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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 2023



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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 2023 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 attached 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 International Standard on Quality Management (ISQM) 1, that requires the firm to design, implement and operate a quality management system which includes policies and procedures related to compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



The engagement team consisted of 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 as well as to the various responsible units and areas of the Group 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 FY2023 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 FY2023.
- Review of the information concerning risks, policies and management approaches applied in relation to material issues presented in the NFIS for FY2023.
- Verification, through sample testing, of the information relating to the content of the NFIS for FY2023 and its adequate compilation using data supplied by the information sources.
- Obtaining a representation letter from the Directors and Management.



Conclusion

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 2023 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

In accordance with the European Parliament and Council’s (EU) Regulation 2020/852 of 18th June 2020 related to establishing a framework to facilitate sustainable investments, as well as on the basis of the Delegated Acts promulgated in accordance with the provisions of said Regulation, there is an obligation to disclose information on how and to what extent the company’s activities are associated with eligible economic activities in relation to environmental objectives of sustainable use and protection of water and marine resources, transition to a circular economy, prevention and control of pollution and protection and restoration of biodiversity and ecosystems (the remaining environmental objectives), and for certain new activities included in the climate change mitigation and adaptation objectives, for the first time for FY2023, in addition to the information on eligible and aligned activities already required in FY2022 in relation to the climate change mitigation and adaptation objectives. Consequently, the attached NFIS does not include comparative information on eligibility in relation to the rest of the abovementioned environmental objectives or the new activities included in the climate change mitigation and adaptation objectives. Furthermore, to the extent that information related to FY2022 was not required with the same level of detail as in FY2023, in the attached NFIS the breakdown of information is not strictly comparable. 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, enable best compliance with the aforementioned obligations and which are defined in section 2.10 “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, 18th April 2024

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 FY2023

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 (2022) 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.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

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

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, cellulose pulp and other types, and more recently, coloured paper and card.

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, services and other 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.

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

NON-FINANCIAL INFORMATION STATEMENT FY2023

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 speciality 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 product 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 2023, the main market being OECD countries at 31%, the European Union at a little over 30%, while the rest of the world accounted for 26%.

In 2023 geopolitical tensions existing in 2022 have remained latent (armed conflict between Russia and Ukraine and the deterioration of business relations between Spain and Algeria). Their duration remains undetermined and international trade in both areas continues to be disrupted.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

The international stage in which the parent company and most of the Group companies operate exposes them to the 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.

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.

To address 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, and having the very latest technology available, (much of which is exclusive), to increase productivity and maintain the level of quality in their range of products.

As the Group demands 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 by current regulations in force. Information on this section is detailed in the Annual Corporate Governance Report which forms part of the Annual Accounts for FY2023, and also on the corporate website <https://miquelycostas.com/informacion-corporativa/#gobiernocorporativo>.

2. Environmental Matters

2.1 The effect of business activity on the environment

The Miquel y Costas Group stands out within the value chain of the paper sector due to its specialisation in fine papers, concentrating specifically on the manufacturing and commercialisation of papers for the tobacco industry, industrial products, and printing papers. Their strong commitment to sustainable development is reflected in the achievement of clear and demanding objectives. The company seeks to actively contribute to the preservation of the environment and the mitigation of climate change. This commitment is manifested in both direct and indirect effects on sustainability, such as the adoption of efficient and responsible production processes, appropriate forest management, the protection of biodiversity, improvements in the quality of life and the generation of wealth in the environments in which it operates.

In this sense, the environmental policy of the Miquel y Costas Group focusses on two key objectives: first, to guarantee the constant conformity of the products supplied to customers with the established standards, ensuring operational and human conditions for a continuous and cost-effective improvement of quality; second, to develop activities with the highest respect for the environment, minimising impacts that derive from core and auxiliary operations in all production centres. In line with the above, the Group's Corporate Social Responsibility Policy, in addition to working to ensure strict compliance with current legal obligations, voluntarily incorporates environmental concerns, such as climate change mitigation, the promotion of responsible forest management, the protection of biodiversity and the sustainable use of water, demonstrating a high commitment to environmental protection.

The wood used to produce cellulose, which is acquired from suppliers outside the Group, 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 indirect social and economic benefits, it is important to highlight the Group's contribution, through its supply chain, to rural development as boosting the creation of employment and wealth, as well as fostering sustainable growth in the forestry 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 clean and renewable fuels.

As detailed in the following sections, significant achievements are being made in the saving of natural resources, the reduction of emissions, the increase of energy efficiency in production centres, the adoption of renewable energies and the management of waste generated in the different processes.

2.2 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 national territory, in addition to the headquarters.

The 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 Besós and Mislata, MB Papeles Especiales, S.A., Terranova Papers, S.A., Celulosa de Levante, S.A and Clariana, S.A.

The certification UNE-EN ISO 50001, on energy management systems, was obtained in 2022 for all of the production centres, except Besós, which obtained the certification during the year 2023. 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 supports the efficient management of energy aspects linked to industrial activities, using control tools and continued improvement to reduce energy consumption and maximise energy efficiency.

- Standard BRCGS Packaging Materials, for Terranova Papers, is an international standard that defines hygiene-sanitary requirements to be met by packaging and wrapping. This standard ensures food safety, legality, and quality for the consumer.
- Standard ISO 22000, for Miquel y Costas & Miquel in the manufacturing centre located in Mislata (Valencia). This certification demonstrates compliance with the strictest standards of food hygiene and safety and ensures the safety of the materials that are in contact with the food manufactured, also including those packaging and wrapping materials that come into contact with food, as well as their high level of safety.
- Custody chain standards FSC-STD-40-003, FSC-STD-40-004, FSC-STD-50-001, PEFC-ST-2002:2020 and PEFC-ST-2001:2020 cover all production centres, except for Celulosa de Levante, for which it is not applicable. These standards define the necessary requirements to ensure the responsible sourcing of forestry raw materials and to guarantee their traceability throughout the supply chain. The Group prioritises the procurement of raw materials from regions with responsible practices, respect for human rights and traceability to the place of origin, thus contributing to preserving ecosystems, preventing the loss of biodiversity and promoting respect for the environment.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

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 carrying out the corresponding verification and control:

- 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® (FSC-C041521) or PEFC (PEFC/14-33-00022) 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, 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 an FMEA (Failure Mode and Effect Analysis). As a result, preventive action and improvement/ objective plans 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 are:

- Possible breach of the thresholds laid down in the Integrated Environmental Authorisations (IEAs) for different environmental aspects such as emissions, waste, effluents, 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.
- The procedure for identifying and assessing environmental and energy aspects (PRSAM01) establishes the methodology for identifying and assessing the environmental and energy impacts arising from 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: atmospheric pollution, abiotic depletion, and global warming.
 - Waste: impacts associated with waste management (decrease in natural resources, atmospheric pollution, water pollution and landfill clogging).
 - Discharges or sewage: reduction in water quality, aquatic ecotoxicity and indirect impacts associated with water purification.
 - Noise and light: disturbance and possible harm to health.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

- 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 efficiency, this procedure implements the energetic review, performance indicators and the energy baseline. It details the planning for energy data collection, establishes operational control and provides guidelines for the design and acquisition of installations, equipment, systems and processes.

In order to supervise the application of these environmental and energy-related policies, procedures and objectives, the General Internal Audit Procedure (PRAUD01) is used, which formalises the performance of internal audits in all production centres under specific standards and rules applicable to each of them. On a half-year basis, the correct functioning of the operating control and compliance with environmental and energy policies, objectives and legal requirements, as described in the PRAUD01 and in the Operating Control Procedure (PRSAM04) is verified.

Additionally, annual external audits are performed by companies certified under the abovementioned standards. To reduce the impact on climate change, the Miquel y Costas Group involves its supply chain, assessing suppliers annually on the environment and on energy through specific certificates and performance, as outlined in POLCAM. The rating obtained, together with second party audits, is used to guide purchasing decisions. For more information, consult section 6 (Society) of this report.

2.3 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 2023, total net environmental investments in national companies, deducting grants received, have amounted to €3,616 thousand euros (6,060 thousand euros in 2022).

Within the framework of the production process, resources have mainly focused on the optimisation of energy consumption to mitigate climate change, as well as to boost efficiency in the use of raw material and water, in this way favouring the reduction of waste and minimising the use of natural resources.

Concerning investments not directly related to the production process, resources have mainly been dedicated to projects that include the installation of a new manufacturing-reclaimed-water tank to maximise water reuse, to the development of a new sludge drying facility, to 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.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

2.4 Environmental protection and responsibility

In 2023, the total environmental protection costs incurred by the Group in Spain, excluding revenue from the sale of by-products and excluding expenses arising from CO₂ emission rights, have amounted to € 4,744 thousand (€4,986 thousand in 2022). They included no extraordinary items and derived mainly to the social contribution through charges paid for the use of water established by the Autonomous Regions, as well as consumption of raw materials and energy in environmental protection activities and costs related to waste collection and treatment. Until the end of 2023, the Group has no knowledge of contingencies related to environmental protection and improvement. In 2022, there were no contingencies related to this area either.

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 Miquel y Costas & Miquel, S.A.'s production centre located in Capellades (Barcelona), the logistic and production 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. Likewise, for the same reason, this report does not include the foreign subsidiaries either.

Data reported hereafter is based on tonnes produced:

t prod	2022	2023	Variation 2022-2023
Product	97,698	85,278	-12.7%

It is important to highlight that in 2023 the Group recorded a 12.7% decrease in its total production compared to the previous year. This decrease is attributable to special circumstances (weak demand in some business segments, investments...) which resulted in lower manufacturing activity in some production centres, affecting the normal production rate, penalising efficiency and, therefore, worsening some specific ratios.

2.5 Pollution and Climate Change

The Miquel y Costas Group is committed to reducing their greenhouse gas emissions (hereinafter, GHG) and to improving the sustainability of their products and services. In 2023 they made public their Climate Transition Plan (CTP) with which they seek to reduce their GHG emissions by 51% for 2030 (base year 2018) and aims to reach 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 and energy efficiency in all production centres, aligned with the Paris Agreement's objective of limiting the increase in global temperature to 1.5°C. The CTP, included in the Group strategy, establishes specific objectives and action to meet climate commitments.

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 and implementation of the Group's Climate Transition Plan. 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 Executive Chairman and Chief Executive Officer, who align 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 Executive Chairman defines the environmental objectives for the organization, based on the proposal from Miquel y Costas Tecnologías (MCT) and informs the BD on revenue, direct and indirect costs and investments, including those related to climate change. Later they are presented for approval by this body, which periodically reviews and compares with the targets the operational and financial performance that may be affected by climate-related issues. These issues are also taken into account when analysing possible acquisitions, mergers and divestments during board meetings. In addition, budgets are validated on an annual basis and every three years the Strategic Business Plans, which are designed and presented directly by the division directors. It should be noted that the Group has an Audit Committee (a body that reports to the BD) and that one of its functions is to review the effectiveness of risk and opportunity management, including those related to climate change.

In addition, the Energy and Environment Committee has been set up, composed of members of the Board of Directors and the management team, which, twice a year, reviews the most relevant aspects related to the environment and energy. 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 Executive Chairman, carries out the evaluation, review and reporting at corporate level of the risks and opportunities associated to climate change.

The Miquel y Costas Group's most significant direct greenhouse gas emissions arise from combustion equipment used to generate the steam in pulp and paper manufacturing processes. Also, a small percentage of emissions linked to the fuel consumption due to the periodic start-up of auxiliary emergency equipment and the use of mobile sources such as machinery and vehicles owned by the Group is taken into account.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

With regard to the management of greenhouse gas emissions, for the period 2021-2025, the companies MB Papeles Especiales, S.A., Terranova Papers, S.A., Payá Miralles, S.A. and Clariana, S.A., which are low emission, are excluded from the European Union's Emissions Trading System. 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 2023 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 1.58% (0.94% in 2022).

In turn, the companies Miquel y Costas & Miquel, S.A – Besós factory and Celulosa de Levante, S.A. have remained within the European Union's Emissions Trading System, corresponding to a total allocation of 23,174 emission rights. The total verified emissions are equivalent to 21,413 tonnes of CO₂, the result of which is a surplus of 1,761 emission rights, higher than the deficit of 429 emission rights for 2022.

As in previous years, no free allocation is received for emissions related to the electricity generated by the cogeneration plants, which remain relevant. In 2023, a reduction in emissions linked to these installations was achieved. This is due to their lower operating time, given that, instead of generating electricity, it was more favourable for the Group to purchase it from the grid compared to 2022.

It is important to note that the reduction in the operating time of the cogeneration plants, together with the lower activity in some production centres, is also reflected in the reduction of greenhouse gas emissions that the Group has achieved in 2023, compared to the previous year.

Annually, an accredited external entity verifies the emissions associated with all of the above installations and presents the corresponding reports to the Public Administration.

The GHG protocol establishes a classification of emissions of GHG gasses in terms of "scopes". Scope 1 refers to direct emissions from own or controlled sources, scope 2 includes indirect emissions derived from 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:

		2022	2023	Variation 2022-2023
Scope 1	t CO_{2e}	62,822	52,827	-15.9%
	t CO_{2e}/t product	0.64	0.62	-3.7%
Scope 2	t CO_{2e}	0	0	NA
	t CO_{2e}/t product	0.00	0.00	NA

* 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

In 2023, the Group reaffirmed its commitment to procure 100% of electricity from renewable sources maintaining in this way the complete elimination of Scope 2 CO₂ emissions (100% in 2022). This commitment, integral to the decarbonisation and sustainability strategy, is planned to continue in the future.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

Since 2022, the Group has implemented decisive measures to advance in its decarbonisation plan, initiating the detailed calculation of the Organisation's Carbon Footprint covering scopes 1, 2 and 3, following the GHG Protocol methodology. Furthermore, this calculation methodology has been maintained in 2023, and both GHG emissions inventories are verified annually by a third party certified in accordance with the UNE-EN ISO 14064-3:2019 standard. Specifically, the calculation of Scope 3 allows the Group to gain an understanding of emissions within its value chain, identify risks and areas of opportunity to reduce and establish more effective measures to reduce emissions along the value chain.

For the Group as a whole, the key figures for Scope 3 emissions (t CO_{2e}) are as follows:

		2022	2023	Variation 2022-2023
Scope 3	t CO_{2e}	111,832	102,544	-8.3%

*Scope 3 emissions in 2023 include the following categories: Goods and services purchased or acquired, Capital goods, Fuel and energy activities (not included in scope 1 or 2), Transport and distribution of products and services upstream, Waste generated in operations. In 2022, all of the above categories were included with the exception of Capital goods.

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 the evolution towards a sustainable economy. In addition, it mobilises investors, businesses and governments to build and accelerate collaborative development actions that work for current and future generations.

The CDP valuation report provides a detailed overview of our current position and highlights areas of focus for continuous improvement in environmental management and climate governance. This evaluation categorises the company in evolutionary levels (D Outreach, C Awareness, B Management, A Leadership,) and facilitates sectoral, regional and global comparisons. The four types of questionnaires are:

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

As a result of the Group's continued dedication in the implementation of the best available practices, to the promotion of the environmental management and investments and action carried out in each production centre for decarbonisation, the Miquel y Costas Group has obtained an A rating in the CDP Climate Change Questionnaire presented in 2023. This qualification corresponds to the rank "Leadership". For comparative purposes, it is above the regional average in Europe, is higher than the paper and forest sector's average, and higher than the global average, the ratings of which are within the range of "Management" (rating B).

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

It is important to note that achieving an A rating is an indication of excellence that reaffirms the Group's commitment to climate change mitigation, sustainability, its commitment to promoting energy efficiency in all its processes and transparency in communication. It also places the Miquel y Costas Group among the 354 companies worldwide that obtained this rating in the CDP Climate Change questionnaire presented in 2023, out of a total of 23,202 companies that responded to the questionnaire.

Rating	2022	2023
CDP Climate Change	B	A

In 2023, improvement in the CDP Climate Change questionnaire was achieved compared with 2022, specifically in the areas of risk disclosure and management, business strategy, financial planning and climate scenario analysis. Also, with the objective of reaching common goals to reduce emissions and to mitigate climate change with their suppliers, the Group addressed 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 in the last two years encompass the inclusion of criteria associated to climate change in the process of their selection and also campaigns to gather data on suppliers' GHG emissions.

Thanks to the intensified collaboration with suppliers and to the exchange of information, the Group has improved the precision in estimating the carbon footprint of their main products. This progress is achieved through the use of primary data sources, such as the data on emissions provided directly by the product and service suppliers. The Group seeks specific commitments from suppliers with the highest GHG impacts (scope 3), such as suppliers of wood pulp, to establish objectives to reduce emissions aligned with the objectives 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 in 2022 (last rating obtained and available up to the current date of publication of this report), 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	2022
CDP Supplier Engagement Rating (SER)	A-

Obtaining the rating A in the module CDP Climate Change in 2023 and rating A- in the module CDP SER in 2022 (last score awarded at the date of publication of this report), is synonymous with excellence in the management of environmental impacts and the taking of coordinated action in the face of climate crisis. Reaffirming the Group's commitment to sustainability, their commitment to boosting de-carbonisation in all production processes and the organisation's willingness to be transparent in communication.

In order to actively encourage this commitment, the Group includes environmental performance in the compensation of the Steering Committee, by including incentives linked to sustainability. Additionally, General Management is motivated 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.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023



EcoVadis is a sustainability assessment platform that provides corporate social responsibility and sustainability performance ratings and analysis for companies. EcoVadis evaluates and ranks organisations according to their sustainable practices, enabling companies to make informed decisions when selecting business partners and encourage continuous improvements in social and environmental responsibility.

In 2023, the Miquel y Costas Group received the “Platinum” qualification in the ESG evaluation carried out by EcoVadis (a “Silver” qualification in 2022). This score is based on the company’s sustainability performance in four key categories: Environment, Labour and Human Rights, Ethics and Sustainable Procurement. Importantly, this was the Group’s second participation in this assessment, which relates to the 2022 financial year. The EcoVadis Platinum medal is awarded to companies that have demonstrated a solid management system that addresses sustainability criteria, in accordance with the methodology of EcoVadis, the world leader in corporate sustainability qualifications. It should be noted that only one percent of the more than 125,000 global companies assessed received the Platinum rating, demonstrating the Group’s excellence and continuous improvement in ESG.

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 Executive Chairman 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 which started in 2017 with the objective of planting 165,000 trees, managed to achieve this objective in 2022. As a result, a new target was set to plant 200,000 trees by the end of 2023. Thanks to the support of the Group and the collaboration of its consumers through social media, this target was exceeded by planting 200,172 trees in the period 2017-2023. Since 1989, the organisation has planted more than 225 million trees. The more trees they plant, the higher the

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

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.

Moreover, in its quest to strengthen its corporate commitments linked to sustainable development, the Group generates several positive impacts that contribute to the achievement of Sustainable Development Goals (SDGs) established in the Agenda 2030 by the United Nations. After completing the identification of the SDGs most relevant to its business, the Group formalised this commitment in 2023, highlighting the main SDGs to which it contributes. This translates into a positive impact on social and environmental sustainability through its solutions and products.

In this context, the main SDGs associated with climate change to which the Group contributes are as follows:



SDG 7. AFFORDABLE AND CLEAN ENERGY.

The Group is committed to increasing the use of renewable energy sources wherever possible.

Main contributions in 2023:

- In 2023, 100% of electricity purchased from the company was produced from renewable sources (100% in 2022), thereby eliminating Scope 2 CO2 emissions in full.
- Increase in the share of energy from renewable sources to 39% in 2023 (35% in 2022).
- Development of the project for the technological improvement of the black liquor combustion system at the Celulosa de Levante production centre.



SDG 13. CLIMATE ACTION.

The Group has clear greenhouse gas emission reduction targets and is constantly striving to improve energy efficiency at all its production sites, actively contributing to climate change mitigation.

Main contributions in 2023:

- Targets to reduce absolute CO2 emissions of scope 1 and 2 by 51% by 2030 (base year 2018) and to reach net Zero by 2050. In 2023, reduction of absolute CO2 emissions of scope 1+2 by 55.3% and scope (1+2+3) by 38.6% taking 2018 as base year.
- Ongoing validation of GHG emission reduction targets by SBTi.
- Publication of the Climate Transition Plan (CTP).

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023



SDG 12. RESPONSIBLE CONSUMPTION AND PRODUCTION

The Group promotes sustainable consumption and production methods at all its production sites.

Main contributions in 2023:

- Increased energy efficiency in its production centres, reducing natural gas consumption/tonne of product by 4.2% in 2023 compared to the previous year (22.7% in 2022) and by 17% compared to 2018.

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 Chairman and the Chief Executive Officer. The Executive Chairman 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.

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. A concrete example is the instability of the free allocation of emission rights. If the allocated rights were to decrease abruptly, the Company might have to buy more CO2 emission rights to continue its operations, which would lead to increased costs.
- Risks due to new technologies. Supporting the transition to processes and products with lower carbon emissions requires constant technological innovation, which can involve investment and operational risk.
- Risks due to changes in physical climate parameters. They are considered relevant as they can directly affect the operation of the facilities. In the event of extreme weather (hurricanes, cyclones, forest fires, etc.) the availability of raw materials may be altered, leading to increased costs.
- Risks due to other changes related to the market. One could for example see a decline in demand due to changes in the market that the Company had not anticipated and linked to new consumption patterns associated with growing concerns about climate change and sustainability.

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

- Operational cost improvement opportunities. The implementation of renewable energy for own consumption in their direct operations can for example reduce energy costs significantly and diminish the Group's dependence on traditional energy sources.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

- Business development opportunities. 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 and to turn the Group's leadership in this area into a competitive advantage.
- Funding optimisation opportunities. Improvement of the positioning in the capital markets through the participation in sustainable indices, such as ECOVADIS and CDP, may generate greater trust and attract investors in sustainable companies as well as making it easier to obtain external financing on preferential terms.

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. Particularly noteworthy is the evaluation carried out for 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 "business as usual" Representative Concentration Path (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.

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 GHG emissions short term, guarantee 100% of responsible sourcing of raw material of forestry origin and reduce water extraction for production processes by 12% (2014-2025).

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 impacts. 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.

In terms of transition risk analysis, two quantitative scenarios have been selected for this assessment. Firstly, the IEA 2DS developed by the International Energy Agency (IEA) which is based on a projected warming limit of 2°C and provides a scenario analysis based on the development of lower carbon technology and its implementation in various sectors, including the pulp and paper sector. The scenario sets a target of reducing CO2 emissions by almost 60% by 2050 (compared to 2013), followed by a continuous decrease after 2050 until carbon neutrality is reached. For example, according to the IEA's sector analysis since 2018 the energy efficiency of pulp and paper production has remained practically stable, while in the Net Zero Scenario energy intensity falls by approximately 1.5% per year until 2030. Considerable improvements in energy efficiency are needed and can be achieved by increasing the share of paper produced from recycled resources and implementing best available production technologies. In this context, considering the risks identified for the pulp and paper sector in the short and long term, the Group has put in place element-driven mitigation strategies in line with the set targets aiming at reducing GHG emissions of scope 1+2 by 51% (2018-2030) and scope 1+2+3 by 90% by 2050. These include actions already in place or under development such as the implementation of new thermal energy generation systems using biomass, energy efficiency projects to reduce consumption at all production centres, the acquisition of 100% of purchased electricity from renewable sources with guarantees of origin, and a robust programme to implement new photovoltaic

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

generation facilities that will increase the Group's self-sufficiency and consolidate the reduction of its Scope 2 emissions.

Finally, the IEA NZE 2050 scenario, also developed by the IEA, has been selected, which shows a pathway for the global energy sector to achieve net zero CO2 emissions by 2050. This scenario is consistent with limiting global temperature increase to 1.5°C with or without a limited temperature overshoot (with a 50% probability), in line with the reductions assessed in the IPCC Sixth Assessment Report. The Group focused on the implementation of this scenario for the pulp and paper sector. The scenario was run in the short and long term (2020-2050) to assess the impact of climate change on the business model. The transition scenario was considered for the whole company according to the NZE scenario to assess the impact of regulation, the pace of innovation in new and emerging technologies, the availability of sustainable bioenergy, the energy market, etc. According to the IEA NZE 2050, a 47% reduction in CO2 emissions intensity is projected for the pulp and paper sector from 2018 to 2030. This information provided the basis for the Group to set its short-term emission reduction targets. The Company aims to achieve a 51% reduction in emissions by 2030 (2018 baseline), a more ambitious target than the suggested recommendations for the sector. The Group's ambitious emissions reduction targets will contribute to achieving its goal of zero net emissions by 2050, and significant improvements in energy efficiency are needed to achieve this. This can be achieved by ensuring security of fuel and electricity supply at all times and by seeking to avoid volatility in energy markets. The results of the scenario analysis were used by the Group's engineering department, which investigates energy efficiency alternatives that can be successfully implemented to decrease exposure to this risk. As a result, the company has launched a new programme of initiatives aimed at improving its Scope 1 emissions for the period 2021-2026 and expects to invest around €54,000,000 in the implementation of new biomass thermal power generation systems on the one hand, and energy efficiency projects in all production centres on the other, such as the optimisation of thermal consumption in various paper machines. All this with the aim of ensuring compliance with the GHG emission reduction targets for 2030.

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

- Consolidation of their clean energy generation development plan: continuity of the biomass boiler studies and the installation of photovoltaic panels for own consumption. In 2023 the Group finalised its fifth photovoltaic installation, located in Clariana, the functioning of which started at the beginning of that year. Also, the second phase of a new photovoltaic installation was completed in the Celesa factory the functioning of which started in October 2023, In addition, the project for the second phase of the photovoltaic installation at the Besós factory has begun and is expected to come into operation in the second quarter of 2024.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

Below is included a table where development of the Group's Photovoltaic Plan is presented with the startup of the new installations in the 2020-2026 period:

Scope	Installed Power Startup							
	2020 (kWp)	2021 (kWp)	2022 (kWp)	2023 (kWp)	Accumulated (2020-2023) (kWp)	Total investment (2020-2023) (thousands €)	Accumulated (2020-2026) (kWp)	Total investment (2020-2026) (thousands €)
Production Centre	193	562	1,302	1,562	3,620	6,086	6,695	14,688

It is important to note that, although the photovoltaic plan was initially expected to be completed by the end of 2024, its development is running a little slower than expected. By the end of 2024, there will be an installed capacity of 3,793 kWp, and it is planned to complete the installations and projects at the Besós (phase II), MB and Celesa centres by 2026. By the latter date, a total installed capacity of 6,695 kWp is then expected to be reached. The delays are associated with the need for additional investment in upgrading existing facilities and longer than expected administrative deadlines.

- Execution of an intensive programme for energy efficiency action in all the production centres, such 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.
- In 2023, the Group obtained certification of regulation ISO 50001 for energy management systems in all its main production centres. The most recent certification was completed by Miquel y Costas & Miquel (Besós factory) at the end of 2023, while the centres of Miquel y Costas & Miquel (Mislata factory), Celesa, MB Papeles Especiales, Terranova Papers and Clariana obtained it in 2022. This is evidence of effective management of the energy aspects derived from industrial activities, through the implementation of control and continuous improvement tools. This strategy not only minimises energy consumption, but also maximises the Group's energy efficiency compared to 2022.
- Participation in the BlueBiz programme, which is an exclusive incentive for companies whose employees fly with Air France, KLM and Alitalia. Through this programme, companies can earn and use Blue Credits when purchasing BlueBiz tickets on the airlines mentioned above. This partnership focuses on reducing greenhouse gas (GHG) emissions associated with business flights by Group employees. In 2023, thanks to this partnership, we managed to reduce CO2 emissions related to air travel. In 2022, the collaboration with Lufthansa Group Airlines for the reduction of GHG emissions associated with employee air travel (Scope 3) was implemented. In addition, as part of its commitment to sustainability and the environment, the Group promotes the elimination of unnecessary business flights and encourages the replacement of face-to-face meetings with video calls or other technological methods to reduce the 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, through the planting of 200,172 trees in the period 2017-2023 (167,200 trees in the period 2017-2022), GHG absorption and increased economic contribution to local communities has been achieved, which has helped to combat poverty and hunger in these regions.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

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	2022	2023	Variation 2022-2023
Trees planted	167,200	200,172	+19.7%
Hectares reforested	16.92	20.25	+19.7%
Persons removed from poverty	334	400	+19.8%
t CO ₂ sequestered in 20 years	6,106	7,311	+19.7%

As a result of the measures already adopted within the framework of the transition to a decarbonised economy, in 2023 a reduction in GHG emissions of scope 1 and 2 has been achieved. It should be noted that the current GHG emission reduction targets are more ambitious and are based on current scientific recommendations and aligned with what the Paris Agreement establishes, to limit the increase in global average temperature to no more than 1.5°C above pre-industrial levels. The new emission reduction targets include a commitment to achieve a 51% reduction in greenhouse gas (GHG) emissions in its direct operations (scopes 1 and 2) by 2030, taking 2018 as a reference year, and a commitment to ensure that 100% of the electricity purchased by the company in all its production centres comes from renewable energy sources by 2030. In addition, it seeks to achieve climate neutrality (Net Zero) by 2050 at the latest.

It is crucial to note that these targets may be updated as, at the end of 2023, the Group initiated a review to align with the SBTi (Science Based Targets Initiative) criteria. These targets are currently in the process of adjustment and will be submitted for final approval by SBTi during 2024.

The Miquel y Costas Group joined the international SBTi initiative in August 2023, a project backed by non-profit organisations such as CDP, UNGC (The United Nations Global Compact), WRI (World Resources Institute) and WWF (World Wildlife Fund). The aim of this initiative is to help companies set greenhouse gas emission reduction targets based on climate science to limit global warming. The Group committed to define short and long-term targets for decarbonisation and has up to 24 months from accession to define and submit these targets to SBTi for approval, in accordance with its rules.

The table below shows the GHG emission reduction targets in force up to the publication of this report:

		2018	2022	2023	Variation 2022-2023	Variation 2018-2023	Objective 2018- 2030	Objective Net Zero 2018- 2050
Scope 1+2	t CO_{2e}	118,200	62,822	52,827	-15.9%	-55.3%	-51.0%	
	t CO_{2e}/t product	1.23	0.64	0.62	-3.7%	-49.6%		
	t CO_{2e}/km² product	40.48	22.22	21.25	-4.4%	-47.5%		
Scope 1+2+3	t CO_{2e}	252,973	174,654	155,372	-11.0%	-38.6%		-90%

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

It should be noted that, although the Group almost met most of its absolute and specific GHG reduction targets early, the year 2023 was marked by exceptional circumstances at several of its sites, which impacted GHG emissions for the year. The reduction in the operating time of the cogeneration plants and lower activity at some production sites contributed to the decrease in total emissions in 2023 compared to the previous year. The Group actually experienced a 12.7% reduction in its total production, affecting efficiency and worsening some specific ratios.

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

Kg/ t prod	2022	2023	Variation 2022-2023
NO _x	0.89	0.79	-10.7%
SO _x	0.02	0.01	-32.7%

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	Turbine	150	15
	Motor	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	2022	2023	Variation 2022-2023
Natural Gas (thousands Nm ³ /t prod)	0.30	0.29	-4.2%
Electricity consumed by Company (MWh/t prod)	1.49	1.64	+10.5%

In 2023, 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	2022	2023	Variation 2022-2023
Renewable sources	35%	39%	+8.6%
Non-renewable sources	65%	61%	-4.7%

Therefore, the consumption of energy from renewable sources in comparison with the previous year has increased by 8.6%. 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.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

2.6 Circular Economy and waste prevention and management

Circular economy

The main raw materials are virgin wood pulp and non-wood fibres. It should be noted that this figure does not include other fibres used in the production process, such as synthetic fibres, or intercompany acquisitions.

t fibre	2022	2023	Variation 2022-2023
Wood pulp and non-wood fibres	82,127	72,013	-12.3%

This relevant variation between 2022 and 2023 also reflects the impact of the above-mentioned exceptional production circumstances.

The Group seeks an active partnership with suppliers to address the environmental impact of raw materials. With this objective in mind, the certification of 100% of suppliers is pursued every year, through the implemented custody chain, thus guaranteeing the responsible origin of the pulp purchased. In addition, all incoming wood pulp, before being incorporated into the custody chain, is subject to the due diligence system established in PRCOM02, ensuring the traceability of the wood or pulp to its place of origin. In 2023, 100% of the pulp purchased was supplied by suppliers that are both FSC® (FSC-C041521) and PEFC certified, as explained above. These certifications apply the highest environmental and sustainability standards.

Likewise, in most of the manufacturing processes, paper is recovered in the form of waste generated in the production process itself.

In 2023, the Miquel y Costas Group has answered for the third time to the complete CDP Forest questionnaire, reporting data on the management of raw materials with a forest origin used in their production centres. As a result of continued commitment to the elimination of deforestation, the Group obtained an A- rating in the questionnaire presented in 2023, demonstrating its corporate transparency and performance in forestry. This score corresponds to "Leadership". For comparative purposes, it is higher than the European average, than the average for the paper and forestry sector, and the global average whose scores are in the "Management" and "Awareness" range (scores B and C).

rating	2022	2023
CDP Forest	A-	A

Achieving an A rating reinforces the Group's commitment to responsible forest management and the fight against deforestation throughout its value chain, as well as transparency in communication. It also places the Miquel y Costas Group among the 30 companies worldwide that obtained this rating in the CDP Forest questionnaire presented in 2023, out of a total of 1,152 companies that responded to the questionnaire.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

This assessment reflects the strong commitments made 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 stakeholder awareness and participation
- Commitment to respect the Free, Prior and Informed Consent (FPIC) of Indigenous Peoples.

The annual Due Diligence System (hereinafter DDS) is monitored by the Purchasing Manager to prevent deforestation risks. It is also applied to all wood pulp suppliers, complies with Regulation (EU) No 995/2010 and uses custody chain standards such as PEFC and FSC to ensure responsible practices.

Collaboration with suppliers is essential to address the environmental impact of raw materials. Therefore, the DDS monitors and controls the validity of the FSC and PEFC certificates of 100% of the suppliers, conducting risk analyses and applying sanctions, if necessary, while ensuring the traceability of the pulp back to its origin. In addition, any use of untrustworthy or conflictive timber, for example, that has caused damage in the past or fails to protect the rights or livelihoods of local communities, will result in disciplinary action. These may include the suspension of material purchases from a supplier that does not comply with the requirements set out in the Custody Chain Policy (POLCDC), which is a public document and is available for consultation 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 improved the questionnaire addressed to its main suppliers in order to analyse their environmental commitment on an annual basis, both in 2022 and 2023. The data requested includes information on GHG emissions, water management in relation to the products supplied, as well as actions taken or planned to reduce their environmental impact. They are also asked to participate in CDP questionnaires and report on the results achieved. The involvement of suppliers through the Group's questionnaire will continue to be strengthened on an annual basis, as the results obtained will be increasingly decisive in purchasing decisions.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

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	2022	2023	Variation 2022-2023
Hazardous waste	2.43	2.28	-6.3%
Non-Hazardous waste	95.87	103.63	+8.1%
Total	98.30	105.91	+7.7%

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

kg waste/kg total waste	2022	2023	Variation 2022-2023
Recovered waste	97%	98%	+1.5%
Waste disposed of	3%	2%	-48.8%

In accordance with POLCAM and PRSAM01 all centres analyse their annual waste generation and, if significant, set targets for waste reduction, both hazardous and non-hazardous.

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 has made progress in minimising total hazardous waste by achieving a 6.3% reduction in 2023 compared to 2022. This is attributed to the implementation of good waste management practices and the implementation of the measures set out in the latest hazardous waste minimisation study conducted for the period 2022-2025, these measures are described below.

The 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, absorbents, etc.).

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

- Hazardous products purchasing optimisation.
- Control of product stock.
- Appropriate segregation of packaging.
- Use of larger packages
- Efficient management of maintenance plans and cleaning procedures for equipment and facilities.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

- Change of the light installation for LED lighting, implying the reduction of fluorescent waste.
- Periodic review of the state of packaging and containers of raw material, products and waste.
- Workers' training and awareness.

Thanks to the efforts made, production centres to which the above is applicable have complied with 83% of objectives established in the last hazardous waste minimisation study.

For the 2022-2025 period, new hazardous waste minimisation targets have been set, such as reducing contaminated packaging by between 10% and 35%, absorbent materials by 33%, hydraulic oils by 21%, among others. In cases where it is not possible to minimise hazardous waste, the Group undertakes to keep its generation stable.

Moreover, the Group, in its quest to promote corporate commitments linked to sustainable development, has to date identified the main SDGs to which it contributes associated with the Circular Economy and waste prevention and management:



SDG 12. RESPONSIBLE CONSUMPTION AND PRODUCTION

The Group promotes sustainable consumption and production methods in all its production centres. Offering environmentally friendly and high-quality products.

Main contributions in 2023:

- 98% recovery of waste generated in all our operations by 2023.
- 6.3% reduction of hazardous waste generation through prevention, reduction, recycling and reuse activities by 2023.



SDG 15. LIFE IN TERRESTRIAL ECOSYSTEMS

The Group is committed to the preservation of forests and biodiversity, which is reflected in its Custody Chain policy for the procurement of pulp and raw materials for all its production sites.

Main contributions in 2023:

- Support sustainable forestry and ensure a transparent supply chain by purchasing 100% of wood pulp exclusively from suppliers that are FSC and/or PEFC certified in 2022 and 2023, in line with its annual target.

2.7 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, although paper plants use water from different sources, only a small percentage is consumed, since most is reintroduced to the receiving medium. Due to this, the paper industry is not strictly classed as a "consumer" of water, but as a user of the resource (Source: Voluntary agreement between the Ministry of the Environment and Aspapel, 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).

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

For the Group's production plants as a whole, the origin of the extracted water is the following:

m³/t prod	2022	2023	Variation 2022-2023
Underground water	20.72	22.79	+10.0%
Municipal water	0.097	0.109	+12.7%
Total	20.81	22.90	+10.0%

It is important to note that FY2023 saw a 10% increase in water withdrawal per tonne of product compared to the previous year, mainly due to exceptional circumstances that affected the manufacturing activity at some production sites and penalised efficiency compared to the previous year.

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

m³/t prod	2022	2023	Variation 2022-2023
Discharge	19.04	20.99	+10.2%

Water Security is central to the Group's strategy, promoting sustainable resource management internally and at all levels. Integrating a water saving and quality assurance policy into the business model. As a result, the Water Cycle Manager, the Plant and Production Managers, the Executive Chairman and the CEO have among their annual objectives to increase water resilience and optimise the resource management. In addition, they have annual financial incentives in place to encourage achievement of the targets set.

In 2015, a Water Committee was created to define and implement the company's water strategy, leading to the design and execution of the Group's Annual Water Reduction Plan. This committee, chaired by the company's Executive Chairman and CEO, meets periodically throughout the year to assess the status of water-related issues, review performance against objectives and set new and updated targets. It also approves new investments linked to water reduction initiatives and other water-related issues.

The Executive Chairman and the CEO make key decisions and oversee the proper development of the plan, taking into account future trends in water demand.

In 2023, one of the Group's main focuses was to make progress in water reuse due to exposure to drought risk in some production centres. The organisation analyses its industrial risks annually with the WRI Aqueduct Water Risk Atlas tool and identifies facilities located in water-stressed areas and also monitors the needs of specific suppliers in water-stressed situations. Currently, only one of the Group's facilities is located in a high water stress area (40%-80%), the WRI definition of water stress area is based on human population's water demand divided by available water. If the referenced water stress is above 40% the facility is in a stressed area. However, it should be noted that in 2023 three production centres were subject to occasional reductions in consumption due to exceptional situations related to the drought situation in the autonomous community of Catalonia.

In addition, the Group conducts annual water risk assessments of its operations and supply chain, following the enterprise risk management framework. In the first quarter of the year, factory managers review and update facility-level contingency plans, approved by the Executive Chairman and CEO according to ISO 14001 standards. Key issues from the previous year are reviewed, stakeholder views and expectations are updated. Likewise, the Group also relies on specialised external consultants and forestry-related entities, such as the Spanish Association of Pulp, Paper and Cardboard Manufacturers (ASPAPEL), which provides valuable information on risks and opportunities in the paper sector.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

In addition, the Group annually reports its water consumption, extraction and water cycle management data through the CDP Water Security questionnaire, which measures the Group's transparency, commitment, strategy and management of its water footprint, demonstrating its commitment to conservation of resources.

Thanks to the application of the strategic plan, the identification of risks and opportunities, good practices in all production centres and the implementation of new technologies, the Miquel y Costas Group achieved an A rating in 2023 for the second consecutive year, placing it at the top of the "Leadership" range. In comparison, this score exceeds the European average for the paper and forestry sector, as well as the global average, which is in the "Awareness" range (rating C).

Rating	2022	2023
CDP Water Security	A	A

Obtaining an A rating confirms the Group's sense of responsibility towards sustainability, its commitment to promoting the circular economy in all its processes and its transparency in communication. It also places the Miquel y Costas Group among the 101 companies worldwide that obtained this rating in the CDP Water Security questionnaire presented in 2023, out of a total of 4,815 companies that responded to the questionnaire.

Globally in 2023, the Group has excelled by scoring A in CDP Climate Change, A in CDP Forests, and A in Water Security, placing it among a select group of companies with these high scores in all three areas. Out of more than 23,000 participating companies, the Organisation has improved its rating in CDP Forests and CDP Climate Change, while maintaining the highest rating in CDP Water Security, all in the "leadership" range compared to the previous year.



It is important to highlight that the Miquel y Costas Group is among the twelve companies worldwide that have obtained a triple "A" rating in the questionnaires, with only seven companies in Europe achieving this result during the 2023 financial year. In fact, the Miquel y Costas Group is the only company in southern Europe and Spain to have achieved this distinction.

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

- In the short term, from 2014 to 2025, the main priority is to reduce water extraction by 12%, simultaneously reducing absolute and intensive water stress in relation to production, a target already exceeded in 2022. However, the intensive objectives during this financial year have been affected by exceptional manufacturing situations in some production centres, impacting production and generating an increase compared to the previous year.
- During this same period, a target has been set to reduce sludge generation by 20% by 2025 compared to 2014 data, a goal already achieved in 2021. In this way, the Group is committed to promoting circular economy and reducing the carbon footprint associated with the transport and management of this sludge.
- Likewise, throughout this period, the objective has been set for all production centres to maintain a track record without any type of environmental incident; an achievement satisfactorily reached in 2022 and at the end of 2023 thanks to the Group's excellent practices.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

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.

Importantly, the targets set are not only limited to absolute measures (m³/year); they also incorporate specific values to assess the Group's progress in reducing its water footprint per tonne of product and per product area.

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 and the amount of water recycled in the production process.

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

	2014	2022	2023	Variation 2022-2023	Variation 2014-2023	Objective 2014- 2025
Water extracted (thousands m ³)	2,271	2,034	1,953	-4.0%	-14.0%	-12.0%
Water extracted (thousands m ³) / t product	0.025	0.021	0.023	+10.0%	-8.6%	
Water extracted (thousands m ³) / km ² product	0.888	0.719	0.785	+9.2%	-11.6%	
Environmental incidents	0	0	0	NA	NA	0
t sludge	5,485	4,156	3,931	-5.4%	-28.3%	-20.0%
t sludge /t product	0.061	0.043	0.046	+8.4%	-23.8%	

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 wastewater quality beyond the compliance requirements, being maintained at least 10 % below the limits established for the COD, SM (Suspended Matter) and pH parameters.

In 2023, this target has been achieved at 100% in all centres, maintaining the same level of compliance as in 2022.

In its commitment to reduce its water footprint, the Miquel y Costas Group involves its supply chain, evaluating suppliers from an environmental perspective. Among key suppliers, it identifies those committed to sustainability, for example through their participation in initiatives such as CDP Water Security.

To ensure sustainability of supply, the company requires all suppliers, especially wood pulp suppliers with the highest water impact, to comply with ISO 9001, 14001 and FSC and PEFC Custody Chain certifications. Periodic reviews are carried out by the Purchasing department to ensure compliance.

FSC and PEFC certification is essential for wood pulp suppliers as it contributes to sustainable water management, supporting SDG 6 on clean water and sanitation, and promoting responsible supply chain practices.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

Moreover, the Group, in its quest to promote corporate commitments linked to sustainable development, has to date identified the main SDGs to which it contributes:



SDG 6. CLEAN WATER AND SANITATION

The Group is aware of the current problem of water scarcity and the value of this resource, and therefore promotes and pays special attention to the correct and efficient management of water in all its facilities.

Main contributions in 2023:

- Reduction of freshwater use by 14.0% in 2023 (base year 2014).
- Implementation of the Water Reduction Plan (Water Committee).
- In 2022 and 2023, it was ensured that 100% of the company's employees have access to safe sanitation services, including hand washing facilities with soap and water in all facilities, as in the previous year.

2.8 Plastics

The Miquel y Costas Group has initiated the analysis of its exposure to risks associated with plastic in direct operations and in the supply chain, addressing plastic used as a packaging material. This assessment is included in the environmental risk and opportunity assessment process mentioned above, which also considers the impacts associated with the use of plastics.

The Group produces goods packaged in plastic and issues the annual Plastic Packaging Declaration in accordance with RD 1055/2022 on packaging and packaging waste in the companies where this declaration applies. Although the Company has various links with plastic, it perceives more opportunities than risks, such as replacing synthetic materials in some products with cellulose-based alternatives, which are more environmentally friendly, and promoting the responsible use of plastics in all its production centres.

The Group is currently in the process of evaluating and/or setting targets related to the responsible use of plastics.

Moreover, the Group, in its quest to promote corporate commitments linked to sustainable development, has to date identified the main SDGs to which it contributes associated with plastic reduction:



SDG 12. RESPONSIBLE CONSUMPTION AND PRODUCTION

The Group promotes sustainable consumption and production methods in all its production centres. Offering environmentally friendly and high-quality products.

Main contributions in 2023:

- 98% recovery of waste generated in all our operations by 2023, including plastic.
- 6.3% reduction in hazardous waste generation through prevention, reduction, recycling and reuse activities by 2023, including contaminated plastic packaging.



SDG 14. UNDERWATER LIFE

Plastic represents a significant threat to marine life and aquatic ecosystems. The Group recognises the importance of preserving aquatic ecosystems and preventing the loss of biodiversity. In this context, it aims to have a positive impact on the natural environment in the areas where it operates.

Main contributions in 2023:

- 100% compliance 2022 and 2023 with the objective of improving wastewater quality beyond compliance requirements by at least 10% below the established limits for COD, SM (suspended matter) and pH parameters at all facilities.

2.9 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).

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 2023 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, commitment to respect the Free, Prior and Informed Consent (FPIC) of Indigenous Peoples, not to clear land through burning or clear-felling, and awareness-raising and stakeholder participation.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

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.

Moreover, the Group, in its quest to promote corporate commitments linked to sustainable development, has to date identified the main SDGs to which it contributes associated with biodiversity:



SDG 15. LIFE OF TERRESTRIAL ECOSYSTEMS

The Group is committed to the preservation of forests and biodiversity, which is reflected in its Custody Chain policy for the procurement of pulp and raw materials for all its production sites.

Main contributions in 2023:

- Support sustainable forestry and ensure a transparent supply chain by purchasing 100% of wood pulp exclusively from suppliers that are FSC and/or PEFC certified by 2022 and 2023, in line with its annual target.

2.10 Sustainable finance taxonomy

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 has entered into force in different phases until 2023, sets out a number of economic activities ('eligible' activities). However, for an eligible activity to be considered environmentally sustainable because it is in line with the taxonomy ('aligned'), it has to:

1. Make a substantial contribution to at least one of the environmental objectives defined by the EU (climate change mitigation; adaptation to climate change, sustainable use and protection of water and marine resources; transition to a circular economy, prevention and control of pollution and restoration of biodiversity and ecosystems);
2. Not significantly harm the other environmental objectives and;
3. Comply with minimum social safeguards.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

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, the Delegated Regulation 2022/1214 of 9th March 2022 and Annexes I, II, III and IV of Delegated Regulation 2023/2486 of 27 June 2023, 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.

However, the Group develops the following activities, related to the area of energy production, which can be considered as eligible due to their link with the mitigation of climate change:

- 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 electricity from gaseous fossil fuels.

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 criterion for substantial contribution: Taxonomy establishes different types of substantial contribution 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	Generation of electricity through photovoltaic solar technology			
4.24	Production of heat/cool from bioenergy			
4.30	High-efficiency cogeneration of heat/cold and electricity from gaseous fossil fuels			

Activity 4.24 Production of heat/cool from bioenergy does not reach the substantial contribution criterion as it cannot certify that the GHG emission savings reach the 80% set by taxonomy.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

Activity 4.30 High-efficiency co-generation of heat/cool and electricity from gaseous fossil 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.

Both activities, despite not complying with the substantial contribution criterion 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 and Annexes I, II, III and IV to Delegated Regulation 2023/2486 of 27 June 2023, 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 as described in the "Respect for human rights" section of this document.

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 2023 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 2022 and 2023, as energy and heat/cold generated in the Group's production processes are destined to own consumption.

The activity of high-efficiency co-generation of heat/cool and electricity from gaseous fossil fuels is made up of two cogenerating units, one belonging to the company Miquel y Costas & Miquel S.A (operating on 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. In 2023, no energy was sold to third party companies.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

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 FY2023 (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 2023'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 2023. 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.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

NET TURNOVER

FY2023	Year 2023			Substantial Contribution Criteria							Lack of significant damage criteria ("does not cause significant damage") (h)							Proportion of turnover conforming to taxonomy (A.1) or eligible according to taxonomy (A.2), year N-1 (18)	Category facilitating activity (16)	Category transition activity (20)
	Codes (a) (2)	Turnover (3)	Proportion of Turnover year N (4)	Mitigation of climate change (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Mitigation of climate change (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum guarantees (17)				
Economic Activities				S,N; NEL	S,N; NEL	S,N; NEL	S,N; NEL	S,N; NEL	S,N; NEL	S/N	S/N	S/N	S/N	S/N	S/N	%	F	T		
MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES		Thousands €	%																	
A. ELEGIBLE ACTIVITIES ACCORDING TO TAXONOMY																				
A.1. Environmentally sustainable activities (conforming to taxonomy)																				
Turnover of environmentally sustainable activities (conforming to the taxonomy) (A.1)	0	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	-	S	S	S	S	S	0,00%				
Of which: facilitators	0	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	-	S	S	S	S	S	0,00%	F			
Of which: transition	0	0,00%								-	S	S	S	S	S	0,00%		T		
A.2 Eligible activities according to Taxonomy but not environmentally sustainable (activities that do not conform to taxonomy)																				
Turnover from taxonomy-eligible but not environmentally sustainable activities (activities that do not conform to taxonomy) (A.2)	-	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%							0,00%				
A. Turnover from eligible activities according to taxonomy (A.1 + A.2)	-	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%							0,00%				
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO TAXONOMY																				
Turnover from ineligible activities according to the taxonomy (B)	309.319	100,00%																		
Total (A + B)	309.319	100,00%																		

Turnover proportion / Total turnover		
	which conforms to the taxonomy by objective	eligible according to the taxonomy by objective
CCM	0,00%	0,00%
CCA	0,00%	0,00%
WTR	0,00%	0,00%
CE	0,00%	0,00%
PFC	0,00%	0,00%
EIO	0,00%	0,00%

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

3. Social and personnel-related issues

The average number of employees in this year has been 883 (average number of employees in 2022 was 879) and the total number of workers of the Miquel y Costas Group at year end 2023 was 886 (892 workers at year end 2022).

It should be pointed out that in 2023, in the work centre of the Mislata Factory a Temporary lay-off was processed for production reasons, the negotiation of which terminated in the final four-month period of 2022, resulting 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. Likewise, at the work centre Clariana Factory, an ERTe for production causes is being applied, which was negotiated and terminated with the result of "with agreement", for a total of 180 days of suspension and affecting 40 workers for a period of time that goes from 01/08/2023 to 31/08/2024 and applied on the basis of the production load.

For reporting purposes, and given the stability of the workforce, the number of workers at the end of 2022 and 2023 is used and classified by gender and professional category, as follows:

Classification per gender and professional category	Men 2022	Women 2022	Total 2022	Men 2023	Women 2023	Total 2023
Board members	2	0	2	1	0	1
Senior Management	6	3	9	6	3	9
Directors	21	0	21	22	1	23
Supervisors and middle managers	90	10	100	86	10	96
Adm. Personnel	85	87	172	81	89	170
Prod. personnel	453	135	588	452	135	587
Total	657	235	892	648	238	886

The classification by age and gender at year end 2022 and 2023 is as follows:

Classification by age and gender	Men 2022	Women 2022	Total 2022	Men 2023	Women 2023	Total 2023
<= 20	1	0	1	1	0	1
from 21 to 30	58	12	70	61	13	74
from 31 to 40	107	38	145	96	34	130
from 41 to 50	231	94	325	224	89	313
from 51 to 60	210	81	291	220	89	309
>= 61	50	10	60	46	13	59
Total	657	235	892	648	238	886

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

The distribution per country at year end 2022 and 2023 is as follows:

Distribution per country	Men 2022	Women 2022	Total 2022	Men 2023	Women 2023	Total 2023
Spain	635	209	844	633	211	844
Argentina	17	25	42	13	25	38
Chile	2	1	3	0	2	2
Germany	2	0	2	1	0	1
Philippines	1	0	1	1	0	1
Total	657	235	892	648	238	886

With regard to the company Miquel y Costas & Miquel, S.A., the number of workers at year end 2022 and 2023 is as follows:

Classification per gender and professional category	Men 2022	Women 2022	Total 2022	Men 2023	Women 2023	Total 2023
Board members	2	0	2	1	0	1
Senior Management	5	3	8	6	3	9
Directors	7	0	7	9	1	10
Supervisors and middle managers	56	5	61	47	5	52
Adm. Personnel	50	49	99	49	50	99
Prod. Personnel	233	104	337	228	102	330
Total	353	161	514	340	161	501

The labour and human resources development policy has several guiding elements, the most important of which is the principle of non-discrimination, accompanied by respect for the rights and dignity of individuals (regardless of gender), observance of the guiding principles of upright, honest and responsible conduct and the rejection of any form of discrimination.

Likewise, it is also of considerable importance to be able to have information on the state of the climate of the companies that make up the Group, in order to be able to carry out better and more appropriate management with criteria that incorporate those aspects collected that could be critical or are considered relevant to maintain good performance and to be able to continue working in a sustained manner on continuous improvement. For this reason, several tools are available that provide the desired information in different ways. These are:

- 1- Planning of Surveys to be carried 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.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

3- Annually, from Senior Management, and the Functional Directorates hold meetings with Management for Objectives, or monitoring meetings of the Incentives to assess the results achieved, based on some objectives or projects that are defined previously, through which, the main objectives are articulated and guided, which are supported or complemented by the secondary ones, to be worked on during the year for which they are defined. These aspects to be worked on are transferred by each functional manager in the respective meetings to be held with their collaborators.

4- And finally, the parent company, being a listed company, complies with market regulations regarding publication and access to information, so that staff, as a stakeholder, can access it if they so wish, within the legally stipulated timeframe.

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, permanence, and development of persons in order to:

- Encourage a balanced participation 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 sexual or gender-based harassment.

In the latter case, the Company has implemented an internal procedure to prevent sexual 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 total number and distribution of employment contracts for the entire Group in 2022 and 2023 was as follows:

Classification per contract	Men 2022	Women 2022	Total 2022	Men 2023	Women 2023	Total 2023
Indefinite-term contract	74%	26%	95%	73%	27%	94%
Temporary contract	76%	24%	5%	80%	20%	6%
Total	74%	26%		73%	27%	

At year-end there are no employees with part-time contracts 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 number and distribution of contracts in 2022 and 2023 was as follows:

Classification per contract	Men 2022	Women 2022	Total 2022	Men 2023	Women 2023	Total 2023
Indefinite-term contract	69%	31%	95%	67%	33%	96%
Temporary contract	72%	28%	5%	82%	18%	4%
Total	69%	31%		68%	32%	

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

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 2022	Temporary 2022	Total 2022	Indefinite 2023	Temporary 2023	Total 2023
<= 20	1	0	1	0	1	1
from 21 to 30	56	14	70	54	20	74
from 31 to 40	132	13	145	124	6	130
from 41 to 50	311	14	325	297	16	313
from 51 to 60	286	5	291	303	6	309
>= 61	60	0	60	59	0	59
Total	846	46	892	837	49	886

And the distribution by category and gender in 2023 is the following:

Classification per gender and professional category	Men		Women		Total
	Temporary	Indefinite	Temporary	Indefinite	
Executive board members	0	1	0	0	1
Senior Management	0	7	0	3	10
Directors	0	25	0	1	26
Supervisors and middle managers	2	80	0	10	92
Administrative and technical personnel	9	72	5	84	170
Production personnel	28	424	5	130	587
Total	39	609	10	228	886

95.80% of the Group's female employees have a permanent contract, while this ratio decreases to 93.98% in the case of male employees.

During 2022, the distribution by category and gender was as follows:

Classification per gender and professional category	Men		Women		Total
	Temporary	Indefinite	Temporary	Indefinite	
Executive 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 an indefinite-term contract, whilst said ratio decreases to 94.70% in the case of the male employees.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

In 2022 and 2023 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 2022	Women 2022	Total 2022	Men 2023	Women 2023	Total 2023
<=20	0	0	0	0	0	0
From 21 to 30	2	0	2	3	0	3
From 31 to 40	3	1	4	4	0	4
From 41 to 50	4	1	5	1	2	3
From 51 to 60	6	1	7	2	0	2
>=61	0	0	0	0	0	0
Total	15	3	18	10	2	12

* Data on foreign subsidiaries has not been included.

Dismissals per professional classification and gender	Men 2022	Women 2022	Total 2022	Men 2023	Women 2023	Total 2023
Executive 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	3	0	3	1	0	1
Administrative Personnel	1	2	3	2	2	4
Production personnel	11	1	12	7	0	7
Total	15	3	18	10	2	12

* 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 FY2023

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

2023		MEN		WOMEN		Difference
	Age	Average salary	Age	Average salary		
Board of Directors	<=30		<=30			
	31-49		31-49			
	>=50		>=50			
		488.526				
Senior Management + Directors	<=30		<=30			
	31-49	88.331	31-49	97.932	8%	
	>=50	123.997	>=50	148.374		
		113.642		123.153		
Managers and Intermediate managers	<=30		<=30			
	31-49	49.886	31-49	48.863	-19%	
	>=50	60.835	>=50	43.850		
		57.654		46.635		
Administrative and technical personnel	<=30	27.639	<=30	24.408		
	31-49	38.639	31-49	31.090	-13%	
	>=50	48.095	>=50	41.900		
		39.599		34.503		
Production personnel	<=30	29.062	<=30	23.264		
	31-49	33.616	31-49	30.523	-17%	
	>=50	37.488	>=50			
		34.551		28.713		
Non-continuous Production Personnel	<=30	19.282	<=30			
	31-49	25.230	31-49	24.957	-3%	
	>=50	28.204	>=50	25.304		
		25.725		25.080		

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

(1) Difference between men and women in the "Supervisors and middle managers" group, the group of men has more seniority than the group of women in the 50+ age group. In the women's group there is a higher percentage of middle management. Moreover, the two groups are not quantitatively comparable.

(2) Difference between men and women in the "Technical and Admin" group, the group of men is made up of sales persons and engineers, while the women's group is made up of administrative staff and sales assistants.

(3) Difference between men and women in the "Production personnel" group, in the women's group, there is a group that does not receive shift rotation, while the men's group is made up of operators of all categories. Moreover, the two groups are not quantitatively comparable.

(4) Difference between men and women in the "Non-continuous Production personnel" group, the men's group includes gluers and maintenance.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

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

2022		MEN		WOMEN		Difference
	Age	Average salary	Age	Average salary		
Board of Directors	<=30		<=30			
	31-49		31-49			
	>=50		>=50			
		381.833		0		
Senior Management + Directors	<=30		<=30			
	31-49	97.563	31-49			26%
	>=50	123.254	>=50	161.384		
	117.053		146.940			
Managers and Intermediate managers	<=30	35.779	<=30			-16%
	31-49	44.646	31-49	43.729		
	>=50	53.440	>=50	38.860		
		50.598		42.512		
Administrative and technical personnel	<=30	25.726	<=30	22.022		-13%
	31-49	35.496	31-49	28.710		
	>=50	42.943	>=50	37.587		
		36.388		31.550		
Production personnel	<=30	28.170	<=30	31.012		-14%
	31-49	32.551	31-49	29.397		
	>=50	36.308	>=50			
		33.580		28.988		
Non-continuous Production Personnel	<=30	19.583	<=30			-1%
	31-49	23.996	31-49	23.034		
	>=50	24.688	>=50	24.277		
		23.923		23.735		

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

(1) The difference between men and women in the "Senior Management + Directors" group is due to the fact that the women's group is made up of a higher proportion of members of Senior Management, as opposed to the men's group, which is made up of a higher proportion of Directors.

(2) Difference between men and women in the "Supervisor and middle managers" group, the group of men has more seniority than the group of women in the 50+ age group. Moreover, the two groups are not quantitatively comparable.

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

(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.

Information relating to the remuneration of Board members and Directors may be consulted in the Corporate Governance Annual Report which is part of FY2023 Annual Accounts, and also in the Board Members' Remuneration Report, both available on the following corporate website: <http://www.miquelcostas.com/>

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

The average remuneration of Board members for the 2023 financial year, including all items, was €344,152 for men and €140,784 for women (€345,347 and €88,040 respectively in the FY2022). If executive directors (all men in both years) are excluded in the above calculation, there is no gender gap, the average remuneration for non-executive directors being equal for men and women.

The average remuneration of Directors, including variable remuneration, subsistence, indemnities, payments to long-term savings schemes and any other payments, is as follows:

Senior Management + Directors 2023	Men	Women
	142,011.52	153,554.78

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

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 2022 and 2023 were the following:

People with a disability per category and gender	Men 2022	Women 2022	Total 2022	Men 2023	Women 2023	Total 2023
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
Admin. Personnel	0	1	1	0	1	1
Production personnel	3	1	4	3	1	4
Total	4	2	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.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

Data related to absenteeism for 2022 and 2023 include the hours lost through illness, occupational accident and maternity or paternity:

Hours of absenteeism	Hours 2022	Hours 2023
Hours of absenteeism for Temporary Disability	68,163.28	77,453.74
Hours of absenteeism for health contingencies derived from Covid-19	4,647.45	15.50
Hours of absenteeism for Occupational Accident	5,301.27	7.259,33
Hours of absenteeism for maternity/paternity	6,231.16	9,442.83

** 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, leave of absence, 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 sector, the State Collective Agreement for 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 FY2023

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 shall maintain and monitor the necessary prevention plans and programmes that, in addition to complying with legal requirements and other requirements subscribed to by the company, will enable the achievement of the objectives set on the road to continuous improvement.

The collective bargaining agreements applicable in the Miquel y Costas Group's national work centres call for compliance with the provisions contained in current legislation on occupational health and safety and, in particular, those set out in Law 31/1995, of 8 November, on the Prevention of Occupational Hazards, and its implementing provisions.

In addition, the State Collective Bargaining Agreement for the pulp, paper and cardboard sector calls for full collaboration in all companies in the sector, with the Group being a very active participant through the Aspapel Technical Forum on Occupational Risk Prevention, aimed at ensuring that preventive measures effectively reduce the risks arising from the production process and the possible accidents that may occur in it.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

Work centres' accident rate data in 2023 compared with 2022 are as follows:

In the workplace											
Centre ⁽¹⁾	No. acc. (men) 2022	No. acc. (men) 2023	No. accidents (women) 2022	No. accidents (women) 2023	Objective accidents 2022-2023	IF (2) 2022	IF (2) 2023	Objective IF 2021-2022	IG (3) 2022	IG (3) 2023	Objective IG 2022-2023
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	3	6	0	0	(7)	9.2	18.7	(5)	0.3	1.0	(5)
MCL	1	0	0	1	(4)	35.5	29.7	(4)	0.4	0.6	(4)
CELESA	3	1	0	0	(7)	21.3	7.0	(5)	0.2	0.5	(5)
MCM MISLATA	1	5	0	0	(7)	7.4	38.3	(6)	0.5	0.3	(6)
MCM CAPELLADES	2	1	0	0	(4)	8.7	4.4	(4)	0.2	0.1	(4)
MB	3	5	0	0	(7)	20.7	33.9	(6)	0.2	0.9	(6)
TP	1	2	1	0	(7)	20.3	20.2	(5)	0.5	0.3	(5)
CLARIANA	3	1	0	0	(7)	37.7	13.1	(8)	0.9	0.5	(8)

En route to work				
Centre ⁽¹⁾	No. accidents (men)		No. accidents (women)	
	2022	2023	2022	2023
Miquel y Costas & Miquel, Tuset work centre	0	0	0	0
Miquel y Costas & Miquel, Besós production centre	1	2	0	0
Papeles Anoia	0	1	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	1
MB production centre	0	0	0	0
Terranova production centre	1	2	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

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

	INDEX 2022 PER ECONOMIC ACTIVITY
FREQUENCY INDEX	26.70
SEVERITY INDEX	0.87

Information obtained from the web [mites.gob.es/](https://www.mites.gob.es/) Statistics tables of work-related accidents 2022

The Miquel y Costas Group has as a reference framework an occupational health and safety management system based on the ISO 45001:2018 standard, whose objective and expected results of the management system is to prevent work-related injuries and health deterioration and to provide safe and healthy working environments. The implementation of the management system in accordance with this standard was a strategic decision of the organisation in 2020. The Miquel y Costas Group maintains its certification in accordance with the standard ISO 45001:2018, obtained by a prestigious, internationally recognised accredited body.

As in 2022, no occupational illnesses have been identified and reported in 2023.

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, Managerial Direction 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 management as well as in all those aspects related to the positions they hold and which could improve their performance.

The Group plans an annual training plan for all Group employees, providing them (according to category and position) with the necessary training for the development of their daily activities. Such training may be aimed at acquiring new knowledge related to their daily duties, improving skills or obtaining certifications.

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 2022 and 2023 for national companies has been the following:

No. Hours of training per professional category	Hours 2022	Hours 2023
Directors	95	340
Managers and intermediate managers	716	842
Adm. personnel	2,661	3,477
Prod. personnel	2,340	4,460
Total	5,812	9,119

4. Respect for human rights

Respect for human rights is a fundamental part of the Miquel y Costas Group's values and an aspect intrinsically linked to its business activities. For this reason, the *Human Rights Policy* was developed in 2023, and the Chairman of the Board of Directors of the parent company is responsible for approving it and ensuring its compliance.

Through this policy, the Management of Miquel y Costas & Miquel, S.A. and its Business Group wishes to formalise its firm commitment to internationally recognised human rights and to avoid any complicity in the violation of any of them, in all areas and at all levels of the organisation.

All the people who make up the Miquel y Costas Group are obliged to respect the principles of the Universal Declaration of Human Rights and carry out their activities in line with the United Nations 2030 agenda. These commitments are also binding on third parties that collaborate with any of the Group's companies.

In line with this purpose, the Miquel y Costas Group has taken a further step by informing the Secretary General of the United Nations of its formal adherence to the Ten Principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption. As an active member as of 16 October 2023, the Group will ensure that these principles form part of its strategy, culture and daily operations, to collaborate in projects that promote the achievement of the Sustainable Development Goals (SDGs) and to make its progress public.

In this same context, the Code of Ethics stands as the framework that governs all the Group's activities and guarantees its commitment to current legislation and solid ethical values. Its update in 2022 has established new and stronger commitments with stakeholders that have been developed and reflected during 2023, among others, with the boost to the formalisation of the Group's commitment to the protection of human rights through its Human Rights Policy.

Furthermore, corporate policies have been defined in strict adherence to the fundamental principles and values to exercise due diligence in accordance with OECD guidelines, International Labour Organisation policies, the UN Compact, the SDGs and the company's *Code of Ethics*.

Thus, the Group is expressly committed to a set of basic principles which it establishes as a standard of conduct to be followed in all its activities, which must be governed by the principles of non-discrimination, these being its guiding principles:

- Respect for the rights and dignity of persons without distinction of gender, race, conviction, illness or any other condition protected by law.
- Adherence to the guiding principles of integrity, honesty and responsible conduct.
- Rejection of any form of discrimination, harassment or abuse.
- Prohibition of child labour.
- Rejection of forced and compulsory labour and human trafficking.
- Respect for decent and fair remuneration for work performed.
- Respect for health and hygiene at work.
- Respect for freedom of association and effective recognition of the right to collective bargaining.

To this end, the labour policies approved by the Group are established in accordance with the labour regulations or legislation in force at all times and in each location in which it resides, and the corresponding due diligence procedures are developed to ensure compliance with such regulations or legislation. At the same time, the Group works to improve individual and collective labour rights for all its employees beyond those required by international organisations.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

Compliance with regulations on hiring and working conditions excludes the possibility that abusive, forced or illegal labour may arise, expressly stating its rejection of slavery or human trafficking, and prohibiting the hiring of child labour at its centres or those of its suppliers, also including the evaluation of compliance with this commitment in the audit of suppliers that has been reviewed in 2023 and which will be fully applicable in 2024.

A pesar de que los distintos convenios colectivos de aplicación que rigen las relaciones laborales en el Grupo Miquel y Costas son de ámbito supraempresarial, dejando la negociación fuera del ámbito de control del Grupo, en el devenir de las relaciones laborales se producen negociaciones en el seno del Grupo que suelen finalizar con acuerdos que adaptan, sino mejoran, los derechos definidos a nivel estatal en los diferentes convenios colectivos.

Despite the fact that the different collective bargaining agreements that govern labour relations in the Miquel y Costas Group are of a supra-company scope, leaving negotiation outside the Group's sphere of control, in the course of labour relations, negotiations take place within the Group that usually end with agreements that adapt, if not improve, the rights defined at state level in the different collective bargaining agreements.

The rights of unionisation and assembly of all workers are guaranteed as established by law, as well as the rights and guarantees foreseen in the labour regulations for the members of the legal representation of workers existing in all centres.

The Miquel y Costas Group provides the various legal representatives of the workers and the various trade union representatives with the material and space resources necessary for the proper performance of their functions in the interests of their organisations and those they represent, thus facilitating the holding of meetings and/or assemblies.

It is the responsibility of the Board of Directors, management and all persons within the Group to commit themselves to establishing a strong compliance culture within the Group.

Based on the approved and implemented Equality Plan, work has been carried out on the implementation of the improvement actions established in its schedule and on the definition of indicators to report on the evolution of the equality situation in the different work centres. This includes a new protocol for the prevention of sexual harassment with the aim of detecting, preventing, acting, informing and raising awareness among all staff of the importance of respect for equality and non-discrimination on any grounds.

In order to assess effective compliance with the principle of respect for a working environment free of violence, harassment, intimidation and respect for people's rights, various surveys are carried out in accordance with the provisions of the People Management Procedure (PRGESRH) which provides: biennial satisfaction surveys in the MB and Terranova centres, in which the results are measured and analysed, and depending on the values obtained in the different items, improvement actions are implemented; quadrennial HR evaluation surveys by all work centres; and annual evaluation surveys of the direct manager and job satisfaction in 2 work centres, which will change on a rotating basis each year according to an established calendar.

Arising from the results of the direct manager evaluation surveys, training actions have been carried out in motivation, team management and persuasive leadership to reinforce the weakest aspects. An equality survey was also completed at the MB, Terranova, Celulosa de Levante and Clariana centres in order to assess the situation at each centre, the results of which form part of the action plan to be carried out during the term of the Equality Plan.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

As part of the principles of action that the Group promotes to ensure compliance with its commitments to human rights, all employees, customers, investors and suppliers have at their disposal a communication channel through which they can report breaches of human rights or even raise concerns about compliance with the principles of the Code of Ethics.

In order to strengthen communication with the company, and to complement the current physical channels and mailboxes implemented since 2013 in the Group, on 29 May 2023 the Audit Committee and the Board of Directors approved the establishment of a new Internal Reporting System for the entire Group, as well as the creation of an Ethics Committee responsible for its management. The new Internal Reporting System enables the reporting of suspected breaches of the law to take place completely anonymously and without any fear of retaliation on the part of the reporting person, provided that the report is made in good faith. Its regulation is set out in the Internal Whistleblower Information and Protection System Procedure available on the Group's website.

The volume of complaints and queries remains low, having been reviewed until the first half of 2023 by the Audit Committee and thereafter by the Ethics Committee.

In 2023, four complaints were received in relation to possible infringements of rights and protection of individuals, most of which, after being duly assessed, had to be diverted to other management channels as they were not the subject of the channel and dealt with deviations or situations within the remit of other areas, with a single exception, which was duly investigated and analysed, concluding that there was no infringement of any kind. On the other hand, a complaint of harassment was received, investigated and processed through the channels established in the Equality Plan, which resulted in dismissal.

In 2022, only one communication was received, and in no case was the complaint related to discrimination, harassment or lack of respect for human rights.

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.

In accordance with its formal adherence to the principles of the United Nations Global Compact, and in its quest to promote the adoption of corporate commitments that have a positive impact on sustainable development, the Group has begun the process of identifying the Sustainable Development Goals (SDGs) that are currently most relevant to its business activity and that contribute to the fulfilment of the 2030 Agenda.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

In this context, the main SDGs associated with the protection of human rights, to which the Group contributes, are as follows:



3 HEALTH AND WELL-BEING

The Group is committed to health and safety in all workplaces, ensuring strict compliance with safety regulations. ISO 45001 certification at all production sites demonstrates commitment to international safety standards.

Main contributions in 2023:

- Investment in fire, health and safety (thousands of €): 1,679 (664 in 2022)
- Employees trained in health and safety: 100% of those trained; emergency teams and managers (100% in 2022)
- Frequency rate: 14.9 (12.2 in 2022)



8 DECENT WORK AND ECONOMIC GROWTH

The Group is committed to inclusive and sustained economic growth to drive progress, create decent work and improve the community's standard of living. To achieve this, it allocates resources to R&D projects, improving efficiency and attracting talent.

Compliance with regulations on recruitment and working conditions prohibits abusive, forced or illegal labour. The Group transfers to its supply chain the obligation to reject slavery and child labour and to guarantee adequate working conditions.

Main contributions in 2023:

- Permanent contracts: 94% (95% in 2022)
- Tax contribution (thousands of €): Corporate tax payments of 15,014 (9,762 in 2022)
- R&D&I resources (thousands of €): 3,283 (6,395 in 2022)
- Strategic suppliers assessed in CSR: 100% (100% in 2022)
- Training hours: 9,119 (5,812 in 2022)
- EPS (euros per share): 1.1136 (0.8185 in 2022)
- Amount earmarked for donations: €110,000 (€100,000 in 2022)



10 REDUCING INEQUALITY

The Group's primary objective is to raise awareness among all staff of the importance of inclusive economic and social growth ensuring an working environment with equal opportunities and prohibiting any discriminatory employment practices.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

Main contributions in 2023:

- Satisfaction surveys conducted at the MB and Terranova centres (Mislata and Celesa in 2022).
- Assessment of performance in management positions; 81% evaluated (90% in 2022).
- 100% of new recruits informed about the equality policy implemented and the sanctions regime.
- 100% of the staff has been informed of the functioning of the complaints channel.
- 100% of staff have been informed of the update of the Code of Ethics.
- % of training requests granted: 71.35% (79.56% in 2022).

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, aligned with 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 promoting the protection of Human Rights, own industrial and intellectual property and of third parties, or of security of information and personal data.

On 24 April 2023, the Audit Committee, as a delegated body of the Board of Directors, approved the update of the Anti-Corruption and Anti-Bribery Policy, thus reinforcing our position in the fight against fraud. The new policy adapts its content to the principles and commitments of the new Code of Ethics and is aligned with the ESG requirements of the main global evaluators.

The Anti-Corruption and Anti-Bribery Policy, like the Code of Ethics, is applied in all the companies that make up the Miquel y Costas Group and applies to all the personnel that provide their services, and is accessible to both personnel and external parties through the Group's website.

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.

The *Institutional Anti-Fraud Statement* included in this policy constitutes the Group's commitment to the prevention and punishment of fraudulent acts and conduct that may give rise to corruption and fraud in any of its manifestations.

To ensure compliance with the Anti-Corruption and Anti-Bribery Policy, the control model implemented for the prevention of criminal risks is applied.

Since 2016, the Miquel y Costas Group has implemented the "Internal Control Model for the Prevention of Criminal Risks". This management and organisational model has been designed with the conviction and desire to cover all areas of activity, and includes surveillance and control measures necessary to prevent and detect the commission of crimes (and more specifically criminal offences that may affect the legal entity), guaranteeing the goodwill of the company before third parties.

Management of compliance with policies and procedures relating to business ethics, and the resolution of queries arising therefrom, is centralised in the Audit Committee through the Compliance Officer, who is responsible for the periodic review, analysis and supervision of the control activities applied in

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

the different processes exposed to risk, in order to identify conduct and procedures that are punishable under criminal law, both own and third party, occurring within the Group or its activities, and to adopt the appropriate measures in each case.

Based on the implementation of the management system to control criminal risks, those criminal acts that could have a higher 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.
- External audit to assess the management model.
- Supervision and approval of actions taken, and results achieved by the Audit Committee (delegated body of the Board of Directors).

Periodically, an internal follow-up is carried out 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 diagnostic 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 conducted in 2022 assessed, among other things, the adequacy of the functions of the supervisory body and the system for monitoring the system, concluding that a formally implemented compliance management system is in place in accordance with the requirements set out in the Criminal Code.

As a result of the recommendations derived therefrom, a new external audit was carried out in 2023, which entailed the reassessment of the criminal risks included until now and the incorporation of the assessment and, where appropriate, control mechanisms, of the new offences for which the legal entity is criminally liable in accordance with the latest amendments to the Criminal Code. As well as the establishment of objective criteria for assessing the effectiveness of the controls.

Consequently, on 30 October 2023, the Audit Committee approved the new inherent and residual risk map for both Miquel y Costas and its subsidiaries, resulting from the detection and assessment of risks and risk factors, as well as mitigating controls.

Likewise, at present, the receipt, assessment, management and response to possible complaints or suspicions regarding the commission of unlawful actions that may be submitted through the various channels available to the Group is centralised in the Ethics Committee.

Given that ethical values guide the activity and underpin trust with both personnel and the environment, it is essential to ensure respect for company policies, and it is considered mandatory to have channels and procedures for reporting any act of non-compliance or illegal actions or suspicions of them.

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

In the reporting period, as in 2022, there were no confirmed cases of corruption, bribery, fraud, money laundering or any other type of crime covered by criminal risks. Consequently, for this reason:

- No employees have been reprimanded or dismissed.
- There has not been any termination or lack of renewal of contracts with any business partner.
- No lawsuits have been received for this reason, neither against the organisation nor any of its partners.
- -No deviations or non-compliance with the policy on gifts, presents and gratuities have been detected through responsible employee communications.

The Group's entire new regulatory framework, its commitments and its management hinge on the principle of "zero tolerance" to corruption and fraud over obtaining benefits based on actions contrary to the Code of Ethics. In order to strengthen the Group's position on zero tolerance to acts of corruption or any offence covered by criminal risks, the Group carries out training plans on ethical standards for all staff. Training is provided not only to key employees exposed to high risks but to the entire workforce.

These training programmes are aimed at ensuring the application of the criminal risk prevention procedure and identifying possible warning signs, as well as disseminating and ensuring compliance with the principles of the Anti-Corruption and Anti-Bribery Policy, including the whistleblower channel procedure and the sanctions regime.

In addition, in 2023 as in 2022, assessment tests were carried out to ensure that all staff are aware of and adhere to the Group's ethical principles. The scores obtained ensure that we understand their content and the consequences of non-compliance.

At year end 2023:

- In line with the previous year, all members of the governing body have received information on business ethics policies and training on the organisation's anti-corruption procedures, as part of the regular and ongoing reporting and guidance protocol that has been followed in previous years.
- In line with the previous year, 100% of new recruits this year have been informed of the policies and procedures governing the Group's activities and the ethical principles that define its conduct, including the Anti-Corruption and Anti-Bribery Policy, as established by internal regulations and as has been complied with in recent years.
- 92% of staff have received training on the organisation's ethical standards, with the remaining percentage corresponding to recent additions or temporary incapacitation, a range that is within the levels of tolerance for the evolution of the activity and in line with the previous year. In 2022 it was 97% (the percentage fluctuates depending on contract terminations and retirements).
- 94% of staff have completed the ethical awareness tests, with positive results. The remaining percentage is due to organisational issues and will be carried out in 2024. This training is part of the Training Plan to ensure that all staff are kept up to date and reminded of their knowledge in this area. In 2022 it was 80%.
- No deviation or non-compliance with the policy on gifts, presents and gratuities has been detected through the established controls or through the responsible declarations issued by employees (0 non-compliances in 2022).

6. Society

The Group maintains a continuous and constant relationship with local communities, including educational, business, municipal and sectoral groups related to its activities. This relationship aims to maintain a source of information and communication regarding possible collaborations, establish close relationships between companies and associations in the sector for better management, knowledge-sharing of different situations, as well as the potential economic promotion of the town or area in which the Group's 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 Fundació Miquel y Costas) is a member of the business association of the Anoia region UEA (Unió Empresarial de l'Anoia) and is a sponsoring member of the Museu Molí Paperer de Capellades (Barcelona).

The amount that the Group earmarked for donations during the year amounted to 110 thousand euros, representing an increase of 10% over the previous year (100 thousand euros in 2023), practically all of which has been channelled through the Fundació Miquel y Costas, which in turn has reverted it to the company.

6.1 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, delivery 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, testable, 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, all suppliers are aware of the Group's Code of Ethics and are required either to adhere to it or to demonstrate compliance with and commitment to a similar Code of Ethics that meets the same standards and, in particular, undertake to respect the human and labour rights of its personnel. The Group does not tolerate violations 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, 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.

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

NON-FINANCIAL INFORMATION STATEMENT FY2023

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 the 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 their commitment to all ethical and sustainability principles in order to meet our high standards in these areas.

The management of Suppliers during this financial year

During 2023, once the impacts of the pandemic had been minimised and the logistics situation normalised, especially the maritime situation, the Group was able to maintain the supply capacity of all the raw materials necessary for the normal operation of the activity, monitoring at all times the stocks of our plants and the supply capacities of strategic suppliers.

The most relevant events during the period were a generalised fall in demand, which led to a sharp reduction in the price of our main raw material, cellulose pulp, as well as chemicals and packaging material, both cardboard and plastic. On the other hand, the price of sea freight also fell sharply after large increases in the previous year. The conflict in Ukraine, which strained the price and availability of some products during 2022, did not significantly affect the supply chain and energy prices, which have even been reduced.

The Group's supplier panel is very stable and it has not been necessary to incorporate any new suppliers during the past year. For several years now, the Group has been informing all suppliers about our policies on Corporate Social Responsibility, Criminal Risk Prevention, Code of Ethics and Anti-Corruption Policy. This year our goal is that 100% of our suppliers are not only aware of these policies, but also adhere to their compliance.

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.

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

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

FAMILY	No. SUPPLIERS		AMOUNT PURCHASES (M€)		% SPAIN (in €)		% Rest EU (in €)		% Extra-EU (in €)	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Pulp	23	16	57.19	79.40	36.9%	32.7%	37.7%	43.8%	25.4%	23.5%
Chemical Prod.	75	71	19.71	23.90	77.3%	79.9%	22.7%	20.1%	0.0%	0.0%
Rings	3	3	1.46	1.60	99.6%	100.0%	0.4%	0.0%	0.0%	0.0%
Packaging	69	70	6.12	6.00	97.5%	100.0%	2.3%	0.0%	0.2%	0.0%
Mat. Books	3	3	4.93	5.20	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Vestments	8	6	1.14	1.10	52.9%	14.0%	47.1%	86.0%	0.0%	0.0%

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 aboriginal 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 result of this supply policy, **48%** of the pulp purchased (vs. 41% in 2022) was FSC certified, and the remaining **52%** (vs. 59% in 2022) was FSC controlled, of which **54%** (vs. 62% in 2022) was PEFC certified. These figures provide a positive response to the requirement for pulp to be certified in both custody chains and we can more than meet our customers' demand for forestry certifications.

With regard to chemical products, the Group promotes collaboration with suppliers operating within the national sphere, reaching **77%** of total purchases (vs. 80% in 2022) from suppliers of this family of products, with the aim of contributing to minimising the carbon footprint and fostering growth and sustainability in our community. The rest of the purchases are for highly technical products that are not available locally, but remain within the scope of the European Union.

With regard to suppliers of rings, packaging and materials for the manufacture of cigarette paper booklets, we continue to use almost **100%** local suppliers, all of them within a radius of less than 60 km from our production centres, thus helping to minimise the impact of the carbon footprint of these products.

Finally, as far as the family of vestments is concerned, these are highly technical products that few manufacturers can supply, so we are obliged to extend our purchases to the intra-Community sphere, as manufacturing capacities within Spain are very limited.

Certification and assessment of suppliers

The Group has a general supplier evaluation procedure that establishes and regulates the system for choosing, continuously evaluating and monitoring suppliers in its centres, determining their ability to

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

comply with the quality requirements for each product and service, and which includes environmental and custody chain criteria for raw materials of forest origin. In addition, when contracting all suppliers, the Group reports on the Code of Ethics, Corporate Social Responsibility and Anti-Corruption Policy and checks the social dimension of the supplier, verifying its focus on the prevention and mitigation of negative social impacts in the supply chain.

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

- **Quality:** The previous year's non-conformities are reviewed, are counted in number of deliveries and non-conformities reported in the period under review.
- **Economic:** Suppliers of the same product are ranked according to the prices offered.
- **Delivery deadlines:** Suppliers who fail to meet our planned delivery dates are penalised.
- **Environment:** Suppliers that have EMAS, ISO 14001 certification or simply have an environmental policy are evaluated differently.
- **Service and Support:** Together with the R&D Department, the degree of cooperation and support in both technical and commercial matters is assessed.
- **CSR:** Since the previous year, the methodology for assessing suppliers' compliance with commitments to CSR principles has improved. From this year onwards, suppliers are asked to provide clear evidence that they have a sustainability report, clear CSR policies or, at least, that they can demonstrate a commitment to human rights, compliance with current legislation on tax, labour, health and safety, incident management or deviations from their CSR or Code of Ethics.

During 2023, a more detailed and continuous monitoring of this last requirement has been introduced. Of the 100% of suppliers reviewed, **78%** (vs. 64% in 2022) are within the compliance ranges.

100% of strategic suppliers (181) have been evaluated under all these parameters, obtaining an average score of **88.6 out of 100** (vs. 87.2 in 2022).

In addition to these annual evaluations, the Purchasing Department, together with the R&D Department, carries out periodic audits of suppliers, during which all parameters are reviewed and the relevance of the commitment to compliance with economic, social and environmental standards is emphasised.

In addition, all suppliers who carry out work at the facilities of Miquel y Costas & Miquel, S.A. and its Group must guarantee compliance with the Group's social and environmental policies and procedures.

6.2 Tax information

The Group receives certain grants for the promotion of public policies aligned with those of the Group. Details of this aid can be found in note 14 (a) of the consolidated annual accounts for 2023.

The Group has control mechanisms in place to ensure tax compliance in the countries in which it operates. In addition, the Group has contracted advisors in the various countries where it has a

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

corporate presence to advise it in terms of tax compliance and regulatory changes. In 2023, none of the Group's companies were subject to any material tax penalties (nor in 2022).

The net profits obtained country by country, as well as the corporate tax payments made in 2023, are as follows:

COUNTRY	PROFIT BEFORE TAX	PAYMENTS FOR CORPORATION TAX **
SPAIN	55,026	14,712
REST OF COUNTRIES (Subsidiaries)*	1,527	322
TOTAL	56,553	15,034

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 2023.

The net profits obtained country by country, as well as the corporate tax payments made 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 2021 and 2022.

6.3 Consumers

The Group complies with the legislation in force in the countries where it markets its products. Most of them are industrial products that are integrated into the production process of other companies. The products intended for the food sector comply with all the requirements demanded to guarantee the health and safety of consumers, complying in the case of Terranova Papers with the BRCGS standard and in the case of Mislata with the ISO 22000 standard. The technical specifications of the products are defined by the customers, and no complaints related to the health of consumers have been received from them in either FY2023 or FY2022. As a result of the quality management system certified under the ISO 9001 standard, procedures have been established for the communication, reception, management and resolution of any incident or complaint that may arise from our clients.

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

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

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, which will include: 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 evolution.	GRI 2-1 GRI 2-2 GRI 2-6 GRI 3-3	1. Group 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	Global 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			
Consumption of water and water supply in accordance with local limits; Consumption of raw materials and measures adopted to use them more efficiently; Direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energies.	GRI 303-3 GRI 303-5 GRI 3-3 GRI 301-1 GRI 302-1	2. Environmental matters	

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

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 adopted 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.		
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 organisation		
	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 their co-responsibility by 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
	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
Balance 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	

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

SCOPE	Content	Report framework	Section in this report
	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 respect for 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	6. Society
	Company's commitments to sustainable development		
	The impact of the company's activity on employment and local development;	GRI 3-3	6. Society
	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

MIQUEL Y COSTAS & MIQUEL, S.A. AND SUBSIDIARIES
NON-FINANCIAL INFORMATION STATEMENT FY2023

SCOPE	Content	Report framework	Section in this report
	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 their 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
	Public grants received	GRI 201-4	6. Society
EU Taxonomy	European taxonomy for sustainable environmental activities	Own methodology based on compliance with Regulation 2020/852	2. Environmental matters