

LANINVER SHC, S.L.
AND SUBSIDIARIES

Non-Financial Statement

at 31 December 2018

Issued by the Board of Directors of Laninver SHC, S.L.

in the meeting of 29 March 2019

LANINVER SHC, S.L. AND SUBSIDIARIES

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Introduction

This Non-Financial Statement of Laninver SHC, S.L. (hereinafter the “Company” or the “Parent Company”) and its subsidiaries (hereinafter, together, the “Group”) is issued by the Parent Company’s Board of Directors in compliance with Law 11/2018 of 28 December (hereinafter the “Non-Financial Information Act”), which amended the Spanish Code of Commerce, the Consolidated Text of the Spanish Companies Act introduced under Royal Decree-Law 1/2010 of 2 July and Law 22/2015 of 20 July on Auditing, in relation to non-financial information and diversity.

This Non-Financial Statement (hereinafter NFS) provides details of the main aspects of the consolidated Group's business model and short-, medium- and long-term risks, as well as information on environmental, social, employee-related matters, combating of corruption and bribery, and human rights for the financial year ended 31 December 2018, based on the Global Reporting Initiative - GRI, a reporting framework recommended by the 2018 Non-Financial Information Act, adapting the content to the reality of the Group's business model and activity.

This NFS also forms part of the Group’s Consolidated Management Report but is presented as a separate document.

It should be noted that, when preparing this NFS, the quantitative impact of the US company Ultrapak, LLC has not been taken into account, given the residual nature of that company and that the Parent Company does not have the necessary information to the same degree of detail as is required by the Non-Financial Information Act. However, the effect of the omission of the said information on Laninver's consolidated NFS has been assessed by the Company for each indicator and has been classed as immaterial with respect to the presentation of reliable, transparent and representative non-financial information on the consolidated Group as a whole.

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1. Regarding the Group

The Group's Parent Company is a Spanish company limited by shares and is headquartered in Madrid, Spain.

The Group operates in the container, packaging and graphic arts sector. Its business is conducted at over 30 plants in 12 countries, with more than 2,500 employees.

The Group's main objective is profitable growth in its traditional markets and in new geographies and product portfolios, so as to diversify the business.

The Group's business model is based on the following pillars:

1. **Ethics:** all actions undertaken by the Group are founded on an attitude of respect, professionalism, honesty and integrity. The Group seeks to work with customers and suppliers that also consider ethics to be a fundamental aspect of their organisation.
2. **Human team:** the importance of people forms part of the Group's culture. Personal growth and motivation is a strategic area.
3. **Excellence:** culture of continuous improvement in order to meet the most advanced, demanding standards.
4. **Sustainable development:** the Group is aware that the decisions we make today will have an impact in the future, so economic, environmental and social trends must be understood in all decision areas.
5. **Customer service:** establishing long-term relationships based on trust.
6. **Innovation:** as a differential value that allows the Group to anticipate the needs of customers and the market through new technologies, materials and finishes.
7. **Global presence:** in order to grow with our customers and accompany them in their expansion thanks to an international presence with production plants around the world.

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1.1 Brief description of the business model

The Group has four divisions operating in different sectors:

COEXPAN: this division's core business is the manufacture of rigid plastic containers for the food industry, the most important product being primary packaging for yogurts. The plants are located in Spain, France, Italy, Germany, Russia, Chile, Mexico and Brazil.

EMSUR: this division makes flexible containers for the food industry using rotogravure and flexography printing technologies. The plants are located in Spain, France, Poland, Russia, United States, Mexico, Argentina and Brazil.

LECA Graphics: this division's core business is the manufacture of printed cardboard boxes, mainly for the pharmaceutical and cosmetics industries. The plants are located in Spain and Morocco.

ESTELLA Print: this division operates mainly in the general printing and publishing industry. Its plants are located in Madrid and Navarre. It also makes printed cardboard boxes for the food industry.

1.2 Governance model:

The Parent Company has the following governing bodies:

- Board of Directors;
- Delegate Committee;
- Audit Committee;
- Appointments and Remuneration Committee;
- Management Committee.

The Board of Directors is formed by shareholder representatives and independent directors who hold monthly meetings.

The Delegate Committee meets fortnightly to expedite the analysis of key business decisions that must be put to the Board.

The Audit Committee meets quarterly and whenever necessary. It oversees internal and external audit processes, controlling and monitoring risks identified. It also assures compliance in the Group and is the body in charge of controlling the criminal risk prevention plan for the Group's Spanish companies.

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The Appointments and Remuneration Committee meets quarterly to analyse and study decisions related to human resources.

The Group's Executive Committee is formed by the main executives and meets regularly to follow up on the most relevant business decisions.

Each division has a Management Committee formed by area corporate directors and plant general managers, focusing on all aspects of the division's own business.

1.3 Market context

All the sectors in which the Group operates have international players and competition is fierce, so business excellence is important to protect profitability.

All these industries are witnessing integration and merger processes as a way of increasing critical mass and international presence.

The food container and packaging industry is continuously growing thanks to the impact of packaging improvements on the useful life of products and the avoidance of food wastage.

The manufacturing process must meet regulatory requirements on food safety as primary packaging.

In parallel, there is an environmental challenge and trends in recycling and the development of new materials are particularly relevant in this industry.

Containers and packaging for pharmaceutical products require a tightly controlled production and shipping process to guarantee product traceability.

The value-added cosmetics sector requires the capacity to produce containers and packaging with high-quality finishes and sophisticated designs.

The book printing sector, highly fragmented in the past, has gradually integrated to form fewer groups so as to maintain competitiveness in a downward market due to the inrush of new media such as digital books. The market has remained stable in the last two years.

1.4 Business strategy

The Group's strategy focuses on the following aspects:

1. Geographic diversification to allow local production in markets showing the most growth which were previously served from other countries.
2. Production diversification to increase the portfolio and protect profitability in the long term.
3. Increase in operational effectiveness to defend business for the more mature products or geographies, boosting operational efficiency.
4. Professional talent development and retention to face future challenges.

2. Risk management in the Group

The Group is aware of the importance of risk analysis and management to guarantee the predictability of the organisation's performance in all aspects relevant to stakeholders.

We have a Risk Map for the Group and for each division showing risks that could have an impact in the short, medium and long term.

For each risk identified, the Risk Map covers:

- detailed, specific description of the risk;
- probability of occurrence of the risk;
- impact of the risk should it materialise;
- mechanisms in place and actions taken to manage the risk;
- actions and mechanisms to be implemented in the future;
- those responsible for risk management.

There are four risk types:

Strategic:

Uncertainties associated with the Company's strategy. They may have a significant impact on the Group or its divisions, so they are key aspects addressed by the Board of Directors, Delegate Committee or Executive Committee.

Strategic risks faced by the Group include those related to customer concentration and high cost dependence on raw materials, as the main product cost.

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Emerging:

They derive from critical exogenous factors that affect both our Group and the general macroeconomic and microeconomic environment.

The emerging risks to which the Group is exposed include those related to economic uncertainty that could affect consumption, as well as country risk in some locations where we have operations.

Operating:

They generally arise internally and can potentially have a high and relevant impact on a company's capacity to achieve its business objectives.

The operating risks faced by the Group include those derived from delays in the implementation of investment plans.

Financial:

Risks that could affect the financial information of the Group or any of its business divisions.

The financial risks faced by the Group include those related to the effects of foreign exchange, in view of its operations in a number of countries with currencies other than the euro and high exchange volatility.

Risk Maps are reviewed annually and updated accordingly:

- identification of new risks;
- reassessment of existing risks (in terms of impact and probability);
- update of actions carried out and identified actions pending implementation.

The Audit Committee approves the Risk Maps annually and they are distributed and reported to the Board of Directors.

3. Environmental matters

Environmental management is one of the mainstays of the Group's business model and a fundamental part of compliance with applicable legislation.

Environmental protection is one of the action principles contained in the Code of Ethics and Professional Conduct (hereinafter the "**Code of Ethics**").

For over a decade, the number of production plants certified under international standards has increased within the Group so as to build a robust environmental management system.

The environmental policies and systems implemented to date are certified under the following international standards: ISO 14001:20015, FSC, PECF, Ecovadis, Imprim`vert.

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In 2018, an investment was approved in a system that will be rolled out in all the Group's plants during 2019 to standardise and improve the identification and assessment of legal requirements in different areas, including environmental legislation. We will thereby obtain faster insight into any extension or amendment of requirements to be fulfilled, increase the level of detail and enhance data monitoring and actions plans.

This system will allow us to define and achieve increasingly ambitious objectives through a more integrated vision of our plants and activities, facilitating the identification of actions to prevent damage and of improvement opportunities.

A multidisciplinary group of professionals from our Technical, Quality and Health & Safety areas, together with the Sustainability Department, oversee environmental matters in the Group.

3.1 Pollution and climate change

The growing concern for the effects of climate change and other types of pollution is resulting in the preparation of increasingly strict regulations to halt and minimise impacts. We have been tightening our environmental management requirements and we are organising actions in an efficient and measurable way.

One of these actions involves measuring the Group's carbon footprint. The implementation of this measurement at all the Group's plants was completed in 2018.

This is a further step in environmental diagnosis so as to take action in relation to specific greenhouse gas emission points and cut related values.

The main sources of greenhouse gases associated with the Group's activities are fossil fuels consumed at our production plans (Scope 1) and with plant power consumption (Scope 2).

	Emissions (tCO ₂ eq)
Scope 1	11,547
Scope 2	54,514
Total	66,061

In addition to greenhouse gases, the Group uses all resources available to identify environmental circumstances at all times and put in place the most suitable preventive measures based on best available techniques. This includes other types of pollution such as other emissions, spills, noise and light pollution.

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As indicated previously, the new tool for identifying and assessing environmental aspects, and the maintenance and renewal of plant certification under the ISO 14001:2015 standard, will allow us to improve specific actions to cut emissions, specifically to reduce scope 1 and scope 2 values through direct and indirect control.

3.2 Circular economy and waste prevention and management

The Group is aware of the need to adapt the model for producing and managing resources, goods and services to a circular model in which waste reduction and reuse take precedence due to the closing of flows.

We are therefore drawing on all the knowledge and resources available to develop materials and improve processes in order to meet this objective as part of the value chain.

Specifically, our R&D Department is developing materials and structures by means of ecodesign, from both source (renewable raw materials or bioplastics) to destination (recyclable and/or compostable materials).

Our Operations Department is also working to enhance process efficiency so as to reduce waste generated and thus minimise environmental impacts.

The Group forms part of and is actively involved in research projects in association with various organisations and technology institutes to improve waste recycling processes in the value chain through specific actions that contribute towards the objectives defined.

As regards food wastage, though not directly applicable to the organisation's business, since we do not buy, process or sell food, nor do we have canteens, we understand that we form part of the chain so we help to reduce food wastage by developing materials that increase the useful life of food products.

3.3 Sustainable use of resources

Energy is a fundamental resource in the Group's business. Consumption in 2018 was as follows:

	Energy consumption (GJ)
Gas	166,980
Diesel	3,351
Propane	2,779
Electricity	630,265
Total	803,376

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The main raw materials consumed in 2018 were as follows:

	Consumption of raw materials (t)
Plastic resins	165,924
Paper and cardboard	43,854
Total	209,778

Our R&D and Operations teams work to make better use of these resources. Examples of this are structures made of materials that are less thick and process efficiency improvements to reduce the material used.

Our environmental diagnosis has revealed that the following waste was generated during 2018:

	Waste generated (t)
Hazardous waste	1,930
Non-hazardous waste	22,471
Total	24,401

Although water is not a key resource in our production process, water consumption is monitored and forms part of our improvement and awareness building plans.

Water consumption in 2018 was as follows:

	Water consumption (m3)
Total	115,134

3.4 Protection of biodiversity

The Group does not perform any activities in protected spaces or areas, so this aspect is considered to be immaterial as there is no direct impact on biodiversity.

4. Social and personnel-related matters

The Group prioritises a globalised approach to team management so as to accompany and assist all our professionals in the interests of the diversification strategy.

The three most relevant action areas for the Group's HR professionals are as follows:

- Development and motivation;
- Safety in the workplace;
- Communication.

In 2018, HR management implemented the Workday tool to make performance and competency evaluation, career planning and training processes much more efficient.

This tool also allows the challenge of managing HR when the workforce is geographically dispersed to be undertaken in more reliable and comprehensive way.

4.1 Employment

The Group had 2,619 employees at 31 December 2018.

Data on the Group's workforce at the year-end is set out below by gender, age, country and professional group:

	Employees by gender
Men	2,019
Women	600
Total	2,619

	Employees by age
<30	369
30-50	1,756
>50	494
Total	2,619

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	Employees by country
Spain	1,042
France	371
Germany	67
Italy	79
Russia	318
Poland	82
Brazil	60
Chile	245
Argentina	58
Mexico	198
USA	29
Morocco	70
Total	2,619

		Employees by professional group
Executives	General Management	2
	Plant General Management	15
	Corporate Management	37
Middle management	Manager	111
	Department head	174
	Specialist	466
Staff	Supervisor	106
	Operator	1708
Total		2,619

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Data on the total number and types of employment contract at the year-end are as follows:

	Indefinite contracts				Temporary contracts			
	Full-time	Part-time	Total	%	Full-time	Part-time	Total	%
Total	2,468	38	2,506	96%	110	3	113	4%

The following information describes the annual average types of employment contract for 2018¹ by gender, age and professional group:

	Indefinite contracts			Temporary contracts		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Men	1,904	12	1,916	78	1	79
Women	537	26	563	31	2	33
Total	2,441	38	2,479	109	3	112

	Indefinite contracts			Temporary contracts		
	Full-time	Part-time	Total	Full-time	Part-time	Total
<30	325	5	330	34	1	35
30-50	1,652	25	1,677	61	0	61
>50	464	8	472	14	2	16
Total	2,441	38	2,479	109	3	112

¹ The annual average number of indefinite contracts, temporary contracts and part-time contracts by gender, age and professional group has been estimated on the basis of the annual average headcount reported in the Annual Accounts, without including Ultrapak (average of 26 employees in 2018) and applying the same distribution percentage for the contract types as at 31.12.2018 (estimated by extrapolation). The low employee churn rate (0.16%) in the Group and the high percentage of indefinite contracts with respect to the total (96%) allow the distribution at 31.12.2018 to be regarded as representative of the average distribution of contract types during 2018.

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		Indefinite contracts			Temporary contracts		
		Full-time	Part-time	Total	Full-time	Part-time	Total
Executives	General Management	2	-	2	-	-	-
	Plant General Management	15	-	15	-	-	-
	Corporate Management	37	-	37	-	-	-
Middle management	Manager	108	-	108	2	-	2
	Department head	169	1	170	2	-	2
	Specialist	416	22	438	21	3	24
Staff	Supervisor	103	-	103	2	-	2
	Operator	1591	15	1,606	82	-	82
Total		2,441	38	2,479	109	3	112

Information on employees with a disability is as follows:

	Employees with a disability
Total	23

The number of lay-offs during 2018 by gender, age and professional group is shown below:

	Lay-offs by gender
Men	76
Women	17
Total	93

	Lay-offs by age
<30	14
30-50	72
>50	7
Total	93

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		Lay-offs by professional group
Executives	General Management	1
	Plant General Management	0
	Corporate Management	2
Middle management	Manager	11
	Department head	10
	Specialist	15
Staff	Supervisor	6
	Operator	48
Total		93

There were a total of 498 new joiners in 2018.

There follows an analysis of the Group's wage gap² by professional group:

		Women-to-men ratio ³	Wage gap ⁴
Executives	General Management	N/A	N/A
	Plant General Management	N/A	N/A
	Corporate Management	93%	7%
Middle management	Manager	70%	30%
	Department head	79%	21%
	Specialist	80%	20%
Staff	Supervisor	112%	-12%
	Operator	79%	21%

² The ratio of women to men and the wage gap have been calculated taking into consideration the following remuneration items received by employees in 2018: fixed salary and bonus. Other salary components have been assessed and classified as immaterial to the calculation of the indicators in question.

³ The women-to-men ratio has been calculated using the following formula: (Average salary woman / Average salary man)*100.

⁴ The wage gap has been calculated using the following formula: 1-Women-to-men ratio.

4.2 Work organisation

The Group promotes a work-life balance by facilitating flexibility and taking into account special needs, favouring respect for the personal and family life of our employees, who are our best assets.

The co-responsibility of both parents is encouraged, as reflected in the paternity leave taken in 2018 by 36 Group employees.

Although no risk has been identified in connection with workers' right to disconnect, the Group continuously strives to offer a healthy work environment and assure that our employees have free time.

4.3 Health and safety

Health and safety management in the Group is a critical and vitally important aspect, so it is integrated into our daily activities and decision-making.

We have a Global Safety Strategy as the basis for developing our health and safety programme.

Our Health and Safety Policy reflects an active commitment from all levels in the organisation and is focused on the well-being of the Group's employees: **ALL OUR WORKERS RETURN HOME SAFE AND SOUND EVERY DAY.**

The Group has specific governing bodies, Safety Management Committees which meet periodically at the level of our plants, divisions and Group.

According to documents on risk assessments and workplace hygiene measurements, no workstations are exposed to pollutants or materials that entail the need to put controls in place in view of their high impact on workers' health.

Health and safety indicators for the plants in the Group's four divisions are set out below:

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	Accident rates		
	Men	Women	Total
Total number of accidents (with and without lost time) ⁵	170	19	189
Recordable incident rate ⁶	97.39	75.74	92.72
Lost-time case rate ⁷	25.60	10.95	22.44
Severity rate ⁸	0.71	0.36	0.64

In 2018, the Group recorded a total of two people in France, a man and a woman, who have occupational illnesses classified as such in accordance with applicable legislation. No death due to an occupational accident or illness has been recorded.

As regards absenteeism, the number of hours during the year is shown below:

	Total (h)
Number of hours of absenteeism	185,151

⁵ Total number of accidents (with and without lost time): No. of lost-time and non-lost-time accidents recorded. The Group does not include in the calculation of this indicator accidents classed as "first aid".

⁶ Recordable incident rate: No. of accidents during the working day (lost-time, non-lost-time and first aid) / No. of hours worked * 1,000,000. This ratio refers to the frequency of accidents.

⁷ Lost-time case rate: No. of lost-time accidents / No. of hours worked* 1,000,000. This ratio refers to the frequency of accidents.

⁸ Severity rate: No. of working days lost due to accidents during the working day / Total no. of hours worked * 1,000. This ratio refers to the severity ratio of accidents.

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4.4 Labour relations

The Group, aware of the important role of trade unions as legal representatives of the workers' interests, guarantees freedom of association at all times and always observes the collective bargaining agreement applicable in each country or, failing this, the applicable legal framework.

There are a total of 64 union representatives.

For all the countries in which there are legal provisions, all our employees are covered by the collective agreement associated with the business permit granted to the company (graphic arts, chemicals, etc.), as reflected in the following table:

	Employees covered by collective agreements (%)
Spain	99.71%
France	100%
Italy	100%
Mexico	100%
Argentina	100%

Germany, Poland, Russia, Morocco, USA, Chile and Brazil are not included because there is no legal text comparable to a collective bargaining agreement in those countries.

All the Group's own collective agreements include health and safety clauses, as do the other collective agreements, except for agreements in France, which do not.

4.5 Training

The Group is aware that investment in employee training, qualifications and development is essential for two main reasons: the direct impact this has on the company's competitiveness and on talent retention.

In addition to specific training plans for each function, there are common plans for the entire Group in connection with occupational health and safety, food safety and the Code of Ethics.

The annual employee evaluation process includes a point relating to employee development where a consensus is reached between the manager and the employee on the training actions to be undertaken during the year.

The new Workday tool will allow the Group to systematise the evaluation and detection of training needs, as well as subsequent follow-up.

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The total number of training hours are shown below by professional group:

		Training hours (h)
Executives	Corporate Management	713
Middle management	Manager	8,757
	Department head	5,179
	Specialist	13,612
Staff	Supervisor	6,141
	Operator	43,145
Total		77,547

4.6 Equality

The main equality policies are set out in the Principles of the Code of Ethics, specifically in the section “Non-discrimination”: the Group promotes equal treatment of men and women as regards access to employment, training, professional promotion and work conditions.

Our Code of Ethics prohibits all actions that represent discrimination by reason of gender towards any of our employees.

The Group has a Whistleblower Channel to allow situations that may be perceived as discrimination of any kind to be reported.

At the beginning of 2020, negotiations will be undertaken on an Equality Plan for the Group companies that are required to prepare a plan of this kind under applicable legislation.

5. Human rights

The Group has made an explicit, public commitment to respect and promote human rights in all the territories in which it operates, paying particular attention to compliance with laws on child and forced labour. This commitment is reflected in the conduct rules and guidelines of the Group's Code of Ethics. Any failure to respect human rights may be reported through the Whistleblower Channel.

The Group received no reports of infringements of the UN Universal Declaration of Human Rights in any of the countries in which it operated during 2018.

The Group would apply the disciplinary measures stipulated in our Code of Ethics to any human rights violation.

6. Corruption and bribery

Ethics is a fundamental pillar of the Group's business. A number of policies and mechanisms have therefore been developed to assure that all the Group's employees act with integrity and in line with the ethical principles defined by Management.

All actions undertaken by the Group are founded on an attitude of respect, professionalism, honesty and integrity towards all stakeholders.

The Group has implemented and communicated the following rules and policies relating to the correct attitude to be adopted by our professionals in their activities:

Code of Ethics

The aim is to identify the values and principles that must guide all professional conduct in all the Group companies, in the course of business.

This document is the specific expression of our culture and our ethical values. It contains guidelines on conduct and behaviour, reaffirming our wish to keep up the highest standards of transparency and integrity.

The Code of Ethics is mandatory for all the Group's employees, irrespective of their company, hierarchical level and geographic or functional location.

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The Group's Code of Ethics defines:

- ethical values that will guide our activities;
- expected conduct with our significant stakeholders;
- specific principles and behaviour expected with stakeholders;
- mechanisms to enforce the Code of Ethics and channels in place to report any infringements.

The following principles are reflected in our Code of Ethics:

- commitment to human rights and employee rights;
- compliance with the law;
- environmental protection;
- health and safety;
- work-life balance;
- non-discrimination;
- data protection;
- recruitment and training;
- suppliers;
- customers;
- international trade controls;
- combating corruption and bribery;
- competitors;
- conflicts of interest;
- company's resources;
- fraud;
- confidential information.

The Code of Ethics is officially communicated to all the Group's employees and informative sessions have been held to address its content and the whistleblower procedure to be followed if necessary. All new joiners are also provided with this information.

Policy on gifts and invitations

As part of the Group's commitment to safeguard both ethical behaviour and its reputation and image, a policy on gifts and invitations has been defined to assure exemplary conduct by employees.

Conflict of interest policy

The Group has also prepared a conflict of interest policy including the actions or behaviour that could create an actual or apparent conflict of interest and laying down the procedures to be followed in such cases.

Whistleblower channel

In order to ensure that all the Group's employees act with integrity and in line with the defined ethical principles, a communication channel has been created to report any possible irregularity, infringement or conduct contrary to ethics, the law and the rules set out in the Code of Ethics.

This channel is available to all employees and third parties.

The Group's Audit Committee receives and reviews all messages sent through the Whistleblower Channel, proposes corrective measures, if applicable, and monitors the matter reported until it is finally resolved.

The Audit Committee also keeps a record of the matters reported and informs the Board of Directors whenever necessary.

7. Social responsibility

7.1 Commitment to sustainable development

In order to manage the social impacts of our activities, the Group promotes dialogue with stakeholders to identify actions that can favour sustainable development.

Main action lines:

- promotion of local development by hiring local people or selecting local suppliers, provided this is possible in view of the post and required specifications;
- support for professional training institutes, universities and employment services by hiring students for practical training who often go on to become employees;
- social inclusiveness through collaboration with non-profit foundations to hire students with social inclusion difficulties for job training;
- social collaboration by promoting actions to allow non-financial donations.

Initiatives with associations or sponsorships

Bearing in mind that the Group has operations in a number of countries, some of the associations that we work with are listed below:

- UTEQ: Universidad Tecnológica de Querétaro (Mexico);
- AEDHE: Asociación de Empresarios del Henares;
- AGM: Asociación de Artes Gráficas de Madrid;
- AEGRN: Navarre;
- NEOBIS: Madrid;
- Confederación de Empresas de Navarra;
- LASEME: Estella.

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In addition, in 2018 the Group earmarked €250,000 for non-profit foundations.

7.2 Subcontracting and suppliers

When purchasing and subcontracting services, besides efficiency and the fulfilment of industry standards, the Group prioritises the observance in the supply chain of our values and requirements in relation to health and safety, environment, workers' rights, respect for human rights, ethics and integrity.

This priority forms part of our Code of Ethics and will be included in our general terms of procurement.

In addition, our Code of Ethics requires our employees to ensure that supplier selection processes are objective, impartial and transparent.

7.3 Consumers

Although consumers are not direct customers, the Group is aware of the importance of health and safety and has the following measures in place:

- Certification under international food safety standards for all the plants that produce materials which come into direct contact with food (BRC Packaging, ISO 22000), thus assuring safety and compliance with prevailing food safety legislation;
- Solid quality management systems covering claims management procedures and preventive and corrective actions This assures the fast and reliable registration, analysis, resolution and containment of any departure from applicable standards.

7.4 Tax information

In 2018, the Group's income tax totalled €-19,114,554.

This amount was collected because, in 2018, the Spanish tax authorities partially refunded corporate income tax for 2015.

Government grants received in 2018 amounted to €17,672.

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8. Regarding the Non-Financial Statement - Table required by Law 11/2018 of 28 December

In this NFS, the Group fulfils the requirements of the Non-Financial Information Act. The content of this statement follows the Global Reporting Initiative (GRI) framework as adapted to reflect the business model and activity.

The Group has performed an internal materiality analysis to identify the most relevant aspects to be reported to our stakeholders and to meet the non-financial information requirements of prevailing legislation. For all aspects deemed to be immaterial to the organisation, this report addresses the management approach but does not furnish detailed information on KPIs or other quantitative indicators, since they are not regarded as representative of the Group’s activity.

Set out below is the table required by the Non-Financial Information Act, the purpose being to indicate which section of this NFS meets the requirements of the Act and to identify which reporting standard has been applied for this purpose. Specifically, this GRI content index shows which pages of the NFS relate to each of the reporting areas identified by the Non-Financial Information Act, the GRI index used and any omissions with respect to the content covered by those indicators as per the model indicated below.

Content	Section	Associated GRI index
Business model		
- Business environment and business model	1.1; 1.2.	102-1; 102-2; 102-4.
- Markets in which the company operates	1.3.	102-6.
- Objectives and strategies	1.4.	103.
- Factors and trends affecting the business	1.4.	103.
- Political	1.4; 3: 4.3.	103.
- Risks	2.	102-15.

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Environmental matters		
Global	3.	103.
- Effects of the enterprise's activities on the environment and health and safety	3.	103.
- Precautionary principle, the amount of provisions and guarantees for environmental risks	3.	103.
- Resources devoted to preventing environmental risks	3.	102-11.
Pollution		
- Measures associated with carbon emissions	3.1.	103.
- Measures associated with light, noise and other pollution	3.1.	103.
Circular economy and waste prevention and management		
- Initiatives to favour the circular economy	3.2.	103.
- Measures associated with waste management	3.2.	103; 306-2.
- Actions to combat food waste	3.2.	103.
Sustainable use of resources		
- Water: consumption and supply	3.3.	103; 303-1.
- Raw materials: consumption and measures	3.3.	103; 301-1.
- Energy: consumption, measures and use of renewables	3.3.	103; 302-1.

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Climate change		
- Greenhouse gas emissions	3.1.	103; 305-1; 305-2.
- Climate change adaptation measures	3.1.	103.
- Emission reduction goals	3.1.	103.
Biodiversity		
- Conservation measures	3.4.	103.
- Impacts on protected areas	3.4.	103.
Social and personnel-related matters		
Employment		
- Total number and distribution of employees by gender, age, country and professional group	4.1.	405-1.
- Total number and distribution of employment contract types	4.1.	405-1.
- Annual average indefinite contracts, temporary contracts and part-time contracts by gender, age and professional group	4.1.	102-8; 405-1.
- Number of lay-offs by gender, age and professional group	4.1.	401-1.
- Average remuneration and trends by gender, age and professional group or equivalent value	4.1.	405-2.
- Wage gap, remuneration for the same posts or the company's average remuneration	4.1.	405-2
- Average remuneration for directors and executives	4.1.	103.
- Right to disconnect policies	4.1.	103.

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- Employees with a disability	4.1.	405-1.
Organisation of working hours		
- Work organisation	4.2.	103.
- Number of hours of absenteeism	4.3.	403-2.
- Work-life balance measures	4.2.	103.
Health and safety		
- Occupational health and safety	4.3.	103.
- Occupational accidents, in particular frequency and severity	4.3.	403-2.
- Professional illnesses by gender	4.3.	403-2.
Labour relations		
- Organisation of social dialogue	4.4.	103.
- Percentage of employees covered by collective bargaining agreements by country	4.4.	102-41.
- Main content of the collective agreements in relation to occupational health and safety	4.4.	403-4.
Training		
- Training policies implemented	4.5.	103.
- Total training hours by professional category	4.5.	404-1.
Universal accessibility for the disabled	4.1; 4.5.	103.

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Equality		
- Measures implemented to promote equality, equality plans and non-discrimination policy, and diversity management	4.6.	103.
Human rights		
- Due diligence procedures on human rights and, if applicable, mitigation, management and remedies	5.	103; 102-16.
- Human rights violations reported	5.	406-1.
- Promotion and fulfilment of ILO conventions related to the freedom of association and collective bargaining	5.	103.
- Elimination of discrimination in the workplace, forced or mandatory labour and child labour	5.	103.
Corruption and bribery		
- Measures taken to prevent corruption and bribery	6.	103; 102-16; 205-3.
- Measures to combat money laundering	6.	103; 102-16; 205-3.
- Contributions to foundations and non-profit entities	6.	413-1.
Society		
Company's commitments to sustainable development		
- Impact of the company's business: employment, local development, local populations and territory	7.1.	103; 203-2.
- Ongoing dialogue with local communities	7.1.	103; 102-43.
- Initiatives with associations or sponsorships	7.1.	102-13.

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Subcontracting and suppliers		
- Inclusion in the procurement policy of social, gender equality and environmental matters	7.2.	103.
- Consideration of the social and environmental responsibility of suppliers and subcontractors	7.2.	103.
- Oversight systems, audits and related findings	7.2.	103.
Consumers		
- Consumer health and safety measures	7.3.	103.
- Claim systems, complaints received and solutions	7.3.	103.
Tax information		
- Pre-tax profits obtained by country	7.4.	103.
- Income tax paid	7.4.	103.
- Government grants received	7.4.	201-4.

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Issuance of this statement

Pursuant to Law 11/2018 of 28 December 2018, on 29 March 2019, the Directors of the company Laninver SHC, S.L. hereby issue this Non-Financial Statement, which forms part of the Consolidated Management Report for the financial year running from 1 January 2018 to 31 December 2018 and is presented in a separate document. The Non-Financial Statement has the content preceding this page, which is signed by the Board Secretary for identification purposes.

Signed by:

Mr. Andrés Lantero Moreno
Chairman

Mr. Pedro Lantero Cervera
Board Director

Mr. Pelayo Lantero Miranda
Board Director

LORECOR INVESTMENT, S.L.
represented by Mr. Juan Cort Lantero
Board Director

Mr. Luis Hernández Ibáñez
Board Director

Mr. Alberto Horcajo Aguirre
Board Director

VILLAZÁN INGENIEROS, S.L.
Represented by Mr. Bernardo Villazán Gil
Board Director

MARCAPAR 2006, S.L.U.
Represented by Mr. José Antonio López Muñoz
Board Director

PIZMARGNA SERVICIOS DE CONSULTORIA, S.L.
Represented by Ms. Ana Muñoz Beraza
Board Director

Ms. Gloria Calvo Anguís
Non-Voting Secretary

Mr. Carlos Fernández-Loeches Martínez
Non-Voting Vice-Secretary