

SUSTAINABILITY REPORT 2020



CIRCULAR ECONOMY:
A SOCIAL AND
ENVIRONMENTAL COMMITMENT

Letter from Stefano Pacini

The infinite diagram of our sustainable innovation strategy is based on nine chapters, all equally critical and equally important. If we are to achieve our goals, we have to work on each and every one of them, but there can be no doubt that last year helped us to think and to focus on the social chapter as a priority.

My generation had never experienced and never expected to have to experience such a complex, sad and shocking situation as that brought about by the pandemic. The world changed in a matter of weeks and caring for our people, their families and our community became a priority. We concentrated our efforts on setting up safety mechanisms in our facilities, in our offices, on introducing social distancing practices such as home office and, at the same time, on teaching our staff to take care of themselves and to take care of their colleagues, families and communities. Our motto became “take care of ourselves and others”, and much of our energy was directed precisely at that. We invested in improving our facilities in order to make social distancing easier, technology and controls were introduced to identify and help anyone infected, contracts were signed so that people suffering from symptoms could be tested quickly and efficiently, and much, much more. All our staff were guaranteed private transportation and nurses were hired to control and assist anyone showing a symptom or who simply needed help and support.

Despite the huge challenge, despite all the difficulties, deep down it was a lesson about life. The human being and life itself became the epicenter of everything we did, complete with all the complex issues that this implied.

At one of the many emergency meetings we held to control the pandemic, we set about understanding the consequences that this new normal was having for society, and what most impressed me was that we found that 2020 was a year of profound sadness. Home office allows people to be physically close to their families, something that for me is always positive, but on the other hand it compromises socializing. All of us, to a greater or lesser extent, need to socialize, we need to share, we need that pat on the back that makes us feel fulfilled, content and - why not? - important.

We could not feel satisfied and pursue our social goal without stretching out a helping hand to the communities that suffered most. Without knowing precisely how to do this, we set about helping those most needy in some way. Thousands of food parcels, protection kits and other resources were handed out to communities in our areas of influence and to recyclers.

Despite the challenge, despite all the uncertainty and the difficulties, we managed to make progress and to carry out all the projects we proposed. Our new post-consumption recycling plant was built from scratch, production tests started in December, and it is now in the production phase. Installation and start-up were completed of all the new technologies that will place us at the very forefront of advanced packaging in the world, from not only the technological but also the sustainable viewpoint. We became climate-positive companies, we converted fully to renewable energy at our plants in Colombia, and we made progress on many ecodesign projects, including all available knowledge and technologies. Similarly, we made progress on solutions with recycled content, with biobased and renewable content, on mechanical recycling, on chemical recycling and, obviously, on reduction and reuse projects.

2020 was a complex year, but character comes out when times are hard and our team clearly showed that it is more than capable.

Over and above all that, our customers and the final customers for our products never ceased to be our priority. In line with our philosophy of total transparency, we succeeded in strengthening our customer relations. The restrictions resulting from the pandemic did not stop us from meeting the needs for packaging and products that it caused. We were able to correctly perform

our role of critical suppliers for the food and cleaning goods chains. Permanent communication helped us face up to the crisis together, and this increased trust. Fortunately, no customer suffered any major supply problems. It goes without saying that without the closeness, support and trust of everyone concerned we would not have achieved what we did. I believe that today I can say without any fear of being wrong that we have sounder, deeper and, above all, more inclusive relations in terms of social and human values.

Last year left many lessons, many reflections but, in the end, I believe we are more sustainable, we are also better entrepreneurs, better companies, and above all, better persons.



IN 2020, WE SUFFERED ONE OF THE BIGGEST HUMANITARIAN AND ECONOMIC CRISES IN RECENT TIMES, DUE TO THE IMPACT OF THE COVID-19 PANDEMIC. THIS LEFT PLASTILENE GROUP FACING A BIG CHALLENGE, IN SOCIAL, ECONOMIC AND ENVIRONMENTAL TERMS.

GENERAL ISSUES

Who we are at Plastilene Group

In 2020, we suffered one of the biggest humanitarian and economic crises in recent times, due to the impact of the Covid-19 pandemic. This left Plastilene Group facing a big challenge, in social, economic and environmental terms. (GRI 102-15) Our experiences during the year brought us together and made us stronger than ever, as a Group. We committed ourselves to investing in the peace of mind and wellbeing of our staff, to adopting new ways of working,



and to strengthening alliances with those involved in our value chain and other stakeholders, in order to minimize the risks that the pandemic brought. We are an optimistic Group which, despite the difficult situation, took on the task of being responsible for taking care of its workers and supporting the most vulnerable communities during the pandemic.



(GRI 102-16) EXCELLENCE, RESPECT, HONESTY Y SOLIDARITY.

(GRI 102-16, GRI 102-17) These values are passed on constantly to our stakeholders by way of example and through training and both internal and external communications. They are also supported by the Group's Code of Ethics, which helps us to maintain a fair work environment.

(GRI-102-18) (GRI 102-22) (GRI 102-23) (GRI 102-24) Plastilene Group is based on a family holding company and has a President, who leads it, and a board of directors as the supreme governance body, whose members are both shareholders and non-shareholders. The board of directors is a relatively closed entity and its members have performed their duties for many years. If a new member is required, the said person is contacted by means of networking among participants, partners and friends.

(GRI 102-31) The board of directors meets on a monthly basis to review essential and strategic matters. Numerical information is supplied to members in advance, for review. There is also an annual meeting to which members of the board, the family, the Group's executive team and possible guests are summoned, and this provides clarity and transparency.

Because of the emergency, special meetings were arranged in 2020 to discuss how to face up to the impacts of the pandemic. (GRI 102-33) Additionally, one-to-one conversations and special meetings were held, in order to communicate and take on board points that our president considered important during the year.

(GRI 102-26) (GRI 102-27) (GRI 102-28) All decisions at Plastilene Group are made jointly, taking into account the experience of each member of the supreme governance body, not only in the plastics industry but also in numerous other sectors. Each offers a different viewpoint, which is of

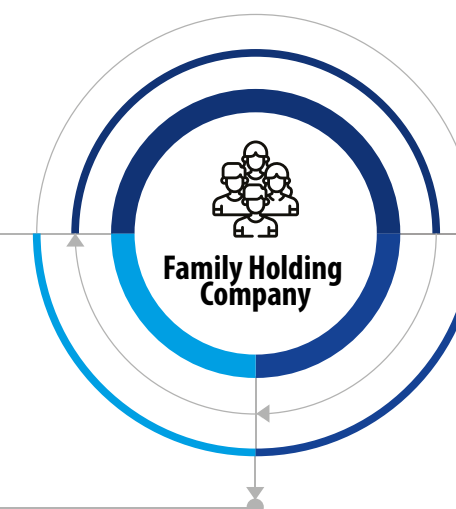
great value to the business. We have general training plans, via the Plastilene University, to which board members have access. We have no formal training or performance evaluation plans for board members. (GRI 102-25) In order to preserve ethics and transparency during board meetings, if any type of conflict of interest arises, the person concerned leaves and takes no part in either the discussion or the decision.

Fifteen years ago, we set ourselves the target of becoming a global company, and in the last four years, with the help of important professionals who are part of the Group, our strategies have focused on achieving this goal. We have worked hard to build and optimize new and existing plants, to conceptualize new products and to apply a sound sustainability strategy.

Plastics
Delegation
by family
on **Stefano Pacini**
President,
Plastilene Group
**Plastilene group
board of directors**



**Other
economic
sectors**

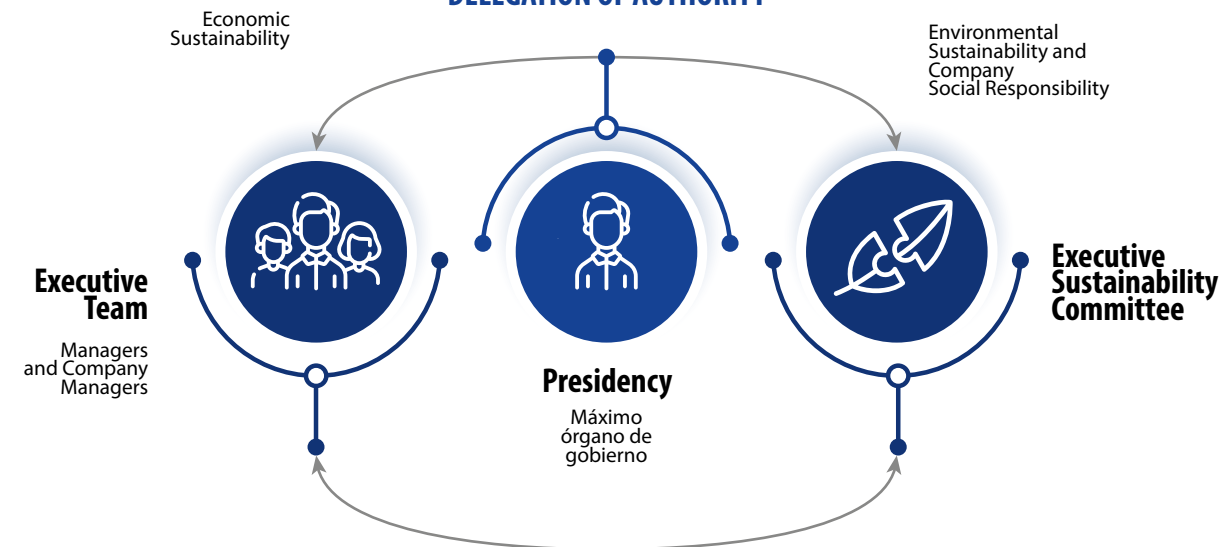


Strategic business
decisions are made on
the basis of the Pacini
family's views

Marble
Delegation by family
on **Stefano Pacini**
President,
Plastilene Group

¿Who we are at Plastilene Group?

DELEGATION OF AUTHORITY



(GRI 102-19) (GRI 102-20) Delegation of authority flows horizontally at Plastilene Group. Executive level responsibility on economic, environmental and social matters is in the hands of the Group presidency, with support from the executive team and the Executive Sustainability Committee. **(GRI 102-32)** The Group Presidency and the Corporate Sustainability and Procurement manager evaluate and approve this report, in order to guarantee that all material subjects are reflected in it.

(GRI 102-29) (GRI 102-30) All our companies have risk result and parameter indicators that are analyzed constantly and updated, and action is taken if the need arises.

The AON Maturity Risk Index that Plastilene Group had been using for determining its risk maturity level was not in use in 2020; however, the Group made progress in the risk management field by defining the contingency plan and introducing good prac-

tices for obtaining AEO (Authorized Economic Operator) certification. The pandemic put all areas of the company to the test in the crisis situation, and today we can say that it was handled successfully. No loss of life was recorded and we continued to perform our economic and social activities, as part of the essential hygiene, protection and food chains.

At operations level, monthly corporate meetings are held with the finance, operations, sales,

procurement and sustainability, human resources, logistics and systems areas. All persons with responsibility that the respective Corporate Manager considers necessary take part in these meetings, and detailed follow-up is carried out on progress, plans and challenges.

Customers

(GRI 418-1) We protect our customers' privacy and also against data loss. When required, we have a document signed by the parties relating to information management.



WHERE WE ARE

(GRI 102-3) (GRI 102-4) Our corporate offices are currently located in Bogotá. We operate our plants in Bogotá, Soacha, Tocancipá and Mosquera (Colombia), in Amatitlán (Guatemala) and in Quito (Ecuador). We have commercial offices in the United States, Canada and Mexico, as well as commercial representatives to serve the respective markets in Peru, Costa Rica, El Salvador, Panama, Honduras and Nicaragua.

PLASTILENE GROUP TARGET MARKETS

(GRI 102-2) (GRI 102-6) We serve numerous markets in different parts of the world and we have an extensive product portfolio, based on ecodesign and innovation.



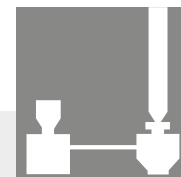
AT **PLASTILENE**, WE PRODUCE:

- Specialties in innovative sustainable films patented for the food sector.
- Flexible films for the automatic packaging of foodstuffs such as sugar, grains, water, soft drinks and milk.
- Flexible films for automatic packaging of cleaning products such as toilet paper, chlorine, and powdered and liquid detergents.
- Barrier films for dairy products, minerals, agrochemicals and juices.
- Barrier films for dairy products, minerals, agrochemicals and juices.
- High- and medium-barrier flexible films for thermoformed bases and lids used in the packaging of foodstuffs such as meat and cheese.
- Industrial packaging for all types of palletized merchandise.
- Packaging with and without printing for the food industry, pet food, and personal hygiene products.
- KHROMA-line labels for cleaning products and beverages: thermo-shrinkable sleeves, WA labels (wrappers), and safety seals.
- Films with additives for agriculture and fish-farming.
- Mulch for planting fruit and vegetables.
- Trade film.
- Laminates used in the agriculture and industry sectors based on post-consumption PET flakes.

AT **NOVALENE**, WE PRODUCE:

- Barrier films for water, dairy products and juices.
- Flexible films for the automatic packaging of foodstuffs such as sugar, grains, water, soft drinks and milk.
- High- and medium-barrier, high shine and highly resistant flexible films for thermoformed bases and lids used in the packaging of foodstuffs such as meat and cheese.

altalene

AT **ALTALENE**, WE PRODUCE:

- Bags for cleaning and personal hygiene products.
- Film for general industrial shrink-wrapping.
- Bags for cleaning materials.
- Industrial sacks with and without barrier.
- Repackaging for foodstuffs.
- Trade bags.
- Wicket-type bags

AT **INTERPLAST**, WE PRODUCE THE FOLLOWING:

- Compounds with special additives for stabilizing polymers for the agriculture and industry sectors.

AT **TECHNOFILMS**, WE PRODUCE:**TechnoFilms**

- Flexible films for the automatic packaging of foodstuffs and beverages such as sugar, grains, water, soft drinks and milk.
- Flexible films for the automatic packaging of cleaning products such as toilet paper, chlorine, and powdered and liquid detergents.
- Barrier films for dairy products, minerals, agrochemicals and juices.
- Packaging with and without printing for the food industry, pet food, and personal hygiene products.
- High- and medium-barrier flexible films for the thermoformed bases and lids used in the packaging of foodstuffs such as meat and cheese.
- Industrial packaging for all types of palletized merchandise.

AT **RECICLENE**, WE PRODUCE:

Recovered PE and PP raw and posconsume materials for the plastics industry in general.



- Products with a recycled content, such as plastic pallets and cores.
- Compounds with mineral loads that reduce the environmental impact.
- Functional compounds for the plastics sector (white master, anti-block, process aid, slip).

AT **AGROPLÁSTICOS**, WE PRODUCE THE FOLLOWING:**AGROPLASTICOS**

- Films with additives for agriculture and fish-farming.
- Mulch for planting fruit and vegetables.
- Plastics for coating water reservoirs.
- Plastics for disinfecting soil.
- Films without printing for packing food sector and mass consumption products, and other industrial coatings.



(GRI 102-12) Our sustainable innovation strategy is based on the United Nations Sustainable Development Goals (SDG).

(GRI 102-40) (GRI 102-42) The materiality analysis was updated in December 2020, starting with a new classification of our stakeholders. This was achieved by means of an exercise by the executive sustainability committee, in which the Group President, corporate managers, company managers and management leaders all took part. Stakeholders were classified as either essential, important or basic. The exercise was assisted and led by our partner Gaia Servicios Ambientales.

(GRI 102-43) Pursuant to the Sustainable Innovation Strategy, essential stakeholders take part in different scenarios through multiple communication channels.













Essential Stakeholders	
STAKEHOLDERS	COMMUNICATION CHANNELS
Customers	Commercial force / personalized meetings / website / WhatsApp / Email
Staff	TV screens / suggestion box / Unions / Email / meetings with manager
Suppliers	Individual meetings / surveys / website / WhatsApp / Email
Shareholders and Board of Directors	Board meetings / Email / individual meetings
Recoverers	Individual meetings / WhatsApp/ social media
Final User	Social media / website / WhatsApp / Email
Associations	Meetings / committees
Community	Social media / website / WhatsApp / Email

Sustainability










Important		COMMUNICATION CHANNELS	Basic	
STAKEHOLDERS	INTEREST GROUP		Media	Communication with these stakeholders takes place as needs arise. Principally through direct relations (Managements or other focal points in the Group) and external channels (social media, website, WhatsApp, Email).
Environmental Authority			Banks and Investment Funds	
Government			Specialist influencers	
Contractors			Activists	
State - Legislative			Advisers	
Congress			NGOs	
Unions			Education sector	
Staff families			Free Zone	
Certification entities			Students	
Global initiatives			Community action boards	
International Markets				
Competition				

Material Matters






(GRI 103-1) (GRI 103-2) (GRI 103-3) (GRI 102-47) The sustainability area prioritized material matters for future consultation with essential stakeholders. This prioritization was based on the results obtained in 2018, after which a sector benchmark was established and, finally, issues were classified in 20 large groups.

	Material matters	Subjects considered	SDG	Management line
1	WATER	Water management and use		ENVIRONMENT
		Pourings		
2	BIODIVERSITY	Tree planting	  	ENVIRONMENT
		Preservation of ecosystems		
3	CLIMATE CHANGE AND ENERGY	Climate strategy		ENVIRONMENT
		Use of renewable energy		
		Energy efficiency		
4	EMISSIONS	Reducing atmospheric emissions		ENVIRONMENT
		Internal greenhouse gas emission management		
		Mitigation of carbon footprint		
5	CUSTOMERS	Customer satisfaction and product quality	 	CUSTOMERS
		Customer relations management		
6	STAFF	Professional development		HUMAN RESOURCES
		Human capital development		
		Training and education		
		Retaining and attracting talent		
		Health and safety		
7	ECONOMIC PERFORMANCE	Economic value for the whole chain		FINANCE



This enabled the organization to take these subjects on board through the Sustainable Innovation Strategy management lines.

	Material matters	Subjects considered	SDG	Management line
8	ECODESIGN AND SUSTAINABLE PORTFOLIO	Life cycle analysis		PORTFOLIO
		Food and package security		
		Sustainable products		
		Recyclability of packaging		
		Reduce raw materials consumption		
		Reusable containers		
9	CIRCULAR ECONOMY	Ecodesign-based circular economy	  	CLOSING THE LOOP
		Product and solution circularity		
10	EDUCATION IN THE VALUE CHAIN	Educating consumers about separation at source		POSITIONING
		Boosting and contributing to the recycling chain		
		Public perception of plastics		
11	COMMUNICATION	External certifications of sustainable featurst		POSITIONING
		Labeling with backup and rigorousness		
12	WASTE MANAGEMENT AND RECYCLING	Encourage the work of the recycler in the recycling chain	  	CLOSING THE LOOP
		Promote reduction and adequate management of waste		

Material Matters

	Material matters	Subjects considered	ODS	Management line
13	CORPORATE GOVERNANCE	Culture of compliance and respect in the organization		CUSTOMERS
		Protect human rights		
		Diversity and fairness		
		Ethics and integrity		
		Governance for managing risks and opportunities		POSITIONING
		Labor practices		
		Anticorruption practices		SUPPLIERS
		Anti-competition behavior		
		Economic impact and fiscal transparency		
14	INNOVATION AND NEW TECHNOLOGIES	Innovation to add value to products		PORTFOLIO
		State-of-the-art technology to improve production processes		
15	SUPPLY CHAIN	Logistics and supply chain		SUPPLIERS
		Socioenvironmental performance of suppliers		
		Supplier evaluation		
16	RAW MATERIALS	Innovative raw materials		SUPPLIERS
		Sustainable raw materials		
17	REGULATIONS AND ASSOCIATIONS	Participation in scenarios for constructing public policy and regulatory frameworks		REGULATIONS AND ASSOCIATIONS

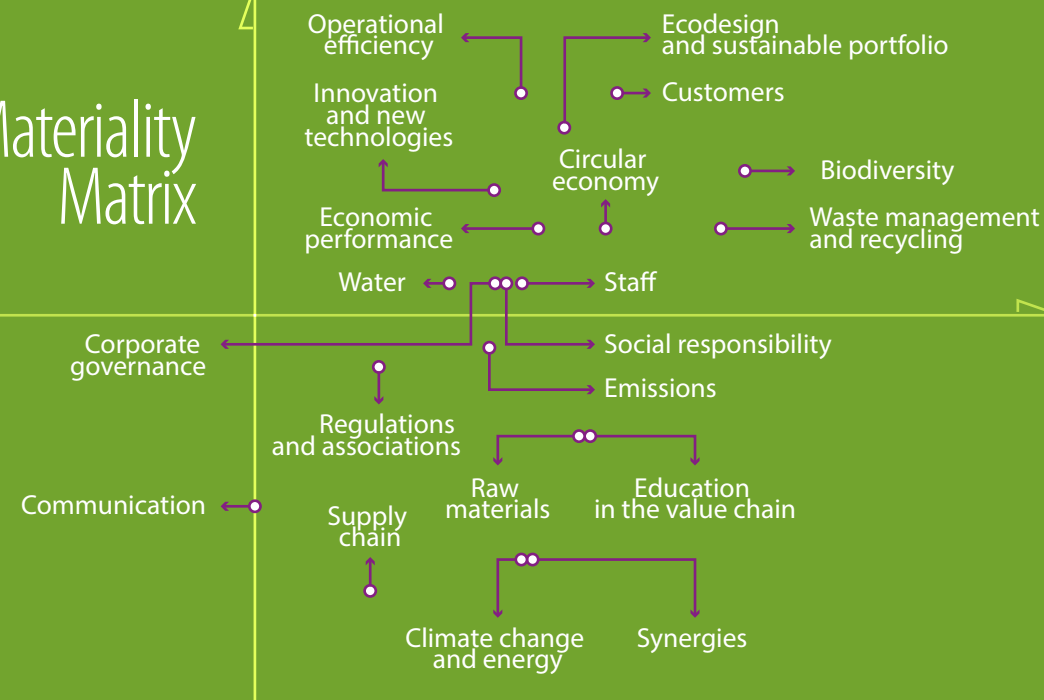


	Material matters	Subjects considered	ODS	Management line
18	SOCIAL RESPONSIBILITY	Staff welfare		HUMAN RESOURCES
		Local communities and social commitment		
		Support for communities affected by natural disasters		
19	SYNERGIES	Alliances with parties involved in the value chain		REGULATIONS AND ASSOCIATIONS
20	OPERATIONAL EFFICIENCY	Responsible use of natural resources, human resources, new technologies, and sustainable logistics.		PORTFOLIO SUPPLIERS

(GRI 102-21) The Governance Body, through the Group President, consults internal stakeholders on economic, environmental and social matters. These are dealt with at corporate board meetings. Consultations on these matters with external audiences, meanwhile, are through company managements and corporate managements, and they are socialized at corporate board meetings, on the Executive Sustainability Committee, and in other common executive group scenarios.



Materiality Matrix



The **twenty material** matters were evaluated on the basis of high, medium and low relevance criteria by the essential stakeholders and by the organization's executives. **Twelve matters** were deemed highly relevant by both parties and were placed in the top right quadrant of the matrix.

Meanwhile, the remaining **eight matters** were deemed highly relevant by the essential stakeholders and of medium relevance for the Group; even so, they are in Sustainable Innovation **Strategy management**. Principally, climate change, raw materials and education in the value chain are strategic to the organization and are areas where there is room for improvement in order to reinforce their relevance within the Group.

The matrix has become the road map that determines the management of these material matters and the attention they are given.



(GRI 102-46) In late 2019, the Plastilene Group President established three sustainable commitments which, in addition to forming the road map for 2020, were used as central points for the content of this report. Two chapters were also included: Governance and Social Management.

(GRI 102-48) The methodology for collecting information was reviewed for all indicators reported and, where considered necessary, it was adjusted and has been included in this report.

(GRI 102-49) (GRI 102-50) (GRI 102-51) (GRI 102-52) The period covered by this report extends from January 1 to December 31, 2020. No changes were recorded when the report was being drawn up. Reports are presented on an annual basis.

(GRI 102-53) In the event of any query relating to its content, you may contact:

Ricardo Estrada
Corporate Sustainability and Procurement Manager
Restrada@plastilene.net

Luisa Fernanda Ribero
Corporate Sustainability Chief
Lribero@plastilene.net

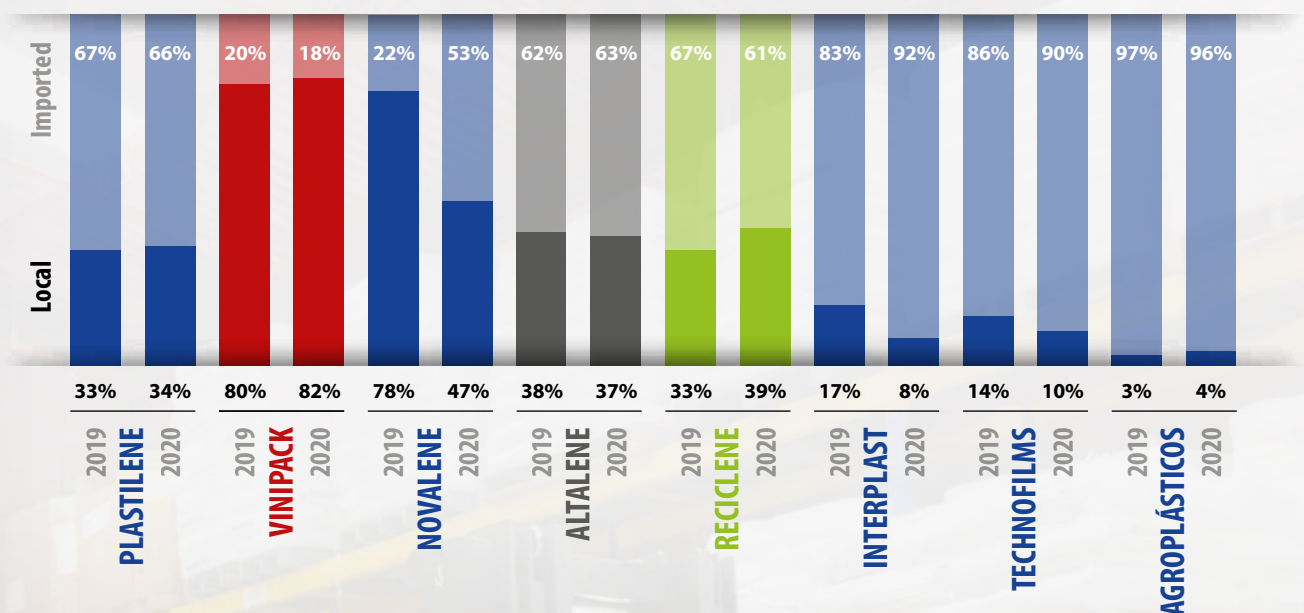
(GRI 102-54) This report has been drawn up in accordance with the Global Reporting Initiative (GRI) Standards essential option and no external verification has been carried out.

Suppliers

(GRI 308-1) (GRI 407-1) (GRI 408-1) (GRI 409-1) (GRI 414-1) In 2020, self-evaluation processes were introduced for 119 new suppliers on environmental and social matters, freedom of association and negotiation, corruption, child labor, and forced and obligatory labor.

(GRI 102-10) We made a number of adjustments in our supply chain in 2020, strengthened relations with strategic raw-material suppliers, and enlisted new suppliers, thus minimizing the supply chain risk and emphasizing the stocking of sustainable raw materials.

(GRI 204-1) PROPORTION OF EXPENDITURE ON LOCAL SUPPLIERS, 2019 VS. 2020

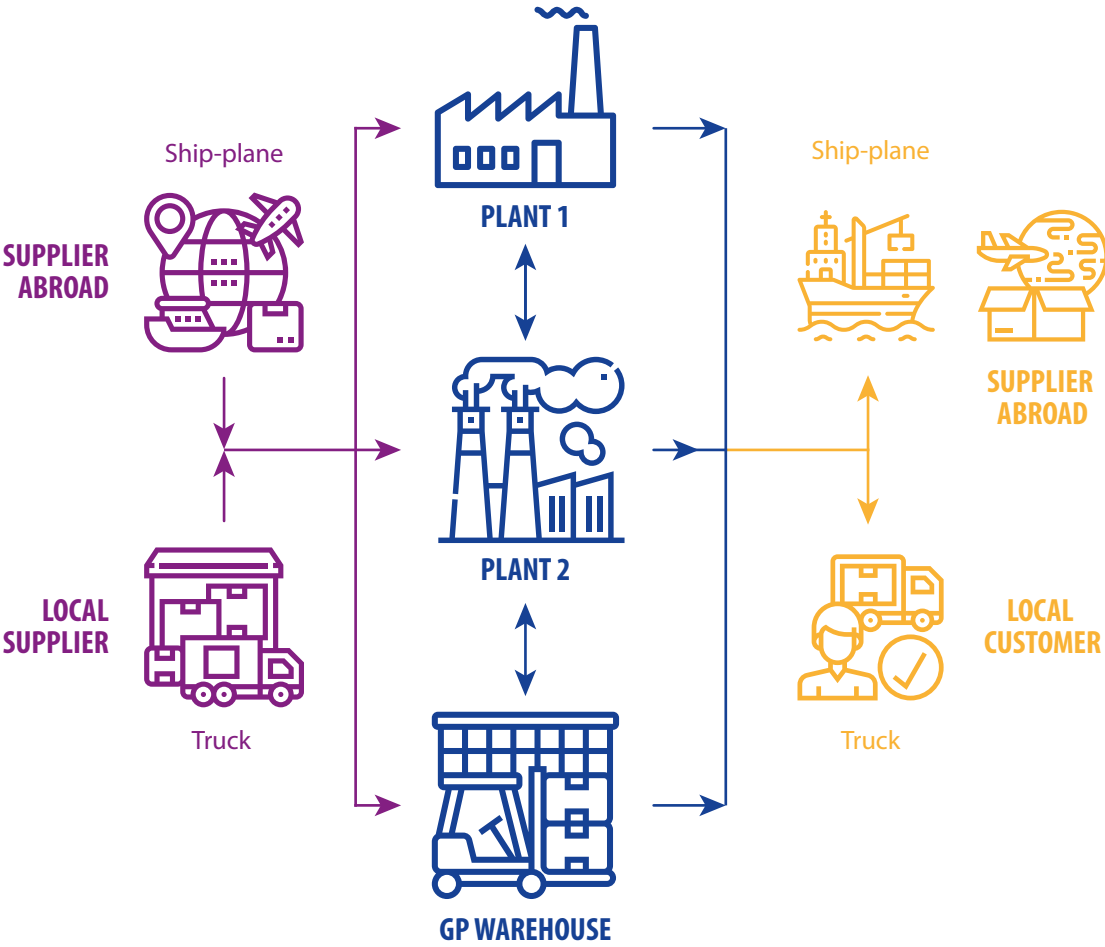


MATERIALS USED

	RENEWABLE		NON-RENEWABLE
PLASTILENE	\$ 4,255,135,576	54.7%45.3%	\$3,523,986,084
VINIPACK	\$ 248,151,262	64.67%35.33%	\$ 135,557,739
NOVALENE	\$ 1,185,100,023	66.27%33.73%	\$ 603,105,530
ALTALENE	\$ 396,003,363	56.89%43.11%	\$ 300,131,574
RECICLENE	\$ 112,831,591	11.96%88.04%	\$ 112,831,591
INTERPLAST	\$ 4,464,000	15.70%84.30%	\$ 23,974,762
TECHNOFILMS	\$ 8,215,852	69.88%30.12%	\$ 3,540,724
AGROPLÁSTICOS	\$61,410	93.57%6.43%	\$ 4,223

(GRI 204-1) The proportion of renewable and non-renewable materials used is obtained from the total expenditure on materials acquired during the year, other than raw materials, for storage, packaging and baling processes (pallets, cores, boxes, etc.).

(GRI 102-9) SUPPLY CHAIN



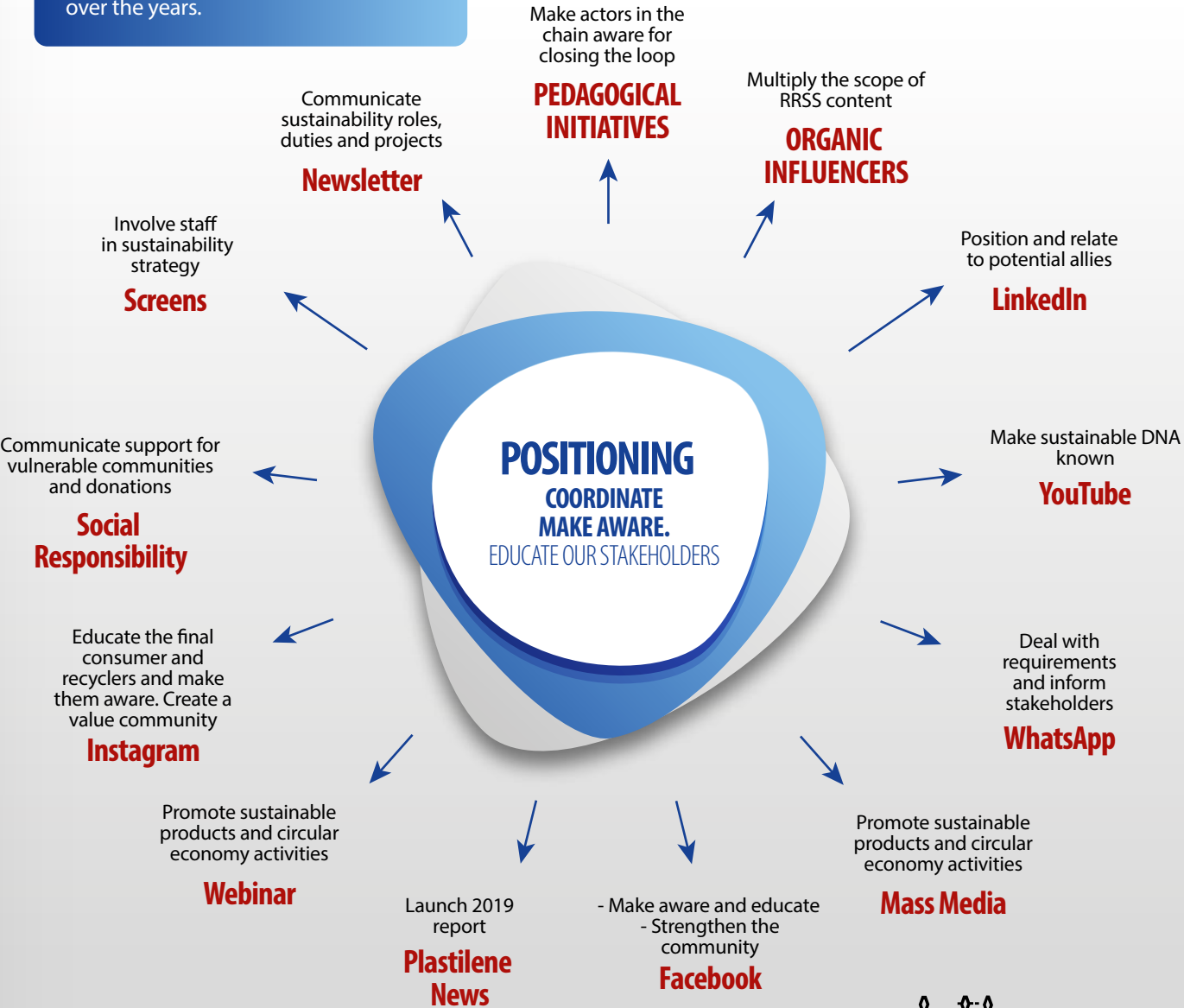
Supplier Raw materials mainly from: UNITED STATES, COLOMBIA, MIDDLE EAST AND ASIA

Positioning

Ever since Plastilene Group came into being, sustainability has been part of our DNA. Structuring the Sustainable Innovation Strategy has enabled us to organize initiatives, channel efforts and follow up on results at corporate level. The Positioning management line, in particular, has been the tool we have used for the following:

- Anchoring sustainable strategy to the organizational culture
- Coordinating sustainability, communicating it to our internal and external stakeholders, and making them aware of it
- Telling the world everything we do in the field of sustainability
- Measuring the impact we have always had, in economic, social and environmental terms.

The Positioning management line and, within it, the Group's communication strategy and ecosystem, has evolved over the years.



What did we talk about in 2020?



We faced the challenge of connecting and transcending via screens and of devising different forms and content that would send a message and, at the same time, remain relevant when general attention turned to handling the pandemic. Webinars, videos, infographics, alliances and cooperation with influencers, all of which were transmitted via social media, corporate screens, newsletters, WhatsApp, stories and the media, were the tools we used to reach our stakeholders.

Plastilene Noticias, for example, was the name we gave to the news streaming format we used for communicating the Group's sustainable actions in a fresh, different and interactive way. This gave our stakeholders the opportunity to connect with us, to clear up their doubts and to provide us with immediate feedback, and this, in turn, allowed us to find out what impact we were having.

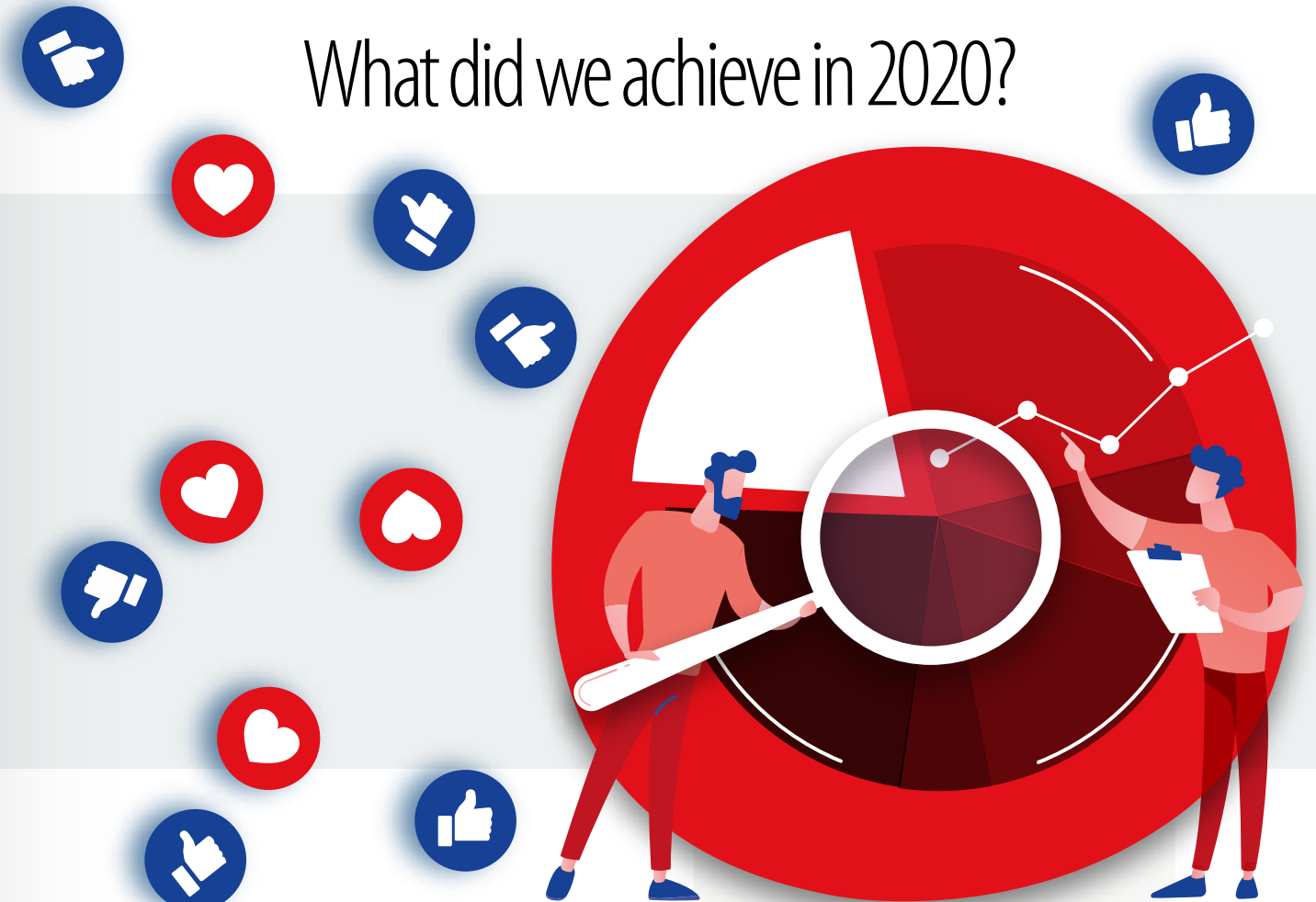
Based on integrity, verified information, transparency and active listening, we have been able to

see how our content has been the starting point for:

- Becoming a consultation source
- Forging alliances with all stakeholders
- Arousing a feeling of belonging and pride in our staff
- Generating support in commercial management
- Promoting sustainable habits in the final consumer and their environment
- Generating two-way conversations in all ecosystem channels



What did we achieve in 2020?



- Permanent influence on 4,798 followers via our Facebook, Instagram and LinkedIn profiles
- Approximately 1,300 people reached with our publications in the year
- Over 300 visualizations on our YouTube channel

We will continue to communicate with stakeholders, educating them and making them aware of sustainability and the importance of the role each one of them plays in the chain in meeting the challenge of making the circular economy a reality.

Do you want to join us?

Follow us on

Facebook: @PlastileneGroup

Instagram: @GrupoPlastilene

YouTube: Grupo Plastilene

GRUPO *plastilene*

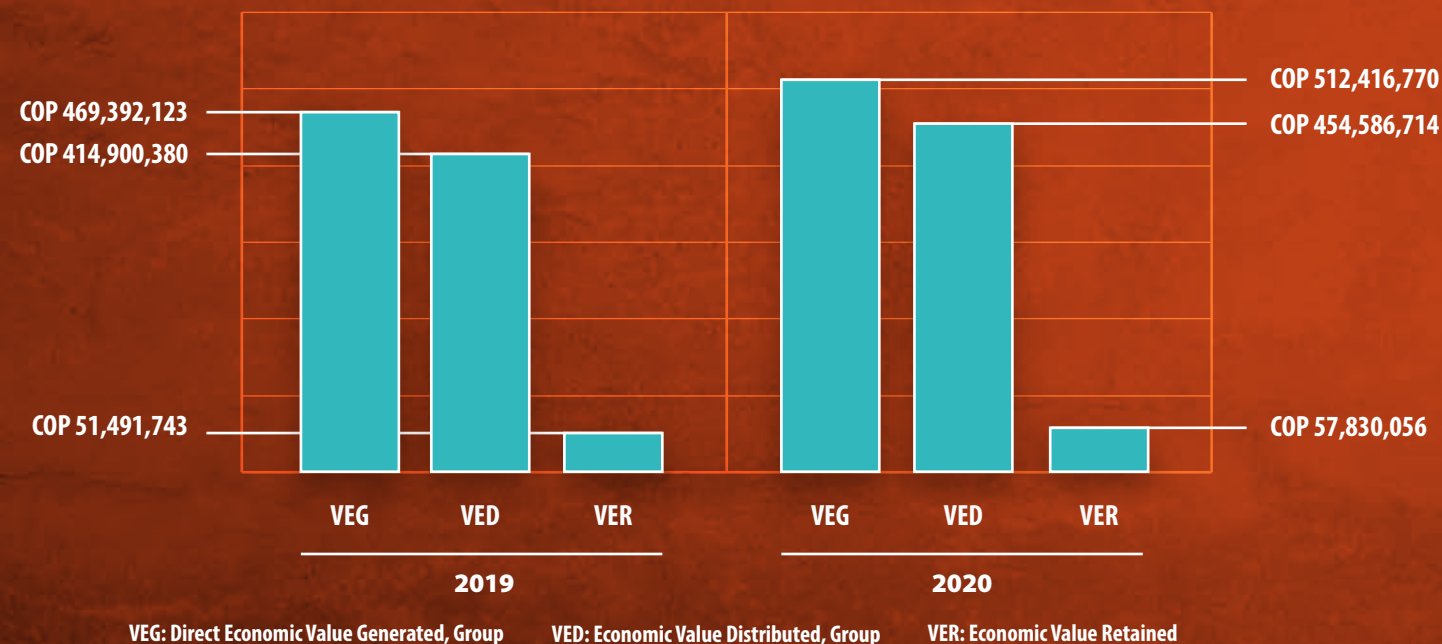


Finance

(GRI 102-45) The financial results contained in this report relate to the seven Plastilene Group companies, two marketers and one investor.

PLASTILENE, NOVALENE, ALTALENE, RECICLENE, INTERPLAST, TECHNOFILMS, AGROPLÁSTICOS, TECHNOEXPORT S.A., COLATINPLAST MX S DE RL DE CV.

(GRI 201-1) ECONOMIC PERFORMANCE (colombian pesos)



(GRI 203-2) Since hygiene and protection are part of essential food chains, the companies in our Group worked in line with a safety protocol during the pandemic, and this enabled us to maintain staff jobs and incomes. Protection measures were also adopted with staff, such as private transportation routes, protection items, constructing and adapting facilities to guarantee social distancing, and specialized in-house medical support, all of which enabled us to create jobs and generate economic development for our suppliers, and to support communities in our areas of influence.

By guaranteeing our operation, we enabled our customers to offer their products on the market in functional, efficient and economic packaging. When we began to purchase plastic waste for our new post-consumption line, it enabled us to help formalize the recycling chain and to reinforce recycling associations and waste managers with infrastructure and higher incomes.



Regulations and associations



(GRI 201-2) With respect to the financial implications of climate change and other risks deriving from it, we invested in measuring, mitigating, reducing and certifying carbon neutrality for companies in the Group. We also invested in being climate-positive companies and in taking our commitment to climate change a step further. Our activity as transformers of recovered plastics gave us

the opportunity to partially offset our carbon footprint, internally, by following the AMSIII.AJ Carbon Neutral Protocol methodology. We await news of progress with bills relating to taxes and regulations governing the use certain plastic products, which will help ensure that responsible, objective regulations exist.

(GRI 102-13) In 2020, we continued to play an active role in industry and cooperative associations in order to reinforce our innovation capability, carry out social projects, and mitigate the risks associated with our sector.

Agroplásticos
Plásticos - Cauchos - Petroquímica - Pinturas - Tintas - Fibras

(Communications Committee,
Board of Directors)

coguaplast
Asociación y Comisión Guatemalteca del Plástico
(Technofilms Environment
Committee)

ANDI

(Collective Vision 3030,
Chemical Industry
Committee)

ANLA

(New Markets Committee)

VISIÓN 30/30

CO ANDI MÁS PAÍS

Asoleche



Member of
**SUSTAINABLE PACKAGING
COALITION®**



cempre
(Redreciclo Collective)

RECICLO

AIMPLAS
INSTITUTO TECNOLÓGICO
DEL PLÁSTICO



(GRI 201-4) Through our relations with the finance sector and because of our sustainable economic activity, we have had access to promotion programs and credit lines such as Agroverde and Finaagro at highly competitive interest rates. **(GRI 203-1)** In 2020, Plastilene Group invested around nine million dollars in pioneer projects that will contribute to innovation, technology and sustainability,

such as the Reciclene post-consumption plant and the acquisition of specialized technology by Novalene for manufacturing novel food packaging materials. Due to their high technology and their sustainability orientation, these investments will represent improvements in terms of carbon footprint, energy consumption, and contributions to the circular economy. **(GRI 207-1)** When the

equipment for the post-consumption plant was purchased, licences were obtained from the National Environmental Licenses Authority (ANLA), enabling us to access VAT and income tax benefits granted by the government. **(GRI 415-1)** Plastilene Group has never received monetary contributions or contributions in kind from political parties and/or representatives.

OUR CIRCULAR ECONOMY MODEL HAS ENABLED US TO WORK WITH OUR CUSTOMERS ON INDUSTRIAL, COMMERCIAL AND DOMESTIC PROJECTS TO CLOSE THE LOOP, ENCOMPASSING THE LOGISTICS RELATING TO COLLECTION, TRANSFORMATION, REINCORPORATION AND COMMUNICATION.

CIRCULAR ECONOMY

The Circular Economy as cornerstone of **SUSTAINABILITY**

When we produced our first sustainability report, in 2019, we declared the sustainable commitments on which the roadmap for 2020 was based. Despite the worldwide situation and the difficulties that this caused, we kept the promise we made to our stakeholders and succeeded in executing the various projects we had planned.

We finished building the Reciclene post-consumption plant. This project ensures that the country can rely on important infrastructure for recovering plastic material, thus helping us to achieve our Sustainable Commitment No. 1 and, as a result, contribute to the circular economy.



SUSTAINABLE COMMITMENT No. 1

1) TO ASSIST OUR CUSTOMERS IN COLOMBIA IN COMPLYING WITH EXTENDED PRODUCER RESPONSIBILITY (EPR): 1407/18.

The aim of our role as packaging manufacturers and transformers was to help producers (brand owners, at the time) reach the targets set in regulations, and to assist them in product design and innovation, on communications matters, and in incorporating recycled material into packaging. Since the regulations were updated by means of Resolution 1342 of 2020, we have taken on the EPR commitment directly with producers and consumers.



CIRCULAR ECONOMY MODEL

Our circular economy model has enabled us to work with our customers on industrial, commercial and domestic projects to close the loop, encompassing the logistics relating to collection, transformation, reincorporation and communication.

- **Closing the industrial loop.** We collect plastic waste generated at our customers' plants, either directly or through waste managers, and we transform it into new raw material that can be reincorporated into the customer's primary and secondary packaging.
- **Closing the commercial loop.** Through waste managers and waste pickers, we collect plastic waste generated at marketing and distribution sites and we transform it into new raw material that can be reincorporated into primary and secondary packaging.
- **Closing the domestic loop.** We receive plastic waste from ordinary people's consumption (in homes, companies and other settings) that has been collected by waste managers and waste pickers, and we transform it into raw material that can be reincorporated into secondary packaging and other applications, such as bags, trade films, profiles, pallets, cores and commercial sheets.



Circular Economy



Nowadays at Plastilene Group we are making plastic packaging that contains recycled material received from waste pickers, agents, and our own customers.

Resolution 1407 of 2018 was updated in late 2020 and the revised version came into force as

Resolution 1342 of 2020. Under this, a producer was considered to be anyone who places containers or packaging in any link in the chain. It also changed the definition of final consumer, establishing that it refers to those who use a container or packaging material at any point in the chain.

As a result, we have become producers who place their packaging on the market and, in turn, consumers who use packaging that contains our raw material.

WE INNOVATE TO REINFORCE CIRCULAR ECONOMY PROCESSES

Plastilene Group provides the country with infrastructure that will be able to transform ten thousand tonnes of post-consumer polyolefins per year.



THIS IS
HOW WE BUILT
OUR PLANT

Commissioning of the Reciclene post-consumer plant materializes the goal of contributing to the circular economy for plastics. Around 773 tonnes of post-industrial, post-commercial and post-consumer material were purchased in late 2020, and this has already been transformed into recovered raw material and, subsequently, incorporated into various products in order to close the loop for that material. The plant has a total capacity of approximately 800 tonnes per month.



From now on, we will be able to not only continue to meet and improve on our commitment to our customers, but also to administer the Group's own waste more effectively.

When we were drawing up the circular economy business model for post-consumption plastics, we had to reinforce and formalize the post-consumer plastics supply chain, as well as its key participants, namely waste-picker associations and waste administrators.



There is still much to be done in Colombia in connection with the recycling process for post-consumer, flexible plastic products. The learning process has been hard, working hand-in-hand with waste pickers.



- Collection sources and products were identified.
- We forged relations with strategic allies, in order to guarantee the collection and supply of materials.
- Because they are formal suppliers for Plastilene Group, our suppliers enjoy benefits such as training sessions about regulations and classifying materials, donations during the pandemic, visibility on social media, and permanent assistance with and involvement in Group projects.
- The tools they needed for doing their job better were identified, such as acquiring machinery or vehicles, and we supported some of them in this process.
- The recycling process has enabled us to evaluate, learn and transmit opportunities for our allies to improve in a dynamic process that continues to grow and progress every day.

WASTE MANAGEMENT - PLASTILENE GROUP



(GRI 301-2) The variation in the gross extruded production volume in 2020 brought with it changes in waste at plants. Production at Reciclene increased, yet waste there declined. At Agroplásticos, meanwhile, production declined but gross waste increased. The waste/production ratio at the other companies was directly proportional.

Some causes of these results were as follows:

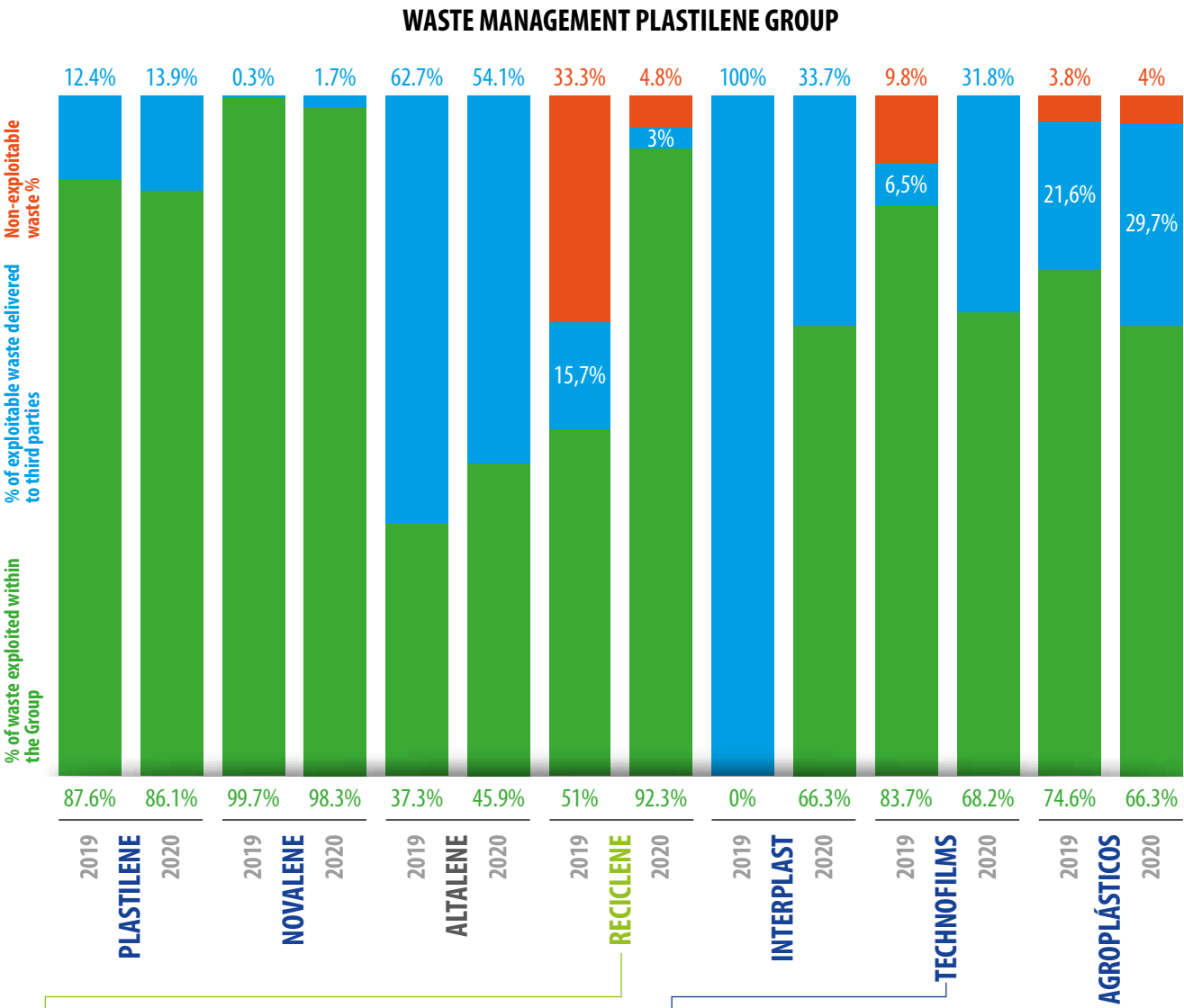
- Commissioning of new machines
- Quality faults that were investigated and corrected
- Development of new products

The Reciclene plant is a major part of the solution to maintaining a balance between the volume of post-industrial waste generated by other companies in the Group and the reincorporation of that waste into the circular economy for plastics.



* The figures for Vinipack in 2020 included the first six months, prior to the merger with Plastilene.
* The figures for Interplast in 2020 included approximately 500 kg of obsolete material that entered the system that year in the waste category.

(GRI 301-2) Waste at each plant is administered in a responsible manner by exploiting it either internally or with third parties, while seeking at all times to reduce the amount of waste that cannot be exploited as much as possible.



More waste at Reciclene was exploited within the organization, thereby considerably reducing the amount delivered to third parties and the amount not exploitable.

Waste delivered to third parties increased in 2020 (for energy exploitation) due to the characteristics of the material, which cannot be processed internally.



(GRI 301-2) In addition to administering plastic waste from our production both internally and with third parties, in order to prevent it from reaching ecosystems or sanitary fills, we continued with our commitment to use more and more recovered raw materials when manufacturing our products.

KG POST CONSUME RAW MATERIALS USED IN THE PROCESS 2018-2019-2020

AÑO	PLASTILENE	VINIPACK	RECICLENE	ALTALENE
2018	-	1'800,000	-	-
2019	-	3'619,497	-	-
2020	1'366,479	860,500	155,842	194,877

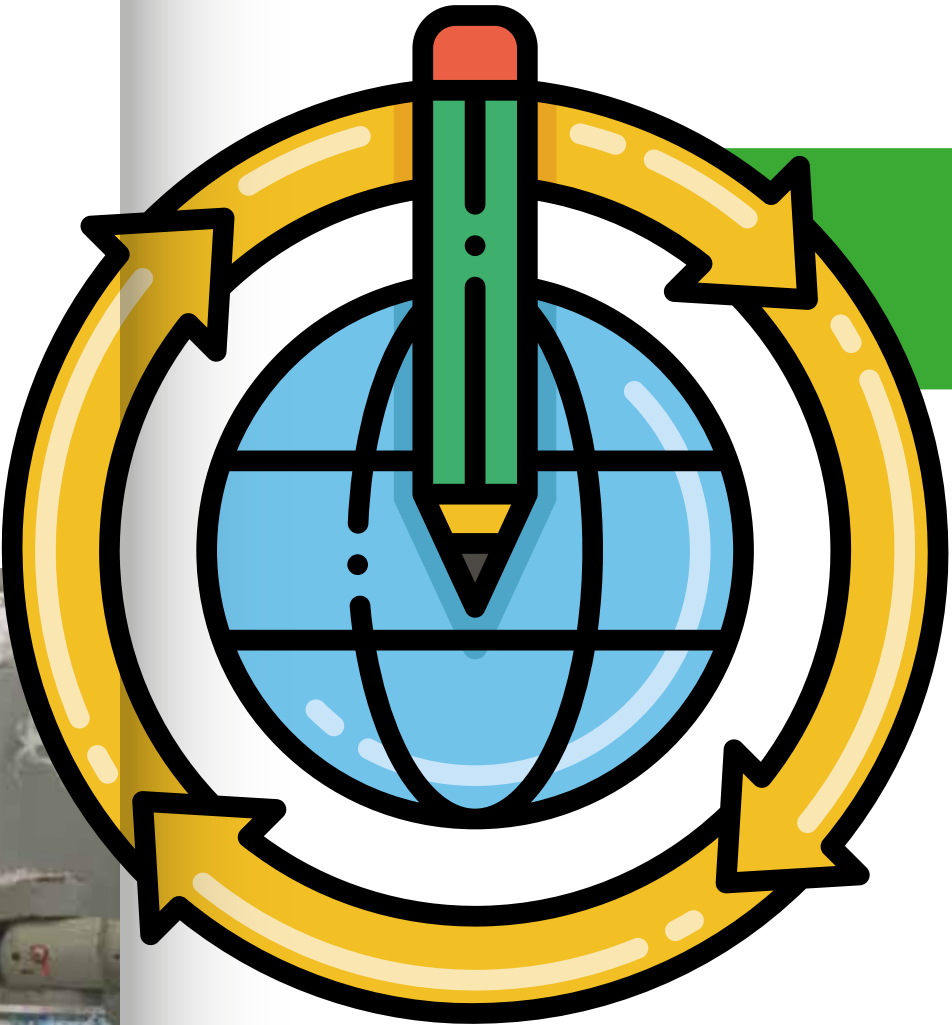
* 2020 Vinipack values are from the first semester, before merging with Plastilene

Circular Economy Strategy

Together with our customers and suppliers, to guarantee the supply of recycled raw materials and find applications that will increase the value of using them and minimize their demands, in order to ensure that we have a competitive portfolio of sustainable products.

We at Plastilene Group view the circular economy as a structural part of the solution to the waste generation problem that affects the whole world. We therefore concentrated our efforts in 2020 on reinforcing agreements with customers to design products that can be reincorporated into the economy and will guarantee closing of the loop. We thus promote an economy where products contain recycled materials.

These efforts could be seen in our investment in the development of human talent, in technology, research and industrial tests, and in continually improving processes and products. Nowadays, we have various tools and skills for continuing to offer our customers the possibility of materializing the circular economy for plastics.



SUSTAINABLE PORTFOLIO

AT PLASTILENE GROUP, WE INNOVATE IN ORDER TO
OFFER OUR CUSTOMERS A PORTFOLIO THAT MEETS
ALL PERFORMANCE, HARMLESSNESS,
SUSTAINABILITY AND CIRCULARITY REQUIREMENTS.



Offering a competitive portfolio of sustainable products

BASED ON CIRCULAR ECONOMY AND ECODESIGN



GRUPO *plastilene*[®]
Lo importante es lo que llevamos dentro

At Plastilene Group, we innovate in order to offer our customers a portfolio that meets all performance, harmlessness, sustainability and circularity requirements. Thanks to our design, research and development process, our products are based on ecodesign and tailored in such a way that they contribute to the circular economy for plastics.

2020 was a time for introspection, with a view to updating our sustainable portfolio model based on the direct cooperation we continually have with our customers, in order to meet their needs and form a value chain that is ever more sustainable.

We explored new circular economy theories and market trends and concepts during extensive work sessions with the technical, sustainability and management team. Together, we came to the conclusion that our model should reflect our actions and goals be-

yond reducing, recycling and reusing. There is also a need to show that **renewing and rethinking are key elements in our sustainable portfolio.**

We continued to offer our customers products that are less dense and less thick, in order to generate a reduction in the consumption of raw materials, which, in turn, enables their performance to be conserved or improved. We worked constantly to ensure that our products are ever more recyclable because of their design, and we introduced projects to reincorporate recovered products into our packaging. Reusing plastic products creates an opportunity to promote the circular economy, and we are exploring various alternatives as we implement this concept within the Group.



RETHINK

We have an upstream innovation approach, where both materials design and processes, technological innovation, logistics and purchases are taken into account, with sustainability and circular economy criteria.

We conduct analyses of the entire product life cycle.

We construct the sustainable portfolio in conjunction with customers, suppliers, academia, and other specialist allies.



GRUPO *plastilene*[®]

REDUCE

We reduce the thickness of flexible packaging, principally in packaging for solid and liquid foods such as rice, sugar, salt, milk, water and grains.

We reduce the density of polyethylene packaging in sectors like hygiene and liquid and solid foods.

We reduce the consumption of virgin raw materials by consuming raw materials recovered by mechanical recycling.

We increase prepress lines in order to reduce ink and solvent consumption.

RECYCLE

We use neither aluminum nor paper when manufacturing our products, because these mixtures cannot be recycled easily.

We eliminate multi-material structures and replace them with a single material in packaging for sectors like pet food, grains and rice, in order to make recycling easier.

We manufacture flexible packaging with between a 10% and 100% mechanically recovered content for uses such as hygiene, cleaning, heat-shrinkable packaging, floristry and other industrial sectors.

We are progressing our research into flexible packaging with a chemically recycled content, aimed at the food and beverages sectors, and all sectors in general.

We manufacture post-consumption recovered pallets for different applications in the plastics industry. We produce alternative materials with a high recycled content for other uses, such as profiles, pallets, cores and stakes.



REUSE

We manufacture reusable bags for sales outlets and PET trays.

We manufacture other rigid, reusable products such as plastic cores, plastic pallets and plastic profiles.

RENEW

Where this is the best option, we consolidate developments with materials from renewable sources (biodegradable or biobased materials).

We develop products which close the loop by means of validated composting and biodegradation processes.

We take part in international strategic alliances for developing and producing compounds from renewable sources.

(GRI 416-1) (GRI 417-1) Our products are grouped by category and all of them have safety sheets and labeling.

	PRODUCT CATEGORIES:								
	Extrusion	Printing	Industrial laminates	Rigid	Agriculture	Inks	Seals	Compounds	Additives, Cores, Bands and Pallets
	PLASTILENE								
	NOVALENE								
	ALTALENE								
	TECHNOFILMS								
	RECICLENE								
	INTERPLAST								
	AGROPLÁSTICOS								

(GRI 416-2) (GRI 417-2) No cases of default arose in 2020 relating to impacts on health and safety in product categories, information or labeling.

(GRI 301-3) In our operations, we seek to optimize the reuse of materials based on their functionality and harmlessness characteristics.

MATERIALS REUSE								
	Stackable pallets	Metal pallets	Plastic pallets	Metal basket	Wooden pallets	Cardboard cores	PVC cores	Plastic bags
PLASTILENE VINIPACK	692	90	576	390				
NOVALENE	269	18	850					
ALTALENE					461	670	366	
TECHNOFILMS			300			9462		
RECICLENE			15.532	61				
INTERPLAST					53			518
AGROPLÁSTICOS	No reuse of materials							



WE DID IT!, IN 2020 WE MET OUR THIRD SUSTAINABLE COMMITMENT. PLASTILENE GROUP IS CARBON NEUTRAL CERTIFIED!

ENVIRONMENT

Committed to efficient energy consumption

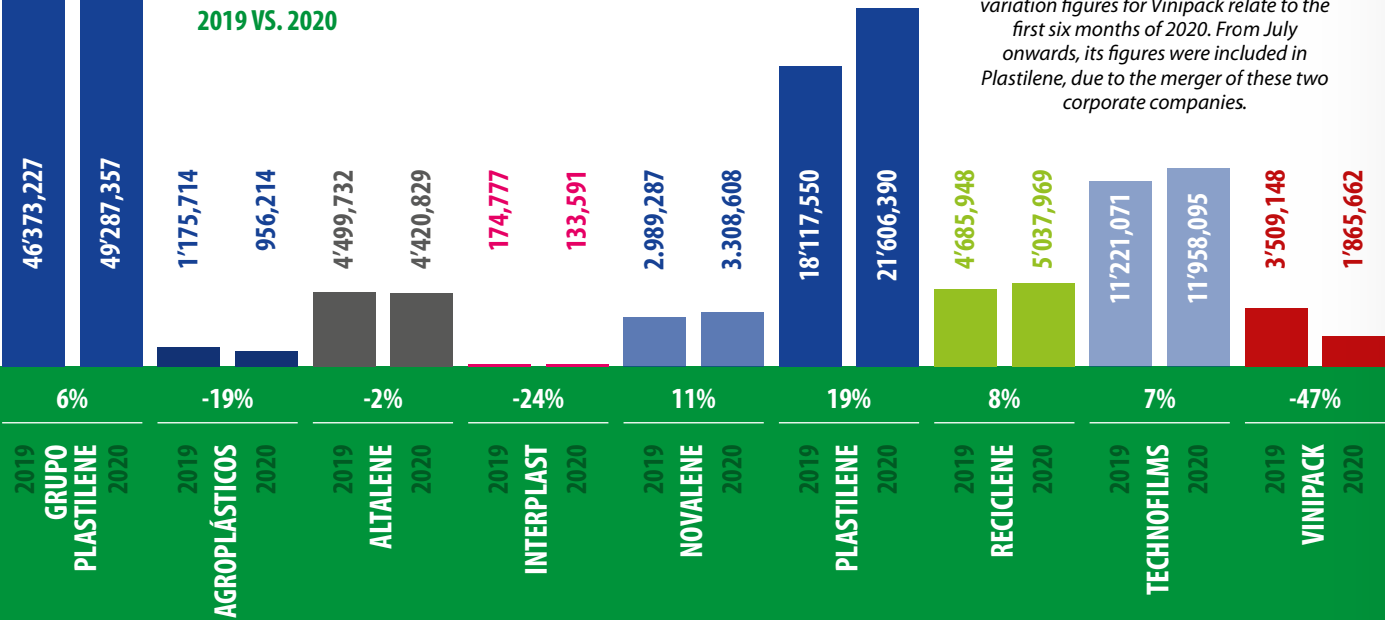
The rational use of resources has been a priority for Plastilene Group since the earliest days. Year after year we have been consolidating strategies for achieving suitable energy consumption management.

2020 brought changes in each company's operations, in order to meet market needs deriving from the pandemic contingency. These changes had an impact on energy consumption, as will be seen below.



PLASTILENE GROUP ENERGY CONSUMPTION, 2019 VS. 2020

*Energy consumption, intensity and variation figures for Vinipack relate to the first six months of 2020. From July onwards, its figures were included in Plastilene, due to the merger of these two corporate companies.



Agroplásticos, Altalene and Interplast reported a fall in energy consumption that was directly related to lower gross extrusion process production. However, Altalene was slightly less efficient than the others, due to machine

heating which, particularly this year, occurred more frequently.

Meanwhile, Plastilene, Novalene, Reciclene and Technofilms reported increased energy consumption, and this, too, was related to

consumption in their gross extrusion process production.

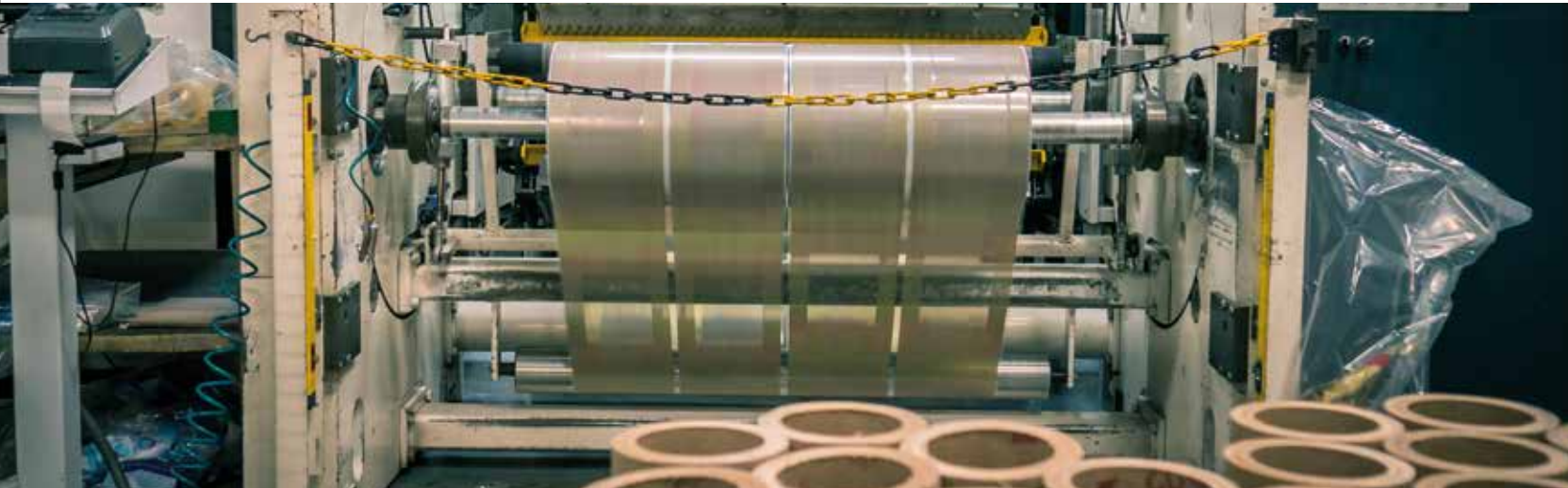
Plastilene commissioned its full installed capacity, increased production by 8 per cent, and adjust-

ted its machinery so that it could continue to operate and meet market needs deriving from the pandemic contingency. This resulted in a 19 per cent increase in energy consumption, since specifications had to be modified for manufacturing new products.

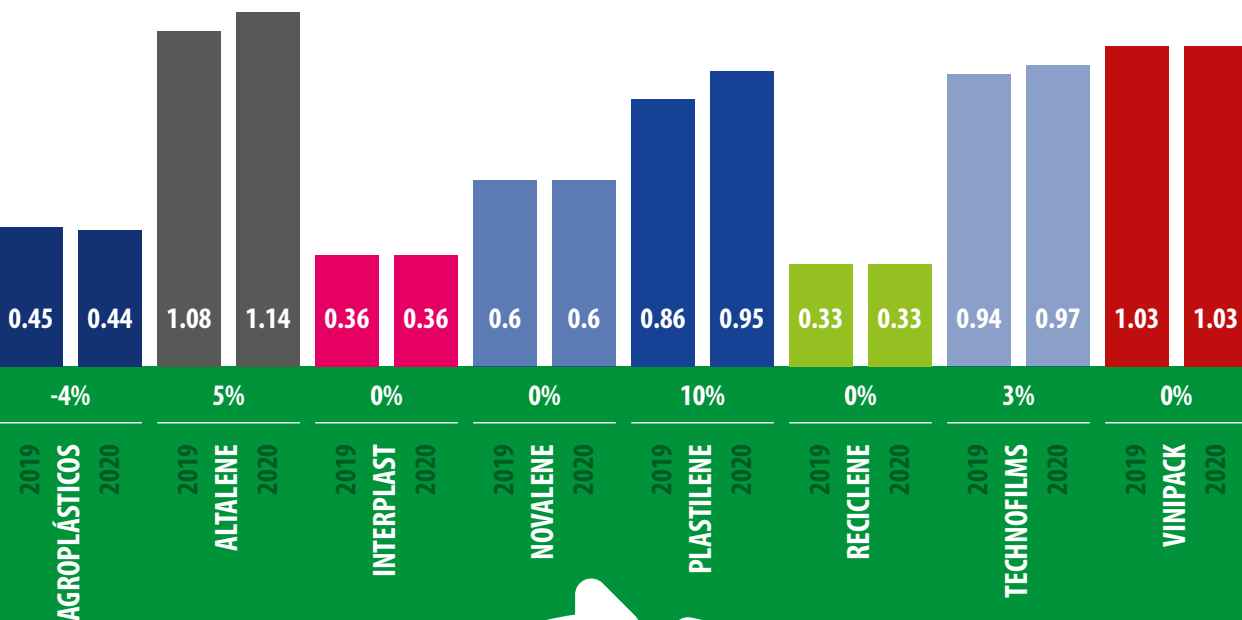
In the specific case of Technofilms, the increase in energy consumption was 6.57 per cent, due to various factors. These included a 3.8 per cent increase in gross extrusion production, additional consumption

related to the commissioning of a new extrusion line, growth in conversion processes - namely 9.47 per cent in printing, 41.80 per cent in lamination and 36.47 per cent in cutting - and a 3.17 per cent increase in internal recovery of materials.

(GRI 302-3) (GRI 302-5) Energy intensity is the ratio of kW/h to gross production kg in extrusion processes. Since Interplast, Agroplásticos and Reciclene have fewer conversion processes, they consumed less energy per kilogram of extrusion production.



ENERGY INTENSITY (KWH/KG), 2019 VS. 2020



We did it! In 2020 we met our third sustainable commitment

The commitment to the environment continues. The responsibility of becoming carbon neutral companies resulted in drawing up a neutrality plan in order to optimize our processes, reduce the consumption of resources at our plants, migrate to renewable energies, and continue evolving in our sustainable actions. When measuring our greenhouse gas emissions, we followed the AMSII-AJ international methodology entitled 'Recovery and Recycling of Materials from Solid Wastes', version 7.0, for measuring internal offsetting in the plastics recycling process at Reciclene. Reciclene thus succeeded in becoming a "zero emissions company" and contributed to the Group's carbon footprint balance. We also decided to offset a higher percentage of emissions than that required for achieving neutrality, and we therefore became "climate positive" companies, according to the definition in the January 2020 Carbon Neutral Protocol.



CARBON
NEUTRAL
CERTIFICATE



CARBON
NEUTRAL
PROTOCOL

- Greenhouse gas emissions inventory for all our plants.
- Establishment of emissions mitigation and neutrality plan.
- Internal offsetting: Reciclene "zero emissions"
- Offsetting with carbon bonds
- Carbon neutral certification

Step by step



TOTAL EMISSIONS, 2019 VS. 2020, PLASTILENE GROUP (ALL COMPANIES)

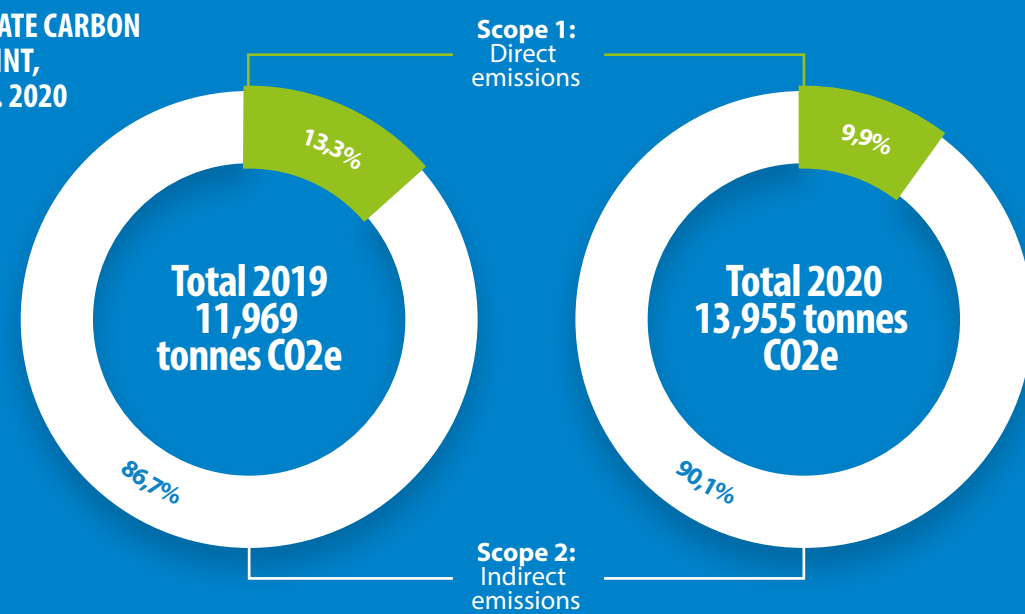
Carbon footprint measurement results depend mostly on energy efficiencies at plants and each country's energy factor.

When a country generates energy from fossil fuels, the energy factor is higher, but when that energy comes from sustainable sources, such as water, the factor is lower. The higher the country's energy factor, the greater the indirect impact on the generation of greenhouse gas emissions.

Energy Factor	2018	2019	2020
Colombia	0,13	0,164	0,206
Guatemala	0,3671	0,3671	0,3671
Ecuador	0,3002	0,2255	0,2255

The energy factor in Colombia increased by 25 per cent, while in Guatemala it remained constant, according to publicly-available information, and in Ecuador it decreased by 25 per cent. These energy factor variations have a direct impact on Group measurement results.

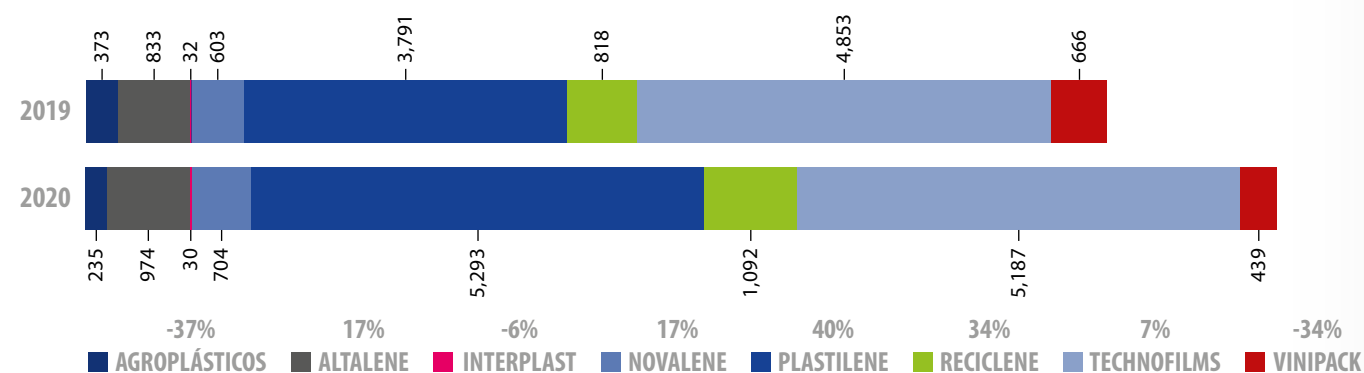
CORPORATE CARBON FOOTPRINT, 2019 VS. 2020



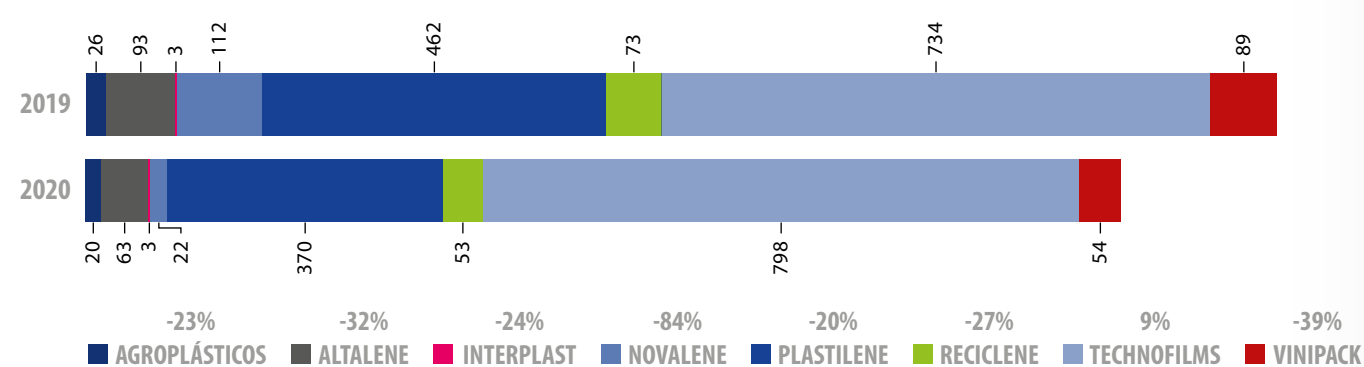
The 2020 corporate carbon footprint was 16.60 per cent up on the 2019 figure, due to the increase in indirect emissions (17.47 per cent) caused by the 25 per cent increase in the energy factor in Colombia and the 6 per cent growth in energy consumption in the Group.

The measurement of direct Group emissions saw a decrease in 2020 of 15.20 per cent, compared to the 2019 figure.

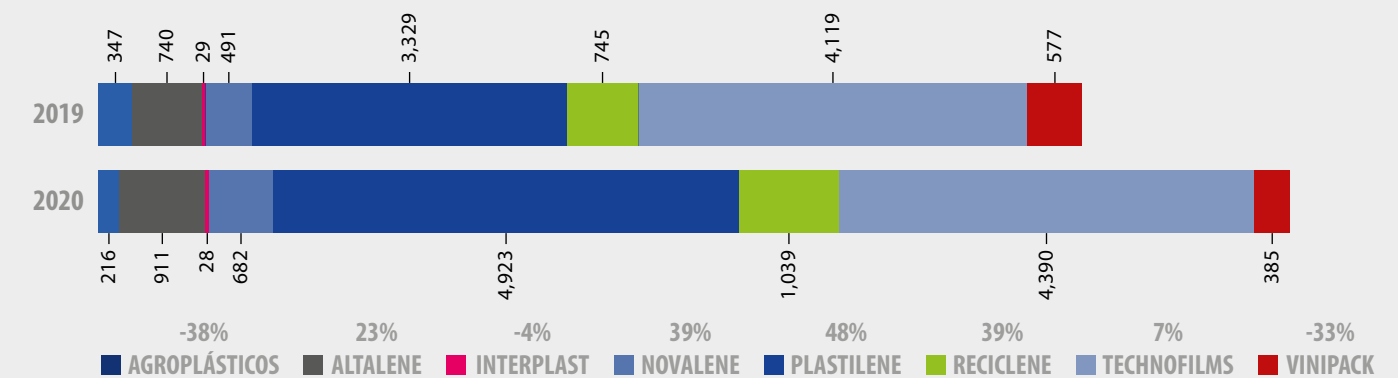
ABSOLUTE EMISSIONS (direct and indirect), 2019 VS. 2020, BY COMPANY



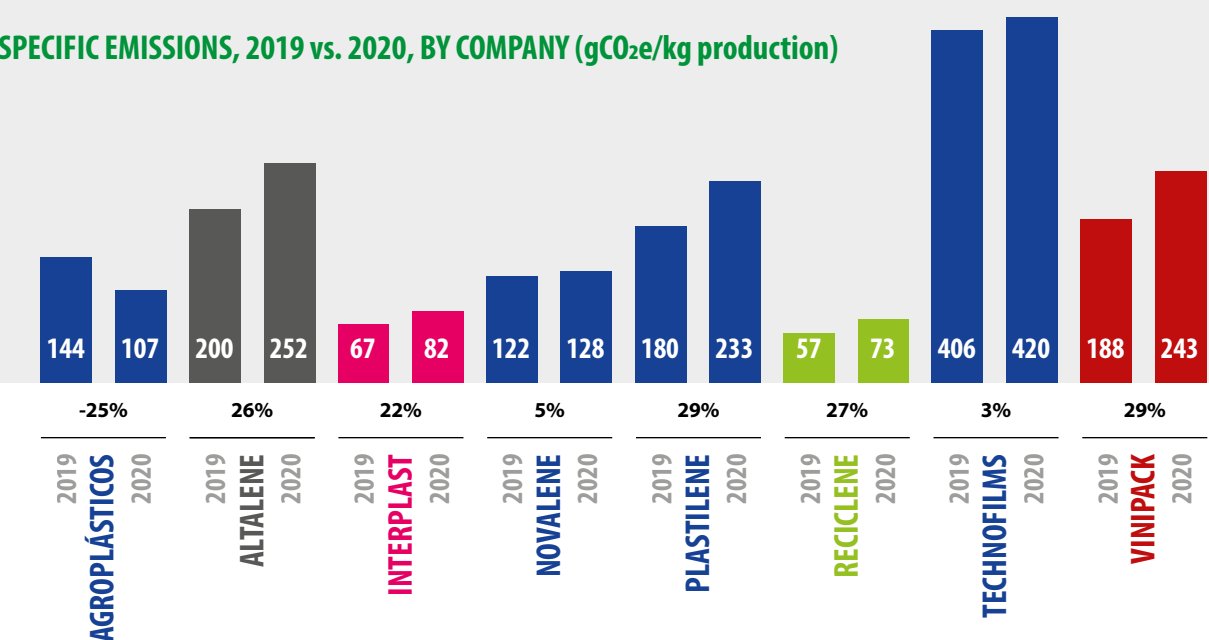
ABSOLUTE EMISSIONS (direct and indirect), 2019 vs. 2020



INDIRECT EMISSIONS, 2019 vs. 2020, BY COMPANY



SPECIFIC EMISSIONS, 2019 vs. 2020, BY COMPANY (gCO₂e/kg production)



The main reason for the rise in emissions in 2020 was the increase of more than 25 per cent in the country's energy factor. The second reason lies in the 7 per cent increase in energy consumption.

Vinipack emissions were added to those of Plastilene in the second half of the year, as a result of the two companies merging their production process.

In the case of Novalene, energy management can be seen to have been more efficient than in 2019, but the variation in the energy factor had a considerable effect on results.

Direct emissions were a reflection of reductions at all plants in Colombia, mainly due to the effect of the pandemic, since there were fewer employee movements.

AS PART OF OUR NEUTRALITY PLAN, CERTIFIED RENEWABLE ENERGY SUPPLIES HAVE BEEN CONTRACTED SINCE 2021 FOR PLASTILENE, ALTALENE AND RECICLENE.



Agroplásticos emissions were down due to greater operational efficiency, which was reflected in a 4 per cent drop in energy demand per kilo produced, and to a decrease in production (16 per cent down on 2019). The energy factor used for measuring the carbon footprint in 2019 was the one for 2018, since it was the most recent available at the time. The 2020 factor was measured using the 2019 factor which, likewise, was the most recent available.



The increases at Technofilms were the result of a 3 per cent increase in production and the commissioning of a new production line, which led to inefficiencies while testing was being carried out and until full operation was achieved.

The company also decided to purchase coolants for chillers and air conditioning that would provide cover for use and maintenance for approximately three years. As a result, in 2020 the company recorded the emissions that these will generate in the next few years.

RECICLENE AVOIDED EMITTING 2,189 TONNES OF CO₂E IN 2020.

The number of tonnes of CO₂e that Reciclene saved through its plastic post-consumer and post-industrial recovery activity was determined using the AMSIII.AJ international methodology.

This figure was 200 per cent of its greenhouse gas emissions, which means that for the second consecutive year it was ratified as a ZERO EMISSIONS company and returned to the planet more than 1,000 tonnes of CO₂e by way of contribution to mitigating climate change.

Committed to the efficient use of water resources

Our water consumption figure is very low and relates, mainly, to domestic use at plants (sanitation services, cafeterias and cleaning).

(GRI 303-1) (GRI 303-4) (GRI 306-5) In the case of companies that operate in Colombia, water is taken directly from the public utilities network and pourings are into each company's sewerage system.

In Guatemala, Technofilms has its own well. Water is used to meet production process

needs (washing recovered material and cooling systems), and for sanitation services, plant irrigation, and cleaning. Waste water is cleaned in our treatment plant and passed to the network provided by the industrial park where we are located.

Meanwhile, Agroplásticos uses recirculated water in the palletization process as part of its water management system.

(GRI 303-3) (GRI 303-5) Group absolute water consumption and catchment, 2019 vs. 2020

COMPANY	Consumption in 2019 (m³)	Consumption in 2020 (m³)	Percentage variation
AGROPLÁSTICOS	1.299	1.235	-5%
ALTALENE	1.294	1.142	-12%
INTERPLAST	126	85	-33%
NOVALENE	952	916	-4%
PLASTILENE	20.897	7.859	-62%
RECICLENE	5.034	4.915	-2%
TECHNOFILMS	4.536	4.453	-2%
VINIPACK	979	425	-57%

Meanwhile, water consumption per tonne produced at each company has been as follows:

EMPRESA	Consumption in 2019 (m³)	Consumption in 2020 (m³)	Percentage variation
AGROPLÁSTICOS	0,50	0,56	13%
ALTALENE	0,31	0,29	-5%
INTERPLAST	0,26	0,23	-12%
NOVALENE	0,19	0,17	-13%
PLASTILENE	0,95	0,35	-64%
RECICLENE	0,35	0,33	-7%
TECHNOFILMS	0,38	0,36	-5%
VINIPACK*	0,29	0,23	-18%

* Figures for Vinipack relate to the first half of the year. Figures for the second half of the year are included in Plastilene.

In February 2020, a water leak at the Plastilene plant in Soacha was corrected, resulting in a 62 per cent decrease in water consumption and a 64 per cent reduction in consumption per tonne produced at this company.

In general, the reduced water consumption by the companies was due to the change in working methods. Although some staff were physically present at plants, most administrative personnel were working from home.

(GRI 303-2) (GRI 306-1) (GRI 306-4) Water used in plant food services in Colombia is cleaned using a grease trap that enables a significant part of the organic load in waste water to be removed. Sludge resulting from trap maintenance and from the coo-

ling tower, as well as ink remainders and remainders from the plate washer, are disposed of as dangerous waste and removed by a third party for final correct disposal.

Agroplásticos sends its pourings directly into the sewers, because it only has an extrusion process and water is only for domestic use and for cooling; this latter process

does not cause any changes in the water that is poured. Technofilms, meanwhile, uses a treatment plant to process its pourings.

Pourings at all plants, despite being free of dangerous residual sludge, are analyzed on an annual basis, in order to ensure that they comply with legal parameters.

(GRI 306-3) (GRI 307-1) Because of our prevention processes, no spills occurred, nor were any sanctions imposed for failing to comply with regulations.

Committed to correct waste disposal



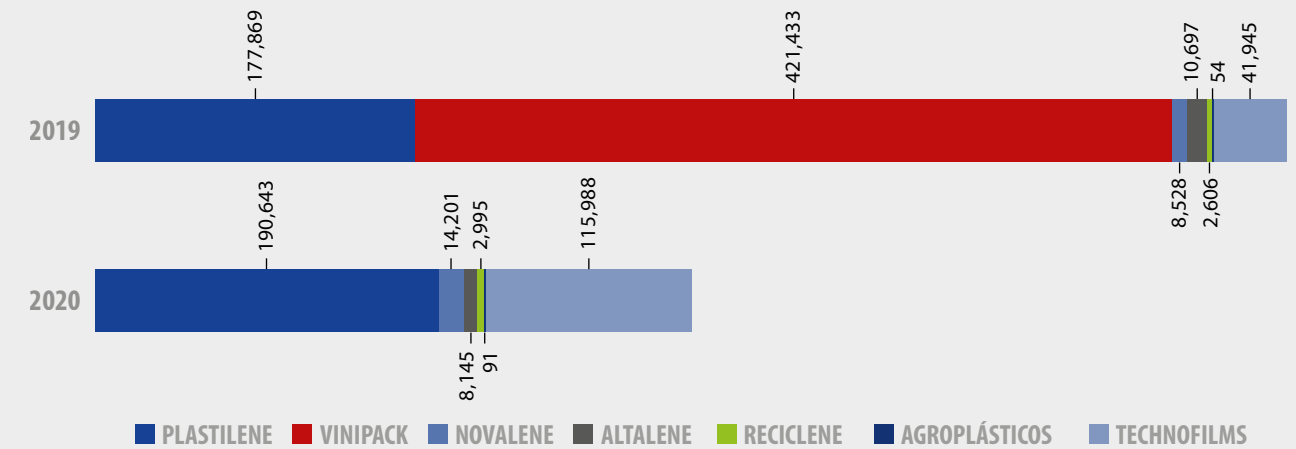
Correct waste disposal is fundamental to preventing ecosystems from becoming contaminated and to reducing the environmental impact of our companies' activities.

(GRI 306-2) Dangerous waste comes principally from the com-

panies' conversion processes. The results for this waste are thus due to increases in the printing process. The results for non-dangerous waste, meanwhile, are occasionally related to production variations, since these materials are used in the logistics process. The methodology for identifying,

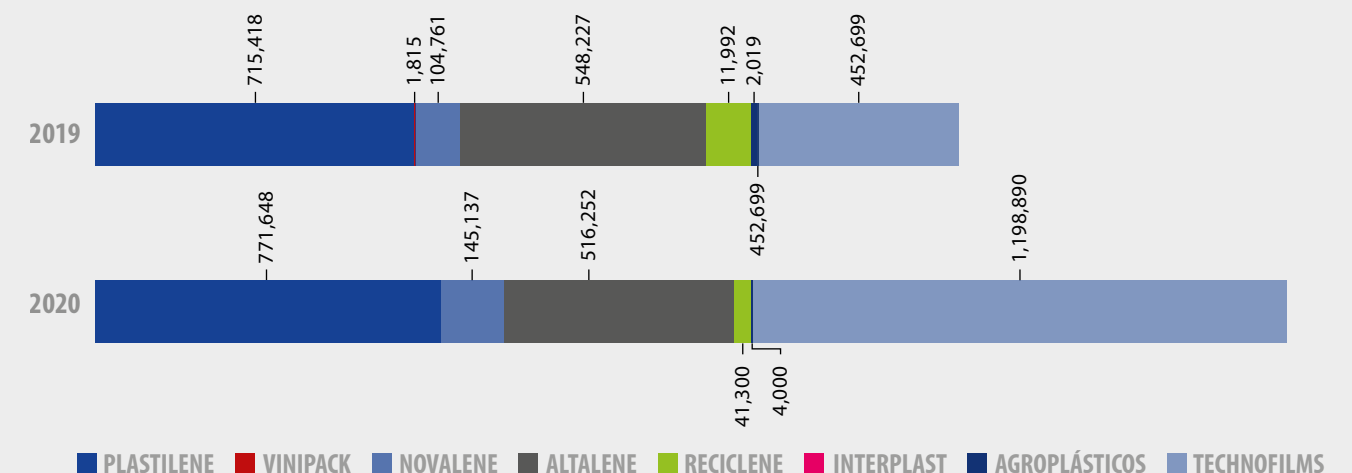
classifying and administering the different types of waste has also been improved, and this leads to more reliable data being available for analysis and follow-up purposes.

DAINGEROUS WASTE, 2019 vs. 2020 (Kg)



At Group level, dangerous waste was 50 per cent down, due to better separation at source and disposal administration by the companies. If production processes are improved and waste is classified better, it can be disposed of correctly.

NON-DANGEROUS WASTE, 2019 vs. 2020 (Kg)



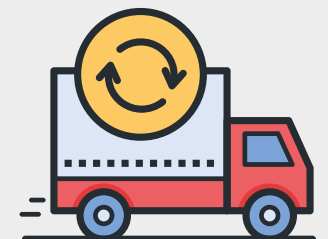
Non-dangerous waste increased by 38 per cent. The biggest growth was at Technofilms, since a large quantity of scrap that was in store was disposed of in 2020.

LIST OF WASTE PRODUCED AT PLANTS

- Batteries
- Contaminated textiles
- Solids contaminated with ink and solvents
- Ink remainders
- Polyurethane adhesive
- Sludge from the cooling tower and the grease trap
- Waste photopolymer
- Microbiological waste
- Lights
- Knives
- Cartridges and toner
- Glass bottle with ink
- Broken glass
- Plate washer remains
- Bio-sanitary waste
- Coolant and cleaning product containers
- Used oils
- Solvent
- Lamination adhesive

DISPOSAL PROCESSES

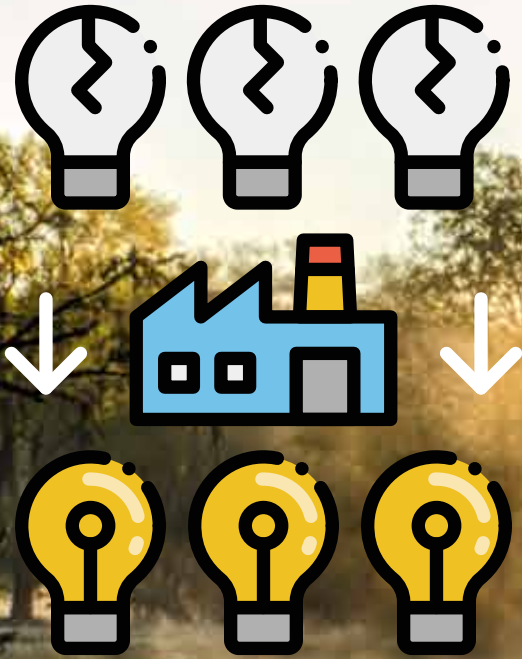
- Exploitation
- Specialist third parties
- Incineration
- Safety cell



(GRI 304-1) (GRI 304-2) (GRI 304-3) (GRI 304-4) Group companies are not located in or near protected areas of great biodiversity value or where endangered species can be found.

The use to which we put resources and waste is evaluated and controlled through our Environmental Management Plan and Impact Matrix, with a view to preventing negative environmental consequences.

Part of our commitment consists of implementing restoration initiatives in our surroundings, and Technofilms therefore reforested one hectare of land in United Nations Park in the town of Amatitlán.





OUR SOCIAL COMMITMENT IS PART OF THE ORGANIZATION'S DNA AND FOR MANY YEARS IT HAS ENABLED US TO HELP IMPROVE QUALITY OF LIFE FOR OUR STAFF AND FOR VULNERABLE COMMUNITIES IN OUR AREAS OF INFLUENCE.

SOCIAL COMMITMENT

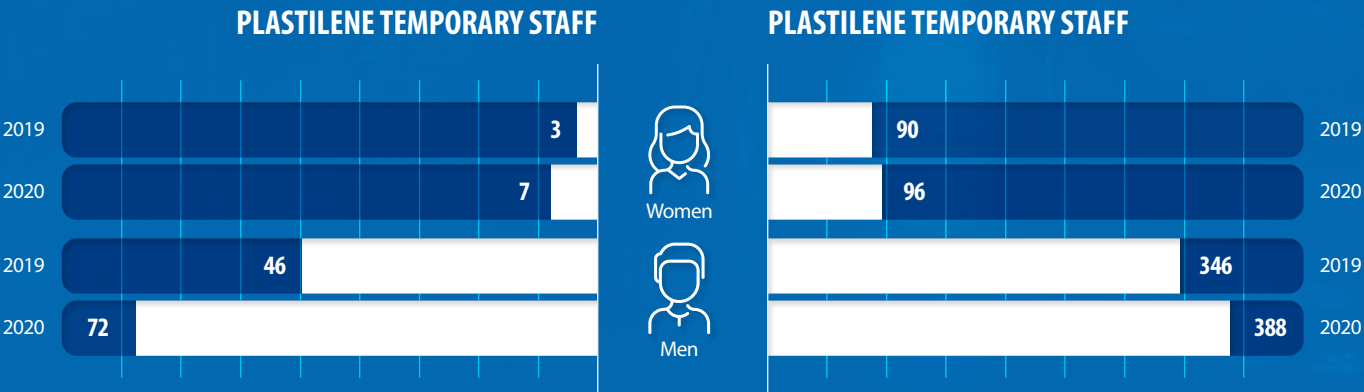
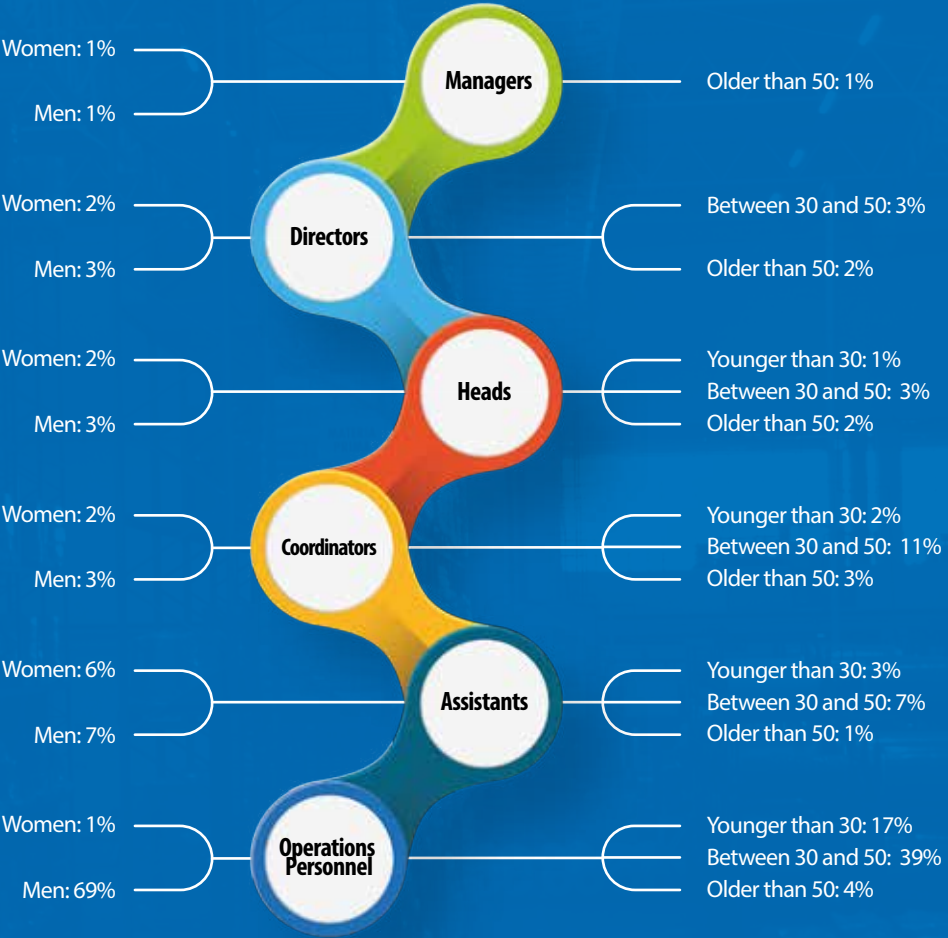
Our staff

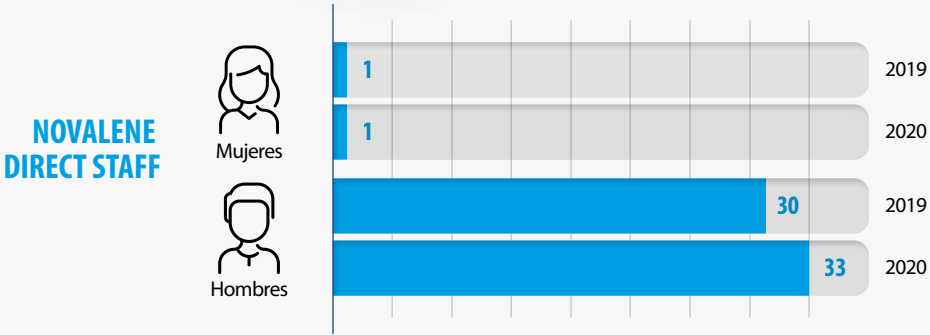
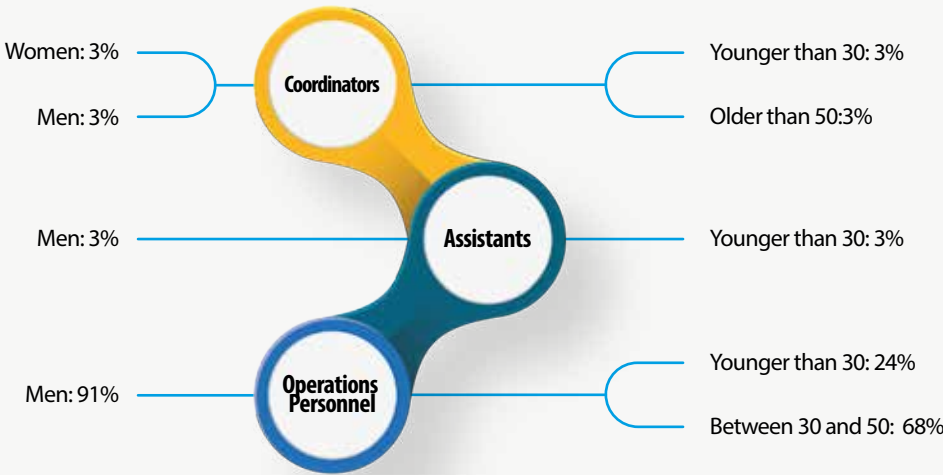
Our social commitment is part of the organization’s DNA and for many years it has enabled us to help improve quality of life for our staff and for vulnerable communities in our areas of influence.



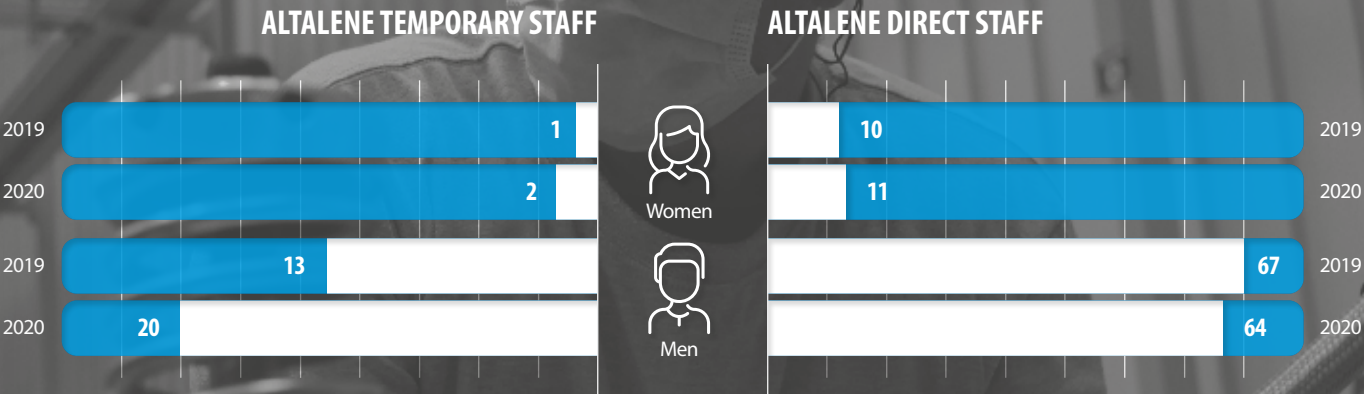
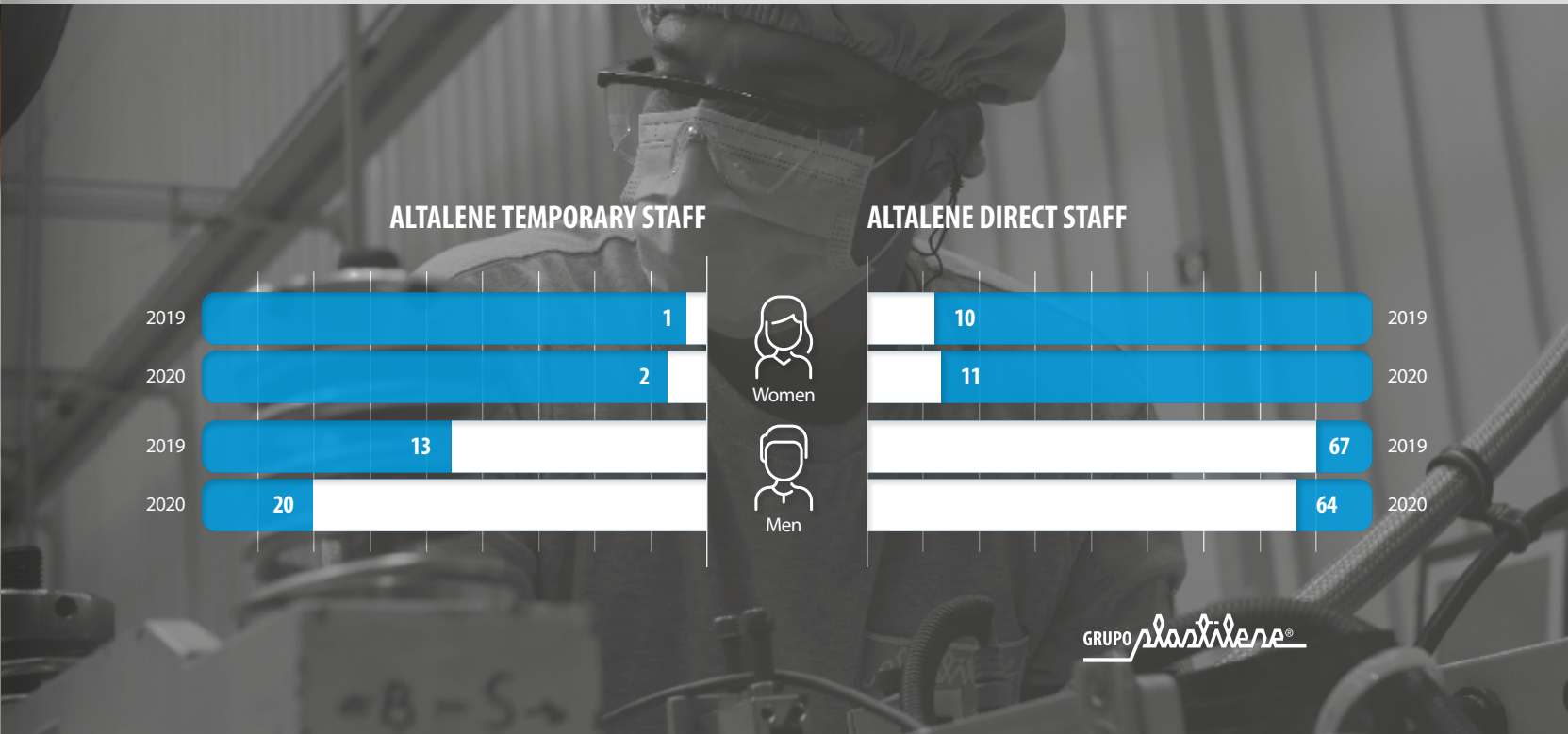
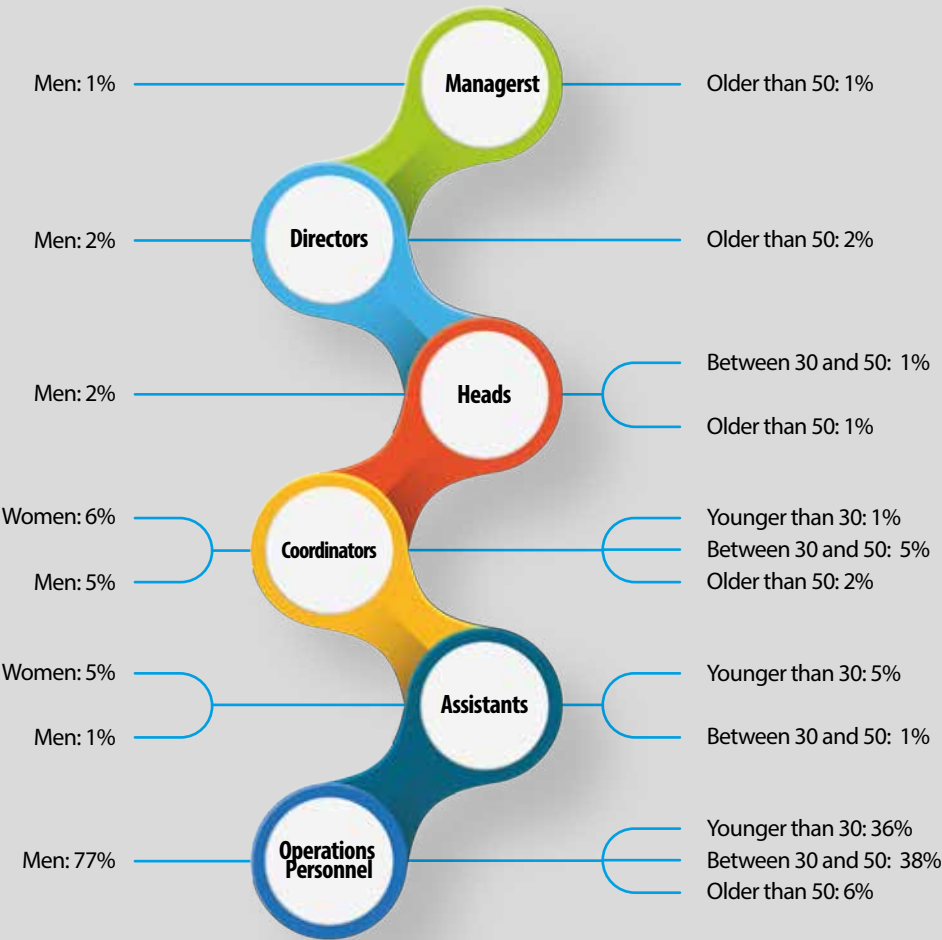
Our staff

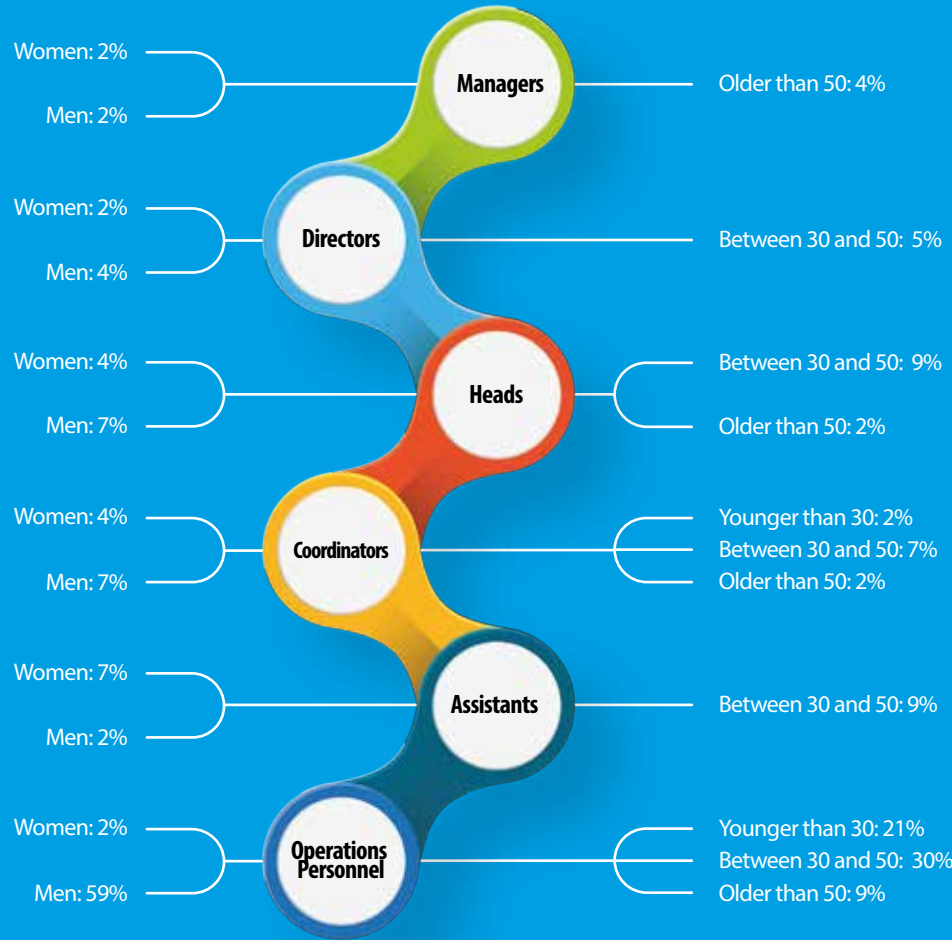
(GRI 102-7) (GRI 108-2) (GRI 405-1) In 2020, the Plastilene Group family consisted of the following.



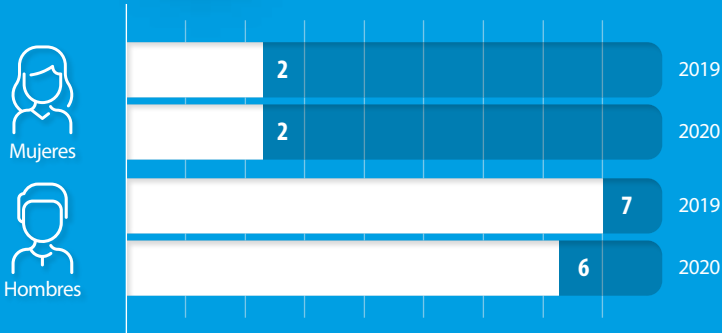


* We had no temporary staff at Novalene in 2019 or 2020



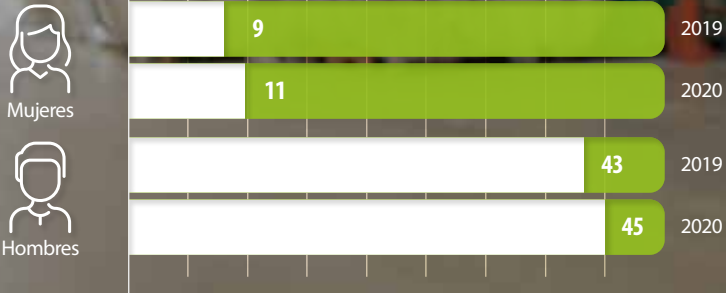


INTERPLAST DIRECT STAFF



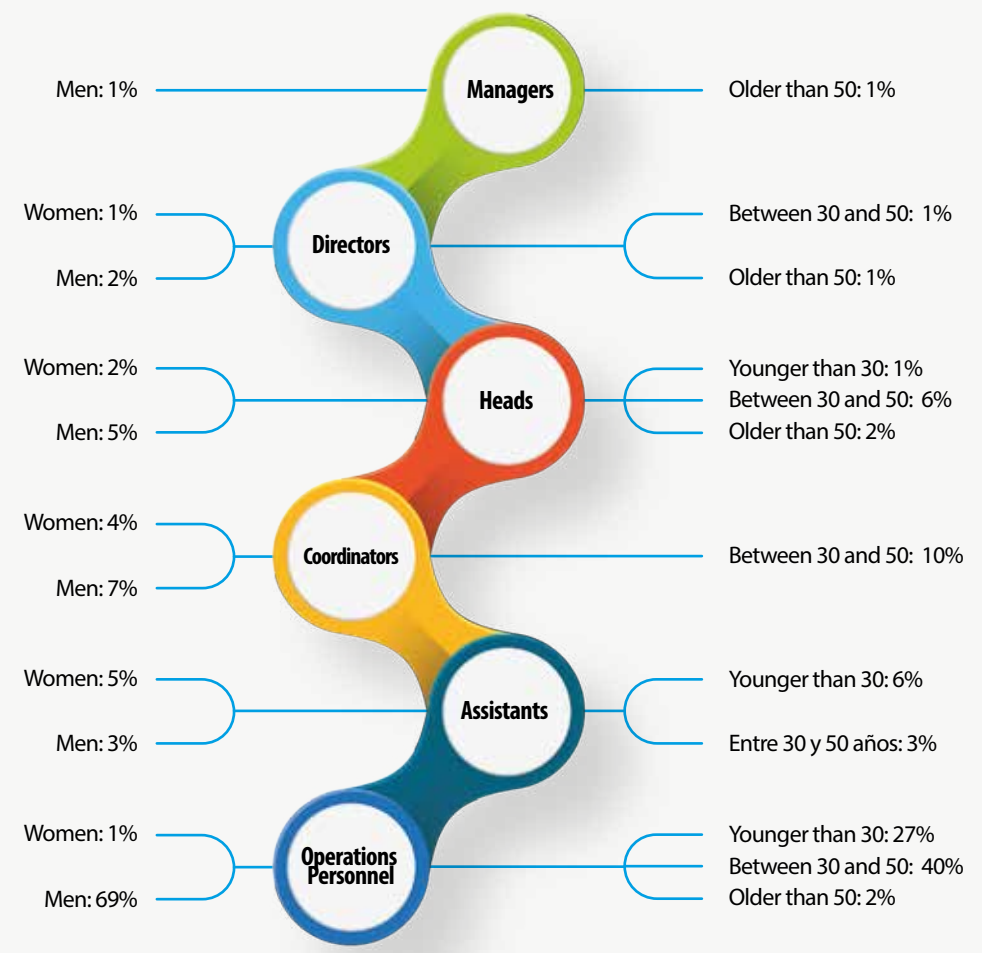
* We had no temporary staff at Interplast in 2019 or 2020

RECICLENE DIRECT STAFF

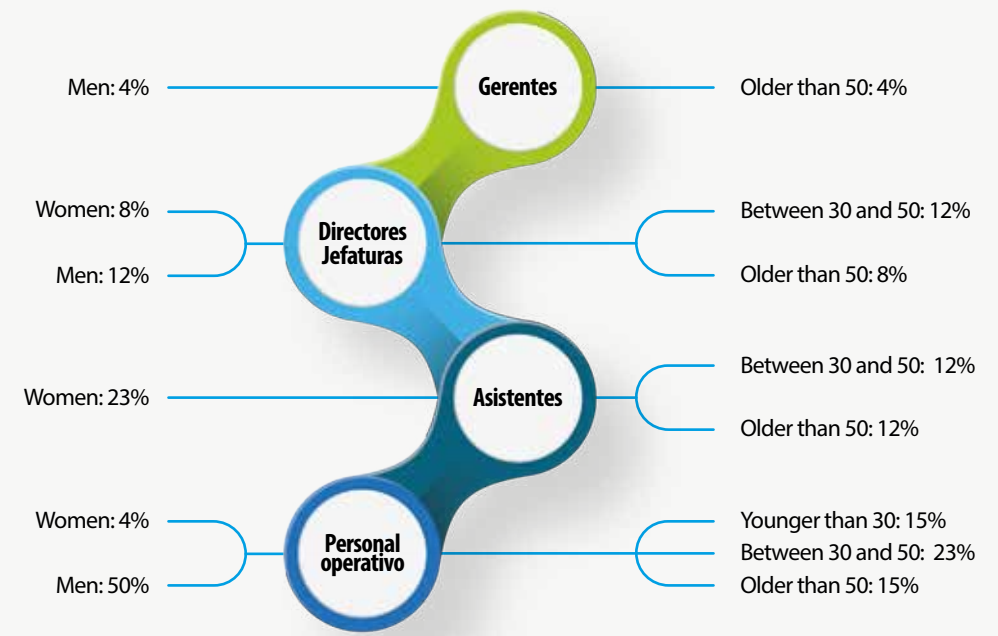


* We had no temporary staff at Reciclene in 2019 or 2020

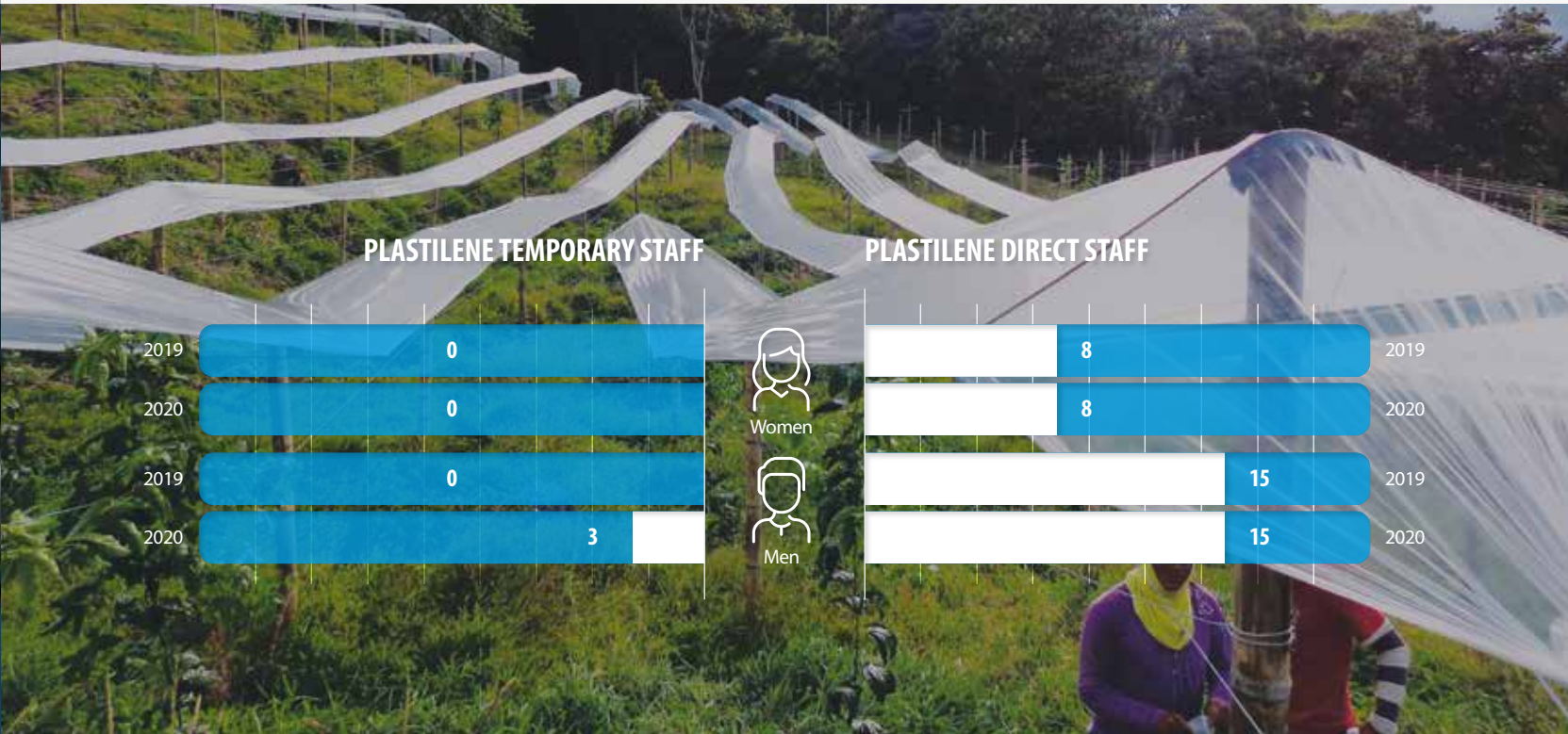
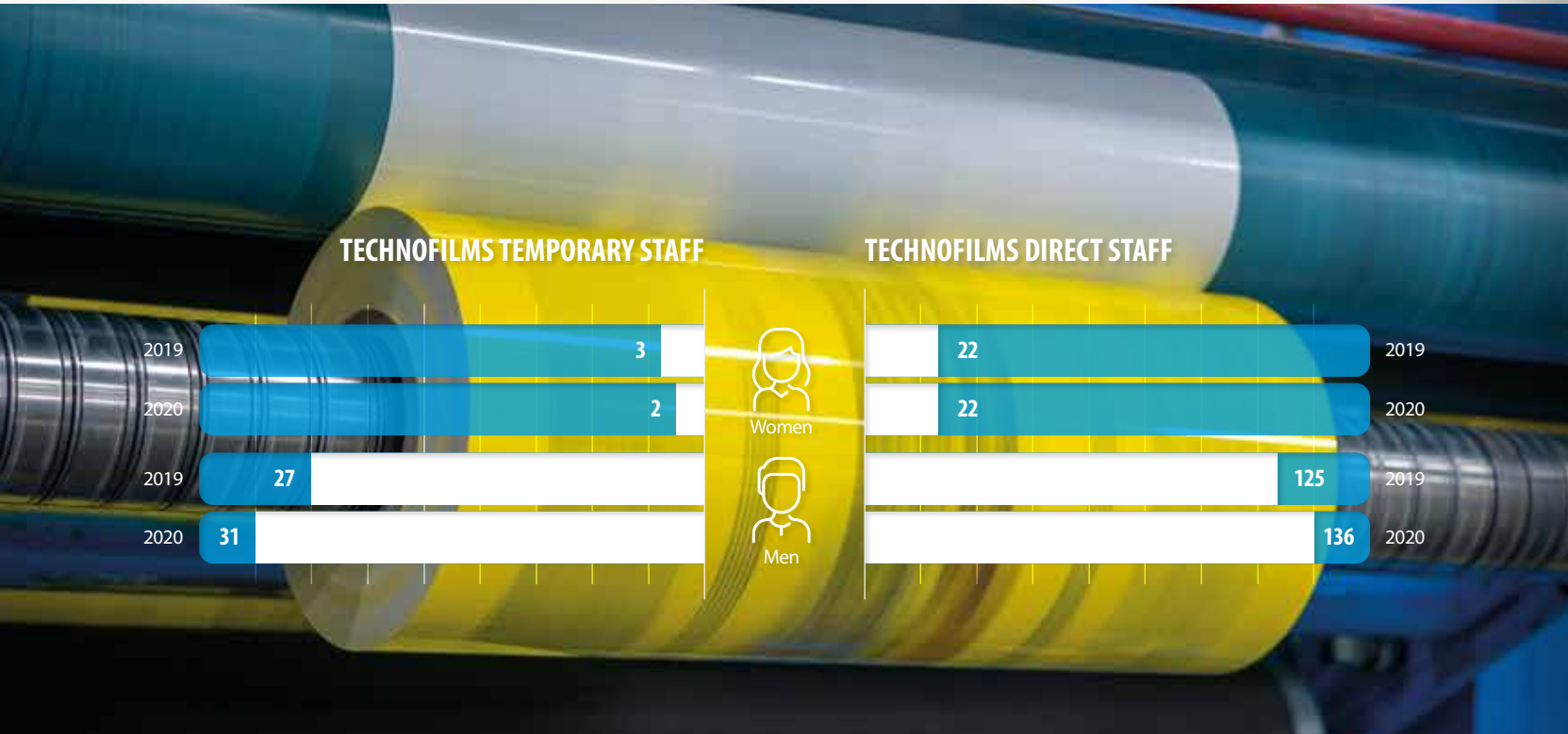
TechnoFilms



AGROPLASTICOS



* We had no temporary staff at Agroplásticos in 2019



(GRI 406-1) (GRI 411-1) Group values and the procedures carried out mean there are no cases of discrimination in the companies and that, if any were to occur, suitable mechanisms are available for transmitting the respective complaint and the possibility is always there to direct them to the human resources areas.

In order to create a working environment that allows our staff to develop fully, we provide incentives and initiatives that go one step beyond the legal framework and foster wellbeing in our people. We are careful to offer remuneration that is competitive on the market. **(GRI 102-35) (GRI 102-36)** The Plastilene Group Corporate Compensation Policy is governed by the following principles:



SALARY REMUNERATION PRINCIPLES

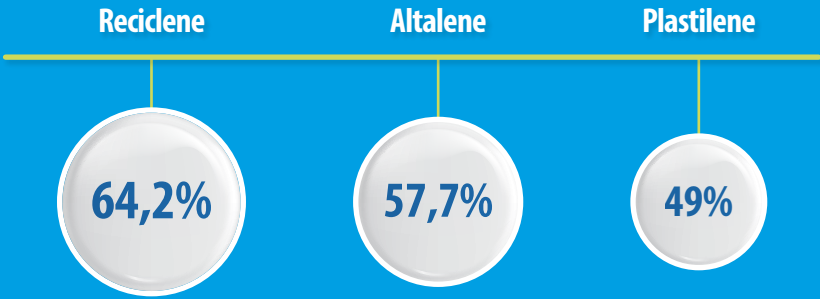
- We provide remuneration on the basis of the responsibility and complexity of the post (internal fairness).
- We take the reference market into account when providing remuneration (external competitiveness).
- We provide remuneration in accordance with the experience, results, performance and skills of each staff member.



(GRI 102-41) PERCENTAGE OF STAFF COVERED BY COLLECTIVE NEGOTIATION AGREEMENTS

Likewise, we are subject to, and fully comply with, all legislation in the countries where we operate and we adhere to everything agreed upon in collective labor conventions, collective pacts, or any other collective arrangement that might exist.

There are no collective negotiation agreements at Novalene and Interplast; however, we respect workers' decision to make use of their rights. As far as Agroplásticos and Technofilms are concerned, no collective negotiations are currently in force



In order to determine remuneration, the companies base themselves on salary surveys that are widely recognized on the market for each of the countries where we have a presence, and these are administered by the Compensation Committee, headed by Corporate Human Affairs Management.

(GRI 102-35) For executive levels, there is no direct relationship between economic, environmental and social policies, as far as compensation is concerned.



ASPECTS CONSIDERED WITH RESPECT TO COMPENSATION

- Annual remuneration 100% fixed. Determined on the basis of the external competitiveness analysis.
- Values of incentives, rewards and benefits updated each year, with no differentiation between posts.
- Voluntary annual bonus, based on each company's results.



(GRI 102-37) Through workers' representatives, our staff play an active role in collective negotiation processes where determination of salaries is one of the central points on the agenda. We evaluate and determine salary levels for each post in the operation jointly, with representatives of workers and management, in an open-doors process in which everyone takes part.

(GRI 201-3) A philosophy exists at Plastilene Group whereby the contribution made by workers who have worked hard for many years and have been committed to building and growing our business is recognized. After granting the old age pension, the Group encourages extending the job relationship by mutual agreement with any staff members who wish to do so. It also has mechanisms for recognizing workers who retire, in order to thank them for their contributions.



COMPENSATION RATIOS

COMPANY	(GRI 102-38) ANNUAL TOTAL COMPENSATION RATIO
PLASTILENE	14.08
NOVALENE	2.66
ALTALENE	16.88
RECICLENE	11.82
INTERPLAST	17.26
TECNHOFILMS	38.56
AGROPLÁSTICOS	4.94

(GRI 102-39) ANNUAL TOTAL COMPENSATION PERCENTAGE INCREASE RATIO

The annual increase is determined in accordance with the inflation indices in each country where we have operations, and there is no percentage differentiation between job categories. In the specific case of Colombia, the annual increase is established in line with the agreements made in the convention and in the collective pacts of each company.

(GRI 201-2) RATIO OF STANDARD, INITIAL-CATEGORY SALARY DIVIDED BY GENDER VS. LOCAL MINIMUM SALARY

The Plastilene Group standard initial salary does not discriminate as far as gender is concerned, and in every case is equal to or higher than that established by government.



(GRI 405-2) RATIO OF BASE SALARY AND WOMEN'S VS. MEN'S REMUNERATION

COMPANY	JOB CATEGORY						RATIO
	MANAGERS	DIRECTORS	HEADS	COORDINATORS	ASSISTANTS	OPERATIONS PERSONNEL	
PLASTILENE	0.73	0.72	1.02	0.96	1.28	0.82	
NOVALENE	NA	NA	NA	0.51	There are no women	There are no women	
ALTALENE	There are no women	There are no women	There are no women	1.23	1.42	There are no women	
RECICLENE	0.66	0.79	1.05	1.19	1.39	0.86	
INTERPLAST	1 man in the post	1 woman in the post	NA	NA	NA	There are no women	
TECHNOFILMS	1 man in the post	0.67	0.93	1.37	1.11	1.56	
AGROPLÁSTICOS	NA	NA	0.98	NA	There are no men	0.48	

PROPORTION OF TOP EXECUTIVES HIRED IN THE LOCAL COMMUNITY

	LOCAL	NON-LOCAL
PLASTILENE y NOVALENE	94%	6%
ALTALENE	100%	
RECICLENE	100%	
INTERPLAST	100%	
AGROPLÁSTICOS	67%	33%
TECHNOFILMS	33%	67%

Because of the Group's industrial activity, our staff work mainly in production areas. This is why more males are hired; however, the percentage of female personnel in all areas of the company is significant, and they are treated fairly in terms of remuneration and executive posts held.

(GRI 202-2) Plastilene Group has its headquarters in Colombia, where the organization came into being, and this has a bearing on the fact that many of the executives in all Group companies are Colombian.

Because of our incentive plans, emotional salaries and good practices in terms of how we treat

staff, plus our strict adherence to labor and health and safety at work laws, our staff retention rates are high and our turnover rates are low, except at Reciclene where, for operational reasons, personnel movements were high during the year.



NEW STAFF HIRINGS AND TURNOVER

COMPANY	(GRI 401-1) NEW STAFF HIRINGS	STAFF TURNOVER
PLASTILENE	33 new persons 23 men 10 women	7.1%
NOVALENE	4 new persons 4 men	15.2%
ALTALENE	33 new persons 23 men 10 women	7.1%
RECICLENE	20 new persons 17 men 3 women	28.2%
INTERPLAST	No new staff were hired in 2020	9%
TECHNOFILMS	2 new persons 1 man 1 woman	9.9%
AGROPLÁSTICOS	24 new persons 18 men 6 women	8.69%

(GRI 401-3) In each country, we respect all rights and legislation relating to maternity, paternity and family. All staff who requested parental leave in 2020 (4 women, 10 men) returned to their jobs, thus illustrating their commitment to their work.

(GRI 401-2) Plastilene Group staff and their families are our raison d'être. We therefore have a whole range of monetary and/or non-monetary extralegal benefits, aimed at meeting complementary and important needs.

We are ruled by principles of fairness. Our benefits are aimed at both directly-hired and temporary staff, except for benefits expressly related to the collective convention, which apply to directly affiliated members.



CHRISTMAS CELEBRATION IN ECUADOR



ADDITIONAL BENEFITS IN COLOMBIA

- Flexible schedules
- Home office
- Remote work
- Provision of transportation
- Life insurance
- Plastilene Family Day
- Celebration of special dates (woman, man, mother, father, love and friendship, Halloween)
- Bonus in Holy Week and hamper at Christmas
- Christmas presents (for workers' children under the age of 12)
- Bonus equivalent to end-of-year trip, "Plastilene Gamily Day, Semester II"
- Food (restaurant, coffee machine)
- End-of-year bonus
- Pacini prize for direct staff employed for more than five years

- Extralegal bonus in June and December
- Direct loans for workers
- Funeral insurance
- School allowance and excellence award for children
- Rotary housing fund for staff under the convention

ADDITIONAL BENEFITS IN GUATEMALA

- Medical insurance: all direct staff have this insurance, which also covers their direct descendants (spouse and children: the insurance covers children up to the age of 25)
- Five-yearly

- Family Day
- English courses
- Convivio
- Christmas hampers
- Presents for staff members' children
- Cafeteria: 55% subsidy for lunch
- Bus service
- Health sessions
- Housing

Training



We are committed to guaranteeing our staff opportunities for training and growth. We value each person's talent and do not discriminate in any way as far as training is concerned, which means that men and women receive the same quality and length of time in terms of internal training.

(GRI 404-2) As part of the business unit integration progress, the biggest challenge Human Resources faced in 2020, in training and development terms, was to reinforce the technical skills required for managing multi-product sales.

We consolidated the Plastilene Group Corporate University project, which had been progressing for several years and in 2020 became a reality. We inaugurated the university, which became the principal venue for knowledge transfer.

Sustainable Innovation was one of this year's cornerstones. We carried out a 63-module course which impacted every member of our staff. We also arranged webinars, aimed mainly at the development, engineering, logistics, quality and plant administration areas of all companies in the Group. The goal of all this was to ensure that every member of staff benefited from the knowledge and that it continued to be part of the organization's DNA.

We consolidated the Plastilene Group Corporate University project, which had been progressing for several years and in 2020 became a reality. We inaugurated the university, which became the principal venue for knowledge transfer.



We continued to sponsor undergraduate and post-graduate training programs with technical training in plastic film extrusion. We provided our operations personnel with the necessary training for obtaining AEO (authorized economic operator) accreditation.



PLASTILENE
UNIVERSITY

In view of the conditions resulting from the pandemic, we carried out virtual training in Health and Safety at Work subjects. Issues like coping with the effects of changes in the daily routine and the importance of taking care and biosecurity were discussed, and this was reinforced by means of in-person talks about prevention measures.

EMPRESA	MEAN HOURS OF TRAINING DURING THE YEAR PER EMPLOYEE														
	MEAN Hours/month	GENDER Hours/month		HOURS BY SALARY CATEGORY Hours/month											
				<div>W WOMAN</div> <div>M MEN</div>											
				General and corporate managers		Directors		Heads		Coordinators		Assistants		Operations Personnel	
		W	M	W	M	W	M	W	M	W	M	W	M	W	M
PLASTILENE	1.474	280	1.194	8	16	29	42	32	49	109	135	83	99	19	854
NOVALENE	316	9	307							9	9	0	9	0	288
ALTALENE	434	64	371	0	6	0	12	0	12	12	23	52	12	0	307
RECICLENE	118	21	97	2	2	2	4	4	9	4	9	8	2	2	71
INTERPLAST	34	4	30			4	0							0	30
TECHNOFILMS	357	45	312	0	2	4	6	7	19	13	24	17	13	4	248
AGROPLÁSTICOS	65	53	18					42	173			63	673	9	923

* Indicator reported as total hours per group of employees





(GRI 404-3) Training performance is evaluated in a standard way for men and women, and this enables us to plan and promptly execute training, succession and remuneration plans for all staff, and also to provide a feedback scenario for leaders and staff. Every member of staff received performance evaluations in 2020.

(GRI 412-2) We provide training which includes practical sessions in respecting colleagues at work, non-discrimination, ethics, and anticorruption.

(GRI 410-1) All safety staff received human rights and international humanitarian law training in September 2020.



(GRI 403-1) (GRI 403-3) (GRI 403-8) As part of our commitment to safety and wellbeing in our environment, we ensure that we guarantee a workplace that preserves the health, quality of life and wellbeing of all staff, contractors, subcontractors, suppliers and visitors.

In Colombia, through adequate planning and implementation of the Health and Safety at Work Management System (in Spanish, SGSST), we are continually improving how we identify, evaluate, appraise and control labor risks. Complying with internal and

governmental Health and Safety at Work regulations does not depend solely on the responsibility of each member of our staff and those who provide us with services.

Additionally, at some plants we have emergency brigades that have been trained to react if incidents or accidents occur.

The management system has three main goals:

1. To prevent accidents at work and work illnesses.
2. To promote worker health and wellbeing.

3. To have a legal shield for complying with Health and Safety at Work regulations. The SGSST contains a legal requirement matrix and procedure which establish how regulations are to be applied for the organization's production process and for guaranteeing full implementation of the Health and Safety at Work Management System.

This mechanism is evaluated on a six-monthly and annual basis. It should be stressed that it has been established that all companies in the Group should implement sixty Health and Safety at Work standards, irrespective of how many workers each one has, the type of risk or the production process. These standards are applied together with ARL SURA.



Health and safety at work

Plastilene

Altalene

In 2020, Plastilene and Novalene reported the following SGSST application compliance percentages:

83.25%

86.25%

In Guatemala, meanwhile, Technofilms does not use a management system as such, but it has implemented one that is based on Government Occupational Health and Safety Agreement 229-2014, Internal Regulations, and ISO 45000. An Occupational Health and Safety Plan has also been designed, and this is used

for putting into practice various Health and Safety at Work activities.

In accordance with legislation and the Occupational Health and Safety plan itself, head office and all branches, as well as in-house or outside workers, should comply with all provisions stipulated

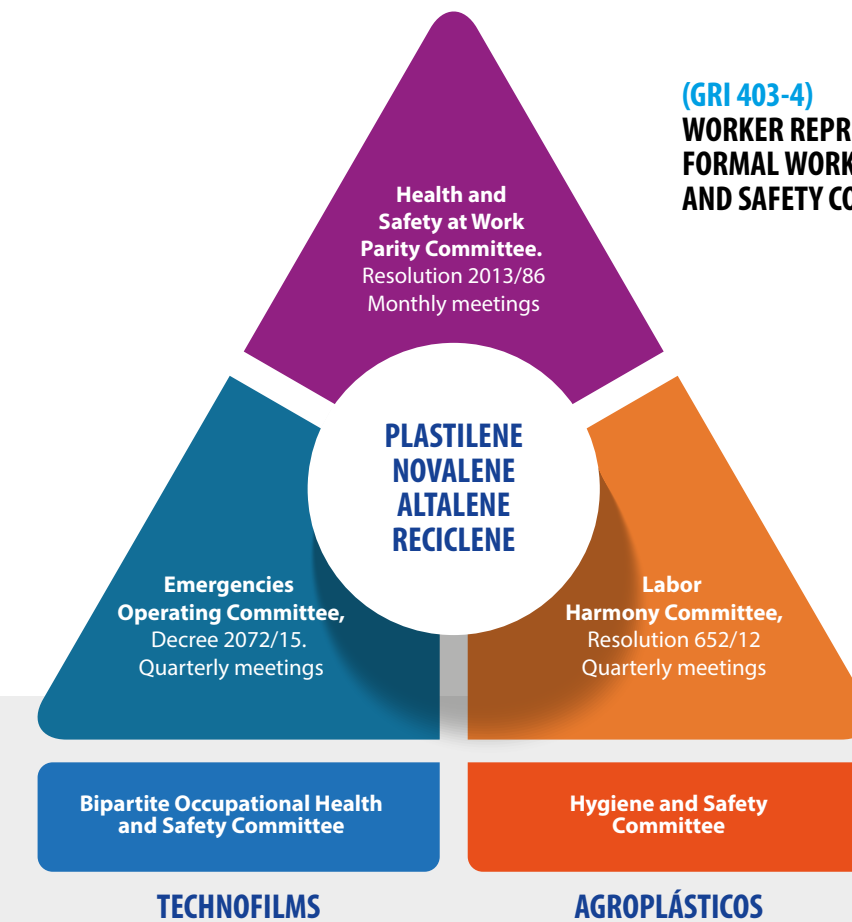
in these regulations.

In Ecuador, Agroplásticos has no management system as such, but has implemented Occupational Health and Safety regulations in accordance with Executive Decree 2393, which applies to all company workers.



(GRI 403-2) IDENTIFICATION AND EVALUATION OF RISKS AND INVESTIGATION OF INCIDENTS

- Once risks **have been identified**, they should be eliminated, replaced and controlled.
- The **Planned Inspection Instructions** enable the correct functioning of equipment, tools, work areas and worker actions to be checked.
- We ensure that there are **approved communication processes** for reporting all problems. These processes are reflected in our internal and external communications matrix.
- Workers report unsafe conditions to their immediate superior **using the conditions report form**, so that a solution can be found, should any issues arise.
- For investigating incidents, accidents at work and work illnesses, we have established an **Accidents at Work Report** procedure, which is reviewed and analyzed periodically with a view to identifying causes and whether the proposed corrective measures will guarantee that the incident does not occur again. Forms used: registration of accidents, accident statistics, accident rate indicators, accidents at work investigation form, health and safety, unsafe conditions report form, lessons learned.
- The companies **enable worker actions to be protected** without causing reprisals for reporting unsafe conditions or acts at plants.



(GRI 403-4)
**WORKER REPRESENTATION ON
FORMAL WORKER-COMPANY HEALTH
AND SAFETY COMMITTEES.**

(GRI 403-5) (GRI 403-6)
**ALL OUR STAFF RECEIVE TRAINING IN THE FOLLOWING MATTERS RELATING TO HEALTH AND SAFETY AT WORK
AND HEALTHY LIFE HABITS:**

HEALTH AND SAFETY AT WORK

Staff:

- Safety regulations
- Risk identification
- Posture hygiene
- Handling loads
- Prevention of mechanical risk accidents and COVID-19
- Emergencies plan and reporting accidents at work
- Health and Safety at Work induction and reinduction
- Storage and warehousing safety

HEALTHY HABITS

- Basic, administration of working at heights
- Hearing conservation
- Training in the use and handling of extinguishers
- First aid
- Firefighting
- Occupational Health and Safety training (once per year at Technofilms)

Emergency brigades at Agroplásticos:

- First aid, rescue and evacuation, and firefighting that involves using and handling extinguishers
- Selective safety training for forklift operators
- Electrical risk training sessions
- Risk factors by job

Healthy Habits

- Oral hygiene
- Taking blood pressure readings
- Nutrition
- Alcoholic drinks
- Safe sport
- Calisthenics
- Blood donation campaigns
- Training sessions in handwashing and high-risk illnesses



(GRI 403-10) Despite the preventive work the companies do, risks of illness related to the activities performed do exist. (GRI 403-7) Because of the pandemic, our commercial force worked exclusively on a virtual basis in 2020, and they accordingly followed the risk mitigation plans established for the rest of the workforce. The results in terms of operation activity were as follows.

WORKERS WITH A HIGH INCIDENCE OR HIGH RISK OF ILLNESS RELATED TO THEIR ACTIVITY

COMPANY	RECORDABLE ACCIDENT AT WORK INJURIES	ACCIDENT RATE	MAIN TYPES OF ACCIDENT AT WORK INJURIES
PLASTILENE	71	14.7%	Wounds Bruises Blows
NOVALENE	5	15.1%	Wounds
ALTALENE	17	22.4%	Blows Bruises and cuts from sharp tools
RECICLENE	9	5.9%	Superficial trauma Sprain Torn muscle Hernia or laceration of tendon without injury
INTERPLAST	0	0	-
TECHNOFILMS	4	2.1%	Wounds from sharp tools and falls
AGROPLÁSTICOS	0	0	-



External Social Responsibility

The external social responsibility component is just as important for Plastilene Group and is directly related to support for vulnerable communities in areas of influence and to donations (both in cash and in kind) when natural disasters occur.

This year, we consolidated strategic alliances with various waste pickers associations and other parties involved in the circular economy which enabled us to become stronger as suppliers of post-consumption materials. We made various contributions toward

infrastructure at their collection centers and to training in subjects relating to plastics and the separation of waste, and also financial aid for improving working conditions.

- Provision of compactors
- Provision of vehicles
- Promise to purchase material
- Prepayments for obtaining exploitable plastic material



(GRI 413-1) Due to the pandemic, the strict lockdown and the nationwide restrictions that were imposed, many vulnerable communities had to stop working and therefore suffered a serious fall in their income. We were alert to this problem at Plastilene Group right from the start, and we set out to identify ways to help our closest community.

WE CONTRIBUTED MORE THAN 518 MILLION PESOS (138,000 DOLLARS) AND 459,938 QUETZALS (59,000 DOLLARS), AS FOLLOWS:

- Donation of food parcels for several consecutive weeks
- Donation of plastic milk and rice packaging, in conjunction with our customers
- Donation of protective PET facemasks
- Donation of plastic material for communities affected by hurricanes IOTA/ETA
- Cash donations to the foundations we support (Michín in Colombia and Nuestra Sagrada Familia in Guatemala), and to the volunteer fire brigade in Palín
- Vehicle donated to waste pickers association
- Reconstruction of waste pickers association warehouse
- Donation to Remar foundation for building •
- Donation for maintaining 111 trees in Guatemala
- Donation to the Suma tus Manos project, La Guajira

The foundations we are friends with, Club Michín in Colombia and Sagrada Familia in Guatemala, continued to receive full support from Plastilene Group despite the circumstances, which altered the way we cared for children and their families considerably. As the months passed, new ways were found to support the beneficiaries and we gradually adjusted to these new needs. For Plastilene Group, it is fundamental to contribute to the wellbeing of the communities we support.



**GUIDE TO SOCIAL
ACTIONS POSTED
ONLINE**

**DONATION OF A VEHICLE
TO A RECYCLERS ASSOCIATION**

