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**MIQUEL Y COSTAS & MIQUEL, S.A.
and Subsidiaries**

Independent Verification Report

Consolidated Non-Financial Information
Statement for the financial year ended
31st December 2022

Independent Verification Report on the Consolidated Non-Financial Information Statement

To the Shareholders of
MIQUEL Y COSTAS & MIQUEL, S.A.

Pursuant to Article 49 of the Code of Commerce, we have verified, under a limited assurance scope, the accompanying Consolidated Non-Financial Information Statement (hereinafter NFIS) for the year ended 31st December 2022 of **MIQUEL y COSTAS & MIQUEL, S.A.** (hereinafter the Parent Company) **and its Subsidiaries** (hereinafter the Group) that forms part of the Group's Consolidated Management Report.

The content of the NFIS includes additional information to that required by current commercial legislation on non-financial reporting which has not been covered by our verification work. In this respect, our work has been restricted solely to verifying the information identified in Appendix I "Traceability table under Law 11/2018 and under the European taxonomy regulation" included in the accompanying NFIS.

Responsibility of the Directors

The preparation of the NFIS included in the Group's Consolidated Management Report, and the content thereof, is the responsibility of the Directors of **MIQUEL Y COSTAS & MIQUEL, S.A.** The NFIS has been drawn up in accordance with the provisions of current commercial legislation and following the criteria of the selected Sustainability Reporting Standards of the Global Reporting Initiative ("GRI standards"), in line with the details provided for each matter in Appendix I "Traceability table under Law 11/2018 and under the European taxonomy regulation" in the aforementioned NFIS.

This responsibility also includes the design, implementation and maintenance of the internal control that is considered necessary to ensure the NFIS is free from material misstatement, due to fraud or error.

The Directors of **MIQUEL Y COSTAS & MIQUEL, S.A.** are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS is obtained.

Our independence and quality control

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



Our firm applies the current international standards on quality and therefore has in place a quality control system which includes policies and procedures related to compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

The engagement team has been formed by professionals specialising in non-financial information reviews 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. Our work has been carried out in accordance with the requirements laid down in the current International Standard on Assurance Engagements 3000 Revised, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Guidelines for verification engagements on Non-Financial Information Statements issued by the Spanish Institute of Auditors ("Instituto de Censores Jurados de Cuentas en España").

In a limited assurance engagement, the procedures performed vary in terms of nature and timing of execution and are more restricted than those carried out in a reasonable assurance engagement. Accordingly, the assurance obtained is substantially lower.

Our work has consisted of posing questions to Management and several of the Group's units that were involved in the preparation of the NFIS, in the review of the processes for compiling and validating the information presented in the NFIS and in the application of certain analytical procedures and review sampling tests, as described below:

- Meetings with personnel from the Group to ascertain the business model, policies and management approaches applied, the main risks related to these matters and to obtain the information required for the external review.
- Analysis of the scope, relevance and integrity of the content included in the NFIS for 2022 based on the materiality analysis carried out by the Group, considering the content required under current commercial legislation.
- Analysis of the procedures used to compile and validate the information presented in the NFIS for 2022.
- Review of the information concerning risks, policies and management approaches applied in relation to material issues presented in the NFIS for 2022.
- Verification, through sample testing, of the information relating to the content of the NFIS for 2022 and its adequate compilation using data supplied by the information sources.
- Obtainment of a representation letter from the Directors and Management.



Conclusions

Based on the procedures performed in our verification and on the evidence we have obtained, no matters have come to our attention which may lead us to believe that the NFIS of **MIQUEL Y COSTAS & MIQUEL, S.A. and Subsidiaries** for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with the provisions of current commercial legislation and following the criteria of the selected GRI standards in accordance with the details provided for each matter in Appendix I "Traceability table under Law 11/2018 and under the European taxonomy regulation" of the aforementioned NFIS.

Emphasis of matter

The European Parliament and Council's (EU) Regulation 2020/852 of 18th June 2020 related to establishing a framework to facilitate sustainable investments establishes, for the first time for financial year 2022, the obligation to disclose information on how and to what extent the company's activities are associated with economic activities that are aligned with climate change mitigation objectives and adaptation to climate change, in addition to the information on eligible activities required in 2021. Consequently, in the attached NFIS comparative information on alignment has not been included. What is more, to the extent that information referring to eligible activities in 2021 was not required with the same level of detail as in 2022, in the accompanying NFIS the information broken down in the area of eligibility is not strictly comparable either. Additionally, it should be pointed out that **MIQUEL Y COSTAS & MIQUEL, S.A.**'s Directors have included information on the criteria that, in their opinion, better enable compliance with the aforementioned obligations and which are defined in Note 2, section "Taxonomy - sustainable finances" of the attached NFIS. Our conclusion has not been modified in relation to this matter.

Use and distribution

This report has been drawn up in response to the requirement laid down in current Spanish commercial legislation and therefore might not be suitable for other purposes or jurisdictions.

Barcelona, 19th April 2023

Mazars Auditores. S.L.P.

(signed in the original in Spanish)

Juan Luque

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES

NON-FINANCIAL INFORMATION STATEMENT FY2022

Annex III NON-FINANCIAL INFORMATION

The present Non-Financial Information Statement (NFIS) has been elaborated to comply with Law 11/2018 of 28 December on non-financial information and diversity, which entails the transposition to the Spanish legal system of the European Directive 2014/95 and is elaborated in accordance with some selected internationally recognized standards of the Global Reporting Initiative (GRI) and those contained in the Law.

The reporting perimeter of the present NFIS coincides with that of the Consolidated Financial Statements and all exceptions to the defined scope have been appropriately identified in each case.

The report shows a brief description of the Group's business model, a summary of due diligence policies and procedures applied in the identification, assessment, prevention and mitigation of risks and significant impacts, together with the results from policies applied.

To provide comparability in the information reported, for most of the indicators, data for the previous year (2021) is included.

Materiality:

Miquel y Costas & Miquel, S.A. and Subsidiaries (hereinafter the Group), with a view to complying with the principle of materiality, have internally analysed and assessed the legal requirements established by Law 11/2018, of 28th December, on non-financial information and diversity, and have determined that all matters mentioned are relevant for the Group, except for the action to fight food waste, given that the activity carried out by the organisation is not linked to the generation of this type of waste.

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1. The Group's business model

Miquel y Costas & Miquel, S.A. is the parent company of the Miquel y Costas Group, an industrial group with its registered offices at Calle Tuset, 8 and 10, 7th floor, 08006-Barcelona. The Group's current parent company was incorporated as a public limited liability company ("sociedad anónima") in 1929 and the Miquel y Costas Group is now made up of 16 companies devoted to the production of specialty papers, the provision of services associated to this activity and their commercialisation and a representative office.

The companies that make up the Group, as well as related companies and representative offices are the following:

Production	Provision of services	Distribution
Miquel y Costas & Miquel	Payá Miralles	Miquel y Costas Deutschland
Miquel y Costas Argentina	Miquel y Costas Tecnologías	Papeles Anoia
MB Papeles Especiales	Desvi	Sociedad Española Zigzag
Terranova Papers	Miquel y Costas Energía y Medio Ambiente	Miquel y Costas Chile
Clariana	Miquel y Costas Logística	
Fourtube (related entity)	Office of Representation in the Philippines	
Celulosa de Levante		

The main corporate purpose since the outset has been the manufacture of low-grammage fine and specialty papers, the main specialty being high-tech paper for cigarettes, as well as printing paper, specialty paper, coloured paper and card and cellulose pulp, among others.

The Group currently has three main lines of business: the so-called "Tobacco Industry", that covers the sale of pulp and paper connected with the tobacco industry, "Industrial Products", connected with paper for use in industrial products and "Others" which covers commercialization, and other services or activities.

The Group's in-depth knowledge of the manufacture of specialty papers, perfected by means of systematic research and acquired technological experience, has allowed it to extend its portfolio to include other products based on similar technical fundamentals.

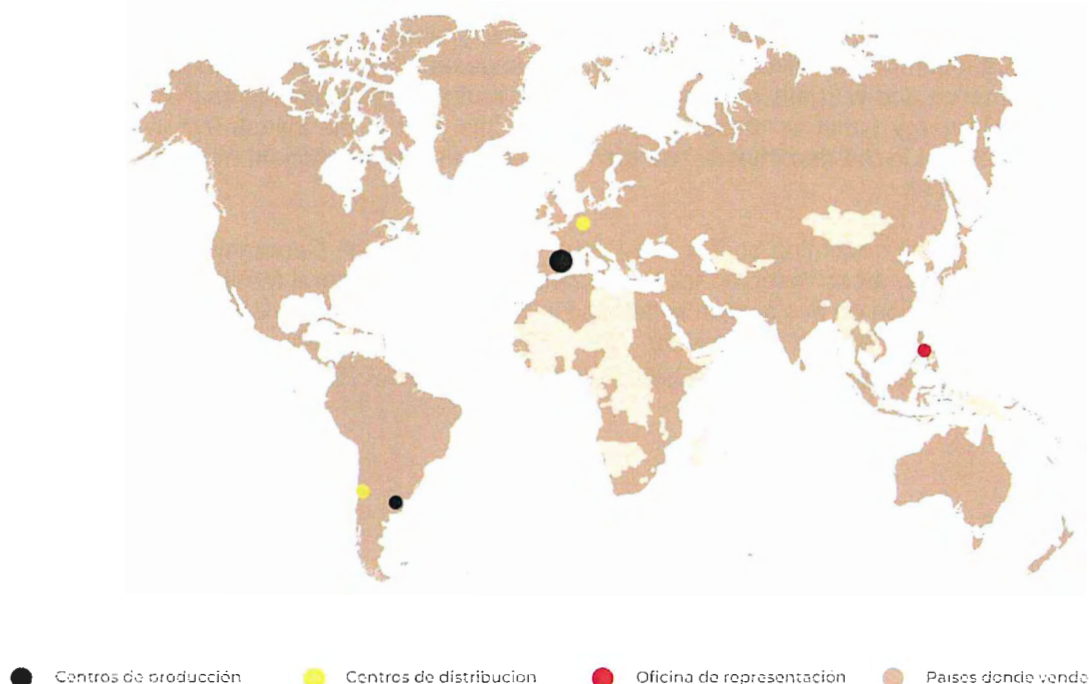
This effort and experience are reflected in the quality of the cigarette paper, specialty paper for industry, printing paper and specialty pulps manufactured, placing the Miquel y Costas Group in a leading position in Spain's paper industry among manufacturers of low-grammage papers, as well as in a pre-eminent position worldwide.

The industrial activity is highly integrated, so that synergies are generated in the areas of research and technology both to develop new products and in relation to process control and management, where the Group makes significant progress.

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The Group has industrial plants in Besós (Barcelona), Capellades (Barcelona) and Mislata (Valencia) engaged in the production of fine and specialty lightweight and converted papers, particularly for the cigarette industry; in Tortosa (Tarragona), where it produces textile pulps using flax and hemp for the cigarette industry and other fibres for other industrial sectors; in La Pobla de Claramunt (Barcelona), where it has a plant producing specialty papers for industrial uses and another making highly porous specialty papers; in Villarreal (Castellón), where coloured papers and card are manufactured, and in Avellaneda (Buenos Aires, Argentina), making cigarette rolling paper packs and other converted papers. The Group also has an associate, Fourtube (Seville), engaged in the manufacture of converted paper. Additionally, the Group has a company that manages two logistics centres to carry out product storage, transportation, and distribution services, located in the provinces of Castellón and Barcelona, the latter also handling a small part of the production of manipulated products. In turn, the Group also has offices in most of the abovementioned locations.



The high level of technology, derived from its own developments, has enabled the Group to be present in most of the world's markets. In addition to meeting domestic demand, a highly significant portion of the Group's sales are exports, which are deeply rooted in the Group, as shown by the fact that nearly one hundred and twenty-five years ago the Company already had its own sales agencies and a large number of customers in Havana, Federal District of Mexico, Valparaíso, New York, etc. Export sales accounted for 88% in 2022, the main market being OECD countries at 31%, the European Union at a little over 29%, while the rest of the world accounted for 28%.

2022 was marked by geopolitical tensions (armed conflict between Russia and Ukraine and the deterioration of business relations between Spain and Algeria), the main reason for the unleashing of an inflationary macroeconomic environment globally which has continued to have a significant impact on the price of energy resources and raw materials.

The international stage in which the parent company and most of the Group companies operate exposes them to foreign currency exchange rate risk. Currency fluctuations are partially offset by monetary flows of a different kind from imports and exports. In aggregate terms, the Group is a net exporter and the resulting net positions are generally insured through hedging instruments.

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At the same time, as the commercial activity is developed in a wide variety of markets, the Group is also exposed to trade credit risks, which are managed by means of internal credit policies and external credit risk insurance policies.

In a fiercely competitive global market, the Group invests continuously in research, development, and innovation, giving rise to new products that meet the highest standards of quality and consistency, and satisfying emerging needs, while the very latest technology, much of which is exclusive, assures an increase in productivity and maintains the level of quality in their range of products.

As the Group demand energy sources, mainly electricity and gas, they are affected by the price volatility of these products. The Group, in order to mitigate and reduce the impact of the volatile prices, continually monitor their evolution and on determined occasions negotiates/closes contracts with trading companies that guarantee greater stability and security for the business. In addition, a significant part of their investments are geared towards technologies that permit improved production performance and with this reduce consumption, and towards installations that lower dependence on external energy (such as those that took place this year in the investment in photovoltaic panels), advancement in the decarbonisation plan and also ensure an efficient management of the supply of said resources.

Concerning the governing bodies, the Board of Directors is the Company's ultimate decision-making body, except in areas reserved for the competence of the General Meeting on current regulations in force. Information on this section is detailed in the Annual Corporate Governance Report which forms part of the Annual Accounts for FY2022, and also on the corporate website <https://miquelcostas.com/informacion-corporativa/#gobiernocorporativo>.

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2. Environmental Matters

- The effect of business activity on the environment

The Miquel y Costas Group, within the value chain of the paper sector, centres its activity to a large extent on the manufacturing and commercialisation of papers for the tobacco industry, industrial products, and printing papers. Its high technological and specialisation level allow the Group to be present in most worldwide markets, with the highest quality standards, focusing on the client and their needs as a reference for their activity.

In this sense, the environmental policy of the Miquel y Costas Group has basically two defined, established and conveyed objectives: 1) to ensure that products supplied to clients comply with set requirements, that this compliance is permanent and that the necessary operating and human conditions for ongoing and profitable improvement in product quality are established; and 2) to develop activities with the highest respect for the environment, minimising impacts that may derive from the core operations and from auxiliary operations in all production centres.

In accordance with the above, and as established in the Group's Corporate Social Responsibility Policy, in addition to working to ensure strict compliance with legal obligations in force, the Group has voluntarily included, among others, environmental concerns in governance, management and the business strategy such as mitigating climate change, promoting responsible forest management, the protection of biodiversity and the sustainable use of water, thus demonstrating a high degree of commitment to protecting the environment.

Activities developed by the Miquel y Costas Group follow demanding and clear objectives to contribute to the preservation of the environment, causing direct and indirect effects on sustainability: participation in appropriate forest management, an efficient and responsible production process, contribution to improving the quality of life and generation of wealth in the area, and leadership in recovery and recycling.

The wood used to produce cellulose is exclusively obtained from forest plantations of fast-growing species, indirectly resulting in environmental (specifically in forests), social and economic benefits. Concerning the environmental benefits, the Group collaborates in increasing forested areas and conserving natural forests, which in turn act as efficient CO₂ sinks and provide effective erosion control.

Regarding social and economic benefits, we highlight our indirect contribution to rural development as boosting the creation of employment and wealth, and to the dynamization of sustainable growth of the forest sector.

Additionally, the production of cellulose and paper is intensive in energy consumption and water extraction. In order to counteract the above, the Miquel y Costas Group works on the development and application of new technologies that are increasingly environment-friendly, and in the design and use of production processes aimed at minimising the consumption of energy, water and other natural resources, as well as the number of emissions, effluents and waste generated. Moreover, historically the Group has strongly committed to cogeneration and to clean and renewable fuels.

As detailed below, significant achievements are being made in the saving of natural resources and the reduction of emissions and waste generated in the different processes.

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- [Environmental assessment or certification procedures](#)

In order to achieve the objectives of quality, environment, energy and safety of the product, the Miquel y Costas Group has established a Quality, Environment, Energy, Custody Chain, Product Security and Safety Management System.

This Integrated Management System (hereinafter IMS) complies with the current version of:

- Standard UNE-EN ISO 9001 and UNE-EN ISO 14001, for all production centres located in Spain, in addition to the headquarters.

This certification UNE-EN ISO 14001, for environmental management systems, was achieved on 10-10-2006. Its scope covers the design, manufacture and sales of cigarette, plug wrap and tipping papers for the tobacco industry, rolling papers, thin papers for publishers, the graphics and packaging industry, special filter and absorbent papers. It also includes the design, manufacturing and sale of special cellulose pulps made from non-wood fibres.

- Standard IATF 16949, for MB Papeles Especiales and Terranova Papers, which defines the basic requirements of the automobile industry's quality management system for automotive and spare parts companies.
- Standard UNE-EN ISO 50001, for Miquel y Costas & Miquel, S.A. in Mislata, MB Papeles Especiales, S.A., Terranova Papers, S.A., Celulosa de Levante, S.A and Clariana, S.A.

This certification UNE-EN ISO 50001, on energy management systems, was obtained on 09-11-2022. Its scope covers the design, production and sale of cigarette, plug wrap and tipping papers for the tobacco industry, paper for publishers, the graphic, food and packaging industries, special filter papers and absorbent paper. It also includes the design, manufacturing and sale of special cellulose pulps made from non-wood fibres. This certification shows that energy aspects derived from industrial activities are managed optimally through control tools and continued improvement with the objective of minimizing energy consumption and maximising energy efficiency.

- Standard BRCGS Packaging Materials, for Terranova Papers, which is an international standard that defines hygiene-sanitary requirements to be met by packaging and wrapping to ensure food safety, legality, and quality to the consumer.
- Standard ISO 22000, for Miquel y Costas & Miquel in the manufacturing centre located in Mislata (Valencia). This certification establishes the requirements that a management system must fulfil to ensure food safety throughout all the supply chain, which also includes those packaging and wrapping materials which come into contact with food.
- Custody chain standards FSC-STD-40-003, FSC-STD-40-004, FSC-STD-50-001, PEFC-ST-2002:2013 and PEFC-ST-2001:2008, have been certified since 16-10-2009. Said standards cover all production centres, (except for Celulosa de Levante, for which it is not applicable), and they include the necessary requirements to ensure that raw materials of a forest origin come from responsibly managed forests and to guarantee their traceability throughout the supply chain.

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Within the IMS, the Miquel y Costas Group has defined and implemented the following policies:

- The Product Quality, Environment, Energy, Security and Safety Policy (POLCAM) at the companies Miquel y Costas & Miquel, S.A., MB Papeles Especiales, S.A., Terranova Papers, S.A., Celulosa de Levante, S.A. (Celesa) and Clariana, S.A.
- The Custody Chain Policy (POLCDC) at the companies Miquel y Costas & Miquel, S.A., MB Papeles Especiales, S.A., Terranova Papers, S.A. and Clariana, S.A.

As a result of the IMS and the application of its policies, four procedures are applied to identify, assess, prevent and mitigate significant risks and impacts, as well as for verification and control purposes:

- The general supplier assessment procedure (PRCOM02) states that all reception of raw material into the custody chain (wood pulp) must go through the stipulated due diligence system, which is also necessary to comply with Regulation (EU) No. 995/2010 (EUTR) in the case of non-EU suppliers.

As a consequence of the POLCDC and the PRCOM02, only FSC or PEFC certified or FSC controlled wood material is purchased, thus eliminating the risk of using cellulose from timber that is not responsibly managed.

- The general risk and opportunity analysis procedure (PRRYO01) states that annually each work centre that is ISO 9001 and ISO 14001, ISO 22000 and ISO 50001 certified must identify risks and opportunities of all the processes that make up the IMS of each organisation, also considering the context and needs and expectations of the stakeholders of each production centre. Likewise, the environmental risks and opportunities, including those associated with climate change are identified at corporate level on a half-yearly basis. The procedure is based on a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis and a FMEA (Failure Mode and Effect Analysis). As a result, preventive action and improvement plans/objectives are established and developed to address these risks and opportunities and the result forms part of, among others, the annual investment plan.

The main risks in the IMS environmental control process identified by means of the PRRYO01 have been the following:

- Possible breach of the thresholds laid down in the Integrated Environmental Authorisations (IEAs) for each environmental aspect (emissions, waste, discharges, noise, light and soil).
 - Possible incorrect functioning of the environmental and energy-related Best Available Techniques (BATs) in place in the plants.
 - Lack of knowledge of amendments to environmental legislation.
 - Failure to meet deadlines for environmental legal formalities.
- The procedure for identifying and assessing environmental and energy impacts (PRSAM01) establishes the methodology for identifying and assessing the environmental and energy impacts related to the activities, products and services of companies that have implemented the IMS, from a life-cycle perspective, the main ones being:
 - Consumption of natural resources: decrease, abiotic depletion, global warming, and indirect impacts associated with the manufacture of the good consumed.
 - Emissions and odours: air pollution, abiotic depletion, and global warming.
 - Waste: impacts associated with waste management (decrease in natural resources, air pollution, water pollution and landfill clogging).
 - Discharges or sewage: reduction in water quality, aquatic ecotoxicity and indirect impacts associated with water purification.

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- Noise and light: disturbance and possible harm to health.
 - Soil: pollution of water and soil, abiotic depletion and aquatic ecotoxicity.
- Energy management system procedure (PRSGE01), applied to all activities, products and services that use energy from the processes defined in the Integrated Management System.

To mitigate the risks that could affect the energy performance and / or efficiency, through this procedure the energetic review is implemented, as well as the energetic performance indicators and the energy baseline, the planning for the energy data collection and operational control are detailed and the guidelines to be followed for the design and acquisition of installations, equipment, systems and processes are described.

In order to monitor the application of these established environmental and energy-related policies, procedures and objectives, the Group has a general Internal Audit Procedure (PRAUD01), which formalises the annual performance of internal audits in all production centres under standards and rules applicable in each centre. And, on a half-year basis, the Group verifies the correct functioning of the defined operating control, as well as compliance with the environmental and energetic policy, objectives and legal requirements established in each centre, as described in the PRAUD01 and in the Operating control procedure (PRSAM04).

Additionally, annual external audits are performed by companies certified under the abovementioned standards.

Moreover, and in order to reduce the impact on climate change, the Miquel y Costas Group considers that it is necessary to involve its supply chain, thus guaranteeing its commitment, as detailed in the POLCAM. In this sense, annual assessments are performed on product and service suppliers with a specific section on the environment and on energy, assessing environmental and energy certificates and performance. The rating obtained, together with other elements such as the performance of second party audits, is used to make purchasing decisions. For more information, consult section 6 (Society) of this report.

- [Resources dedicated to environmental and energy risk prevention](#)

The Miquel y Costas Group permanently dedicates resources to the prevention of environmental risks and to the reduction of climate impact. In 2022, total net environmental investments in national companies, deducting grants received, have amounted to €6,060 thousand (€6,971 thousand in 2021).

Within the production process, resources have mainly focused on the reduction of energy consumption, thus contributing to climate change prevention, and to encourage the reduction of the consumption of raw material and water, in this way favouring the minimisation of waste generated and circular economy.

Concerning investments not directly related to the production process, resources have mainly been dedicated to projects for the removal of roofing containing asbestos and its replacement (in this way boosting the use of materials that are safe and more respectful of the environment) and to the execution and start-up of new photovoltaic installations to substitute conventional electricity for own generation with renewable energy sources.

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- [Environmental protection and responsibility](#)

Total environmental protection costs incurred by the Group in Spain in 2022, after deducting revenue from the sale of by-products and excluding expenses arising from CO₂ emission rights have amounted to € 4,986 thousand (€4,854 thousand in 2021). They included no extraordinary items and related mainly to the social contribution through charges paid for the use of water to the corresponding Regional Governments, consumption of raw materials and energy in environmental protection activities and waste collection and treatment. There are no contingencies related to environmental protection and improvement of which the Group is currently aware.

In addition, the Miquel y Costas Group has an environmental liability policy which includes all national production centres.

Production centres of the Miquel y Costas Group that are involved in the reporting of the environmental data presented, are listed below:

Centre	Location	Company
Besós Production centre	Barcelona	Miquel y Costas & Miquel, S.A.
Mislata Production centre	Valencia	Miquel y Costas & Miquel, S.A. S.A. Payá Miralles
MB Production centre	La Pobla de Claramunt (Barcelona)	MB Papeles Especiales, S.A.
TP Production centre	La Pobla de Claramunt (Barcelona)	Terranova Papers, S.A.
Celesa Production centre	Tortosa (Tarragona)	Celulosa de Levante, S.A.
Clariana Production centre	Villarreal (Castellón)	Clariana, S.A.

This report does not include data related to the production centre of Miquel y Costas & Miquel, S.A., located in Capellades (Barcelona), the production and logistics centres of Miquel y Costas Logística, S.A. located in Betxí (Castellón) and Pas de l'Aigua (Barcelona) and the work centre located in Tuset (Barcelona), due to the low relevance that their environmental and energetic aspects have. Additionally, for the same reason, this report does not include data on foreign subsidiaries.

Data reported hereafter is based on tonnes produced:

t prod	2021	2022	Variation 2021-2022
Product	93,806	97,698	+4.1%

[Pollution and Climate Change](#)

The Miquel y Costas Group has launched sustained efforts to reduce their greenhouse gas emissions (hereinafter, GHG) and to improve the sustainability of their products and services. Likewise, they have a Climate Transition Plan (CTP) which seeks to achieve ambitious goals for the reduction of absolute GHG emissions (produced directly or indirectly by their operations) by 51% by 2030 (base year 2018) and achieve *Net Zero* throughout the whole value chain by 2050. Likewise, they are seeking to increase the implementation of practices and technologies which respect the environment, such as the optimisation of equipment, the substitution of contaminating fuel, the installation of photovoltaic panels for own consumption and energy efficient action in all production centres, all the above aligned with the Paris Agreement's objective of limiting the increase in global temperature to 1.5°C. The CTP has been included in the Group strategy and establishes specific objectives and action to reach the

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global objective of reducing emissions by defining plans, projects and initiatives that must be implemented to comply with the commitments acquired in the area of climate change.

The Board of Directors (hereinafter BD) and the Management are the Group's ultimate decision-making and supervisory bodies with regard to the commitments acquired for the fight against climate change. These represent a priority in the management of the organisation and a basic principle of their Corporate Governance. Among their functions are included orientation, control, supervision and annual monitoring of matters related to climate change. Management reports regularly to the BD on the strategies, policies, main risks and opportunities associated to climate, which are assessed in each centre and reviewed by the CEO, who aligns the whole organization to reach the goals in the different operating aspects: CAPEX, purchasing policies, monetary incentives, operating efficiency, performance objectives, etc.

The procedure followed to define the Group's environmental objectives is the following: the CEO defines the objectives for the organization, which are presented for approval to the BD. The BD periodically reviews the objectives approved as well as the operating and financial results (revenue, direct and indirect costs and investments related to climate change). In addition, the budgets are validated annually and the Strategic Business Plans every three years, which are designed and presented directly by the directors of the divisions. It should be pointed out that the Group has an Audit Committee (a body dependent on the BD) and one of their functions is the review of the efficiency in the management of risks and opportunities, including those related to climate change. The Energy and Environmental Committee has also been established, made up of members of the BD and of the management team which, twice a year, reviews the most relevant aspects related to the environment and energy.

It should be highlighted that the Miquel y Costas Group is proactive in analysing and managing the risks and opportunities related to the environment, including those associated with climate change, which may affect their direct commercial operations. Specifically, every six months the person in charge of the Integrated Management System, together with the CEO, carries out the evaluation, review and reporting at corporate level of the risks and opportunities associated to climate change.

The main greenhouse gases emitted by the Miquel y Costas Group relate to combustion equipment that generates the steam used in pulp and paper manufacturing processes. Also, a small percentage of emissions linked to the fuel consumption for the periodic launch of auxiliary emergency equipment is taken into account.

For the new 2021-2025 period, the MB, Terranova, Mislata and Clariana production centres, have been considered low emission plants and have been excluded from the European Union's Emissions Trading Scheme. In applying the corresponding legislation, a maximum annual emission has been established for each of them which, in the case it were surpassed and as an equivalent mitigation measure, would entail delivering the surplus volume of emission rights to the State.

In 2022 all production centres have been below the limit of annual maximum emissions established with the exception of Terranova Papers, which has surpassed it by just 0.94%.

Furthermore, the Besós and Celesa production centres have remained within the European Union's Emissions Trading Scheme and have been regulated by the corresponding legislation for the purposes of delivering the equivalent amount of allowances and in this way compensating the corresponding emissions.

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In this context, emissions related to the electricity generated by cogeneration plants, which do not perceive allowances in this allocation scheme, remain relevant. In 2022, a significant reduction in emissions related to electricity generated by the cogeneration plants was achieved due to their lower operating time caused by the significant increase in the price of natural gas, in the European market, compared with 2021.

Emissions linked to the abovementioned facilities are annually verified by an authorised external entity and are reported to the authorities.

The GHG protocol standard lays down a classification of emissions of said gasses in terms of “scopes”. Scope 1 refers to direct emissions from own or controlled sources, while scope 2 includes indirect emissions due to the generation of purchased energy; and scope 3 comprises indirect emissions produced in the company’s value chain.

Highlighted data is as follows for the Group as a whole:

		2021	2022	Variation 2021-2022
Scope 1	t CO ₂	77,486	62,277	-19.6%
	t CO ₂ /t product	0.83	0.64	-22.8%
Scope 2	t CO ₂	1,963	0	-100.0%
	t CO ₂ /t product	0.02	0.00	-100.0%

* Scope 2 emissions valued according to the market-based method (based on the market) and which depend on the type of electricity purchased by the Group.

It should be highlighted that in 2022, the Group has taken a further step in their decarbonisation and sustainability strategy ensuring that 100% of electricity acquired is produced from renewable sources (93% in 2021), eliminating in this way all scope 2 CO₂ emissions.

In addition, the Group informs annually on their emission data and on management regarding their carbon footprint, through the CDP Climate Change questionnaire.

CDP is a non-profit organisation that measures the transparency, commitment, strategy and management of companies and cities, at worldwide level, to promote an evolution towards a sustainable economy.

The CDP valuation report enables the understanding of our current position and those aspects that require attention, allowing the company to continuously progress in environmental management and to improve climate governance. This assessment positions the company in one of the four consecutive levels through which it will pass as it advances towards optimal environmental management (D Outreach, C Awareness, B Management, A Leadership,) allowing the results obtained to be compared according to the sector, region, and global average. There are 4 types of questionnaires:

- CDP Climate Change promotes the efficient management of the carbon and climate change risk.
- CDP Forest provides an action framework to restore forests and ecosystems.
- CDP Water Security boosts the reduction of the hydric footprint, which is an environmental indicator that defines the total volume of water used in the manufacturing of goods and services.
- CDP Supplier Engagement Rating (SER) / Climate Change, assesses the level of the organisation’s commitment with their suppliers with regard to climate change, boosting global action on carbon emissions in the supply chain.

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As a consequence of the continued efforts made in the implementation of the best current practices, for the promotion of the environmental management and investments carried out in each production centre, the Miquel y Costas Group has managed to obtain a B rating in the CDP Climate Change Questionnaire presented in 2022, which is within the range of "Management". For comparative purposes, it is within the regional average in Europe, is higher than the paper and forest sector's average, and the global average, the ratings of which are within the range of "Management" and "Awareness" (ratings B and C).

Rating	2021	2022
CDP Climate Change	A-	B

In 2022, the need for improvement in the questionnaire CDP Climate Change compared with 2021 was detected, specifically in the section for scope 3 GHG emissions, which includes indirect emissions generated throughout the company's supply chain. In order to reach common goals to reduce emissions and to mitigate climate change with their suppliers, the Group seeks to address this need through the implementation of measures to encourage involvement and increase the commitment of all stakeholders throughout the value chain. Some of the measures implemented include the inclusion of criteria associated to climate change in the process of their selection and also campaigns to gather data on suppliers' GHG emissions. Specifically, the organisation has worked on the creation of a questionnaire which became effective in 2022, aimed at the main suppliers in order to analyse their environmental performance annually.

Thanks to the commitment from their suppliers and the increase in collaboration in the exchange of information, the Group has achieved greater precision in estimating the carbon footprint of their main products commercialized, through the use of primary data sources, for example using data on emissions provided directly by the product and service suppliers. The Group's objective is that those that have a greater impact on GHG (scope 3), such as suppliers of wood pulp, commit to defining objectives to reduce emissions aligned with the objective of the Paris Agreement to limit the increase of the global temperature to 1.5°C and approved by the SBTi (Science Based Target initiative), a global organisation that offers methods and tools for companies to effectively address the risks associated to climate change.

As a consequence of the above, the level of the organisation's involvement with their suppliers regarding climate change has been reflected in achieving the rating A- in the CDP Supplier Engagement Rating (SER) obtained by the Group during 2022, which is within the range "Leadership". For comparative purposes, it is higher than the European average, than the average for the paper and forestry sector, and than the global average, the ratings of which are within the range of "Awareness" (rating C).

Rating	2021	2022
CDP Supplier Engagement Rating (SER)	D	A-

Obtaining the rating B in the module CDP Climate Change and rating A- in the module CDP SER, is synonymous with excellence in the management of environmental impacts and the taking of coordinated action in the face of climate change. Reaffirming the Group's commitment to sustainability, their commitment to boosting de-carbonisation in all production processes and the organisation's commitment to transparency in communication.

In order to encourage this commitment internally, the Group includes environmental performance in the compensation of their Steering Committee including, in their objectives, incentives linked to sustainability and, additionally, encouraging General Management to obtain a rating of Leadership (A/ A-) in the annual valuation carried out by CDP with the objective of reinforcing the company's leadership in terms of sustainability, adaptation and mitigation of climate change.

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It should be pointed out that, in 2022, the Miquel y Costas Group received the “Silver medal” qualification in the ESG evaluation carried out by EcoVadis, a grade which corresponds to their first participation in FY2021. This evaluation means falling within the top 25% of companies with the best performance in social responsibility and sustainability. Within this qualification, a wide range of non-financial management systems are evaluated which include the impact on the environment, labour practices and human rights, ethics and sustainable purchases.

EcoVadis recognises those companies that comply with the strictest international CSR standards. Their methodology consists of measuring the quality of the sustainability management system of a company through their policies, action and results, based on the Corporate Social Responsibility regulations which include the Global Reporting Initiative, the United Nations Global Compact and ISO 26000.

What is more, the Group also consolidates their commitment with other external interested parties. They actively participate and support different industrial associations such as ASPAPEL (Spanish Association of Pulp and Paper Manufacturers) a national professional organisation which groups together companies in the pulp and paper sector, which represents more than 90% of the total production of the sector through the 50 associated companies. The association’s mission is to support competitive and sustainable development of its members and promote the image of the sector, its companies and products, and they also act as an industry representative before the Government and other players, developing strategies and providing a forum for partner companies. The Group’s CEO is member of the Managing Board, which guarantees a perfect alignment of objectives for both organisations.

Likewise, the Group is also part of ACOGEN (The Spanish Cogeneration Association) a national organisation which represents companies involved in cogeneration. With 115 associated companies which represent more than 11% of the electricity produced in Spain, their objective is to encourage and support the development of cogeneration in Spain. The association seeks to establish a favourable environment for the existing plants and for new constructions, valuing the essential characteristics of technology: high energy efficiency, primary energy savings, distributed electricity generation and emission reduction. The Group participates in different work committees and groups to define and agree the sectorial position on climate change legislation, which also allows learning from other companies, collaborating and sharing experiences on common challenges related to climate change.

Also, the Group supports global environmental initiatives through the NGO, Trees for the Future, a non-profit organisation which operates in 9 different countries and helps communities from around the world to plant trees and to fight deforestation. It empowers and assists farmers to revitalise their own land and plant trees in different African countries, such as Cameroon, Senegal, Uganda, Tanzania and Kenya, contributing in this way to the improvement of local economies, biodiversity and carbon sequestration. This initiative started in 2017 with the objective of planting 165,000 trees. In 2022 this objective was reached thanks to the Group and the collaboration of their consumers through social networks succeeding in the planting of 167,200 trees in the period 2017-2022. Since 1989, the organisation has planted more than 225 million trees. The more trees they plant, the higher the visibility of the association and its capacity to interact with national, regional and local authorities to influence the policies, laws and regulations that commit to the non-conversion of natural ecosystems, the fight against deforestation and restoration and compensation of forests and the mitigation of climate change.

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Likewise, the Group, in their search to promote the adoption of corporate commitment related to sustainable development, has initiated the process of identification of Sustainable Development Objectives (SDOs) that are currently more relevant for their business activity. The SDOs were established by the United Nations to contribute to compliance of the Agenda 2030. The Group will make said commitment official in 2023.

The transition towards a world without carbon emissions is complex. In this context, the Group considers that proactive interaction and commitment with stakeholders is essential for influencing society and achieving the objectives of reducing emissions established within the framework of the Paris Agreement. Therefore, listening and responding to the worries and opinions of the interested parties is one of the bases to understanding the economic, social and environmental risks and opportunities, and specifically, those associated to climate change which they face worldwide. The participation in different industrial associations and the sustainability indices mentioned above demonstrate the continued efforts for monitoring and the understanding of stakeholders, as well as their ability to adapt to market needs.

Lastly, the Group focuses on the effective management of relations with the Authorities that design the environmental policies for the places where they operate, through the Executive President and the CEO. The CEO is a member of the Board of Directors of the national sectorial association to which the Group belongs, working hand in hand with national and regional government agencies which establish climate change legislation. For example, contributing to the Generalitat de Catalunya's reflection on a new autonomous tax related to GHG emissions.

Both in the aforementioned CDP Climate Change questionnaire as well as the Climate Transition Plan, the risks identified are the following:

- Risks due to changes to legislation and legal risks (EU ETS, energy, climate change, increase in green taxes, etc.)
- Risks due to new technologies (adaptation to best techniques available)
- Risks due to changes in physical climate parameters (natural catastrophes and changes to climate conditions)
- Risks due to other changes related to the market (reputation, corporate image, and purchase of raw materials)

In the analysis of the opportunities associated to climate change, the Group has identified various positive aspects for their business model:

- The implementation of renewable energy in their direct operations can reduce energy costs significantly and diminish the Group's dependence on traditional energy sources.
- Clients' growing environmental awareness and the change towards a low carbon economy offers the opportunity to develop and industrialise new sustainable products to satisfy this demand.
- Improvement of the positioning in the capital markets through the improvement of the participation in sustainable indices, such as CDP and EcoVadis, may generate greater trust and attract investors in sustainable companies.

In addition, for the evaluation of risks and opportunities associated to climate change, a short-term and long-term analysis has been carried out both from the point of view of transition risks as well as physical risks. Specifically, this evaluation has been carried out for some raw materials or the areas from which they originate, identified as relevant aspects for the Group's business model. The two future qualitative scenarios considered were: the "very strict" Representative Concentration Path (RCP 2.6) and the Representative Concentration Path "business as usual" (RCP 8.5). Both scenarios are defined by the Intergovernmental Panel on Climate Change (IPCC) and are commonly used to analyse the risks and opportunities associated with climate change.

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The path RCP 2.6 is a very strict scenario of GHG emissions in which a drastic reduction of emissions is assumed in order to limit the global temperature increase to less than 2°C. In this context, in the period of transition to 2030, the Group has set up mitigation strategies for these risks short term, guided by elements that are in line with the objectives established, which seek to reduce scope 1+2 GHG emissions by 51%, guarantee 100% of responsible sourcing of raw material of forestry origin and reduce water extraction by 12%.

Furthermore, the RCP 8.5 path is a scenario of GHG emissions known as "business as usual", in which a continuation of current trends of emissions is predicted without significant changes in policies and technology. In this context, identifying the physical risks that may arise long-term due to changes in the physical parameters of the climate is essential in order to assess the resilience of the organisation in the face of associated challenges, specifically with regard to key suppliers of raw material located in areas of risk. Also, the Group works to identify alternative sources of supplies of the same raw materials and/or alternative products which are not located in areas of risk, as well as adopting measures to mitigate the impact. As part of this effort, the Group has established the objective to certify all their wood pulp suppliers under the standards FSC and PEFC to guarantee the sustainable management of forests, which is key to mitigate the risks associated to the acquisition of forestry products.

It should be pointed out that climate-related risks and opportunities have been included in the business strategy, therefore, their analysis is included in their financial planning process, mainly revenue, direct and indirect costs and investments. Revenue projections take into account the development and industrialisation of new products to address the growing environmental awareness of the clients and the change to a low-carbon economy. A clear example is the expected introduction into the market of cellulose-based cigarette filters which are totally bio-degradable, to substitute synthetic materials. The indirect and direct costs such as the expenses associated to the certification of new suppliers and/or types of raw materials that are less exposed to the consequences of climate change, are also a key part of the financial planning.

In addition, to ensure compliance of its objectives to reduce GHG emissions for 2030, the Group has planned important investments to achieve the objectives of the PTC. They include the improvement of their scope 1 emissions, thanks to a programme of initiatives for the 2021-2026 period which amounts to 54,000 thousand euros for, on the one side, the implementation of new systems for the generation of biomass thermal energy and, on the other side, for energy efficient projects which allow consumption to be reduced in all the productive centres. The aforementioned PTC also includes another robust programme for the implementation of new photovoltaic generation facilities which allow for the increase of the Group's self-sufficiency and the consolidation of the reduction of scope 2 emissions, with a total estimated investment of 12,650 thousand euros in the period 2020-2024.

In more detail, the Miquel y Costas Group effectively already has important action underway to reduce emissions and to optimise their energetic consumption:

- Acceleration of their clean energy generation development plan: continuity of the biomass boiler studies and the installation of photovoltaic panels for own consumption. Specifically, in 2022 the Group finalised its third photovoltaic installation, located in Mislata, the functioning of which started at the beginning of 2022. Also, the first phase of a new photovoltaic installation has been set in motion in the Besós factory, the second phase of which will terminate in 2023. Likewise, the project for the photovoltaic installation in Clariana which was set in motion at the start of 2023 has been developed and executed successfully.

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Below is included a table where the Group's Photovoltaic Plan is presented with the startup of the new installations in the 2020-2024 period:

Scope	Output Installed and Started Up (kWp)						Total investment (thousands €)
	2020	2021	2022	2023	2024	Total	
Productive Centres	193	562	1,302	1,831	2,566	6,454	12,650

- Execution of an intensive programme for energy efficiency action in all the production centres, as well as the optimisation of thermal consumption in several paper machines, the results of which have contributed to the minimization of the Group's carbon footprint.
- Continuation of the actions for energy improvement and efficiency identified in the energy audits presented to the competent authority in the first quarter of 2021 based on the data for the period 2017-2020. For example, the new photovoltaic installations mentioned previously.
- Implementation of regulation ISO 50001 on energy management systems. In 2022, the Group obtained certification of regulation ISO 50001 for energy management systems in the Miquel y Costas & Miquel centres (Mislata plant), Celesa, MB Papeles Especiales, Terranova Papers and Clariana, and have initiated the implementation in the Miquel y Costas & Miquel centre (Besós plant) the certification of which will terminate in 2023, which shows an adequate management of the energetic aspects derived from industrial activities through the startup of control tools and continued improvement, minimizing energy consumption and, in this way, maximizing the energy efficiency of the Group with regard to 2021.
- Collaboration with Lufthansa Group Airlines for the reduction of GHG emissions associated with aviation (scope 3), specifically, to business flights carried out by Group employees. Thanks to this collaboration, in 2022 a reduction of CO₂ emissions associated to plane trips was achieved, equivalent to a tonne. Also, as part of their commitment to sustainability and the environment, the Group promotes the elimination of flights for work motives which are totally unnecessary and encourages the substitution of meetings or appointments in person, for videocalls or other methods that today's technology offers, in order to reduce emissions associated with this activity.
- Collaboration with the NGO, Trees for the Future® as mentioned above, the aim of which is to reforest areas of Sub-Saharan Africa and favour the growth of the region's economy through sustainability. This organisation empowers and helps farmers to revitalise their own land and plant trees in different African countries, such as Cameroon, Senegal, Uganda, Tanzania and Kenya. Thanks to this initiative and participation through the Smoking@s campaign #RollWithGreen, favouring the absorption of GHG and increasing the economic contribution to local communities has been achieved through the planting of 167,200 trees in the period 2017-2022 (164,979 trees in the 2017-2021 period), which has allowed poverty and hunger to be combatted in these regions.

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NON-FINANCIAL INFORMATION STATEMENT FY2022

Presented in the table below is the achievement of the objectives established by the Group, as part of the Group's commitment to fighting against deforestation and their collaboration with the NGO Trees for the Future®:

Results Trees for the Future	2021	2022	Variation 2021-2022
Trees planted	164,979	167,200	+1.3%
Hectares reforested	16.69	16.92	+1.4%
Persons removed from poverty	330	334	+1.2%
t CO ₂ sequestered in 20 years	6,025	6,106	+1.3%

As a result of the measures adopted within the framework of the transition towards a decarbonised economy, in 2022 a big reduction in scope 1 and 2 GHG emissions has been achieved, in this way surpassing all absolute and specific objectives established for the 2005-2025 period as well as several of those established for the 2005-2030 period.

Presented in the tables below is the achievement of the objectives established by the Group with regard to scope 1 and 2 emissions:

		2005	2021	2022	Variation 2021-2022	Variation 2005-2022	Objective 2005- 2025	Objective 2005- 2030
Scope 1	t CO ₂	118,184	77,486	62,277	-19.6%	-47.3%	-32.0%	-43.0%
	t CO ₂ /t product	1.35	0.83	0.64	-22.8%	-52.8%		
	t CO ₂ /km ² product	53.10	27.89	22.03	-21.0%	-58.5%		
Scope 1+2	t CO ₂	153,817	79,449	62,277	-21.6%	-59.5%		
	t CO ₂ /t product	1.76	0.85	0.64	-24.7%	-63.7%		
	t CO ₂ /km ² product	69.11	28.60	22.03	-23.0%	-68.1%		

Having achieved all of the objectives to reduce GHG emissions, marked, with the base 2005, in advance, the Group has established new objectives to reduce GHG emissions which are more ambitious, based on the current scientific recommendations and aligned with that established in the Paris Agreement on limiting the increase in the average global temperature to no more than 1.5°C over the preindustrial levels.

The new objectives based on science include commitments to obtaining the reduction of 51% of GHG emissions in their direct operations (scope 1+2) no later than 2030 (base year 2018), and of reaching climate neutrality (*Net Zero*) no later than 2050. What is more, the new objectives are in the process of being submitted for approval by the SBTi (Science Based Target initiative).

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		2018	2021	2022	Variation 2021-2022	Variation 2018-2022	Objective 2018- 2030	Net Zero Objective 2018- 2050
Scope 1+2	t CO ₂	123,565	79,449	62,277	-21.6%	-49.6%	-51.0%	
	t CO ₂ /t product	1.29	0.85	0.64	-24.7%	-50.4%		
	t CO ₂ /km ² product	42.32	28.60	22.03	-23.0%	-47.9%		
Scope 1+2+3	t CO ₂	265,728	214,594	202,741	-5.5%	-23.7%		-90%

Also included for information purposes are the scope 3 emissions (t CO₂):

Scope 3*	2021	2022	Variation 2021-2022
Upstream	129,573	134,362	+3.7%
Downstream	5,866	6,102	+4.0%

* Scope 3 emissions estimated from analysis of the lifecycle carried out in 2015 of two of the main products commercialized extrapolated to the entire production for the year.

Also, periodically the emissions of NO_x and SO_x in the combustion boilers are measured, as the corresponding IEA indicates:

Kg/ t prod	2021	2022	Variation 2021-2022
NO _x	0.92	0.89	-3.7%
SO _x	0.01	0.02	+330.6%

The Miquel y Costas Group has established not exceeding certain thresholds of NO_x emissions as an objective, in each of the production centres, in accordance with the applicable IEA:

Installation	Objective 2025 NO _x (mg/Nm ³)	O ₂ % reference
Cogeneration plants	150	15
	190	15
Conventional boilers	200	3

The main sources of energy consumed by the Miquel y Costas Group are natural gas and electricity:

Consumption – natural gas and electricity	2021	2022	Variation 2021-2022
Natural Gas (thousands Nm ³ /t prod)	0.39	0.30	-22.7%
Electricity consumed by Company (MWh/t prod)	1.33	1.49	+12.1%

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NON-FINANCIAL INFORMATION STATEMENT FY2022

In 2022, the growing inclusion of renewable sources to the energy mix of the Group can be highlighted, as part of their decarbonization strategy:

KWh energy from renewable sources/ KWh total energy	2021	2022	Variation 2021-2022
Renewable sources	28%	35%	+24.8%
Non-renewable sources	72%	65%	-9.8%

Therefore, the consumption of energy from renewable sources in comparison with the previous year has increased by 24.8%. This has been achieved through serious effort and investment in solutions in situ where possible, such as the installation of photovoltaic panels, the use of biomass and prioritizing the purchase of electric energy from a renewable source to supply their production centres.

Circular economy and waste prevention and management

- **Circular economy**

Concerning the consumption of the paper factories' main raw material, virgin wood pulp, 100% of the pulp acquired in 2021 and 2022 has been provided by suppliers that are certified both in FSC® (FSC-C041521) and in PEFC, as explained above. These certifications are the ones that apply the most demanding standards concerning the environment and sustainability.

Moreover, in most manufacturing processes the paper that is generated as waste within the production process, is recovered.

The Group considers that it is necessary to collaborate with suppliers to tackle the raw materials' impact on the environment. Accordingly, the Group assess that 100% of suppliers are certified through the implemented custody chain, ensuring that the pulp produced or purchased originates from sustainable sources. Moreover, all entries of wood pulp, before becoming part of the custody chain, are subjected to the due diligence system established in the PRCOM02, thus ensuring the traceability of the wood or pulp back to its place of origin.

The main raw materials are wood pulp and non-wood fibres. The figures below do not include other fibres employed in the production process, such as synthetic fibres, nor those purchased from Group companies.

t fibre	2021	2022	Variation 2021-2022
Wood pulp and non-wood fibres	81,938	82,127	+0.2%

In 2022, the Miquel y Costas Group has answered for the second time to the CDP Forest questionnaire, reporting data on the management of raw materials with a forest origin used in their production centres. To demonstrate the Group's continued commitment to the decrease of deforestation, an A- rating has been obtained, which is within the "Leadership" range. For comparative purposes it is greater than the European average, the average for the paper and forestry sector and the Global average, the rating of which are within the range of 'Management' and 'Awareness' (ratings B and C).

Rating	2021	2022
CDP Forest	B	A-

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NON-FINANCIAL INFORMATION STATEMENT FY2022

This evaluation reflects the Group's excellence in forestry management and the strong commitment acquired in this area. The Miquel y Costas Group companies dedicated to the manufacture and commercialization of special papers depends greatly on raw materials of forest origin. As the Group recognises the global importance of forests and other natural ecosystems and considers the impact that business activity can have on them, they establish as priority the following high-level commitments in the adequate development of forestry management for the protection of the environment, in accordance with the requirements of the standards of the Custody Chain implemented which are more rigorous than legal compliance:

- Commitment to eliminating deforestation
- Commitment to eliminating the conversion of natural ecosystems
- Commitment to not clearing land by burning or clear felling
- Commitment to the awareness and stakeholder participation

The Group requests to the suppliers of cellulose fibre destined for products with a forestry certification, for documents guaranteeing that the supplies adapt to the criteria established by the Custody Chain system. In addition, in the case that the use of wood originating from unreliable or conflictive sources is detected, for example, that have caused damage in the past or they do not protect the rights and means of subsistence of local communities, there is a commitment to take appropriate action, including the suspension of purchases of material from the supplier that is not respecting the points covered by the custody chain policy (POLCDC), which is a public document and may be consulted on the company's website.

The needs and expectations of the stakeholders have been analysed, as well as the risks derived from the purchase and management of timber products, the most important of which is that related to a possible change in climate conditions that could derive in problems in the supply chain.

Likewise, new opportunities and objectives have been established to continue advancing in the Group's commitment in all that referring to forestry management throughout the supply chain such as, for example, maintaining 100% of the pulp suppliers certified under the standards FSC and PEFC and increase their level of participation and the monitoring of the objectives established.

The Group has worked on the creation of a questionnaire which took effect in 2022, directed towards the main suppliers in order to annually analyse their commitment to the environment. The data requested includes information on GHG emissions, water management regarding the products supplied, as well as action taken or planned to lower their environmental impact and inform on their participation in the CDP questionnaires. Supplier involvement through the Group's questionnaire will be further strengthened given that the results obtained will increasingly be taken into account in the purchasing decisions.

• Waste prevention and management

Waste is managed through authorised companies, always observing the hierarchy of Prevention, Reuse, Recycling, Appraisal and, lastly, Elimination.

kg waste/t prod	2021	2022	Variation 2021-2022
Hazardous waste	*2.98	2.43	-18.4%
Non-Hazardous waste	95.59	95.87	+0.3%
Total	98.57	98.30	-0.3%

*Data on hazardous waste corrected for the year 2021.

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NON-FINANCIAL INFORMATION STATEMENT FY2022

The destination of waste generated by the Miquel y Costas Group has been the following:

kg waste/kg total waste	2021	2022	Variation 2021-2022
Recovered waste	95%	97%	+2.0%
Waste disposed of	5%	3%	-38.1%

According to the POLCAM and the PRSAM01, all centres analyse their annual waste generation and, if it is significant, establish waste reduction objectives, both for hazardous and non-hazardous waste.

Among others, measures established to reduce the amount of non-hazardous waste include the following:

- Reduction of paper residue in order to take greater advantage of the cutback generated in the factories themselves, boosting the circular economy.
- Optimisation of the system for the dehydration of sludge in order to generate a lower amount of moist sludges and to increase their possible appraisal.

The Group seeks to minimise hazardous waste and as a result of the efforts carried out, in 2022 an 18.4% reduction of this was achieved compared with 2021.

In turn, production centres that generate more than 10 tonnes of hazardous waste per year are required to present a hazardous waste minimisation study every four years, as established by Royal Decree 952/1997. Minimisation is understood as any action that aims to reduce hazardous waste by amount or by dangerousness, and covers aspects related to changes in processes, internal recycling or through the adoption of best practices. As a consequence of the above, the affected Group factories periodically assess such aspects and implement measures, considering technological, environmental and economic feasibility criteria, to reduce the main hazardous waste generated (such as polluted containers, used oils, fluorescent bulbs, chemical product waste, absorbers, etc.).

The following are some of the main measures established to decrease the amount of hazardous waste generated:

- Optimisation of purchases of hazardous products.
- Control of product stock.
- Appropriate segregation of packaging.
- Use of larger packages
- Efficient management of maintenance plans and cleaning procedures for equipment and facilities.
- Change of the light installation for LED lighting, implying the reduction of fluorescent waste.
- Periodic review of the state of receptacles and containers of raw material, products, and waste.
- Workers' training and awareness.

As a result of this effort, production centres to which the above is applicable have complied with 83% of objectives established in the hazardous waste minimisation study of the previous period.

For the following four years, new objectives have been established for the minimisation of hazardous waste, highlighting the reduction of contaminated packaging by between 10% and 35%, absorbent material by 33%, hydraulic oil by 21%, among others. In the case that it is not possible to establish the minimisation of a specific hazardous waste, maintaining its stable generation is established as an objective.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES

NON-FINANCIAL INFORMATION STATEMENT FY2022

- Sustainable use of water

The paper industry employs water in its production processes, mainly as a means of transport to generate the physical and chemical reactions that are necessary to make pulp and paper. It should be noted that paper plants use water from different sources, but only a small percentage is consumed, since most of the water used is reintroduced to the receiving medium. The paper industry cannot therefore be strictly classed as a large “consumer” of water, but as a user (source: Voluntary agreement between the Ministry of the Environment and Aspaper, dated 2009).

Extracted water used in the production process is mainly obtained from natural sources owned by the Miquel y Costas Group (wells and upwellings). Each production facility has water treatment and fibre recovery plants (the latter are reintroduced into the production process).

For the whole of the Group’s production plants, the origin of the extracted water is the following:

m ³ /t prod	2021	2022	Variation 2021-2022
Underground water	23.06	20.72	-10.2%
Municipal water	0.100	0.097	-3.2%
Total	23.16	20.81	-10.1%

Water is finally discharged primarily through the municipal sewers and natural effluents:

m ³ /t prod	2021	2022	Variation 2021-2022
Discharge	20.85	19.04	-8.7%

The Miquel y Costas Group is fully aware of the current problem related to the shortage of water. For this reason, Water Security is central to the Group’s strategy, and internally and at all levels, the Group promotes the sustainable management of this resource and the inclusion in the business model of a policy to save water and guarantee its quality.

As a consequence, both the Person Responsible for the Water Cycle, the Factory and Production Directors and the CEO have, as part of their annual objectives, the increase in water resilience and the optimisation of the management of this resource. In addition, economic incentives are set annually for the CEO, the Person Responsible for the Water Cycle and the Factory and Production Directors in order to encourage the objectives set to be met.

The Group has a Water Reduction Plan which establishes the objectives, investments and measures to be implemented to achieve efficient management of the water in their production centres. This plan is reviewed annually by the Water Committee, led by the Group’s Executive President and CEO.

The Water Committee was created in 2015, to analyse and manage in further detail the short- and long-term targets related to this area. The main objective is to minimise the risks related to hydric stress and any other negative impact on the ecosystems.

Also, the Water Committee holds periodic meetings to review the strategy related to the sustainable management of water and set objectives.

Additionally, the Group annually reports on its water cycle consumption, extraction, and management data through the CDP Water Security questionnaire, which measures the Group’s transparency, commitment, strategy and management in relation to its hydric footprint, demonstrating the Group’s commitment to the conservation of resources.

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As a consequence of the application of the strategic plan, identification of risks and opportunities, good practices in all production centres and new implemented technologies, the Miquel y Costas Group has achieved an A rating in 2022, which places them at the top of the “Leadership” range. For comparative purposes, the score obtained is higher than the European average, the average in the paper and forestry sector and the global average, the scores of which are within the range of “Management” (rating B).

Rating	2021	2022
CDP Water Security	A-	A

It should be pointed out that achieving this A rating is synonymous with excellence. It reaffirms the Group’s commitment to sustainability, the commitment to boosting the circular economy in all their processes and transparency in communication. Additionally, it positions the Miquel y Costas Group within the 105 companies worldwide which have this valuation in the CDP Water Security questionnaire presented in 2022, from a total of 4,000 companies that responded to this questionnaire.

Objectives established in the Water Reduction Plan for the conservation of hydric resources are the following:

- Short term, in the period 2014-2025, the main objective focuses on the reduction of water extraction by 12%, while reducing the hydric stress both at absolute and intensive level according to production, with the intensive objective already being surpassed in 2022.
- The objective of reducing the generation of sludge in 2025 by 20% with regard to 2014’s data has also been established for this same period, an objective that was already surpassed in 2021. In this way, the Group commits to helping the circular economy and the reduction of the carbon footprint due to transport and management of this sludge.
- Likewise, during the mentioned period, maintaining a path without any environmental incidents has been posed as an objective in all production centres, an objective that has been satisfactorily achieved in 2021 and 2022 thanks to the Group’s good practices.

Moreover, and in order to reach such a strict objective, the Miquel y Costas Group is carrying out actions and implementing new technologies, such as, for instance, advanced filtration technologies to maximise the reutilisation of water.

It should be noted that the set objectives are not solely absolute (m³/per year), but also include specific values that allow the Group’s development in the reduction of its hydric footprint per tonne of product and surface of product to be measured.

To achieve these objectives, the company monitors different variables, such as for example, the amount of extracted water, quality parameters both in the entry and exit, the discharged volume or the amount of water recycled in the production process.

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The following table presents the achievement of objectives set by the Group:

	2014	2021	2022	Variation 2021-2022	Variation 2014-2022	Objective 2014- 2025
Water extracted (thousands m ³)	2,271	2,172	2,034	-6.4%	-10.5%	-12.0%
Water extracted (thousands m ³) / t product	0.025	0.023	0.021	-10.1%	-16.9%	
Water extracted (thousands m ³) / km ² product	0.888	0.782	0.719	-8.0%	-19.0%	
Environmental incidents	0	0	0	NA	NA	0
t sludge	5,485	4,179	4,156	-0.5%	-24.2%	-20.0%
t sludge/t product	0.061	0.045	0.043	-4.5%	-29.7%	

In addition, as part of its commitment to minimising the environmental impact in all their operations, the Group has set an objective for the 2014-2025 period in all production centres: improving the sewage water quality beyond the compliance requirements, being maintained at least 10 % below the limits established for the COD (Chemical oxygen demand), SS (suspended solids) and pH parameters.

In 2022, this objective was met 100% in all centres, maintaining the same level of compliance as in 2021.

In its efforts to decrease the hydric footprint, the Miquel y Costas Group involves its supply chain. Accordingly, in addition to the assessment of suppliers from an environmental standpoint, the company identifies (among the most important suppliers) those most aware in this field (such as, for example, through the involvement in the CDP Water Security). As of 2022, the company is seeking to promote sustainable water management among its suppliers as explained previously in the section on circular economy.

In 2022, the Group achieved in advance most of their absolute and specific objectives marked in 2014, in this way consolidating their commitment to reducing the water footprint.

Biodiversity

The Miquel y Costas Group's Production plants are located in areas that are not protected or regarded as high value in biodiversity terms. Even so, certain measures are carried out for their preservation.

The Group recognises the importance of preserving natural ecosystems and avoiding the loss of biodiversity. In this context, it is seeking to generate a positive impact in the natural environment of the areas where their operations are carried out. The commitments acquired by the Group in the area of biodiversity are as follows:

- Commitment to not exploring and/or not developing activities in natural areas legally designated as protected.
- Commitment to respecting natural areas legally designated as protected.
- Commitment to preventing negative impacts on threatened or protected species in danger of extinction.
- Commitment to not converting natural spaces of high conservation value.
- Commitment to not trading in species included in the appendices of the International CITES treaty (Convention on International Trade in Endangered Species of Wild Flora and Fauna).

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In this sense, in some factories' controls are carried out through the calculation of biodiversity indicators, such as the biological index IBMWP, which evaluates the state of the quality and ecologic potential of river water. The Group analyses this index annually in their installations in La Pobla de Claramunt and Tortosa in accordance with the corresponding IEA due to the fact that they discharge into public waterways.

The results obtained in the analysis carried out both in 2021 and 2022 determine that, based on the index obtained, there are no differences with regard to the level of biological quality, therefore the discharge from factories does not influence the wealth of invertebrates of the rivers and does not affect the biodiversity of the area.

However, Miquel y Costas Group's greatest impact in the area of biodiversity is that found associated to the supply chain. For this reason, as mentioned earlier in the section on circular economy, the Group has acquired high level commitments for the adequate development of forestry management, such as the elimination of deforestation, elimination of the conversion of natural ecosystems, not clearing land through burning or clear felling, and awareness and participation of the stakeholders.

Even when the Group does not own forests, it contributes to sustainable forestry through the responsible sourcing of raw material of forest origin, such as wood pulp and non-wood fibres. It should be pointed out that guaranteeing that the fibre used in production centres originates from responsible sources and achieving the reduction of GHG from non-deforestation are actions of great importance for the preservation of ecosystems and natural habitats, and to mitigate climate change.

In addition, as detailed earlier in the sections on climate change and sustainable use of water, the Group historically makes efforts to reduce its water footprint and carbon footprint associated to its operations, which reflects a sustainable management of resources for the protection of ecosystems and mitigation of climate change, which also influences biodiversity in a direct way.

Taxonomy – sustainable finances

On 18th June 2020 the European Parliament approved the (EU) Regulation 2020/852 related to the establishment of a framework to facilitate sustainable investment (a framework also called Sustainable Finance Taxonomy), as an instrument to achieve the objective of reaching a European Union that is climate-neutral in 2050. This taxonomy, which entered into force in 2021, establishes a series of economic activities (eligible activities). However, for an eligible activity to be considered environmentally sustainable because it conforms to the taxonomy ('aligned'), it has to substantially contribute to at least one of the environmental objectives defined to date by the EU (mitigation and adaptation to climate change), not cause significant harm to the remaining environmental objectives (sustainable use and protection of water and marine resources, transition to a circular economy, prevention and contamination control and protection and recovery of biodiversity and the ecosystems) and comply as well with a minimum of social safeguards.

Miquel y Costas Group has defined a work process that involves the different Group companies and businesses and have allowed them to carry out the classification of their activities as 'eligible' and/or 'aligned' in accordance with the criteria that the European taxonomy mentioned earlier establishes.

a) Eligibility analysis

The Group's main activity is the manufacture of low-grammage fine and specialty papers. Following an analysis of the activities stated in Annexes I and II of the Delegated Regulation 2021/2139 and the Delegated Regulation 2022/1214 of 9th March 2022, it is observed that they focus on sectors, the exercise of which supposes direct mitigation/adaptation of climate change. As a consequence, said regulations do not include the Group's core activity as eligible.

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However, the Group develops the following activities, related to the area of energy production, which can be considered as eligible:

- 4.1 Electricity generation using solar photovoltaic technology.
- 4.24 Production of heat/cool from bioenergy.
- 4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels.




It should be pointed out that the eligibility analysis carried out in 2022 has been performed taking into account the new updates, legislative changes and FAQs. As a consequence of the above, in 2022 high-efficiency co-generation of heat/cool and power from fossil gaseous fuels has been included for the first time as an eligible activity and which had been excluded the previous year.

b) Alignment analysis

The process to determine the alignment of activities identified as 'eligible' by Sustainable Finance Taxonomy starts with the verification of compliance of the criteria of substantial contribution to the mitigation of climate change (see table on the following page). Once the activities that comply with the requisites are identified, compliance of the criteria of not causing significant harm (DNSH) with regard to the different environmental objectives (adaptation to climate change, water resources, pollution, circular economy and biodiversity) is validated. Finally, the opportune verifications are carried out to determine that Miquel y Costas complies with the so-called minimum social safeguards (OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the International Bill of Human Rights).

- 1) Technical screening criteria for substantial contribution: Taxonomy establishes different types of substantial contribution screening criteria. In this way, the activities identified by the Miquel y Costas Group are classified according to the following criterion: Nature of the activity, GHG emissions savings threshold and GHG emissions generation threshold.

The following table summarises the level of compliance of substantial contribution criterion for the mitigation of climate change in each of the activities identified:

Code	Economic activity	Nature of the activity	GHG Emissions savings threshold	GHG Emissions generation threshold
4.1	Electricity generation using solar photovoltaic technology			
4.24	Production of heat/cool from bioenergy			
4.30	High-efficiency co-generation of heat/cool and power from fossil gaseous fuels			

Activity 4.24 Production of heat/cool from bioenergy does not reach the substantial contribution screening criteria as certification, that the savings in GHG emissions reach the 80% established by taxonomy, has not been possible.

Activity 4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels does not comply with the threshold for the generation of GHG emissions, which is currently established at 100 g CO₂ per 1 kWh of energy produced by cogeneration.

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Both activities, despite not complying with the screening criteria for substantial contribution determined by taxonomy, do comply with all the legal and environmental requisites established in the legislation in force.

- 2) Criteria for not causing significant harm: The Miquel y Costas Group has developed an analysis for each of the activities which comply with the technical criteria for substantial contribution to determine that said activities are not causing significant harm to any of the other environmental objectives. Based on the above, in compliance with Annex I and II of the Delegated Regulation 2021/2139 of 4th June 2021, compliance of the specific requirements requested has been reviewed for each activity.
- 3) Minimum safeguards: The Miquel y Costas Group is strongly committed to complying with the minimum safeguards in the terms developed in the Taxonomy Regulation (2020/852) as well as in the documents published by the European Commission, which are grouped under four large, themed blocks: Human Rights, Corruption, Taxes and Fair Competition. In this spirit the Group is carrying out the necessary and pertinent action to ensure their compliance.

In any case, taking into account that the eligible activities are limited (consequence of the Group's type of business model, and of the current limitation of the list of activities of Taxonomy to those with potential for substantial contribution in the area of mitigation of climate change and adaptation to climate change), it has been concluded to report that the level of alignment for 2022 is 0% as the Group is in the process of finalizing assurance of compliance with the requirements to be fulfilled.

c) Calculation of the main indicators

A) Calculation of the % of turnover

The key indicator referring to turnover is calculated as the proportion of revenue derived from eligible activities (numerator) out of the total revenue of the company (denominator). Said revenue corresponds to that recognised pursuant to International Accounting Standard (IAS) 1, paragraph 82, letter a), as adopted by the Commission's Regulation (EC) No. 1126/2008. The denominator of this key indicator appears in note 18 "Net turnover and other operating revenue" of the consolidated notes for FY2022.

Eligible activities of electricity generation using solar photovoltaic technology and production of heat/cool from bioenergy have not been generators of revenue in 2021 and 2022, as they are destined to their own consumption of energy and heat/cold generated in the Group's production processes.

The activity of high-efficiency co-generation of heat/cool and power from fossil gaseous fuels is made up of two cogenerating units, one belonging to the company Miquel y Costas & Miquel S.A (operating in an own-consumption model and therefore not generating any revenue) and others to MB Papeles Especiales, S.A.

The revenue generated by the cogeneration plant operated by MB Papeles Especiales S.A in 2022 thanks to the sale of energy, has represented 2.7 million euros, equivalent to **0.8%** of the Group's sales (2.7 million euros in 2021 equivalent to 0.7% of Group sales).

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B) CAPEX

This indicator is obtained as the proportion of fixed assets invested in eligible economic activities (numerator) with regard to the total assets that have been acquired in FY2022 (denominator). Said denominator (CapEx total) is obtained as the additions to tangible and intangible assets prior to depreciations, amortizations, revaluations and value impairments arising excluding the changes in reasonable value.

Likewise, it includes those additions resulting from business combinations. Therefore, the total CapEx will cover the costs registered in accordance with:

- a) IAS 16 Tangible fixed assets, paragraph 73, letter e), subsections i) and iii);
- b) IAS 38 Intangible Assets, paragraph 118, letter e), subsection i);
- c) IAS 40 Real estate investments, paragraph 76, letters a) and b), (for the reasonable value model);
- d) IAS 40 Real estate investments, paragraph 79, letter d), subsections i) and ii), (for the cost model);
- e) IAS 41 Agriculture, paragraph 50, letters b) and e);
- f) IFRS 16 Leases, paragraph 53, letter h).

In accordance with the consolidated financial statements, the total CapEx appears in notes 4 and 5 of 2022's consolidated notes and correspond to the year's registers.

The Miquel y Costas Group commits to sustainability implementing measures to generate renewable energy in their installations and the production of cold/heat from black liquors (bioenergy). Therefore, the numerator has been calculated as the monetary sum of the Group's investments in said measures for each of the eligible activities.

C) OPEX

This indicator is defined as the proportion of eligible taxonomic OpEx (numerator) among the total taxonomic OpEx (denominator). Said denominator reduces total operating expenses to the direct non-capitalized costs related to research and development, measures to renovate buildings, short-term leases, maintenance and repairs, as well as other direct expenses related to daily maintenance of tangible fixed assets by the company or a third party to who activities are subcontracted and which are necessary to guarantee the continued and effective functioning of said assets. Conversely, the numerator of this indicator would cover the operating expenses included in the denominator that were destined for eligible activities.

The only expenses associated to the activities identified as eligible are those for maintenance of the photovoltaic panels and the cogenerating plants, which are not significant in the year ended at 31st December 2022. In addition, the direct non-capitalised costs covered by European taxonomy, that is, those included in the denominator, represent less than 5% of the total operating expenses of the Group. Therefore, their value is not considered material and, in accordance with that stated in section 1.1.3.2 of annex I of Delegated Regulation 2021/2178 of 6th July 2021, the numerator of the indicator is reported as 0.

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D) SUMMARY OF THE MAIN INDICATORS

Economic Activity	Code	Revenue (M€)	Proportion of revenue (%)	Substantial Contribution Screening Criteria						Do Not Significant Harm Criteria						Minimum Guarantees	Proportion of revenue subject to taxonomy 2022	Proportion of revenue subject to taxonomy 2021	Category (F: facilitating activity)	Category (T: transition activity)
				Mitigation of climate change (%)	Adaptation to climate change (%)	Water and marine resources (%)	Circular Economy (%)	Pollution (%)	Biodiversity and ecosystems (%)	Mitigation of climate change (€/N)	Adaptation to climate change (€/N)	Water and marine resources (€/N)	Circular Economy (€/N)	Pollution (€/N)	Biodiversity and ecosystems (€/N)					
A. Eligible activities according to Taxonomy																				
A.1. Environmentally sustainable activities (that adjust to taxonomy)																				
Electricity generation using solar photovoltaic technology	4.1	-	-	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	
Production of heat/cool from bioenergy	4.24	-	-	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4.30	-	-	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	
Total A1																		0,0%	n.a	
A2. Eligible activities according to Taxonomy but not environmentally sustainable (activities that do not adjust to taxonomy)																				
Electricity generation using solar photovoltaic technology	4.1	0,0	0,0%																n.a	n.a
Production of heat/cool from bioenergy	4.24	0,0	0,0%																n.a	n.a
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4.30	2,7	0,8%																n.a	n.a
Total A2		2,7	0,8%																-	-
Total A1 + A2		2,7	0,8%																0,0%	n.a
B. Activities not eligible according to Taxonomy																				
Revenue from non-eligible activities		334,5	99,2%																	
TOTAL A+B		337,2	100%																	

Economic Activity	Code	CAPEX (M€)	CAPEX (%)	Substantial Contribution Screening Criteria						Do Not Significant Harm Criteria						Minimum Guarantees	Proportion of revenue subject to taxonomy 2022	Proportion of revenue subject to taxonomy 2021	Category (F: facilitating activity)	Category (T: transition activity)
				Mitigation of climate change (%)	Adaptation to climate change (%)	Water and marine resources (%)	Circular Economy (%)	Pollution (%)	Biodiversity and ecosystems (%)	Mitigation of climate change (€/N)	Adaptation to climate change (€/N)	Water and marine resources (€/N)	Circular Economy (€/N)	Pollution (€/N)	Biodiversity and ecosystems (€/N)					
A. Eligible activities according to Taxonomy																				
A.1. Environmentally sustainable activities (that adjust to taxonomy)																				
Electricity generation using solar photovoltaic technology	4.1	-	-	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	
Production of heat/cool from bioenergy	4.24	-	-	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4.30	-	-	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	
Total A1																			0,0%	n.a
A2. Eligible activities according to Taxonomy but not environmentally sustainable (activities that do not adjust to taxonomy)																				
Electricity generation using solar photovoltaic technology	4.1	1,3	3,8%																n.a	n.a
Production of heat/cool from bioenergy	4.24	0,8	2,4%																n.a	n.a
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4.30	0	0,0%																n.a	n.a
Total A2		2,1	6,2%																-	-
Total A1 + A2		2,1	6,2%																0,0%	n.a
B. Activities not eligible according to Taxonomy																				
Capex of non-eligible activities		31,9	93,8%																	
TOTAL A+B		34,0	100%																	

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3. Social and personnel-related matters

The average number of employees in this year has been 879 (average number of employees in 2021 was 904) and the total number of workers of the Miquel y Costas Group at 2022's close was 895 (874 workers at the close of 2021).

It should be pointed out that in 2022, in the work centre of the Mislata Factory a Temporary lay-off was processed for productive reasons, the negotiation of which has resulted in "in agreement", for a total of 83 days of suspension and affecting 62 workers, covering the period from 26/10/2022 to 31/12/2023, and applied according to the production load of the factory.

For reporting purposes, and given the stability of the workforce, the number of workers at the end of 2021 and 2022 is used and classified by gender and professional category, as follows:

Classification per gender and professional category	Men 2021	Women 2021	Total 2021	Men 2022	Women 2022	Total 2022
Board members	3	0	3	2	0	2
Senior Management	6	3	9	6	3	9
Directors	22	0	22	21	0	21
Supervisors and middle managers	96	9	105	90	10	100
Adm. Personnel	79	91	170	85	87	172
Prod. personnel	429	136	565	453	135	588
Total	635	239	874	657	235	892

The classification by age and gender at the close of 2021 and 2022 is as follows:

Classification by age and gender	Men 2021	Women 2021	Total 2021	Men 2022	Women 2022	Total 2022
<= 20	0	0	0	1	0	1
from 21 to 30	43	12	55	58	12	70
from 31 to 40	102	40	142	107	38	145
from 41 to 50	238	96	334	231	94	325
from 51 to 60	192	76	268	210	81	291
>= 61	60	15	75	50	10	60
Total	635	239	874	657	235	892

The distribution per country at the close of 2021 and 2022 is as follows:

Distribution per country	Men 2021	Women 2021	Total 2021	Men 2022	Women 2022	Total 2022
Spain	613	216	829	635	209	844
Argentina	17	23	40	17	25	42
Chile	2	0	2	2	1	3
Germany	2	0	2	2	0	2
Philippines	1	0	1	1	0	1
Total	635	239	874	657	235	892

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With regard to the company Miquel y Costas & Miquel, S.A., the number of workers at the close of 2021 and 2022 is as follows:

Classification per gender and professional category	Men 2021	Women 2021	Total 2021	Men 2022	Women 2022	Total 2022
Board members	3	0	3	2	0	2
Senior Management	5	3	8	5	3	8
Directors	7	0	7	7	0	7
Supervisors and middle managers	59	5	64	56	5	61
Adm. Personnel	45	52	97	50	49	99
Prod. personnel	228	109	337	233	104	337
Total	347	169	516	353	161	514

The prevalent feature of the Group's labour and human resources development policy has always been the principle for non-discrimination. This is based on respect for people's rights and dignity (irrespective of gender), adherence to the guiding principles of integrity, honesty and responsible conduct, and rejection of all forms of discrimination.

Likewise, also having information available on the state of work environment of the Companies that make up the Group is a matter of considerable importance, to be able to carry out a better and more adequate management with criteria which incorporates those aspects compiled that could be critical or are considered relevant to maintain good performance and continue with the criteria of continued improvement. For this reason, there are several tools which provide the intended information through different channels. They are:

- 1- Planning of Surveys to carry out periodically, which includes the distribution of two surveys annually, with all the Group Companies being surveyed every four years.
- 2- At the same time, and compatible with the surveys, there is a complaints mailbox that can also be used to present suggestions. In terms of suggestions that may be received from the workers, in the surveys sent out there is a section for writing "suggestions" so that they can be submitted by those who want to.
- 3- Annually, from Senior Management, and the Functional Directorates hold meetings with Management for Objectives, or monitoring meetings of the Incentives reached, based on some objectives or incentives that are defined previously, through which, objectives or incentives, articulate and guide the main objectives, with there also being secondary ones, to be worked on throughout the year which are defined. Said aspects to be worked on are transferred by each functional manager in the respective meetings to be held with their collaborators.
- 4- And lastly, the Company. As the Company is listed, the information is public and can be accessed freely, so that any worker, if they wish, may gain access to it.

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In line with its guiding principles and under Law 3/2007 for effective equality between men and women, the parent company has an Equality Plan which aims to contribute to the elimination of any discriminatory behaviour based on gender in the workplace, including the implementation of measures to favour inclusion, continuance, and development of persons in order to:

- Achieve a balance of women and men at all levels of the business organisation.
- Promote measures that favour a work-life balance.
- Tackle, with full guarantees, any incidents that may arise in connection with moral or gender-based harassment.

In the latter case, the Company has implemented an internal procedure to prevent moral or gender-based harassment in the workplace, the purpose being to prevent and discourage, and if necessary, severely punish any act of harassment that takes place within the company.

The distribution of employment contracts in the Group as a whole for 2021 and 2022 is set out below:

Classification per contract	Men 2021	Women 2021	Total 2021	Men 2022	Women 2022	Total 2022
Indefinite-term contract	72%	28%	91%	74%	26%	95%
Temporary contract	76%	24%	9%	76%	24%	5%
Total	73%	27%	100%	74%	26%	

At the year-end's closing, there are no employees with a part-time contract, and only those who have requested a reduction in working hours or partial retirement are working less than full-time.

In the case of the individual company Miquel y Costas & Miquel, S.A., the distribution of contracts in 2021 and 2022 has been the following:

Classification per contract	Men 2021	Women 2021	Total 2021	Men 2022	Women 2022	Total 2022
Indefinite-term contract	67%	33%	91%	69%	31%	95%
Temporary contract	73%	27%	9%	72%	28%	5%
Total	67%	33%	100%	69%	31%	

With regards to the annual distribution by age range, the indefinite-term and temporary contracts in Group companies has been the following:

Contract classification per age	Indefinite 2021	Temporary 2021	Total 2021	Indefinite 2022	Temporary 2022	Total 2022
<= 20	0	0	0	1	0	1
from 21 to 30	20	35	55	56	14	70
from 31 to 40	26	116	142	132	13	145
from 41 to 50	24	310	334	311	14	325
from 51 to 60	9	259	268	286	5	291
>= 61	0	75	75	60	0	60
Total	79	795	874	846	46	892

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And the distribution by category and gender in 2022 is the following:

Classification per gender and professional category	Men		Women		Total
	Temporary	Indefinite	Temporary	Indefinite	
Board members	0	2	0	0	2
Senior Management	0	6	0	3	9
Directors	0	21	0	0	21
Supervisors and middle managers	3	87	0	10	100
Administrative and technical personnel	7	78	10	77	172
Production personnel	25	428	1	134	588
Total	35	622	11	224	892

95.32% of the Group's female employees have a permanent contract, while this ratio rises to 94.70% in the case of male employees.

During 2021, the distribution by category and gender was as follows:

Classification per gender and professional category	Men		Women		Total
	Temporary	Indefinite	Temporary	Indefinite	
Board members	0	3	0	0	3
Senior Management	0	6	0	3	9
Directors	0	21	0	0	21
Supervisors and middle managers	5	91	0	9	105
Administrative and technical personnel	8	71	14	77	170
Production personnel	47	383	5	131	566
Total	60	575	19	220	874

92.05% of the Group employees have an indefinite-term contract, whilst said ratio amounts to 90.55% in the case of the employees.

In 2021 and 2022 the number of dismissals per age, gender and professional classification for the national companies is detailed in the following tables:

Dismissals per gender and age	Men 2021	Women 2021	Total 2021	Men 2022	Women 2022	Total 2022
<=20	0	0	0	0	0	0
From 21 to 30	1	0	1	2	0	2
From 31 to 40	3	1	4	3	1	4
From 41 to 50	3	1	4	4	1	5
From 51 to 60	8	1	9	6	1	7
>=61	6	1	7	0	0	0
Total	21	4	25	15	3	18

* Data on foreign subsidiaries has not been included.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
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Dismissals per professional classification and gender	Men 2021	Women 2021	Total 2021	Men 2022	Women 2022	Total 2022
Board members	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0
Directors	0	0	0	0	0	0
Supervisors and middle managers	0	0	0	3	0	3
Administrative Personnel	4	1	5	1	2	3
Production personnel	17	3	20	11	1	12
Total	21	4	25	15	3	18

* Data on foreign subsidiaries has not been included.

Remunerations to all Group employees comply with all statutory obligations established in the collective bargaining agreements in force. Additionally, specific Group employees have available (subject to certain conditions) the contribution to a social welfare plan, variable remuneration and incentives linked to the achievement of certain objectives, access to a stock option plan in the company (the current one being exercised in the period) and life insurance.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES

NON-FINANCIAL INFORMATION STATEMENT FY2022

Gross average remunerations, by gender, age, and professional classification, for national companies have been the following:

2022		MEN		WOMEN		Difference
	Age	Average salary	Age	Average salary		
Board of Directors	<=30		<=30			
	31-49		31-49			
	>=50		>=50			
		381.333,33		0,00		
Senior Management + Directors	<=30		<=30			
	31-49	97.563,42	31-49		26%	
	>=50	123.254,34	>=50	161.383,94		
		117.053,08		146.939,65		
Supervisors and middle managers	<=30	35.779,20	<=30			
	31-49	44.646,42	31-49	43.729,35	-16%	
	>=50	53.440,05	>=50	38.860,06		
		50.598,14		42.512,02		
Administrative and technical personnel	<=30	25.725,83	<=30	22.021,50		
	31-49	35.496,44	31-49	28.709,89	-13%	
	>=50	42.942,63	>=50	37.587,05		
		36.987,52		31.550,47		
Production personnel	<=30	28.169,56	<=30	31.011,79		
	31-49	32.550,87	31-49	29.397,36	-14%	
	>=50	36.307,90	>=50	28.987,70		
		33.580,35		28.987,70		
Non-continuous Production Personnel	<=30	19.582,91	<=30			
	31-49	23.996,08	31-49	23.034,46	-1%	
	>=50	24.687,89	>=50	24.277,00		
		23.923,07		23.734,80		

(*) Dark shaded boxes relate to information on a single person.

(1) Difference between men and women in the "Senior management and Directors" group is due to the fact that in the group of women it is made up of a greater proportion of members of Senior Management, different to the men, who make up a greater proportion of Directors.

(2) Difference between men and women in the "Supervisor and middle managers", the group of men has more seniority than the women's group for the age bracket of over 50. Also, the two collectives are not quantitatively comparable.

(3) Difference between men and women in the "Administrative and technical personnel", the group of men is made up of sales persons and engineers whilst the women are administrative personnel and assistants to the sales persons.

(4) Difference between men and women in the "Production personnel" group, 31 to 49 age group, the women are mainly labourers whilst the men's group is made up of all categories of operators. Also, the two collectives are not quantitatively comparable.

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The average remuneration broken down by gender, age and professional classification for the national companies in the previous year is as follows:

	MEN		WOMEN		Difference
	Age	Average Salary	Age	Average Salary	
Board members	<=30		<=30		
	31-49		31-49		
	>=50		>=50		
		360.806,02		0,00	
Senior Management + Directors	<=30		<=30		
	31-49	94.187,73	31-49		13%
	>=50	119.886,54	>=50	137.830,79	
	113.461,84		128.573,73		
Supervisors and middle management	<=30	34.271,06	<=30		
	31-49	49.424,78	31-49	46.990,87	-14%
	>=50	54.632,59	>=50	41.516,19	
	52.748,33		45.622,20		
Technical and Admin	<=30	24.684,97	<=30	22.486,36	
	31-49	34.839,30	31-49	27.498,44	-20%
	>=50	48.994,38	>=50	38.284,59	
	38.535,99		30.999,55		
Production personnel	<=30	26.986,62	<=30		
	31-49	31.565,24	31-49	28.033,74	-14%
	>=50	34.438,86	>=50	26.101,78	
	32.293,83		27.777,22		
Production personnel (non-continuous)	<=30	21.459,59	<=30		
	31-49	26.228,31	31-49	22.535,17	-6%
	>=50	22.293,28	>=50	24.346,12	
	24.949,60		23.521,49		

(*) Dark shaded boxes relate to information on a single person.

(1) Difference between men and women in the "Supervisor and middle managers" group is the group of men has more seniority than the women's group for the age bracket of over 50. Also, the two collectives are not quantitatively comparable.

(2) Difference between men and women in the "Administrative and technical personnel", the group of men is made up of sales persons and engineers whilst the women are administrative personnel and assistants to the sales persons.

(3) Difference between men and women in the "Production personnel" group", 31 to 49 age group, the women are mainly labourers whilst the men's group is made up of all categories of operators. Also, the two collectives are not quantitatively comparable.

(4) Difference between men and women in the "Non-continuous Production personnel" group, most of the men in the group men are maintenance and the group of women are paper handlers.

Information relating to the remuneration of Board members and Directors may be consulted in the Corporate Governance Annual Report which is part of FY2022 Annual Accounts, and also in the Board Members' Remuneration Report, both available on the following corporate website: <http://www.miquelycostas.com/>

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With regard to the average remuneration of Directors including all concepts established by Law, the details are the following:

Senior Management + Directors 2022	Men	Women
	184,060.58	224,891.11

Senior Management + Directors 2021	Men	Women
	148,209.23	161,518.54

With regard to employment of people with a disability, the data relating to gender and type of contract in the national companies for the years 2021 and 2022 were the following:

People with a disability per category and gender	Men 2021	Women 2021	Total 2021	Men 2022	Women 2022	Total 2022
Executive board members	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0
Directors	1	0	1	1	0	1
Supervisors and middle managers	0	0	0	0	0	0
Adm Personnel	1	0	1	0	1	1
Production personnel	3	1	4	3	1	4
Total	5	1	6	4	2	6

* Data on foreign subsidiaries is not included.

The Miquel y Costas Group complies (except for Terranova Papers, which is under review) with all requirements of legal and comprehensive provisions in force concerning disabled people's rights. In this case, and for the purpose of complying with the General Law of disabled people's rights and their social inclusion, given the special nature and complexity, from the perspective of safety at work, of job positions in the paper industry, the parent company and one of its subsidiaries have opted for requesting the certificate of exceptionality, while the remaining companies comply with their own personnel. This option and legal alternative allows for compliance with legal provisions in force by contracting certain production work with Special Employment Centres, an option which involves assistance and collaboration in job creation through said Centres. The Group has not adapted any workplaces for disabled people.

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Data related to absenteeism for 2021 and 2022 include the hours lost through illness, occupational accident and maternity or paternity:

Hours of absenteeism	Hours 2021	Hours 2022
Hours of absenteeism for Temporary Disability	78,823.84	68,163.28
Hours of absenteeism for health contingencies derived from Covid-19	10,243.64	4,647.45
Hours of absenteeism for Occupational accident	5,799.32	5,301.27
Hours of absenteeism for maternity/paternity	11,718.77	6,231.16

* Data on foreign subsidiaries is not included.

The current work schedules apply to all the employees and are in line with legislation in each country. The measures put in place to promote a work-life balance and the co-responsible use of this right by both parents are all those laid down in prevailing labour legislation, such as the reduction in working hours for childcare, parental leave, etc. The office personnel have a flexible working day, while production work is organised in rotating morning, afternoon, and night shifts, as well as a non-stop system (depending on the production centre).

The regulation and organisation of work is carried out in accordance with the collective agreements, with the State Collective Agreement for the Pulp, paper and card sectors, the State Collective Agreement for the graphic art, paper handling, card handling, publishers and auxiliary industries and the Province of Castellón's Collective Agreement for Merchandise Transportation Work by Road and its Annexes being applicable according to the kind of activity of the different centres. Likewise, respect for the union relations is guaranteed by the existence of freedom of association for the workers facilitating the existence of union platforms. The Group has not implemented a disconnection policy because the situations in question have not been identified and priority has not been afforded to developing and regulating such a policy.

As regards social dialogue, the Group is covered by the above-mentioned collective bargaining agreements and holds periodic meetings with the employees' legal representatives, using the communication mechanisms that are common practice in the business world. Meetings are regularly held with the employees' representatives (works committees and personnel delegates) to discuss various matters affecting labour relations in the work centres and meetings with the health and safety committees.

The employees' representatives are informed quarterly of trends in the economic sector to which the company belongs, the economic situation of the company and its evolution, forecast of new contracts and absenteeism statistics. Also the Group has a permanent channel for communicating with the maximum managing body through an inbox managed by the Audit committee, body delegated by the Board of Directors.

The Miquel y Costas Group management understands that occupational risk prevention associated with their activity is a key aspect of business management to which all those involved must pay the utmost attention and effort to continue ensuring a safe and healthy work environment for all those who provide services in the Group's facilities, both hired and external staff.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES

NON-FINANCIAL INFORMATION STATEMENT FY2022

With the aim of guiding all those members with management responsibilities in the Company, whether senior or middle management, the Miquel y Costas Group adopts the present Prevention Policy, expressed through the following principles:

- The Health and Safety of the workers (H&S) must be managed in agreement with the international standard ISO 45001:2018, with the same professional rigor as any other of the Company's key areas and all managers must specifically consider these aspects in any activities they carry out or order to be carried out, and in all decisions taken, as an integral part therein.
- Working safely must be inherent to the activity developed and, in order to enable this, the necessary resources will be provided to reach set objectives with the commitment to eliminate eventual dangers.
- Through express delegation from the General Management, ongoing implementation, and improvement of the H&S management system, will be sustained in the leadership of the Factory Management of each work centre, the commitment and involvement at all levels and functions within the organisation. In order to achieve this, the authority and responsibility of the Management of each area and chain of command will be essential to guarantee compliance with procedures, correct condition of equipment and installations, as well as the appropriate use of protective equipment, both collective and individual.
- Systems will be maintained and reinforced to enable the ongoing identification of dangers and assessment of labour risks as a basis for the establishment of appropriate measures and control programmes, moving towards continuous improvement.
- Although all employees are trained in risk prevention for the safe performance of their work, actions will be reinforced to broaden their knowledge beyond what is legally established so that personnel can anticipate the occurrence of accidents in the workplace.
- Mechanisms will be boosted for the participation and consultation of workers' representatives to enable fluent communication in the area of prevention and to promote their involvement in risk assessment processes and in the design and application of preventive programmes.
- Management will keep operative and will monitor the necessary prevention plans and programmes to enable the achievement of objectives set in the path towards continuous improvement, in addition to compliance with legal requirements and others subscribed by the company.

The collective bargaining agreements in the Miquel y Costas Group's national work centres, encourage compliance with the provisions of current occupational health and safety legislation, particularly those specified under Law 31/1995 of 8 November on Occupational Risk Prevention and related enabling regulations.

In addition, the National Collective Agreement for the pulp, paper and cardboard industry requests the fullest cooperation from all industry companies, with the Group participating very actively through the manufacturers' association Aspapel's ORP Technical Forum, which focuses on ensuring that preventive measures effectively reduce risks and potential accidents during the production process.

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Work centres' accident data in 2022 compared with 2021 are as follows:

In the workplace											
Centre ⁽¹⁾	No. acc. (men) 2021	No. acc. (men) 2022	No. accidents (women) 2021	No. accidents (women) 2022	Objective accidents 2021-2022	IF (2) 2021	IF (2) 2022	Objective IF 2021-2022	IG (3) 2021	IG (3) 2022	Objective IG 2021-2022
MCM. TUSET	0	0	0	0	(4)	0	0	(4)	0	0	(4)
P. ANOIA	0	0	0	0	(4)	0	0	(4)	0	0	(4)
MCT	0	0	0	0	(4)	0	0	(4)	0	0	(4)
MCEMA	0	0	0	0	(4)	0	0	(4)	0	0	(4)
DESVI	0	0	0	0	(4)	0	0	(4)	0	0	(4)
MCM BESOS	5	3	0	0	(7)	14.8	9.2	(8)	0.8	0.3	(5)
MCL	1	1	0	0	(4)	59.7	35.5	(4)	0.9	0.4	(4)
CELESA	6	3	0	0	(7)	41.7	21.3	(6)	0.5	0.2	(5)
MCM MISLATA	5	1	0	0	(7)	40.7	7.4	(6)	1.4	0.5	(6)
MCM CAPELLADES	0	2	1	0	(4)	4.2	8.7	(4)	0.1	0.2	(4)
MB	5	3	0	0	(7)	35.0	20.7	(6)	1.6	0.2	(6)
TP	3	1	0	1	(7)	29.8	20.3	(6)	0.6	0.5	(5)
CLARIANA	2	3	0	0	(7)	20.2	37.7	(5)	0.4	0.9	(8)

En route to work				
Centre ⁽¹⁾	No. accidents (men)		No. accidents (women)	
	2021	2022	2021	2022
Miquel y Costas & Miquel, Tuset work centre	0	0	1	0
Miquel y Costas & Miquel, Besós production centre	1	1	0	0
Papeles Anoia	0	0	0	0
Miquel y Costas Tecnologías	0	0	0	0
MCEMA	0	0	0	0
Desvi	0	0	0	0
Miquel y Costas Logística	0	0	0	0
Celesa production centre	0	0	0	0
Miquel y Costas & Miquel, Mislata production centre	1	1	0	0
Miquel y Costas & Miquel, Capellades production centre	0	0	0	0
MB production centre	1	0	0	0
Terranova production centre	0	1	0	0
Clariana production centre	0	0	0	0

- (1) Foreign subsidiaries are not included
(2) Frequency rate: number of accidents per million of worked hours
(3) Severity rate: number of days lost per thousand of worked hours
(4) Maintain 0 objective
(5) Not to surpass 80% of index per economic activity
(6) Equal the index per economic activity
(7) Reduction of the number of accidents by 20%
(8) Not to surpass 70% of the index per economic activity

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	INDEX 2021 PER ECONOMIC ACTIVITY
FREQUENCY INDEX	26.4
SEVERITY INDEX	0.84

Information obtained from the web [mites.gob.es/](https://www.mites.gob.es/) Statistics tables of work-related accidents 2021

The Miquel y Costas Group has as a reference framework a system for managing health and safety in the workplace based on regulation ISO 45001:2018, the objective, and the results forecast from the management system, of which is to prevent injuries and the deterioration of health related to work and to provide healthy and secure work environments. The implementation of the management system in accordance with this regulation was a strategic decision made by the organization in 2020. The Miquel y Costas Group holds its certification in accordance with regulation ISO 45001:2018, obtained by prestigious accredited entities and is internationally recognized.

As in 2021, in 2022, no professional illness has been identified or declared.

The management system's approach, based on the concept PDVA (Planning-Doing-Verifying-Acting), allows for a continued move forwards in continued improvement, for complying with fulfilment of the legal requirements and other requisites, as well as achieving the objectives established annually.

From the definition of the different work positions existing and in light of the training needs and/or training arising as a consequence of the objectives foreseen (defined by the Department/Area Head, Factory Management, Management and/or Division Management, for new products, processes or installations, for regulations applicable to the product or the process, for requisites of the Management System for Quality, Environment and Occupational Safety or changes in the Integrated Management System), a Training Plan is established annually. This guarantees training for personnel that could influence product quality, customer service, environmental aspects and all matters related to the positions they hold, which could improve their performance.

On an annual basis, the Group establishes the training plan for all Group employees, providing them (according to category and position) with the necessary training for the development of their daily activity. The objective of such training sessions could be the acquisition of new knowledge linked to their daily functions, the improvement of skills or the obtaining of certificates.

In addition, in certain cases, according to the career plans forecast, the company has provided certain directors access to specialised technical courses.

The number of training hours per professional category in 2021 and 2022 for national companies has been the following:

No. Hours of training per professional category	Hours 2021	Hours 2022
Directors	276	95
Managers and intermediate managers	1,811	716
Adm personnel	1,997	2,661
Prod personnel	1,683	2,340
Total	5,767	5,812

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4. Respect for Human Rights

The management of Miquel y Costas & Miquel, S.A. and its Group companies declares a firm commitment to assuring the respect for human rights in all areas and at all levels of the organisation. The prevalent feature of the Group's labour and human resources development policy has always been the principle of non-discrimination. Its guiding precepts being:

- Respect for personal rights and dignity, regardless of gender.
- Compliance of the guiding precepts of a conduct of integrity, honesty, and responsibility.
- Rejection of any form of discrimination.

Business policies have been defined in strict compliance with the fundamental principles and values promoted by the main international human rights organisations, such as the United Nations Organisation or the International Labour Organisation. Also, and on a continuous basis, the Miquel y Costas Group works for the improvement of individual and collective labour rights for all its workers, beyond those required by international bodies.

Labour policies approved by the Group are always established under the prevailing employment regulations or legislation, developing the corresponding due diligence procedures to assure compliance of said regulations or legislation.

Compliance with legislation on contracting and working conditions excludes the possibility of work situations that are abusive, forced or regarded as unlawful, such as child labour or human trafficking.

The different applicable collective bargaining agreements that govern labour relationships in the Miquel y Costas Group are independent of enterprises, with negotiations always remaining outside the company's core. Likewise, in the development of labour relations, negotiations take place in the heart of the company, which usually terminate with agreements that adapt, if not improve, the rights defined at state level in the different collective agreements.

Union and meeting rights are guaranteed for all workers, as legally established, as well as rights and guarantees set in the labour regulations for members of the existing workers' legal representation in all centres.

The Miquel y Costas Group makes the necessary resources, with regard to material and space, available to the different workers' legal representations and different union representations, for the successful development of their functions, in the interest of their organisations and represented parties, thus facilitating the holding of meetings and/or assemblies.

The union percentage is known and relatively low, as a consequence of having healthy and collaborative labour relationships, not exempt from occasional differences, but also not exempt from the search for ways to solve possible discrepancies.

On 28th November 2022, the Audit Committee and the Board of Directors examined, and approved respectively, the update of the Code of Ethics reinforcing even further the previous commitments with stakeholders and establishing new and solid commitments on political ethics. This shows the Group's willingness to protect Human Rights.

The Code of Ethics guarantees the commitment that the group has with regard to the development of its activities in accordance with some sound ethical values and compliance with that established in the legislation in force. It is the responsibility of the Board of Directors and Management to set an example and through the Compliance Officer, disseminate and orientate all their collaborators in compliance with the principles and standards established in it.

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All persons making up the Miquel y Costas Group have the obligation to respect the principles of the Universal Declaration of Human Rights and to develop their activities in a way that is aligned with the United Nations' 2030 Agenda. Commitments to which third parties who collaborate with any of the Group companies must also be bound.

In addition to compliance with legal obligations, and in accordance with our firm commitment to the Sustainable Development Goals (SDG) and with the Corporate Social Responsibility Policy implemented, social, labour, environmental concerns and respect for Human Rights arising from the relationship with the groups of interest are voluntarily integrated in the governance, management, and business strategies.

In response to the guiding principles, the parent company has implemented an "Equality Plan" which has already been outlined in section "3. Social and personnel-related matters", and are also in the phase of "Analysis of the diagnosis of the Equality Plan" for the work centres MB Papeles Especiales, S.A., Terranova Papers, S.A., Celulosa de Levante, S.A, and Clariana, S.A. Termination and implementation of all of them is forecast for 2023.

For years, a "Protocol for the prevention of moral and sexual harrassment" has been implemented and fully in force, but in their commitment to non-discrimination a new protocol has been developed for the for prevention of sexual harrassment with the aim of detecting, preventing, acting, informing and raising awareness among all the personnel.

As mentioned in last year's report, in agreement with the "People management procedure (PRGESRH)", the Miquel y Costas Group, twice a year, carries out employee satisfaction surveys in the centres of MB and Terranova Papers, measuring and analysing the results and, based on the values obtained in the different items, improvement actions are implemented.

In 2022, the following surveys were carried out: "Labour satisfaction survey", which analyses seven aspects of the labour environment; and "Direct Manager's evaluation survey", which evaluates ten points regarding the way the Immediately superior Manager works. Both surveys have been carried out in the Mislata and Clariana work centres. The results obtained are in the analysis phase.

The different surveys are carried out in accordance with the following objectives: biennial satisfaction surveys in the MB and Terranova centres; four-yearly evaluation surveys on HR by all the work centres; and annual evaluation surveys on the direct manager and on job satisfaction in 2 work centres which will change on a rotational basis each year in accordance with an established agenda.

Likewise and during the work carried out by the Negotiating Committee of the Equality Plan, an equality survey has been completed in the Capellades, Besós, Mislata, Corporativos Besós and Tuset centres with the objective of having a greater and better information available to be able to elaborate the most appropriate plan of action to be carried out during the four years that the Equality Plan is in force.

Given that ethical values drive the activity and build trust with both the personnel as well as the environment, it is essential to ensure respect for human rights and business policies, reporting any non-compliance with these principles. For such purposes, the Group has implemented a Whistleblowing Channel which, in agreement with the "European Directive related to the protection of people who report illegal activities and the abuse of Rights", all reports received will be diligently processed, with absolute confidentiality and ensuring the rights of the parties involved: the figure of the whistle-blower will be protected by the Audit Committee (body delegated by the Board of Directors) against any type of direct or indirect retaliation; additionally, the rights of any person who could be unjustly accused, or in bad faith, will be protected.

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In 2022, the same figure as the previous year has been maintained and no complaints related to discrimination, harassment or lack of respect for Human Rights have been received. Regarding other issues, 3 communications were received and processed the previous year and this year only one has been received, which has been evaluated and resolved by the Audit Committee and the conclusions reported to the sender.

Moreover, and in order to guarantee compliance with the guiding principles of the labour policy, the Group carries out training plans on ethics standards for all staff. Training is provided not only to key employees exposed to high risks but to all the workforce.

These training programmes are destined to disclose and guarantee compliance with the principles of the Code of Ethics and their commitment to the community and Human Rights, which include the complaints channel procedure and the sanctioning system.

Additionally, all newly recruited employees receive, on their arrival, a Welcoming Manual which includes, among others, information related to policies and procedures concerning business ethics and their compulsory compliance.

As explained in the following section, in 2022, ethical awareness tests have been carried out to ensure the understanding and adhesion of all personnel to the Group's guiding principles.

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5 Fight against corruption and bribery

The Audit Committee, as delegated responsible body, agreed, on November 27, 2017, and ultimately the Board of Directors ratified, on December 18, 2017, the Anticorruption and Antibribery Policy, in addition to the Code of Ethics and the Corporate Social Responsibility Policy.

On 28th November 2022, the same bodies have examined and approved the update of the Code of Ethics reinforcing even further the previous commitments with stakeholders and establishing new and solid commitments on ethical policies. In this way the Group's willingness is shown to fight for the prevention of corruption and fraud, money laundering, situations of conflict of interest or the risks involved in sensitive transactions (gifts, facilitation payments, cash payments, political contributions, donations); as well as, for the protection of Human Rights, own industrial and intellectual property and third party property, or of security of information and personal data.

The Code of Ethics, Corporate Social Responsibility Policy and Anticorruption and Antibribery Policy are applicable in all the companies of the Miquel y Costas Group and to all personnel providing services within.

In turn, they are also extendable, and their knowledge and adhesion are compulsory for all third parties who, in one way or another, collaborate with the Miquel y Costas Group, through representations and guarantees of anticorruption conduct (ethics clauses in contracts, due diligences).

The Anticorruption and Antibribery Policy reinforces the commitment held by the Miquel y Costas Group to develop its activities in agreement with the legislation in force, substantiated in the values of the Code of Ethics (integrity, transparency, equality, commitment, and excellence). And at the same time, it provides the principles for action and the necessary mechanisms to avoid any possible corruption or bribery.

Likewise, the Corporate Social Responsibility Policy has, in addition to strict compliance with legal obligations in force, been established for the voluntary integration in the government, management and business strategies, of the social, labour, environmental concerns and respect for Human Rights arising from the relations with stakeholders who make up this area and constitute the sustainable value of the Miquel y Costas Group.

In order to comply with the Code of Ethics, the Corporate Social Responsibility Policy and the Anticorruption and Antibribery Policy, the control model implemented to prevent criminal risks, is applied.

Since 2016, the Miquel y Costas Group has had their "Internal Control Model to Prevent Criminal Risks" implemented. This management and organisation model has been designed under the conviction and willingness to cover all areas of activity and includes the necessary measures of surveillance and control to prevent and detect crimes being committed (and with greater attention being paid to criminal breaches that could affect the legal entity), guaranteeing the company goodwill before third parties.

Through the Compliance Officer, legal regulations in force are complied with through the review, analysis and periodic supervision of control activities applied in the different processes exposed to the risk, in order to identify criminally punishable conduct and procedures, both internally and by third parties, and which occur within the Group or its activities, and to adopt appropriate measures in each case.

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Based on the implementation of the management system to control criminal risks, those criminal acts that could have a greater incidence are detected and prioritised, while identifying areas and processes that are most strongly exposed to the risk and mitigating control mechanisms. The management model is kept updated and, for such purposes, the following actions are performed:

- Periodic supervision of the effectiveness of existing controls;
- Action plans to establish new control mechanisms or improve existing ones;
- Internal audit plan of controls that are considered critical; and
- External audit to assess the management model.

Quarterly, the Group performs an internal follow-up on compliance with the control mechanisms implemented in the most exposed processes, extracting conclusions on the suitability of their design, assessing their operating effectiveness in the prevention or detection of offences that are particularly criminal, and actions follow.

Every three years, a diagnosis report is carried out through an external audit, assessing the compliance-management system to verify the degree of maturity and effectiveness, benchmarking the best practices, which includes its alignment with technical aspects and needs defined in the UNE 19601. The external audit carried out in 2022 has assessed, among others, the adequacy of the functions of the supervisory body and the monitoring arrangement of the system, concluding that there is a system of compliance management formally implemented in accordance with the requisites established in the Criminal Code.

The Audit Committee (body delegated by the Board of Directors) is in charge of supervising and approving the action carried out and the results obtained.

The Code of Ethics, as well as the Corporate Social Responsibility Policy and the Anticorruption and Antibribery Policy in force in all Miquel y Costas Group companies is public, consultable, and accessible (both internally and externally) on the following website: www.miquelcostas-gob.com

Management of compliance with this set of policies and procedures related to business ethics, and the resolution of consultations deriving from them, are centralised in the Audit Committee through the Compliance Officer, as well as the thorough examination of possible claims or suspicions regarding illegal acts being committed that could be processed through channels available in the Group.

In order to make it easier for personnel and third parties to report acts of non-compliance or illegal acts or suspicions thereof, it is considered mandatory to have internal reporting channels and procedures. The Miquel y Costas Group has implemented the Ethical Channel for this purpose.

Through a contact mailbox on its corporate governance site (mainly, for external use), and physical mailboxes available at each work centre (for internal use), all communications are collected and registered by the Compliance Officer, before being conveyed to the Audit Committee, who studies them, assesses them and adopts measures, with due diligence, as deemed convenient within the framework of the Miquel y Costas Group's internal control.

In agreement with the "European Directive related to the protection of people who report illegal activities and abuse of Rights", all reports received will be diligently processed, with absolute confidentiality and ensuring the rights of the parties involved: the figure of the whistle-blower will be protected by the Audit Committee against any type of retaliation, direct or indirect; additionally, the rights of any person who could be unjustly accused or accused in bad faith will be protected.

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In the period subject to the present report, there are no confirmed cases of corruption, bribery, fraud, money laundering or any type of offence contemplated under criminal risks, including those related to the security of information and data protection. As a consequence, derived from this:

- There has not been any warning or dismissal of any employee.
- There has not been any termination or lack of renewal of contracts with any business partner.
- The Group has not received lawsuits for this reason, neither against the organisation nor any of its employees.

The totality of centres located in national territory and the most significant risks related to corruption have been assessed.

Centres distributed per typology are detailed below:

- Industrial: Miquel y Costas y Miquel S.A. (Besós centre, Mislata centre, Capellades centre), MB Papeles Especiales S.A., Terranova Papers S.A., Celulosa de Levante S.A., Miquel y Costas Logística S.A. (Pas de l'Aigua centre, Betxí centre), Clariana S.A.
- Commercial: Papeles Anoia S.A., Sociedad Española Zig-Zag S.A.
- Services: Miquel y Costas & Miquel (Tuset centre), Miquel y Costas Tecnología S.A., Miquel y Costas Energía y Medioambiente S.A.

The most relevant risks related to corruption and linked to the group's activities are detailed below, due to their probability of occurrence or impact:

- Fraud and scams.
- Thwarting enforcement.
- Criminal insolvency.
- Money laundering.
- Bribery.
- Influence peddling.

In addition, and due to the seriousness that an occurrence could suppose and the relevance that, currently, aspects related to cybersecurity are having, we are adding the following to the previous list, and they are also among the most relevant risks:

- Security of information

The principle of "zero tolerance" to corruption and fraud is more important than making a profit based on action contrary to the Code of Ethics. With this objective of strengthening the position with regard to zero tolerance of acts of corruption or any crime contemplated within the criminal risks, the Group carries out training plans on ethics standards, for all staff. The training is not only given to key employees exposed to high risks, but to all personnel.

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These training programmes are destined to ensure the application of the risk prevention procedure and to identify possible warning signs, as well as disclosing and guaranteeing compliance with the Code of Ethics principles, the Corporate Social Responsibility Policy and the Anticorruption and Antibribery Policy which include the whistleblowing channel and sanctioning regime.

In addition, in 2022 evaluation tests have been carried out to ensure awareness of and adhesion of all personnel to the Group's ethical principles. The rating obtained guarantees to us the understanding of their content and the consequences of non-compliance of them.

At 2022's close:

- All members of the governing body have received information on the policies related to corporate ethics and training on the organization's anti-corruption procedures, within the reporting protocol and periodic and continued orientation which has been followed in previous years.
- 100% of those newly hired this year, have been informed of policies and procedures that govern the group's activities and of the ethics principles which define their conduct, including the Anticorruption and Antibribery Policy, as established in internal regulations and has been complied with in the last few years.
- 97% of personnel have received training on ethical standards of the organisation, corresponding to the percentage pending for those recently hired or with temporary disabilities, a range that is within the levels of tolerance for the evolution of the activity and in line with the previous year.
- 80% of the personnel have completed the ethical awareness tests, with positive results being obtained. The percentage pending is due to organisational issues and will be carried out in 2023. This training is included within the Training Plan to ensure the update and reminder of all personnel's knowledge on the subject.

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6. Society

The Group stays permanently in contact with its local communities, including education authorities, businesses, municipal entities, and sectorial groupings linked to the activity that the group carries out. The purpose of this relationship is to maintain a source of information and communication on potential collaborations and establish close contacts among industry companies and associations to improve management, share knowledge of different situations, as well as the potential economic promotion of population or area in which the Group companies are located.

Through the Miquel y Costas Foundation, promoted within the Group, most collaborations with the different stakeholders are materialised, such as, for illustrative purposes, collaboration in educational programmes in our stakeholders' communities.

Concerning the relationship with business associations, the Group (through its companies or through the Miquel y Costas Foundation) is a sponsoring member of Museu Molí Paperer de Capellades (Barcelona) and is member of the business association of the Anoia UEA region (Unió Empresarial de l'Anoia).

Donations made by the Group in the year have amounted to 100 thousand euros (85 thousand euros the previous year), almost all of which have been channelled through the Miquel y Costas Foundation, which in turn has reverted it to society.

A) Purchases

Principles that govern the Commitment with Suppliers

One of the key pillars in the development of the Group's activity is based on the provision of assets and services prioritising quality, competitive prices, deadlines, respect for the environment, product safety and professional services. One of the key mechanisms for achieving this objective is the construction of a reliable and sustainable value chain which allows a shared value to be generated at the same time as facilitating the obtaining of greater economic value.

In order to create and maintain this value chain, the Group is governed by the principles of legality, ethics and respect, guided by screening criteria based on objectivity and transparency and establishing minimum standards of compliance to which all our suppliers must commit. All the decisions adopted in this area must be accredited, in the sense that they must be justifiable, ascertainable, and verifiable in the case that there is an inspection by the Group's supervisory bodies or even by third parties.

To guarantee these principles, the suppliers must adhere to the Group's Code of Ethics or accredit the compliance and commitment of one that meets the same standards and particularly, commit to respecting human and labour rights of their personnel. The Group does not tolerate the violation of any of the principles detailed in the Code.

Management of Suppliers

The Group maintains a close and regular dialogue with suppliers, mainly through the Corporate Purchasing Department. From the Risk analysis an identification of strategic suppliers, per volume, and incidents in the activity and impact on the environment and society is established, highlighting the energy and raw material suppliers, particularly those suppliers of cellulose, pulp and chemical products.

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The majority of these suppliers, except for energy suppliers are managed in a centralised way by the Corporate Purchasing Department, made up of an interdisciplinary team which periodically manages the raw material orders from the many suppliers situated in diverse locations all over the world, analysing the stock available and future needs. With regard to the rest of the production materials, the department takes care of the negotiation of prices and delivery conditions with each one of the suppliers, and each centre takes responsibility for quantifying the needs of the materials (product, quantity and delivery date).

The energy suppliers are managed in a centralised way by an area specialist in this field, led by the Group's Senior Management with the objective of adapting the supplies to the most immediate needs of the Group, but always looking for a balance with strategy mid-term designed to try to ensure stability and greater efficiency in the activity and commitments to society and the environment.

The suppliers of big investments destined for renovation, or the refurbishment of equipment, machinery and installations are managed in a centralised way by a team that is specialized in the development, execution and management of products, solutions, applications and industrial technology systems related to areas of the Group's activity.

In all cases, the criteria, both in selection as well as evaluation of the existing suppliers, are clearly defined in the Group's procedures in force and are based on the balance between economic criteria and high standards of quality, always taking into consideration the commitment and compliance with practices destined to the protection and safety of the environment. The labour and society regulations and compliance of governance play a decisive role and in the last few years they have become requirements that are more and more key for the Group, which actively encourages their suppliers to improve sustainability to be able reach our high requirements in these aspects.

The management of Suppliers during this financial year

In 2022, despite the impacts of the pandemic, the Group has known how to maintain the supply capacity of all the raw materials necessary for the normal functioning of the activity, monitoring at all times the stock of our plants and the supply capacities of the strategic suppliers.

The most relevant events in the period have been, on the one hand, the disproportionate increase of the cost of the maritime fleets which has affected all our transoceanic purchases and sales as well as the strong industrial inflation which was emphasised mainly in the first half of the year. On the other hand, the start of the conflict in Ukraine which caused tension with regard to the price and the availability of some products originating from this area, but due to an early reaction, availability was guaranteed at all times.

The Group's panel of suppliers is very stable, and it has not been necessary to include any new ones during the year. At the end of FY2022, the Group established the continued monitorisation of their supply chain with regard to sustainability aspects and CSR as an objective. For this, it has been introduced an indicator within the assessment criteria of suppliers which puts special emphasis on the subject of governance. The Group has established as an objective for 2023 assessment of 100% of the strategic suppliers.

Supply Chain

The Purchasing department is in charge of supplying the necessary materials to ensure the needs of all the production plants are met. The production material is divided into the following families: pulp, chemical products, rings, packaging, material for books for rolling papers and vestments.

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The information on suppliers involved in each of the families is outlined in the following table:

FAMILY	Nº SUPPLIERS	PURCHASING AMOUNT (M€)	% SPAIN (in €)	%Rest of EU (in €)	%EXTRA-EU (in €)
Pulp	16	79.4	32.7%	43.8%	23.5%
Chemical Prod	71	23.9	79.9%	20.1%	0%
Rings	3	1.6	100%	0%	0%
Packaging	70	6.0	100%	0%	0%
Mat. Books	3	5.2	100%	0%	0%
Vestments	6	1.1	14%	86%	0%

As global leaders in quality of our products we may only use that pulp which offers the best technical characteristics, that which can only be found in a radius that moves away from the influence of the European Union. However, to maintain and guarantee the effective compliance of the Group's minimum requisites and commitments, 100% of the cellulose suppliers selected have the two most internationally recognized custody chain forestry certificates, FSC and PEFC. Both certificates certify that the cellulose manufacturers comply with the highest standards of quality and commitment to the principles that govern both "zero deforestation", and in the conservation of indigenous species and indigenous tribes within the regions where logging takes place. In addition, both certificates ensure the protection of the workers' rights, in accordance with the International Labour Organisation's (ILO) International Work Regulations. These requisites include the effective abolition of child labour, the elimination of all forms of forced or compulsory labour, the elimination of discrimination in the area of employment and occupation, respect for union freedom and effective recognition of the right to collective negotiation, having to guarantee the protection of the workers through specific support from their rights and maintaining or increasing their social and economic wellbeing.

As a consequence of this supply policy, 41% of the cellulose purchased was FSC certified, and the remaining 59% was FSC controlled, of which 62% was PEFC certified. These figures give a positive response to the requirement for the pulp to be certified in both custody chains.

With regard to the chemical products, the Group promotes collaboration with suppliers operating at national level, reaching 80% of the total of suppliers of this group of products, with the objective of contributing to the minimization of the carbon footprint and fostering growth and sustainability in our community. The remainder of the purchases concern highly technical products which cannot be found locally however are within the area of the European Union.

As for the groups of rings, packaging and material for the manufacture of books of rolling papers, 100% of local suppliers has been reached. What is more they are all within a distance radius of less than 60 km from our production centres, contributing in this way to minimizing the impact of the carbon footprint of these products.

Lastly, with regard to the group of vestments, these are very technical products which few manufacturers can supply, therefore we have been obliged to extend to intra-community level given that the manufacturing capacities in Spanish territory are very limited, but always staying within Europe.

Certification and evaluation of suppliers

The Group has a general supplier evaluation procedure which establishes and regulates the system of selecting, evaluating and monitoring them in their centres, determining their aptitude to comply with the requirements related to the quality of each product and services, and which includes environmental and custody chain criteria for the raw material of forestry origin. In addition, the Group, on contracting

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all the suppliers, informs of the policies of the Code of Ethics, Corporate Social Responsibility and Anticorruption Policy and verifies the Supplier's social dimension, checking its approach in the prevention and mitigation of a negative social impact in the supply chain.

With regard to the panel of strategic suppliers, the Purchasing Department carries out an assessment of the suppliers that supply material for the industrial y business activity taking into account aspects related to:

- **Quality:** The previous year's non-conformities are reviewed, and the number of deliveries and the non-conformities reported in the review period are recorded.
- **Economic:** The suppliers of a product are classified according to the prices offered.
- **Delivery deadlines:** Suppliers that do not comply with our planned delivery dates are penalized.
- **Environment:** Suppliers that have EMAS certification, ISO 14001 certification or simply have an environmental policy are evaluated in a different way.
- **Service and Assistance:** Together with the R&D Department the level of cooperation and support in both technical and commercial matters are evaluated.
- **CSR:** This year our suppliers have begun to be assessed according to CSR criteria. Our suppliers have to provide clear evidence that they have a sustainability report, clear CSR policies or, at least, that they can show their commitment to human rights, compliance with the legislation in force in matters concerning tax, labour, health and safety, management of incidents or deviations from their CSR or Code of Ethics.

In 2022 a more thorough and continuous monitoring of this last requirement was introduced, with the aim of being able to review it in 100% of the strategic suppliers in 2023. Of 100% of the suppliers reviewed, 64% are within the compliance ranges. 100% of the strategic suppliers (173) have been assessed under all these parameters, obtaining an average rating of **87.2 out of 100**.

As well as these annual evaluations, the Purchasing Department, together with R&D carries out supplier audits periodically, during which they review all the parameters and the relevance of commitment to complying with economic, social and environmental standards is emphasised.

Additionally, all those suppliers that carry out work in the installations of Miquel y Costas & Miquel, S.A. and their Group, must guarantee compliance with the policies and procedures of the Group in social and environmental matters.

B) Tax Information

The Group receives certain aid to promote public policies aligned with those of the Group. Details of this aid can be consulted in Note 14 section a) of the consolidated annual accounts of FY2022.

The Group has established a control mechanism to ensure regulatory compliance in tax matters in the countries where they operate. In addition, the Group has hired assessors in the different countries where it has a corporate presence, which assess them in terms of "tax compliance" and regulatory changes. In 2022, none of the Group companies has been subject to material penalties of a fiscal nature (nor in 2021).

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Net profits obtained by country, as well as payments linked to corporation tax carried out in 2022, are as follows:

COUNTRY	PROFIT BEFORE TAX	PAYMENTS FOR CORPORATION TAX **
SPAIN	40,321	9,473
REST OF COUNTRIES (Subsidiaries)*	737	289
TOTAL	41,058	9,762

Data in thousands of euros.

* Rest of countries (Subsidiaries) includes mainly Argentina with 85% of the operations under this heading.

** Payments carried out for corporation tax corresponding to fiscal years 2022 and 2021.

Net profits obtained country by country, as well as the payments linked to the corporation tax carried out in 2021, are as follows:

COUNTRY	PROFIT BEFORE TAX	PAYMENTS FOR CORPORATION TAX **
SPAIN	65,062	15,040
REST OF COUNTRIES (Subsidiaries)*	1,996	700
TOTAL	67,058	15,740

Data in thousands of euros.

* Rest of countries (Subsidiaries) includes mainly Argentina with 85% of the operations under this heading.

** Payments carried out for corporation tax corresponding to fiscal years 2021 and 2020.

C) Consumers

The Group complies with legislation in force in the countries where its products are sold. Most are industrial products that are included in other companies' production processes. Products used in the food industry fulfil all requirements to guarantee the health and safety of consumers and, in the case of Terranova Papers, meet the BRC-IOP standard and in the case of Mislata the Standard ISO 22000. Product technical specifications are defined by clients, with no client claims having been received in relation to consumer health. Derived from the quality management system certified under standard ISO 9001, procedures have been established for the communication, reception, management, and resolution of any incident or claim that could take place, presented by our clients.

This report is available on the website www.miquelcostas.com

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Appendix I. Traceability table under the requirements of Law 11/2018 and of the European regulation on taxonomy

SCOPE	Content	Report framework	Section in this report
Business model	Brief description of the group's business model, including: 1.) business context 2.) organization and structure 3.) markets in which it operates 4.) objectives and strategies 5.) main factors and trends that may affect its future performance.	GRI 2-1 GRI 2-2 GRI 2-6 GRI 3-3	1. Business model
Policies	A description of the policies applied by the group in relation to environmental matters, social issues, respect for human rights, respect for combating corruption and bribery, and those related to personnel, including any measures that, where applicable, may have been adopted to promote the principle of equal treatment and opportunities for women and men, non-discrimination and inclusion of the disabled and universal accessibility.	GRI 3-3	These are described throughout the chapters of the NFIS
S/T, M/T and L/T risks	The main risks related to these matters linked to the group activities including, where relevant and proportionate, its commercial relationships, products or services that could have adverse effects on those areas; and * how the group manages those risks, * explaining the procedures employed to detect and assess them in accordance with the national, European or international reference frameworks for each area. * Information must be included on any impacts detected, providing a breakdown, particularly of the main short-, medium- and long-term risks	GRI 3-3	These are described throughout the chapters of the NFIS
Environmental matters	Overall Environment		
	1.) Detailed information on the current and foreseeable effects of the company's activities on the environment and, if applicable, on health and safety, environmental assessment or certification procedures; 2.) Resources devoted to preventing environmental risks; 3.) Application of the precautionary principle, the amount of provisions and guarantees for environmental risks. (e.g. under environmental responsibility legislation).	GRI 3-3	2. Environmental matters
	Pollution		
	1.) Measures to prevent, reduce or repair carbon emissions that seriously affect the environment. 2.) Taking into account any form of atmospheric pollution specific to an activity, including noise and light pollution.	GRI 305-7 GRI 303-4	2. Environmental matters
	Circular economy and waste prevention and management		
	Circular economy;	GRI 306-3 GRI 306-4 GRI 306-5	2. Environmental matters
	Waste: Measures for the prevention, recycling, reuse, other forms of recovery and disposal of waste;		
	Actions to combat food waste.	NA	Not reported, non-material
	Sustainable use of resources		
	<u>Consumption of water and water supply in accordance with local limits;</u> <u>Consumption of raw materials and measures adopted to use them more efficiently;</u> <u>Direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energies.</u>	GRI 303-3 GRI 303-5 GRI 3-3 GRI 301-1 GRI 302-1	2. Environmental matters

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SCOPE	Content	Report framework	Section in this report
	Climate change		
	Significant aspects of the greenhouse gas emissions generated by the company's activities, including the use of the goods and services produced;	GRI 3-3 GRI 305-1 GRI 305-2 GRI 305-5	2. Environmental matters
	Measures to adapt to the consequences of climate change;		
	Medium- and long-term reduction targets set voluntarily to reduce greenhouse gas emissions and the means implemented to this end.		
	Protection of biodiversity		
	Measures taken to preserve or restore biodiversity;	GRI 3-3 GRI 304-1 GRI 304-2	2. Environmental matters
	Impact of activities or operations on protected areas.		
	Taxonomy of Sustainable Finance		
	Proportion of activities aligned and not aligned according to taxonomy in: the business volume (turnover), investments in fixed assets (CapEx) and operating expenses (OpEx).	(EU) Regulation 2020/852, (EU) Delegated Regulation 2021/2139, (EU) Delegated Regulation 2021/2178 y (EU) Delegated Regulation 2022/1214	2. Environmental matters
Social matters and those related to personnel	Employment		
	Total number and distribution of employees by gender, age, country and professional category;	GRI 2-7 GRI 405-1	3. Social and personnel-related matters
	Total number and distribution of employment contract types;		
	Annual average of indefinite contracts, temporary contracts and part-time contracts by gender, age and professional category;		
	Number of lay-offs by gender, age and professional category;	GRI 3-3	3. Social and personnel-related matters
	Average remunerations and their evolution broken down by gender, age and professional category or equivalent value;	GRI 3-3	3. Social and personnel-related matters
	Wage gap, remuneration for the same positions or the company's average remuneration;	GRI 405-2	3. Social and personnel-related matters
	Average remuneration of the Board of directors and senior management, including variable remuneration, subsistence, indemnities, payments to long-term savings schemes and any other remuneration broken down by gender;	GRI 3-3	3. Social and personnel-related matters
	Implementation of 'right to disconnect' policies;	GRI 3-3	3. Social and personnel-related matters
	Disabled employees.	GRI 405-1	3. Social and personnel-related matters
	Work organization		
	Organization of working hours	GRI 3-3	3. Social and personnel-related matters
	Number of hours of absenteeism	GRI 3-3	3. Social and personnel-related matters
	Measures to facilitate a work-life balance and encourage the co-responsibility from both parents.	GRI 3-3	3. Social and personnel-related matters
	Health and safety		
	Conditions of health and safety in the workplace;	GRI 403-1 GRI 403-4b	3. Social and personnel-related matters
Occupational accidents, particularly frequency and severity, professional diseases, broken down by gender.	GRI 403-9 GRI 403-10	3. Social and personnel-related matters	

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SCOPE	Content	Report framework	Section in this report
	Labour Relations		
	Organization of social dialogue, including procedures to inform and consult personnel and negotiate with them;	GRI 3-3	3. Social and personnel-related matters
	Percentage of employees covered by collective bargaining agreements by country;	GRI 2-30	3. Social and personnel-related matters
	Assessment of the collective agreements, particularly in the area of occupational health and safety.	GRI 403-4	3. Social and personnel-related matters
	Mechanisms and procedures to promote the workers' implication in the company's management, in terms of information, consultation and participation.	GRI 3-3	3. Social and personnel-related matters
	Training		
	Implemented training policies;	GRI 404-2a	3. Social and personnel-related matters
	Total training hours per professional category.	GRI 404-1	3. Social and personnel-related matters
	Accessibility		
	Universal accessibility for the disabled	GRI 405-1	3. Social and personnel-related matters
	Equality		
	Measures adopted to promote equal treatment and opportunities between women and men;	GRI 3-3	3. Social and personnel-related matters
	Equality plans (Chapter III of Organic Law 3/2007 of 22 March for the effective equality of women and men), measures taken to promote employment, sexual and gender harassment protocols, integration and universal accessibility for the disabled;		
	The policy against all kinds of discrimination and, if applicable, on diversity management.		
	Human rights		
	Application of due diligence procedures in relation to human rights; Prevention of risks of infringement of human rights and, if applicable, measures to mitigate, manage and repair any abuse committed;	GRI 3-3 GRI 2-23	4. Respect for human rights
	Reports filed for cases of infringement of human rights;	GRI 2-26 GRI 406-1	4. Respect for human rights
	Promotion and fulfilment of the provisions of the fundamental conventions of the International Labour Organization relating to freedom of association and the right to collective negotiation;	GRI 3-3	4. Respect for human rights
	Elimination of discrimination in the field of employment and occupation;		
	Elimination of forced or compulsory labour;		
	Effective abolition of child labour.		
	Corruption and bribery		
	Measures taken to prevent corruption and bribery;	GRI 3-3 GRI 2-23 GRI 205-1	5. Fight against corruption and bribery
	Measures to combat money laundering.	GRI 3-3 GRI 2-23	5. Fight against corruption and bribery
	Contributions to foundations and non-profit entities.	GRI 3-3	5. Fight against corruption and bribery
	Society		
	Company's commitments to sustainable development		
	The impact of the company's activity on employment and local development;	GRI 3-3	6. Society

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SCOPE	Content	Report framework	Section in this report
	The impact of the company's activity on local populations and the territory;	GRI 3-3	6. Society
	Relations and modes of dialogue held with members of local communities;	GRI 2-29	6. Society
	Association or sponsorship actions.	GRI 2-28	6. Society
	Subcontracting and suppliers		
	The inclusion in the purchasing policy of social, gender equality and environmental matters; Consideration of social and environmental responsibility in relations with suppliers and subcontractors;	GRI 3-3 GRI 2-6 GRI 308-1 GRI 414-1	6. Society
	Supervisory and audit systems and related findings.	GRI 3-3	6. Society
	Consumers		
	Consumer health and safety measures;	GRI 3-3 GRI 416-2	6. Society
	Claim systems, complaints received and solutions.	GRI 3-3	6. Society
	Tax information		
	Profits obtained country by country	GRI 207-4	6. Society
	Profit tax paid	GRI 207-4	6. Society
	State grants received	GRI 201-4	6. Society