirements of the law

Reporting criteria Reference Chapter or direct answer

INFORMATION ON ENVIRONMENTAL ISSUES

A description of the group's policies on these issues, including:

1.) Due diligence procedures applied to identify, evaluate, prevent and reduce significant risks and impacts;

GRI 103-2 The management approach and its components

3.4 Sustainability strategy

2.) Verification and control procedures including the measures taken.

The results of such policies should include relevant non-financial key performance indicators that:

1.) Enable monitoring and evaluation of progress; and

103-3 Evaluation of the management approach

3.4 Sustainability strategy

2.) Favour the comparability of companies and sectors, in accordance with the national, European or international reference frameworks used for each issue.

Management approach

The main risks associated with issues linked to the group's activities including, where relevant and proportionate, its business relationships and those of its products or services that may have a negative impact on said areas; and

How the group manages said risks, explaining the procedures used for their detection and evaluation in accordance with the national, European or international reference frameworks used for each issue.

GRI 102-15 Key impacts, risks and opportunities

2.3 Risk management
3.4 Sustainability strategy

This should include information on the impacts identified, giving a breakdown of each impact, especially the key risks in the short, medium and long term.

Requirements of the law

Reporting criteria Reference Chapter or direct answer

**Environmental
management**

Information on the current and anticipated effects of the company's business on the environment and, where applicable, health and safety

102-15 Key impacts, risks and opportunities

2.3 Risk management
3.4.1 Ensuring a positive impact

307-1 Non-compliance with environmental laws and regulations

3.4.1 Ensuring a positive impact

308-2 Negative environmental impacts in the supply chain and actions taken

6.5 Sustainable supply chain

Environmental assessment and certification procedures

103-2 The management approach and its components

6.5 Sustainable supply chain

Resources dedicated to environmental hazards prevention

103-2 The management approach and its components

3.4.1 Ensuring a positive impact

The application of the precautionary principle

GRI 102-11 Precautionary principle or approach

3.4.1 Ensuring a positive impact

The amount of provisions and guarantees for environmental hazards

103-2 The management approach and its components

3.4.1 Ensuring a positive impact

Requirements of the law

Reporting criteria Reference Chapter or direct answer

Pollution

Measures to prevent, reduce or redress carbon emissions that seriously affect the environment; taking into account any form of air pollution specific to an activity, including noise and light pollution

GRI 103-2 The management approach and its components 6.3.3 Climate change

GRI 305-7 Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions 6.3.3 Climate change

Circular economy and waste prevention

**Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste
Measures to prevent food waste**

GRI 103-2 The management approach and its components 3.4.2 Sustainable packaging in the circular economy
6.3.2 Waste management

306-3 Waste generated 6.3.2 Waste management

306-4 Waste diverted from disposal 6.3.2 Waste management

306-5 Waste directed to disposal 6.3.2 Waste management

Measures to prevent food waste

GRI 103-2 The management approach and its components Not applicable.

Requirements of the law

Reporting criteria

Reference Chapter or direct answer

Water consumption and water supply according to local constraints

GRI 303-1 Interactions with water as a shared resource	6.3.5.2 Water stewardship
GRI 303-2 Management of water discharge-related impacts	6.3.5.2 Water stewardship
GRI 303-3 Water withdrawal	100% of the water consumption by Quadpack's facilities comes from the municipal network.
GRI 303-4 Water discharge	Quadpack does not generate discharges beyond the discharges of sanitary water and canteen areas at all sites.
GRI 303-5 Water consumption	6.3.5.2 Water stewardship

Sustainable use of resources

Consumption of raw materials and measures taken to improve the efficiency of their use

GRI 103-2 The management approach and its components	6.3.5.1 Responsible consumption of raw materials
GRI 301-1 Materials used by weight or volume	6.3.5.1 Responsible consumption of raw materials
GRI 103-2 The management approach and its components	6.3.4 Energy efficiency

Direct and indirect energy consumption

302-1 Energy consumption within the organisation	6.3.4 Energy efficiency
302-3 Energy intensity	6.3.4 Energy efficiency

Measures taken to improve energy efficiency

GRI 103-2 The management approach and its components	6.3.4 Energy efficiency
GRI 302-4 Reduction of energy consumption	6.3.4 Energy efficiency

Use of renewable energy sources

GRI 302-1 Energy consumption within the organisation	6.3.4 Energy efficiency
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		GRI 103-2 The management approach and its components	6.3.3 Climate change
		GRI 305-1 Direct (Scope 1) GHG emissions	6.3.3 Climate change
	The important elements of the greenhouse gas emissions generated by the company's activities, including use of the goods and services it produces	GRI 305-2 Energy indirect (Scope 2) GHG emissions	6.3.3 Climate change
		GRI 305-3 Other indirect (Scope 3) GHG emissions	6.3.3 Climate change
		GRI 305-7 Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions	6.3.3 Climate change
	Measures taken to adapt to the consequences of climate change	GRI 201-2 Financial implications and other risks and opportunities due to climate change	6.3.1 Investment in a biomass plant
	Reduction goals established voluntarily for the mid- and long-term to reduce GHG emissions and measures implemented for this purpose	GRI 305-5 Reduction of GHG emissions	6.3.3 Climate change
	Measures taken to preserve or restore biodiversity	GRI 103-2 The management approach and its components	6.3.5.1 Responsible consumption of raw materials
		GRI 304-2 Significant impacts of activities, products and services on biodiversity	6.3.5.1 Responsible consumption of raw materials
Protection of biodiversity	Impacts caused by activities or operations in protected areas	GRI 304-3 Habitats protected or restored	Not applicable. All Quadpack's facilities are located in industrial areas.

Requirements of the law

Reporting criteria Reference Chapter or direct answer

INFORMATION ON SOCIAL AND STAFF ISSUES

A description of the group's policies on these issues, including:

1.) Due diligence procedures applied to identify, evaluate, prevent and reduce significant risks and impacts

GRI 103-2 The management approach and its components

6.2.1 Our people: our greatest asset

2.) Verification and control procedures including the measures taken

The results of such policies should include relevant non-financial key performance indicators that:

1.) Enable the monitoring and evaluation of progress; and

103-3 Evaluation of the management approach

6.2.1 Our people: our greatest asset

2.) Favour the comparability of companies and sectors, in accordance with the national, European or international reference frameworks used for each issue.

Management approach

The main risks associated with issues linked to the group's activities including, where relevant and proportionate, its business relationships and those of its products or services that may have a negative impact on said areas; and

How the group manages said risks, explaining the procedures used for their detection and evaluation in accordance with the national, European or international reference frameworks used for each issue.

GRI 102-15 Key impacts, risks and opportunities

2.3 Risk management

This should include information on the impacts identified, giving a breakdown of each impact, especially the key risks in the short, medium and long term.

Requirements of the law

Reporting criteria

Reference Chapter or direct answer

Total number and distribution of employees by gender, age, country and professional category	GRI 102-7 Scale of the organisation	6.2.1 Our people: our greatest asset																																																										
	GRI 405-1 Diversity of governance bodies and employees	6.2.3 Equality and diversity																																																										
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Employment

Requirements of the law

Reporting criteria Reference Chapter or direct answer

Average annual number of permanent, temporary and part-time contracts by gender, age and professional category

Annual average of temporary contracts

	2020	2019
By gender		
Women	42.3%	58.6%
Men	57.7%	41.4%
By age group		
Under 30	51.9%	37.9%
Between 30 and 50	25.0%	31.0%
Over 50	23.1%	31.0%
By professional category		
Rest of the staff	94.2%	100.0%
Middle management	5.8%	0.0%
Senior management	0.0%	0.0%
Board Members	0.0%	0.0%

Annual average of part-time contracts

	2020	2019
By gender		
Women	81.1%	83.3%
Men	18.9%	16.7%
By age group		
Under 30	15.1%	8.3%
Between 30 and 50	41.5%	43.8%
Over 50	43.4%	47.9%
By professional category		
Rest of the staff	75.5%	59.3%
Middle management	20.8%	33.3%
Senior management	1.9%	3.7%
Board Members	1.9%	3.7%

Employment

Number of dismissals by gender, age and professional category GRI 401-1.b Number and rate of employee turnover 6.2.1 Our people: our greatest asset

Average remuneration and its trend by gender, age and professional category or equivalent GRI 103-2 The management approach and its components 6.2.5 Equitable pay

GRI 405-2 Ratio of basic salary and remuneration of women to men 6.2.5 Equitable pay

Salary gap, remuneration for the same jobs or the company average; GRI 405-2 Ratio of basic salary and remuneration of women to men 6.2.5 Equitable pay

Requirements of the law

Reporting criteria Reference Chapter or direct answer

Employment

	GRI 103-2 The management approach and its components	6.2.5 Equitable pay
Average remuneration of directors and managers, including variable remuneration, per diems, indemnities, payment to long-term pension savings schemes and any other payments by gender	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.2.5 Equitable pay
	GRI 201-3 Defined benefit plan obligations and other retirement plans	6.2.5 Equitable pay
Implementation of disconnect-from-work policies	GRI 103-2 The management approach and its components	6.2.4 Work-life balance
Employees with disabilities	GRI 405-1. b) Diversity of governance bodies and employees	6.2.3 Equality and diversity

Requirements of the law

Reporting criteria Reference Chapter or direct answer

Organisation of
work time

GRI 103-2 The
management
approach and its
components

6.2.4 Work-life balance

Number of
absenteeism hours

GRI 103-2 The
management
approach and its
components

6.2.6 Health & safety

Work
organisation

Measures designed
to facilitate work-
life balance and
encourage joint
responsibility by both
parents

GRI 401-3 Parental
leave

Parental leave

2020 2019

Personnel who have been entitled to parental leave 532 529

Women 287 290

Men 245 239

Personnel who have taken parental leave 10 8

Women 8 5

Men 2 3

**Of the above, people who have returned to their job
after parental leave** 10 7

Women 8 5

Men 2 2

**Of the above, people who, after returning to their
job after parental leave, continue in the organisation
after 12 months** 10 6

Women 8 4

Men 2 2

Return to work rate

Women 100% 100%

Men 100% 100%

Retention rate

Women 100% 100%

Men 100% 100%

GRI 103-2 The
management
approach and its
components

6.2.4 Work-life balance

Requirements of the law

Reporting criteria

Reference Chapter or direct answer

**Health
and safety**

**Occupational health
and safety conditions**

GRI 403-1 Occupational
health and safety
management system

6.2.6 Health & Safety

GRI 403-2 Hazard
identification, risk assessment
and incident investigation

6.2.6 Health & safety

GRI 403-3 Occupational
health services

6.2.2 Culture of dialogue

GRI 403-5 Worker training
on occupational health and
safety

6.2.6 Health & Safety

GRI 403-6 Promotion of
worker health

6.2.6 Health & safety

GRI 403-7 Prevention and
mitigation of occupational
health and safety impacts
directly linked by business
relationships

6.2.6 Health & safety

GRI 403-8 Workers covered
by an occupational health
and safety management
system

6.2.6 Health & safety

**Work accidents,
in particular their
frequency and
severity, as well
as occupational
diseases; broken
down by gender**

GRI 403-9 Work-related
injuries

6.2.6 Health & safety

GRI 403-10 Work-related ill
health

6.2.6 Health & safety

Requirements of the law

Reporting criteria

Reference Chapter or direct answer

Organisation of social dialogue, including procedures for informing and consulting with staff and negotiating with them

GRI 102-43 Approach to stakeholder engagement

6.2.2 A culture of dialogue

GRI 402-1 Minimum notice periods regarding operational changes

6.2.2 A culture of dialogue

GRI 403-1 Occupational health and safety management system

6.2.6 Health & safety

Social relationships

Percentage of employees covered by collective bargaining agreements in each country

GRI 102-41 Collective bargaining agreements

6.2.2 A culture of dialogue

Balance of collective bargaining agreements, specifically in the area of occupational health and safety

GRI 403-4 Worker participation, consultation and communication on occupational health and safety

6.2.2 A culture of dialogue

Training

Policies in place for training

GRI 103-2 The management approach and its components

6.2.7 Nurturing talent and enhancing Employee engagement

GRI 404-2 Programmes for upgrading employee skills and transition assistance programmes

6.2.7 Nurturing talent and enhancing Employee engagement

Total training hours by professional category

GRI 404-1 Average hours of training per year per employee

6.2.7 Nurturing talent and enhancing Employee engagement

Universal accessibility for disabled people

Employees with disabilities

GRI 103-2 The management approach and its components

6.2.3 Equality and diversity

Requirements of the law

Reporting criteria

Reference Chapter or direct answer

Equality

Measures in place to promote equal treatment and opportunities for men and women

GRI 103-2 The management approach and its components

6.2.3 Equality and diversity

Equal plans (Chapter III of Spanish Organic Law 3/2007 of 22 March on the effective equality of women and men), measures taken to foster employment, protocols against sexual and gender-based harassment, integration and universal accessibility for disabled people

GRI 103-2 The management approach and its components

6.2.3 Equality and diversity

Policy against all types of discrimination and, where appropriate, diversity management

GRI 406-1 Incidents of discrimination and corrective actions taken

6.2.3 Equality and diversity

Requirements of the law

Reporting criteria Reference Chapter or direct answer

INFORMATION RELATED TO RESPECT FOR HUMAN RIGHTS

A description of the group's policies on these issues, including:

1.) Due diligence procedures applied to identify, evaluate, prevent and reduce significant risks and impacts

GRI 103-2 The management approach and its components 2.1.2 Human rights

2.) Verification and control procedures including the measures taken

The results of such policies should include relevant non-financial key performance indicators that:

1.) Enable the monitoring and evaluation of progress; and

103-3 Evaluation of the management approach 2.1.2 Human rights

2.) Favour the comparability of companies and sectors, in accordance with the national, European or international reference frameworks used for each issue.

Management approach

The main risks associated with issues linked to the group's activities, including, where relevant and proportionate, its business relationships and those of its products or services that may have a negative impact on said areas; and

How the group manages said risks, explaining the procedures used for their detection and evaluation in accordance with the national, European or international reference frameworks used for each issue.

GRI 102-15 Key impacts, risks and opportunities 2.3 Risk management

This should include information on the impacts identified, giving a breakdown of each impact, especially the key risks in the short, medium and long term

Requirements of the law

Reporting criteria

Reference Chapter or direct answer

Application of due diligence procedures in matters concerning human rights, prevention of risks of human rights and, where appropriate, measures to reduce, manage and readdress any abuses committed

GRI 102-17 Mechanisms for advice and concerns about ethics

2.1.1 Anti-corruption practices

GRI 414-1 New suppliers screened using social criteria

6.5 Sustainable supply chain

GRI 102-16 Values, principles, standards and business rules

1.2.2 Purpose, mission & values

Complaints concerning cases of human rights violations

GRI 102-17 Mechanisms for advice and concerns about ethics

2.1.1 Anti-corruption practices

GRI 103-2 The management approach and its components

2.1.1 Anti-corruption practices
2.1.2 Human rights

GRI 406-1 Incidents of discrimination and corrective actions taken

6.2.3 Equality and diversity

Promotion and compliance with the provisions of fundamental conventions of the International Labor Organization on respect for freedom of association and the right to collective bargaining; The abolition of discrimination in employment and occupation; The abolition of forced or compulsory labour; The effective abolition of child labour

GRI 103-2 The management approach and its components

2.1.2 Human rights

GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

6.5 Sustainable supply chain

GRI 414-1 New suppliers screened using social criteria

6.5 Sustainable supply chain

Applying due diligence procedures

Requirements of the law

Reporting criteria Reference Chapter or direct answer

INFORMATION RELATED TO COMBATING CORRUPTION AND BRIBERY

A description of the group's policies on these issues, including:

- 1.) Due diligence procedures applied to identify, evaluate, prevent and reduce significant risks and impacts;
- 2.) Verification and control procedures including the measures taken.

GRI 103-2 The management approach and its components

2.1.1 Anti-corruption practices

The results of such policies should include relevant non-financial key performance indicators that:

- 1.) Enable the monitoring and evaluation of progress; and
- 2.) Favour the comparability of companies and sectors, in accordance with the national, European or international reference frameworks used for each issue.

103-3 Evaluation of the management approach

2.1.1 Anti-corruption practices

Management approach

The main risks associated with issues linked to the group's activities, including, where relevant and proportionate, its business relationships and those of its products or services that may have a negative impact on said areas; and

How the group manages said risks, explaining the procedures used for their detection and evaluation in accordance with the national, European or international reference frameworks used for each issue.

This should include information on the impacts identified, giving a breakdown of each impact, especially the key risks in the short, medium and long term.

GRI 102-15 Key impacts, risks and opportunities

2.1.1 Anti-corruption practices

Requirements of the law

Reporting criteria

Reference Chapter or direct answer

Measures taken to prevent corruption and bribery

GRI 103-2 The management approach and its components

2.1.1 Anti-corruption practices

GRI 102-16 Values, principles, standards and norms of behaviour

1.2.2 Purpose, mission & values

GRI 102-17 Mechanisms for advice and concerns about ethics

2.1.1 Anti-corruption practices

GRI 205-1 Operations assessed for corruption-related risks

2.1.1 Anti-corruption practices

Information related to combating corruption and bribery

Measures to prevent money laundering

GRI 103-2 The management approach and its components

2.1.1 Anti-corruption practices

GRI 102-16 Values, principles, standards and norms of behaviour

2.1.1 Anti-corruption practices

GRI 102-17 Mechanisms for advice and concerns about ethics

2.1.1 Anti-corruption practices

GRI 205-2 Communication and training about anti-corruption policies and procedures

2.1.1 Anti-corruption practices

Contributions to non-profit foundations and organisations

103-3 Evaluation of the management approach

6.6.1.1 The Quadpack Foundation

GRI 201-1 Direct economic value generated and distributed

6.6.1.1 The Quadpack Foundation

Requirements of the law

Reporting criteria Reference Chapter or direct answer

INFORMATION ABOUT THE COMPANY

A description of the group's policies on these issues, including:

- 1.) Due diligence procedures applied to identify, evaluate, prevent and reduce significant risks and impacts;
- 2.) Verification and control procedures including the measures taken.

GRI 103-2 The management approach and its components

6.6.1 Sustainable community development

The results of such policies should include relevant non-financial key performance indicators that:

- 1.) Enable the monitoring and evaluation of progress; and
- 2.) Favour the comparability of companies and sectors, in accordance with the national, European or international reference frameworks used for each issue.

103-3 Evaluation of the management approach

6.6.1 Sustainable community development

Management approach

The main risks associated with issues linked to the group's activities, including, where relevant and proportionate, its business relationships and those of its products or services that may have a negative impact on said areas; and

How the group manages said risks, explaining the procedures used for their detection and evaluation in accordance with the national, European or international reference frameworks used for each issue.

GRI 102-15 Key impacts, risks and opportunities

2.3 Risk management

This should include information on the impacts identified, giving a breakdown of each impact, especially the key risks in the short, medium and long term.

Requirements of the law

Reporting criteria

Reference Chapter or direct answer

The impact of the company's activity on local employment and development

GRI 103-2 The management approach and its components

6.6.1 Sustainable community development

GRI 203-2 Significant indirect economic impacts

4. Covid-19 pandemic
6.6.1 Sustainable community development
6.6.2 Alliances with industry and local organisations

GRI 204-1 Proportion of spending on local suppliers

6.5 Sustainable supply chain

201-1 Direct economic value generated and distributed

6.6.1.1 The quadpack foundation

The company's commitments to sustainable development

The impact of the business on society in terms of local populations and the territory

GRI 413-1 Operations with local community engagement, impact assessments and development programmes

6.6.1.1 The quadpack foundation

GRI 413-2 Operations with significant actual and potential negative impacts on local communities

6.6.1.1 The quadpack foundation

Relations with actors in the local community and the corresponding forms of dialogue

GRI 102-43 Approach to stakeholder engagement

3.4.3 Engaging the wider community
6.5 Sustainable supply chain

Membership or sponsorship actions

GRI 102-13 Membership of associations

3.4.3 Engaging the wider community
6.6.2 Alliances with industry and local organisations

GRI 102-12 External initiatives

6.6.2 Alliances with industry and local organisations

Requirements of the law

Reporting criteria

Reference Chapter or direct answer

**Inclusion of social,
gender equality and
environmental issues in
the purchasing policy**

308-1 New suppliers screened using environmental criteria

6.5 Sustainable supply chain

414-1 New suppliers screened using social criteria

6.5 Sustainable supply chain

GRI 102-9 Supply chain

6.5 Sustainable supply chain

GRI 103-2 The management approach and its components

6.5 Sustainable supply chain

GRI 308-1 New suppliers that were screened using environmental criteria

6.5 Sustainable supply chain

GRI 308-2 Negative environmental impacts in the supply chain and actions taken

6.5 Sustainable supply chain

**Sub-contracting
and suppliers**

**Consideration of
their social and
environmental
responsibility in
relations with suppliers
and subcontractors;**

GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

6.5 Sustainable supply chain

GRI 408-1 Operations and suppliers at significant risk for incidents of child labor

6.5 Sustainable supply chain

GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour

6.5 Sustainable supply chain

GRI 414-1 New suppliers screened using social criteria

6.5 Sustainable supply chain

GRI 414-2 Negative social impacts in the supply chain and actions taken

6.5 Sustainable supply chain

**Supervision and
auditing system and
results**

GRI 308-2 Negative environmental impacts in the supply chain and actions taken

6.5 Sustainable supply chain

GRI 414-2 Negative social impacts in the supply chain and actions taken

6.5 Sustainable supply chain

Requirements of the law

Reporting criteria

Reference Chapter or direct answer

Measures for consumer
health and safety

GRI 103-2 The management approach and its components

6.4 Clients and consumers

GRI 416-1 Assessment of the health and safety impacts of the product and service categories

6.4 Clients and consumers

GRI 416-2 Incidents of non-compliance concerning the health and safety impact of products and services

6.4 Clients and consumers

Consumers

GRI 417-1 Requirements for product and service information and labelling

As a business-to-business company, we do not have specific labelling legal requirements but rather proper identification of goods as per customs and transport requirements.

Complaint systems,
complaints received
and their resolution

GRI 103-2 The management approach and its components

6.4 Clients and consumers

GRI 416-2 Incidents of non-compliance concerning the health and safety impact of products and services

6.4 Clients and consumers

GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

6.4 Clients and consumers

GRI 103-2 The management approach and its components

7. Resilient and sustainable economic performance

Profits earned by
country

GRI 201-1 Direct economic value generated and distributed

Profits by country
(in euros)

	2020	2019
	Profit/(Loss)	Profit/(Loss)
Australia	14,888	70,719
France	(581,684)	380,128
Germany	(819,879)	468,427
Hong Kong	(326,311)	161,774
Italy	390,966	119,323
Japan	(59,796)	-
Spain	4,148,276	4,771,733
UK	484,724	1,609,194
USA	276,371	(353,233)

Tax information

Requirements of the law

Reporting criteria

Reference Chapter or direct answer

		Taxes paid on profit (in euros)	
		2020	2019
		Expenditure / (Income)	Expenditure / (Income)
Income taxes paid	GRI 201-1 Direct economic value generated and distributed		
		Australia	24,310
		France	167,692
		Germany	180,131
		Hong Kong	45,892
		Italy	60,546
		Japan	-
		Spain	646,134
		UK	549,918
		USA	-
Public subsidies received	GRI 201-4 Financial assistance received from government	Quadpack has not received any financial assistance from the government.	



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	Reference Chapter or direct answer	GRI Standard
HUMAN RIGHTS	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights. 2.1.2 Human rights	GRI 406, GRI 407, GRI 408, GRI 409, GRI 410, GRI 411, GRI 412, GRI 414, GRI 413
	Principle 2: Make sure that they are not complicit in human rights abuses. 2.1.2 Human rights	GRI 406, GRI 407, GRI 408, GRI 409, GRI 410, GRI 411, GRI 412, GRI 414
	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. 2.1.2 Human rights 6.2.2 A culture of dialogue	GRI 102-41 GRI 402, GRI 407
LABOUR	Principle 4: The elimination of all forms of forced and compulsory labour. 2.1.2 Human rights	GRI 409, GRI-103-2, GRI 103-3
	Principle 5: The effective abolition of child labour. 2.1.2 Human rights	GRI 408, GRI-103-2, GRI 103-3
	Principle 6: The elimination of discrimination in respect of employment and occupation. 2.1.2 Human rights 6.2.3 Equality and diversity 6.2.5 Equitable pay	GRI 102-8 GRI 401, GRI 402, GRI 403, GRI 404, GRI 405, GRI 414, GRI 103, GRI 406
ENVIRONMENT	Principle 7: Businesses should support a precautionary approach to environmental challenges. 3.4 Sustainability strategy 3.4.2 Sustainable packaging in the circular economy 6.3 A positive impact on the environment	GRI 301, GRI 302, GRI 303, GRI 304, GRI 305, GRI 306, GRI 307, GRI 308
	Principle 8: Undertake initiatives to promote greater environmental responsibility. 3.4 Sustainability strategy 3.4.2 Sustainable packaging in the circular economy 6.3 A positive impact on the environment	GRI 301, GRI 302, GRI 303, GRI 304, GRI 305, GRI 306, GRI 307, GRI 308
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies. 3.4 Sustainability strategy 3.4.2 Sustainable packaging in the circular economy 6.3 A positive impact on the environment	GRI 301, GRI 302, GRI 303, GRI 304, GRI 305, GRI 306, GRI 307, GRI 308
ANTI-CORRUPTION	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. 2.1.1 Anti-corruption practices	GRI 205, GRI 415

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External verification report

Independent verification report on the consolidated non-financial information statement corresponding to the year ended January 31, 2021

QUADPACK INDUSTRIES, S.A., AND SUBSIDIARIES

(Translation of a report originally issued in Spanish and prepared in accordance with Spanish generally accepted rules and laws. In the event of a discrepancy, the Spanish-language version prevails.)

To the Shareholders of QUADPACK INDUSTRIES, S.A.:

In accordance with article 49 of the Commercial Code, we have verified, with the scope of limited assurance, the attached Consolidated Non-Financial Information Statement (hereinafter NFIS) corresponding to the year ended January 31, 2021, of Quadpack Industries, S.A., and Subsidiaries (hereinafter the Group) that is part of the Group's Consolidated Report of the Directors.

The NFIS content includes information in addition to that required by current commercial laws on non-financial information that has not been the subject of our verification work. In this sense, our work has been limited exclusively to the verification of the information identified in the "Table of contents of the Law on Non-Financial and Diversity Information" included in the attached NFIS.

Responsibility of the Directors

The preparation of the NFIS included in the Group's Consolidated Report of the Directors, as well as its content, is the responsibility of the Directors of Quadpack Industries, S.A. The NFIS has been prepared in accordance with the contents set forth in current commercial laws and following the criteria of the Sustainability Reporting Standards of the Global Reporting Initiative (GRI standards) selected, as well as those other criteria described in accordance with what is mentioned for each subject in the "Table of contents of the Law on Non-Financial and Diversity Information" of said Statement.

This responsibility also includes the design, implementation and maintenance of the internal control deemed necessary to allow the NFIS to be free from material misstatement, due to fraud or error.

The Directors of Quadpack Industries, S.A. are also responsible for defining, implementing, adapting, and maintaining the management systems from which the information necessary for the preparation of the NFIS is obtained.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Professional Accountants (IESBA), which is based on the main principles of integrity, objectivity, professional competence and diligence, confidentiality, and professional behaviour.

Our firm applies the International Quality Control Standard 1 (ISQC 1) and consequently maintains a global

quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards, and applicable legal and regulatory provisions.

The work team has been made up of professionals who are experts in reviews of Non-Financial Information and, specifically, in information on economic, social, and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance verification report based on the work carried out, which refers exclusively to the financial year ended January 31, 2021. The data corresponding to previous years were not subject to the verification provided in current commercial laws. We have carried out our work in accordance with the requirements established in the International Standard on Assurance Engagements 3000 Revised in force, "Assurance Engagements other than the Audit or Review of Historical Financial Information" (NIEA 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Guide to Action on assignments to verify the Non-Financial Information Statement issued by the Institute of Auditors of Spain.

In a limited assurance work, the procedures carried out vary in their nature and timing, and are less extensive, than those carried out in a reasonable assurance work and, therefore, the assurance obtained is substantially less. Our work has consisted of formulating questions to the Management, as well as to the various units of the Group that have participated in the development of the NFIS, in the review of the processes to collect and validate the Information presented in the NFIS and in the application of certain analytical procedures and sample review tests described below:

- **Meetings with the Group's personnel to learn about the business model, the policies and**

management approaches applied, the main risks related to these issues, and obtain the necessary information for the external review.

- **Analysis of the scope, relevance and integrity of the contents included in the NFIS for the year ended January 31, 2021 based on the materiality analysis carried out by the Group and described in section 6.1 "Materiality Matrix" of the NFIS, considering contents required in the commercial regulations in force.**
- **Analysis of the processes to collect and validate the data presented in the NFIS for the year ended January 31, 2021.**
- **Review of the information related to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for the year ended January 31, 2021.**
- **Verification, by means of tests, based on the selection of a sample, of the information related to the contents included in the NFIS for the year ended January 31, 2021 and its adequate compilation from the data provided by the sources of information.**
- **Obtaining a Management Letter from the Directors and the Management.**

Conclusion

Based on the procedures carried out in our verification and on the evidence we have obtained, no additional aspect has been revealed that would make us believe that the NFIS of Quadpack Industries, S.A. and Subsidiaries corresponding to the year ended January 31, 2021, has not been prepared, in all its significant aspects, in accordance with the contents set forth in current commercial laws and following the criteria of the selected GRI standards, as well as those other criteria described in accordance with what is mentioned for each subject in the "Table of contents of the Law on Non-Financial and Diversity Information" of said Statement.

Use and distribution

This report has been prepared in response to the requirement established in the commercial laws in force in Spain, so it may not be suitable for other purposes and jurisdictions.

Grant Thornton, S.L.P. Sociedad Unipersonal

Sergi Puig-Serra Casas

Barcelona, May 26, 2021



Grant Thornton
Av. Diagonal, 615, 10ª
08028 BARCELONA

T +34 93 206 39 00
F +34 93 206 39 10
barcelona@es.gt.com
www.GrantThornton.es

AUDIT REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR

(Translation of a report and accounts originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles. In the event of a discrepancy, the Spanish-language version prevails.)

To the Shareholders of QUADPACK INDUSTRIES, S.A.

Opinion

We have audited the consolidated annual accounts of QUADPACK INDUSTRIES, S.A. (hereinafter the Parent Company) and Subsidiaries (the Group), which comprise the consolidated balance sheet statement as of 31 January 2021, the consolidated profit and loss statement, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to the consolidated annual accounts for the year ended on that date.

In our opinion, the accompanying consolidated annual accounts present, in all material aspects, a true and fair view of the net equity and the financial position of the Group at 31 January 2021, and of the results of its operations and its cash flows, all of them consolidated, for the year ended on that date, in accordance with International Financial Reporting Standards, adopted by the European Union (IFRS-EU), and other provisions of the regulatory framework for financial reporting that are applicable in Spain.

Basis for our opinion

We have carried out our audit in accordance with the current Spanish standards for auditing accounts. Based on those standards, our responsibilities are set out below in the section *Auditor's responsibilities for the audit of the consolidated annual accounts* of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the consolidated annual accounts in Spain, as required by the regulations governing the auditing of annual accounts. In this regard, we have not provided any services different to the audit of the annual accounts and no situations or circumstances have arisen that, based on said regulations, might have affected the required independence in such a way that it could have been compromised.

We believe that the audit evidence we have obtained provides a sufficient and appropriate basis for our audit opinion.

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, in our professional judgement, were considered as the most significant risks of material misstatement in our audit of the consolidated annual accounts of the current period. These risks were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.



Business combinations

As detailed in note 4 to the consolidated annual accounts, during the 2020/2021 financial year the Group carried out two business combinations, one related to Louvrette GmbH and one related to Inotech Cosmetics GmbH. In relation to the business combination of Louvrette GmbH, on July 28, 2020, the second part of the purchase was formalised, the remaining 49% of the company, which has been carried out through the delivery of cash and shares of Quadpack Industries, S.A. In accordance with the applicable financial information regulatory framework, the Group's Management, with the collaboration of independent experts, made the allocation of the acquisition prices, which included the estimation of future payment commitments for contingent consideration to the assets acquired and liabilities assumed in the respective business combinations and based on them, the resulting goodwill were determined.

We have considered this to be one of the most relevant aspects of our audit due to the significance of the estimate made for the acquisition of the remaining 49%, as well as the inherent judgment involved in making estimates of the fair value of the assets acquired and the assumed liabilities identified and their impact on the consolidated annual accounts.

Our audit procedures in response to this risk have included, among others:

- Evaluation of the subsequent modifications in the estimation of the future consideration contractually established and their impact on the attached annual accounts.
- Verification that the disclosures included in note 4 to the attached consolidated annual accounts regarding business combinations are in accordance with current regulations.

Impairment of goodwill

As detailed in note 5 to the consolidated annual accounts, as of January 31, 2021, the Group has recorded in non-current assets a goodwill for a net amount of 18.942 thousand euros. In accordance with the regulatory framework of financial information that is applicable and as indicated in note 3.f.) goodwill is not depreciated, but an annual impairment test is carried out on them or with a lower frequency in the event in which events indicative of a potential loss of the asset's value have been identified. Any impairment that arises from said impairment test and that involves reducing its value to an amount less than its book value, is recorded in the profit and loss account and cannot be reversed in the future.

The evaluation of the possible impairment of this asset is based on a series of estimates that require the application of certain criteria, judgments, and assumptions by the Group's Management.

We have considered this to be one of the most relevant aspects of our audit due to the significance of the amount, the complexity inherent in the key assumptions considered and the sensitivity of the analyses carried out with respect to changes in the assumptions of the business plans, discount rates and growth rates.

Our audit procedures in response to this risk have included, among others:

- Understanding of the policies and processes implemented by the Group for the identification of signs of impairment and, where appropriate, determination of the valuation corrections to be made, including the evaluation of the design and implementation of the related internal controls.
- Evaluation with the collaboration of our specialists in evaluations of the method used by Group Management, covering the mathematical consistency of the model, the reasonableness of the projected cash flows, discount rates and long-term growth rates term, as well as the review of the sensitivity analysis carried out by the Group's Management.
- Verification that the disclosures included in note 5 to the attached consolidated annual accounts regarding goodwill are in accordance with current regulations.



Valuation corrections for impairment of accounts receivable

As detailed in the consolidated financial statement, the amount recorded under the heading *Trade debtors and other accounts receivable* corresponds mainly to the balance of customers for the marketing of their products.

In accordance with the regulatory framework of financial information that is applicable and as indicated in note 3.j.1.1) of the notes to the consolidated annual accounts, financial assets at depreciated cost are subsequently measured using the effective interest rate method and are subject to impairment. Valuation corrections for impairment are recorded based on the difference between their book value and the current value at the end of the year of the future cash flows that are estimated to be generated, discounted at the effective interest rate calculated at the time of their initial recognition. These corrections are recognised in the profit and loss account.

The group companies analyse their customer portfolio continuously and make valuation corrections for those balances that are past due pending collection at the closing date. However, each case is analysed with the aim of determining if there are circumstances that may cause doubts about its collectability and may give rise to the recording of the valuation correction.

The calculation of the impairment of accounts receivable has been considered a significant risk of material misstatement in our audit given the judgments and estimates to be used by Management associated with the calculation, the relative importance of the balance at the end of the year and the type and atomisation of the client portfolio.

As part of our audit and in response to said risk, we have obtained a breakdown by maturity of customer balances pending collection at closing and we have verified whether customers with past due balances were adequately provisioned for possible signs of impairment in their recoverability, evaluating, on the contrary, the reasons that explain its non-correction and the documentation that provides evidence of the collectability of the balance. Our checks have been completed through the performance of analytical procedures.

Other information: Consolidated Report of the Directors

The other information relates exclusively to the Consolidated Report of the Directors for 2020/2021. The Directors of the Parent Company are responsible for preparing this consolidated report, which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the Consolidated Report of the Directors. Our responsibility for the Consolidated Report of the Directors, in accordance with what is required by the regulations governing the activity of auditing accounts, consists of:

- a) Check only that the consolidated non-financial information statement has been provided in accordance with the applicable regulations and, if otherwise, to inform about it.
- b) Evaluate and report on the concordance of the rest of the information included in the Consolidated Report of the Directors with the consolidated annual accounts, based on the knowledge of the Group obtained in conducting the audit of said accounts, as well as evaluating and reporting whether the content and presentation of this part of the Consolidated Report of the Directors are in accordance with the applicable regulations. If, based on the work performed, we conclude that there are material misstatements, we are required to report it.

Based on the work carried out, as described above, we have verified that the Consolidated Report of the Directors includes a reference to the fact that the information mentioned in section a) above is presented in a separate report prepared by the Parent Company's Directors and that is part of the Consolidated Report of the Directors and that said report provides the information mentioned in section a) above in accordance with the applicable regulations and that the rest of the information contained in the Consolidated Report of the Directors agrees with that of the consolidated annual accounts for the 2020/2021 financial year and their content and presentation are in accordance with the applicable regulations.



Responsibility of the Directors of the Parent Company concerning the consolidated annual accounts

The Directors of the Parent Company are responsible for drawing up the attached consolidated annual accounts, so that they show a true and fair view of the consolidated net equity, the consolidated financial position and the consolidated results of the Group, in accordance with the International Financial Reporting Standards, adopted by the European Union (IFRS-EU) and other provisions of the regulatory framework for financial reporting that are applicable in Spain and the internal control they deem necessary to allow the preparation of consolidated annual accounts free from material misstatement, due to fraud or error.

When drawing up the consolidated annual accounts, the Directors of the Parent Company are responsible for assessing the Group's capacity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern accounting principles, unless the Directors of the Parent Company intend to liquidate the Group or to cease its operations, or whether there is no other realistic alternative.

Auditor's responsibilities for the audit of the consolidated annual accounts.

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the current Spanish regulations for auditing accounts will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated annual accounts.

As part of an audit in accordance with current Spanish audit regulations, we exercise our professional judgement, and we maintain an attitude of professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated annual accounts, due to fraud or error, design and perform audit procedures to respond to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may imply collusion, forgery, deliberate omissions, intentionally incorrect representations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Parent Company.
- Conclude on the appropriateness by the Directors of the Parent Company of the use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to this in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure, and content of the consolidated annual accounts, including the information disclosed, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.
- We obtain sufficient and adequate evidence in relation to the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision, and performance of the Group's audit. We are solely responsible for our audit opinion.

We communicate with the Directors of the Parent Company concerning, among other matters, the planned scope and timing of the audit and the significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

From the significant risks communicated to the Directors of the Parent Company, we determine those matters that were most significance in the audit of the consolidated annual accounts of the current period and are, therefore, the risks considered most significant.

We describe these risks in our auditor's report unless law or regulations prohibit public disclosure of the matter.

Grant Thornton, S.L.P., Sociedad Unipersonal
ROAC S0123

Isabel Perea Gaviria

ROAC nº 20.226

28 May 2021