



100% cumplimiento  
de normas  
ambientales



# Sustainability Report 2021



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**Interactive  
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**Interactive  
content**



# Message from the Chairman

GRI-102-1, 102-2, 102-14

Dear Stakeholders:

I am pleased to present our third Sustainability Report, prepared in accordance with the Global Reporting Initiative (GRI) Standards. Through these pages, you will be able to know our economic, environmental and social performance during the year 2021, which continued to be framed by the Covid-19 pandemic, and in which we made our best effort to continue transforming the industry.

At Fadesa we live a culture of transformation as a pillar for our growth and development. We make things simple and agile, being efficient and continuously improving. During this year we inaugurated our metal packaging production plant in Jaramijó - Manabí consolidating our leadership at a national level, and our presence in international markets. Through our operations in our plants in Ecuador, Peru and Colombia we serve more than 800 clients in more than 10 different countries, exceeding US\$158 million in sales.

This has been possible thanks to the effort and commitment of our employees, who are the fundamental pillar of our company. We strive to provide them with security and well-being for their families through training and technical tools for their spouses so that they can develop businesses that generate additional family income through our Aprende y Emprende (Learn and Undertake) program.

In the environmental field, we remain committed to minimizing the impact of our operations. For this reason, in 2021 we began measuring our carbon footprint to identify those processes that we can optimize. Likewise, we continue working on reducing the thickness of our metal containers and incorporating recycled resin in our plastic containers in order to protect the environment by using less raw material.

In 2021, the Sustainability Committee was formed, made up of members from different areas of the company. Its main objective is to align our strategy to the UN Sustainable Development Goals, and one of the first initiatives

was to join the Global Compact Network Ecuador, through which we hope to contribute and work on projects related to the SDGs that we can contribute as an organization.

With emotion and pride, we share with you the award of Socially Responsible Company received in 2021, granted by the Ecuadorian Consortium for Social Responsibility & Sustainability (CERES, by its acronym in Spanish). On the other hand, the Ecuadorian Federation of Exporters (Fedexpor, by its acronym in Spanish) awarded us second place in the category of “Large Exporting Company of non-traditional goods”.

At Fadesa we believe that thinking big with a social and environmental conscience allows us to transform the industry. Enjoy our Report!

Juan Carlos Prócel

# About this Sustainability Report

GRI 102-50, 102-51, 102-53, 102-54

**W**e consolidate our commitment to making our management transparent and therefore we present the third Sustainability Report that compiles the economic, environmental, and social information about Fábrica de Envases S.A. FADESA [Factory of Packages Limited Liability Company FADESA] between January 1, 2021, and December 31, 2021.

The content of this report has been structured in accordance with the company's institutional values implemented in 2020. This document complies with the essential option of the standards established by the Global Reporting Initiative (GRI) in the preparation of Sustainability Reports. We apply the four principles for the construction of sustainability reports such as stakeholder inclusiveness, sustainability context, materiality, and completeness.

What you will see in the following pages is the result of the teamwork of directors, managers and coordinators in charge of the operational and administrative areas of Fábrica de Envases S.A. FADESA who compiled and organized the information according to the material issues established by the company in 2022. Limitations to the scope of the information are detailed throughout this report and in the GRI content index.

The contents and performance parameters reported come from the organization's information management system, which has ensured the correct application of the principles established by the GRI: accuracy, balance, clarity, comparability, reliability, and timeliness.

**The content of  
this report has  
been structured  
according to  
the company's  
institutional values  
implemented in  
2020.**

The financial information is consistent with the institution's Financial Statements, which have been duly audited and are based on the International Financial Reporting Standards (IFRS) established by the Superintendence of Companies.

This document has not been subject to a specific external verification process by an independent third party in relation to the application of the GRI Standards.

If you have any comments, please write to us at: [fadesa@fadesa.com](mailto:fadesa@fadesa.com)



# Our path to transformation

For more than 65 years, Fadesa has been accompanying the productive sector with quality packaging that exceeds our customers' expectations. The business philosophy that we put into practice comes to life through a differentiating strategy that proposes an eco-efficient and sustainable production model.

Throughout these years, we have consolidated our position

as a company that projects responsibility toward our future. For this reason, we ratify our commitment to work with an optimistic and determined spirit to achieve the change towards a sustainable future.

As part of this transformation, in 2020 we began the path towards determining our contribution to the Sustainable Development Goals (SDGs) and established the following:



## About this report

In order with our actions, the content of this document is organized in accordance with the corporate values that govern the company:



WE THINK BIG



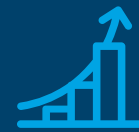
WE FOCUS ON  
PEOPLE



WE INNOVATE



WE ARE SIMPLE  
AND AGILE



WE GENERATE  
VALUE





# FADESA

## in Figures

### 2021

GRI 102-7, 102-8



# 158.6

Million in  
Revenues



# 100%

Recyclable  
Packaging



# 10

Destinations  
we reach



# 829

Employees

# 134%

the budget in dollars of Fadesa Metals  
Guayaquil was exceeded in 2021.

# +50%

of market share in Fadesa Metals.

# 10%

of the recycled plastic material is reincorporated  
into the production process. In 2021, 4,524 tons  
of products were produced.

# 3

new export destinations: Panama, Mexico and  
Honduras.

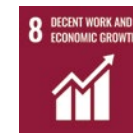
# 17

people hired in 2021 for Fadesa Manta.



# We Think Big

We have a challenging DNA that leads us to exceed expectations. As a result, we have conquered new markets and continue to set a precedent in the industry.



## +800

### Customers served

thanks to our regional operations in Ecuador, Peru and Colombia.



## 1

### New plant

joined our operations in Jaramijó-Manabí



## 2do

### Place

in the category "Large Exporting Company of non-traditional goods" by FEDEXPOR.



# Who Are We?

GRI 102-3, 102-4, 102-6



**F**ábrica de Envases S.A. Fadesa is part of the VILASECA Group, with more than 60 years in the Ecuadorian market. Our activity is mainly focused on the manufacture of metallic and plastic packaging for the food, industrial, pharmaceutical, and beverage segments.

Our headquarters and plastic packaging plant are located in the city of Guayaquil. We also have a branch in Quito, where we manufacture aluminum tubes and containers for industrial use. As of 2021, we also have a metal packaging production plant in Jaramijó-Manabí.

Thanks to our regional operations in Ecuador, Peru, and Colombia, we serve more than 800 customers, in more than 10 different countries.

- ▶ Bolivia
- ▶ Brazil
- ▶ Chile
- ▶ Colombia
- ▶ Costa Rica
- ▶ Mexico
- ▶ Panama
- ▶ Honduras
- ▶ Venezuela
- ▶ El Salvador
- ▶ Spain
- ▶ Perú
- ▶ The Dominican Republic

In Colombia, we have a plant in which we produce metal containers for use in the tuna industry, while in Peru, we manufacture containers and lids for use in the fishing and agro-industrial sector.

We serve more than  
**800**  
clients

In more than  
**10**  
different countries

# Packaging That Keeps Your Trust

Integrity, honesty, respect, and professionalism are the pillars that have supported our activity since the beginning, based on the following standards:

- **Culture:** We promote the personal and professional development of our collaborators, strengthening the pride of belonging and their positive impact on society.
- **Quality and Food Safety:** The quality and safety we offer have been our main distinguishing factors. We have the INEN Quality Seal, we have an Integrated Management System based on ISO 9001:2015, FSSC 22000, and BRCGS Packaging Materials.
- **Sustainability in Plastics:** We are committed to the planet, that is why our packaging solutions

can be recycled and maintain a close harmony with nature.

- **Sustainability in Metals:** Tinplate packaging offers unique sustainability credentials: 100% recyclable and reduced CO2 emissions, making it a permanent resource that can be recycled infinite times without losing the characteristics and hardness of the virgin material.

Our products are marketed under the Fadesa brand. We produce containers and lids for our customers who are mainly located in Posorja, Guayaquil, Manta, Quito, Loja, and Cuenca from the segments of:

- ▶ Fishing
- ▶ Vegetables and other foods
- ▶ Beverages



- ▶ Paints and solvents
- ▶ Construction
- ▶ Pharmaceuticals
- ▶ Agrochemicals

Among the main clients we have Nirsa, Conservas Isabel, Sállica, Eurofish, Inaexpo, Adheplast, Bebidas Arca Continental, Cervecería Nacional, Pinturas Cóndor, Chivería, Laboratorio Farmacéutico Weir, Agripac, Pinturas Ecuatorianas Pintuco, Nestlé, Unilever and Pronaca.

# We come to the market with a varied portfolio



## TINPLATE AND PLASTIC CONTAINERS

For use in the following industries:

- Food
- Paints
- Lubricants
- Pharmaceuticals
- Cosmetics
- Chemicals
- Fertilizers



## TINPLATE AND PLASTIC CAPS

For use in the following industries:

- Beverages
- Pharmacist
- Foods
- Paints
- Lubricants



## ALUMINUM COLLAPSIBLE TUBES

used in the industries:

- Pharmaceutical
- Cosmetics

# Achievements



Socially Responsible Company



Go Live SAP



## Achievements 2021

- ▶ We obtained the **Socially Responsible Company** Distinction from the Ecuadorian Corporation for Social Responsibility & Sustainability (CE-RES, Spanish acronym).
- ▶ We achieved second place in the category “**Large Exporting Company of non-traditional goods**”, from the Ecuadorian Federation of Exporters (Fedexpor, for its acronym in Spanish).
- ▶ We began the digital transformation process. In April, the Guayaquil and Quito plants successfully held their “**Go Live SAP**”.
- ▶ Twenty-three (23) people graduated from our **Forklift Academy**.
- ▶ The **Leadership Academy** trained 68 leaders in a total of 26 hours of training, this program maintained a satisfaction level of 96.8 %.
- ▶ In the **Specialized Operations Academy**, 380 collaborators participated with a high level of achievement, this program maintained a satisfaction level of 95%.
- ▶ 49 employees **were evaluated** as potential successors and 25 employees were identified that are currently developing their PDI.



Large Exporting Company  
of non-traditional goods



Forklift Academy

### In Fadesa Metallica:

- ▶ We conquered a new export destination: **Panama**.
- ▶ We achieved market share **leadership** in the sardine packaging segment.
- ▶ Our **After-Sales Service** team increased its coverage, achieving a greater number of visits and reducing customer service time.
- ▶ We enabled an **additional line** for the manufacture of oval cans, increasing capacity by 50%.
- ▶ We implemented a **Statistical Process Control** software throughout our plant. As part of this plan, 17 employees from the Easy Open, Welding, and Reprocessing lines were trained, with an 89-point achievement level.
- ▶ **We decentralized the maintenance area.** We managed to improve the control and planning of this area, which generates great benefits for our operation.
- ▶ We generated the **Lean Six Sigma** culture, developing KAIZEN events, Lean Yellow Belt projects, and GEMBAWALKs.
- ▶ We Implemented the **5S methodology** in our operational area.
- ▶ We obtained the **BRCGS Packaging Materials** Certification.

### At Fadesa Plastics:

- ▶ We materialized the first sales with **IML technology** and buckets with recycled resin.
- ▶ We implemented the **OEE indicator**, which reduced our customers' claims by more than 30% compared to 2020.





# Networks and Partnerships

**W**e believe that alliances are fundamental and therefore we maintain relationships with various organizations with which we share objectives and join forces in favor of the industry.

- ▶ Ecuadorian Plastics Association (Aseplas, Spanish acronym)
- ▶ International Packaging Association (IPA)
- ▶ Cámara de Industrias de Guayaquil (Guayaquil Chamber of Industries)
- ▶ SEDEX (Supplier Ethical Data Exchange)
- ▶ Global Compact Network





## Certifications:

GRI 416-1

For Fadesa it is important to constantly improve and be able to provide quality and safe products to our customers. This is why we have been holding the following certifications since 1998, and we have been integrating new regulations and standards into our Management System in accordance with our customers' requirements in order to improve our competitiveness and gain access to new markets.

Fadesa has the following certifications:



We comply with our Annual Audit Program, which includes internal and external audits conducted by certifying entities.

With the commitment to delivering quality and safe packaging to our customers, we carry out at least one traceability and withdrawal exercise at least once a year. Microbiological control and environmental monitoring analyses are also performed to verify compliance with international regulations for food contact:



### European Regulations:

- ▶ Regulation 10/2011 on plastic materials intended to come into contact with food and its amendments EU Regulation (EC) No. 2018/213 on bisphenol A and Regulation (EU) 2020/1245 on limits for substances that migrate.
- ▶ Specific measures currently in force on the presence of bisphenol A in the packaging in France (Law 2012-1442 of December 24, 2012).

### North American Regulations:

- ▶ FDA 21 CFR 175.300 for internal coatings and sealing gaskets that are formulated and meet extractive limit requirements.
- ▶ Proposition 65: Restrict the use of substances listed as carcinogenic and causing birth defects and reproductive disorders, especially Bisphenol A (BPA).



# We Generate Value

Our watchword is to achieve results above circumstances. We have economic strength and a governance structure that drives our success.



## 10.4%

more revenue

in sales in 2021, compared to 2020.



## +600

suppliers

located on the coast and in the Ecuadorian Highlands.



## 80%

of Ecuadorian executives

make up our governing body.

# Economic Strength

GRI 201-1, 202-1, 102-15, 103-1, 103-2, 103-3

**Our revenues increased from US\$ 138.51 million in 2020 to US\$ 154.58 in 2021.**

  
**10.4%**

represents the increase in sales compared to 2020

## Economic Value Generated and Distributed 2019-2021

Item	US\$ 2019	US\$ 2020	US\$ 2021
<b>Income from Ordinary Activities</b>	\$121,482,358	\$138,508,851	\$154,582,162
<b>Investment in Assets</b>	\$6,163,517	\$8,024,105	\$5,412,796
<b>State and Public Administration</b>	IR: \$2,001,254 Mun/ Other: \$416,028	IR: 2,974,222 Mun/ Other: \$394,944	IR: \$2,514,652 Mun/Other: \$384,573
<b>Investment in Corporate Responsibility Activities (Vilaseca Foundation)</b>	\$152,926	\$160,700	\$135,580
<b>Payments to Suppliers</b>	\$115,260,901	\$110,749,803	\$128,402,408
<b>Payments of Salaries, Benefits and Others Related to Employees.</b>	\$16,255,498*	\$17,235,080*	\$23,984,262

\* The amounts corresponding to incentive and profit-sharing payments in 2019 and 2020 were included.

After the implementation of SAP ERP, we have a solid structure aligned to our procedures and work mechanisms focused on maximizing resources and response times.

We have policies, standards and procedures that are periodically reviewed through evaluations and audits to validate compliance.

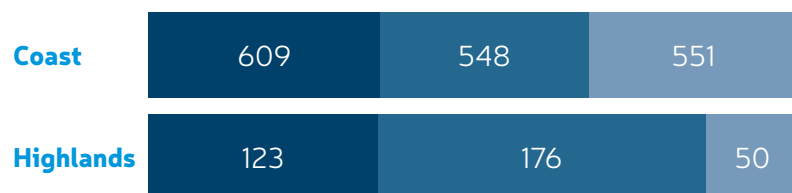
## Our Suppliers

For Fadesa, our suppliers are strategic partners for the growth and development of the business and together we seek to identify opportunities for improvement on an ongoing basis. We have policies and procedures that allow us to maintain an interaction with high ethical and professional standards. We carry out periodic controls of the current legal and corporate framework that the company requires to be followed in its entirety until the delivery of the material or execution of the service.

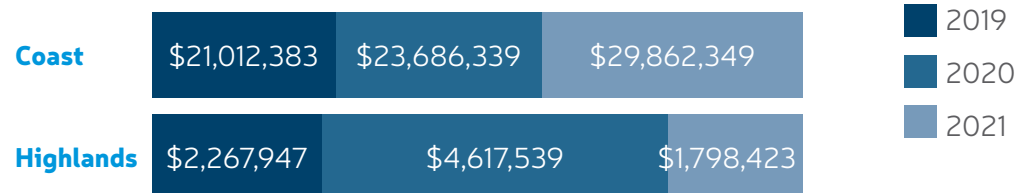
## Spending on Suppliers

	2019			2020			2021		
	# of Suppliers	Spending in US\$	# of Transactions	# of Suppliers	Spending in US\$	# of Transactions	# of Suppliers	Spending in US\$	# of Transactions
Local	732	\$23,280,330	6743	724	\$28,303,878	5287	595	\$31,660,772	8522
Foreign	156	\$70,462,808	1181	156	\$ 67,378,782	937	211	\$95,516,810	1190
Total Suppliers	888	\$93,743,138	7924	880	\$95,682,661	6224	806	\$127,177,582	9712

## The Geographic Location of Local Suppliers



## Amount of Purchases from Local Suppliers



## Ongoing Assessment

Performance assessments of our local and foreign suppliers are carried out considering commercial conditions, quality and service.

Our supplier assessment system is based on guidelines established in international standards such as: ISO 9001 (Quality), FSSC 22000 and BRCGS Packaging Materials (Food Safety) and BASC (Supply Chain Security).

This process includes performance monitoring, training and supplier improvement plans, if necessary, in order to comply with our requirements and be part of their continuous improvement process.

In terms of food safety (FSSC 22000, BRCGS), depending on the results obtained in the assessment, we support the development of improvement plans for suppliers that are not certified, so that they can comply with the basic requirements and guarantee the safety of our production process and final product.

In addition, as required by BASC, agreements are signed with our “non-BASC” suppliers, so that even though they are not certified, they provide their employees with training in the preservation of cargo

integrity and avoid non-standard practices.

We make commitments with key suppliers, assessing commercial terms and establishing communication to establish continuity of supply. We also seek alternative suppliers to secure the supply chain.

Following the pandemic, we request the submission of certificates attesting to compliance with obligations to their employees and certificates of vaccination against COVID-19 prior to entering the plant.

## Contribution to the Public Treasury

Fadesa’s philosophy is to comply on time with the amounts of all obligations, in accordance with the current regulations of the different control agencies, which is why the Internal Revenue Service has classified the company as a “Large Taxpayer” since 2009.

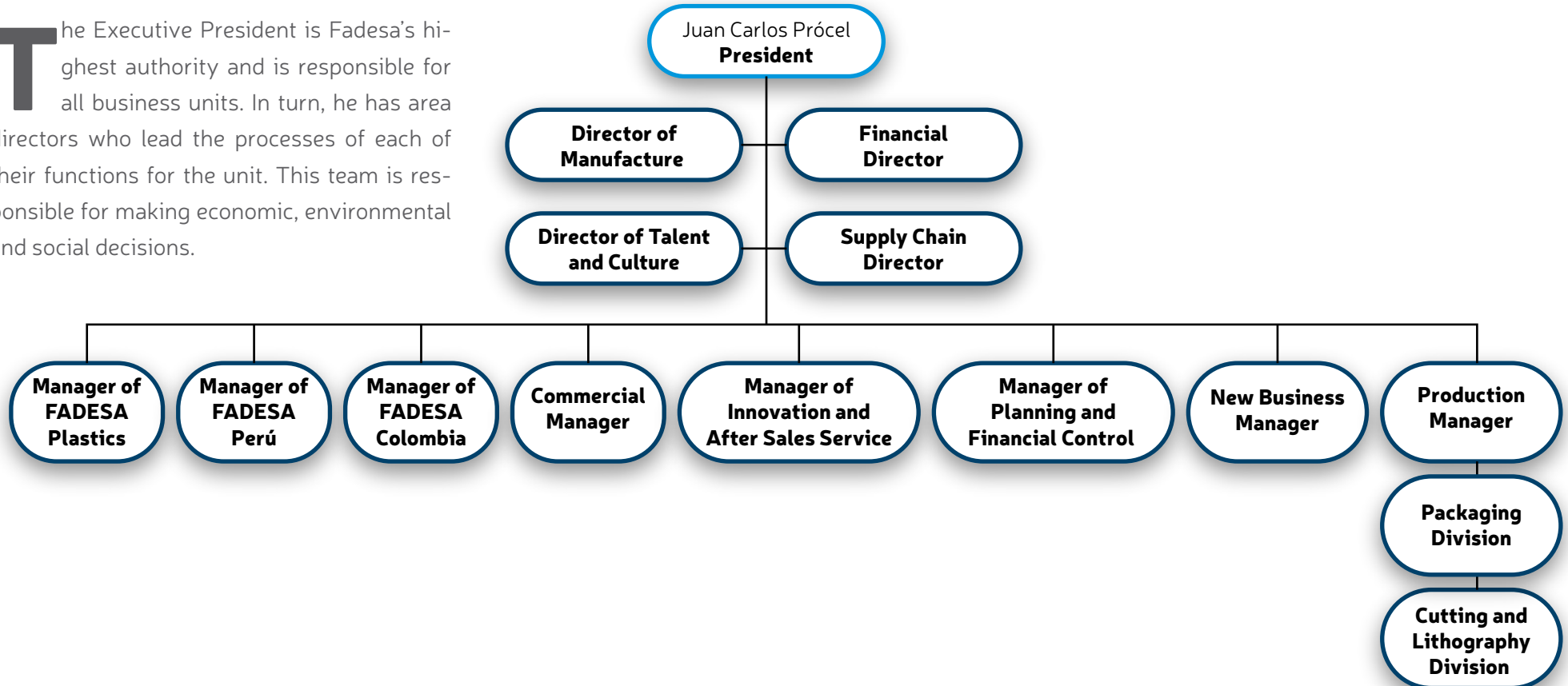
Our strategy has been to incorporate since year 2000 the Tax Department, which is responsible for meeting all the requirements, obligations, requests for information that may be required. In this way, we contribute to the country and generate an impact on the national economy.

# 2009

year since the Internal Revenue Service has listed us as a “Great Taxpayer”

# Governance Structure

The Executive President is Fadesa's highest authority and is responsible for all business units. In turn, he has area directors who lead the processes of each of their functions for the unit. This team is responsible for making economic, environmental and social decisions.

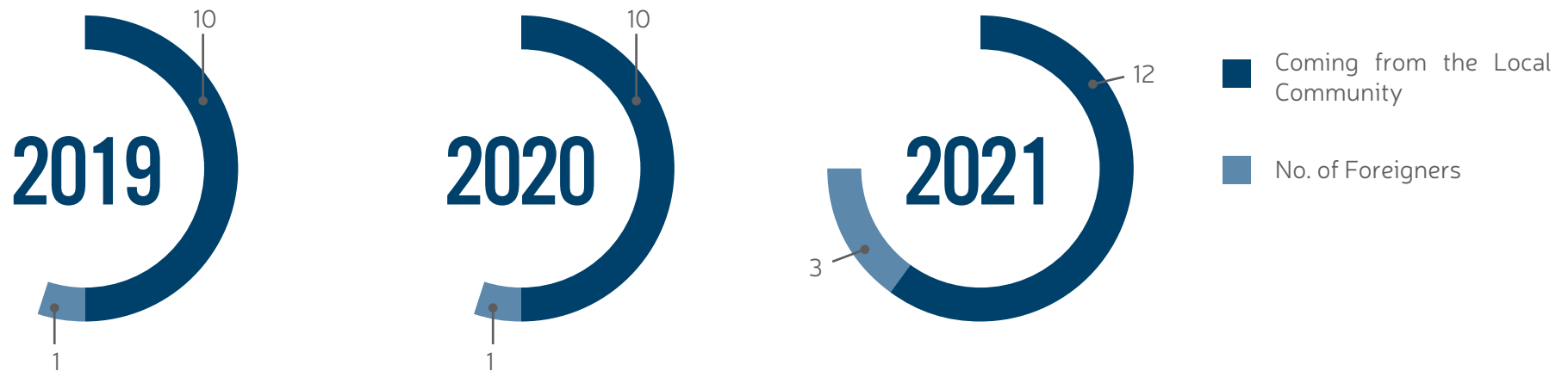






Our governing body is made up of 80% Ecuadorian executives and 3 of our high-level executives are foreigners. They are the ones who drive innovation in our processes and products.

### The Proportion of Senior Executives Hired from the Local Community by 2021





# We Are Focused On People

We take care of and motivate our team, that's why we seek to create safe environments that inspire confidence. We forge a future.



**829**

**Collaborators**

between permanent and temporary are part of our team.



**1200**

**Ideas received**

of which 525 were accepted and 10 were selected to generate savings and improvement projects.



**\$135.5**

**thousand**

dollars invested in the year 2021.

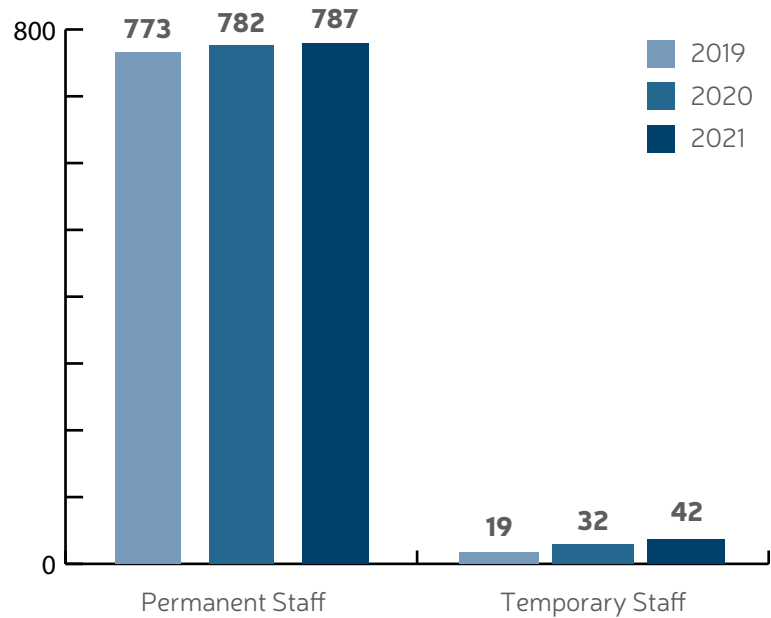


# Proudly Fadesa

GRI 401-1,103-1,103-2, 103-3- 102-8

**B**y the end of 2021, we have 829 permanent and temporary employees, who are a fundamental part of our business, thanks to their commitment we are able to achieve our goals. At Fadesa we are continually working on strategies that allow us to continuously influence the cultural organization, and we have implemented a Performance Assessment Management model that allows us to have visibility and contribute to the development of the talents that the organization currently has.

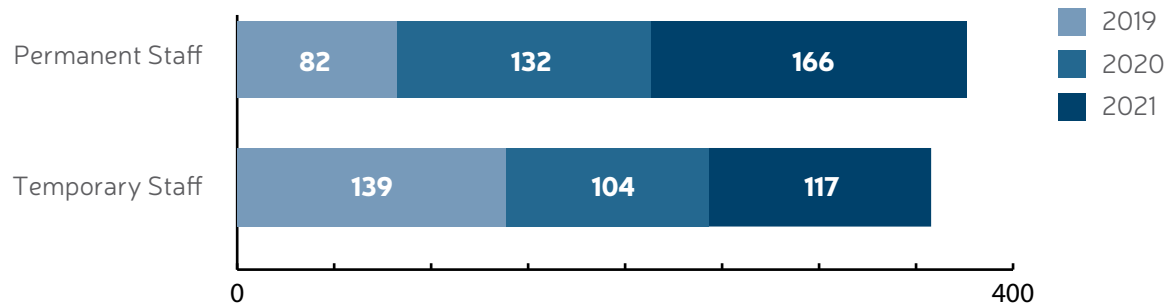
### Number of Employees per Employment Contract



### Number of Contracts by Type of Contract and Gender

Type of Contract	2019		2020		2021	
	M	F	M	F	M	F
Permanent Staff	707	66	716	66	707	80
Temporary Staff	18	1	28	4	39	3
<b>Total</b>	<b>725</b>	<b>67</b>	<b>744</b>	<b>70</b>	<b>746</b>	<b>83</b>

### Number of Employees Contracted (new)



Through Talent and Culture management, we leverage the following activities that are relevant as a company:

- ▶ Connecting employees to the company's strategy.
- ▶ Engaging employees with global objectives.
- ▶ Driving a new situational leadership model in our leaders.
- ▶ Building a high-performance culture that promotes the organization's values.
- ▶ Strengthen the competency model that leads to the strengthening of the strategy.

### How do We Achieve This?

The Talent and Culture area prepares the strategic plan at the beginning of each year, identifying the goals, objectives, initiatives and indicators for the respective period. These initiatives are aligned with the needs and objectives of the business, in order to provide support as a strategic partner.

Monthly compliance with these activities is reviewed with the entire team, in order to monitor, review and promote the most efficient initiatives for the business.

The main initiatives planned and implemented in 2021 are:

- ▶ Specialized Operations Academy.
- ▶ Define successors in critical positions.
- ▶ Recognition Program (Innovated).
- ▶ Cultural Transformation Sessions.
- ▶ Identification Sessions and Action Plans for Critical Processes in all Areas.
- ▶ Restructuring of the Governance of the Talent and Culture area.

We take care of our employees by providing social benefits and promoting programs that seek to provide them and their families with comprehensive wellbeing and tranquility.



# Training and evaluation of talent



## Benefit Programs



### ● LEARN AND UNDERTAKE

This program consists of providing technical knowledge through practical craft workshops to the wives of our employees to develop skills that promote entrepreneurship with the financial support of the Metropolitan Cooperative.

In 2020, 29 enterprises were started with financing from the Metropolitan Cooperative. In addition, that year we conducted a virtual workshop on digital tools.

In 2021, 33 wives participated in the “Entrepreneurship Strengthening Program” with the support of the ÉPICO Entrepreneurship Center. At the end of the program, their ventures were exhibited in Guayaquil’s Plaza Guayarte.

### ● WELCOME BABY

In order to strengthen the sense of belonging of employees and their families, we give a gift when one of their children is born. In 2020 we gave 50 gifts and in 2021 there were 47.

### ● DAY OFF FOR BIRTHDAYS

We congratulate our employees on their birthdays and give them a day off as a reward for their hard work and daily dedication.





## Recognition Programs and Communication Spaces

### ● CONVERSATION/BREAKFAST WITH LEADERS

We convened a meeting with employees from different areas to present suggestions and concerns regarding situations in their work environment. In 2021, in Fadesa Plastics we held 10 conversations with 100 participants; in Fadesa Metals we held 28 conversations with 180 participants. Thanks to this activity, we arranged dialogue and active listening and also shared ideas for the continuous improvement of processes and facilities.

### ● WE MAKE THE DIFFERENCE

We recognize the performance, individual and team contribution of our employees. In 2021, 20 employees were recognized at Fadesa Plastics with a US \$100 paycard and two employees received a US \$400 paycard. The awards include recognition from management and increased scores in the performance assessment. The assessment is conducted on a monthly, quarterly and annual basis.



#### ● WE TOOK OFF!

This program received 1,200 ideas, of which 525 were accepted. More than 20 employees were awarded for their ideas submitted to the program. Of the 525 ideas accepted, the 10 best ideas were selected. These ideas proposed new ways of doing things and provided ideas for generating savings and improvement projects. The ideas were ranked for further assessment and implementation where applicable.



● HOW WE CARE FOR OUR EMPLOYEES

Actions in response to the pandemic caused by Covid-19 continued during 2021. Through the Human Talent department we managed to connect with people and assumed a social welfare role, implemented virtual training, formalized teleworking and mixed working days and applied methodologies to identify Smart goals, successors, back up, career line and performance management based on goals.

From January to December 2021, the Medical Department also contributed with attention and follow-up to 90 COVID-19 cases. Throughout the year, 500 coronavirus tests were performed for follow-up and case detection. In addition, from March to August 2021, 4,865 masks were delivered.

In conjunction with the Ministry of Public Health of Ecuador, we organized a vaccination day against COVID 19 for the first and second doses. In this way, we were able to immunize 743 employees in both days.

Finally, our medical staff organized campaigns to raise awareness among our employees about the correct use of masks and hand washing to prevent the spread of Covid-19.



● MORE BENEFITS

Throughout the years we have also implemented initiatives that are impacting the families of our collaborators, therefore we spare no effort in providing the best benefits to our collaborators, among which the following stand out:

	2019	2020	2021
Life Insurance	✓	✓	✓
Health Insurance	✓	✓	✓
Disability or Disability Coverage	✓	✓	✓
Pension Fund	✓	✓	✓
Work Flexibility	✓	✓	✓
Sports Facilities	✓	—	—
Remote Work	—	✓	✓

\* In 2020 and 2021, activities in sports fields were suspended due to the Covid-19 pandemic.

## Salary Administration

		2019	2020	2021
Salaries and other Remuneration:	<b>US\$</b>	11,339	11,531	13,331
Social and Legal Benefits:	<b>US\$</b>	4,212	4,458	4,796
Profit Sharing to Employees:	<b>US\$</b>	1,246	1,674	1,700

\*Figures in millions of dollars.

# \$4.7

million

legal and social benefits that our employees received. In the period of 2021, the investment in salaries and remunerations was us \$13.3 Million.

## Employee Cycle

For Fadesa, employees are the protagonists of its results, which is why the importance and relevance we give them starts from day one, in accordance with our general guidelines.

One of the requirements for a person to join the company is to be of legal age (18 years old). We do not discriminate against any candidate for reasons of ethnicity, religion, age, disabili-

ty, gender, marital status, sexual orientation or union or political affiliation; and as a company, we respect freedom of employment and do not request any kind of remuneration as a condition of employment and only receive copies of personal documents from candidates who join the company.

Our employees are proud to belong to a company like Fadesa and highlight the benefits of our pro-

grams that are based on the welfare of themselves and their families.

Part of our culture is based on seeking excellence from our employees and we are continually rethinking the way we do things. Our employees recognize the results of the cultural transformation in which each one of them has been involved and committed to working on these changes.

## Performance and Career and Development Plan

Fadesa has incorporated a new performance management model, with the aim of achieving the company's strategic objectives. This model is based on the assessment of performance under the measurement of "Smart" objectives and Fadesa's own organizational and functional competencies, which in turn encompasses several performance management cycles to monitor compliance with the individual objectives of employees and areas.

As a resource, Fadesa implemented a platform called SGD [Spanish acronym, for Performance Management System] with which the annual performance assessment is carried out and the monitoring and feedback within the cycle are performed.

This new assessment methodology goes hand in hand with the design of new Talent Management policies, which describe the assessment process to be executed, its procedures, moments or dates of execution, assessment scales, development and training strategy and even relevant decision-making



king for the business.

Fadesa is a company that is committed to the development of talent, for this reason, it carries out internal and external training programs, academic training programs and even programs and certifications with international academies/institutions.

Among the main programs are:

- ▶ **Specialized Operations Academy:** In 2021 the first phase of AEO was conducted with emphasis on safety and quality system concepts.

- ▶ **Leadership Academy:** In 2021 managers, coordinators and chiefs were trained in one-on-one Situational Leadership, Performance Feedback and Coaching Fundamentals, all with an emphasis on person-to-person leadership.

- ▶ **University Training Programs:** Fadesa is focused on developing the academic profile of its talents, which is why it has negotiated agreements with some technological and third level educational institutions, in order to provide university training programs for its employees.

## Climate and Labor Satisfaction

Our employees recognize the company as a market leader and this generates pride that is reflected in their daily work.

In general, every two years we work on climate and satisfaction surveys of our personnel in order to implement concrete actions on leadership, communication, recognition, development opportunities, processes, resources and safety.

Since the second half of 2019, the 50:30:20 Methodology, a more flexible version of the traditional 70:20:10, has been designed and entered the experimentation phase. The methodology is still being consolidated given that 2021 was an atypical year; for the 2022 period, we will monitor compliance with the methodology, which seeks to promote the development of our employees through experiences and projects in their workplaces.

## Committed to Education

Investment in social welfare is channeled through the Vilaseca Foundation, an organization that promotes the development of programs with an emphasis on education and

contributes to the training of the children of Vilaseca Group employees, to strengthen their quality of life and contribute to the community.

The Foundation provides scholarships for employees' children at all stages of their schooling: primary, secondary and university. We also have programs to support children with disabilities (physical or intellectual), former employees with chronic illnesses and families through a program of psychological support and emotional support.

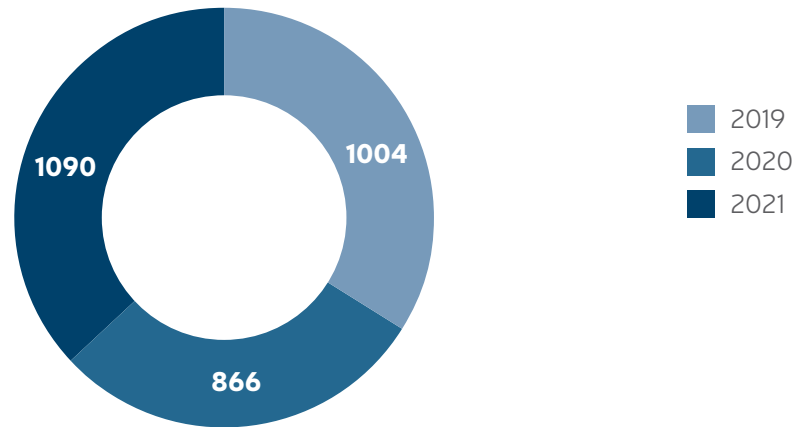
On the other hand, the Vilaseca Foundation is the entity in charge of managing all donations from Vilaseca Group companies. In 2021 we donated several pieces of furniture and electronic equipment to various educational institutions with which we have agreements.

After the pandemic, the organization also developed the "Digital Student" program, which provided 50% subsidized computers to students entering high school.

## Training per Year

	Sex	Labor Category	Total Hours by Labor Category	Number of Persons	Average Hours	Total Hours Received	Person Hour/Gender	Person Hour
2019	Male	Plant	10,321	557	19	13,121	21	20
		Administrative	2,800	78	36			
	Female	Plant	2	1	2	1,202	19	
		Administrative	1,200	62	19			
2020	Male	Plant	13,350	70	137	17,951	81	51
		Administrative	4,601	68	25			
	Female	Plant	0	0	0	2,741	21	
		Administrative	2,741	54	21			
2021	Male	Plant	16,769	549	31	32,103	48	61
		Administrative	15,333	120	128			
	Female	Plant	202	11	18	5,608	74	
		Administrative	5,406	65	83			

## Beneficiaries of the Vilaseca Foundation



## Investment per Year - FADESA



## Main Work Programs

The Psychological Counseling Program consists of an agreement with the Instituto de Neurociencias de la Junta de Beneficencia de Guayaquil (Institute of Neurosciences of the Beneficency Board of Guayaquil).

Employees and their families can receive psychological, psychiatric, neurological or any other mental health care.

Two years ago we also started offering scholarships to learn English. The 10 best high school graduates are awarded a scholarship to the Bénédict Academy.

## Cities of Program Implementation:

- ▶ Guayaquil
- ▶ Babahoyo
- ▶ Daule
- ▶ Quito

In 2021, the Vilaseca Foundation managed to help more than 1,000 people in the Vilaseca Group.



# Creating A Culture Of Safety

GRI 403-2, 103-1, 103-2, 103-3

**E**fficient and safe plants is the name given to Fadesa's Occupational Health and Safety management, determined as one of its strategic objectives. The impact of safety translates to people because an accident-free operation and a safe working environment with controlled risks favor work, efficiency and productivity. To achieve this, cultural aspects such as recklessness, unsafe acts and overconfidence of employees must be overcome. In 2021, we recorded no fatalities resulting from an occupational injury.

Its management is based on eight pillars of action:

- 1. Safety Standards and Norms:** Defining the common safety elements for people, activities and processes at Fadesa's plants that must be respected and complied with at each facility.
- 2. Safety Objectives:** To verify the way in which the safety strategy is fulfilled in the company.



3. **Self-care and Mutual Care:** To teach employees to take responsibility for doing their work avoiding risks, and benefiting themselves and their colleagues.
  4. **Facilities and Machinery:** Maintain production machinery, auxiliary equipment and the places where they are located in safe operating conditions.
  5. **Communication and Awareness:** Ensure that employees at all levels have the competencies (skills, abilities and aptitudes) to perform their work safely.
  6. **Accountability of the Areas:** To create a cultural change and improve safety performance, those responsible for each area assume the leadership of safety.
  7. **Contractors and Stakeholders:** We must ensure that any contractor providing services applies and complies with safety standards similar to our own.
  8. **Health and Safety Legal Compliance and Risk Management:** Ensure compliance with all health and safety legal obligations to control occupational risks.
- How do We do it?**
- The effectiveness of the occupational health and safety management system is assessed by meeting the following objective:
- To achieve a safe and healthy work environment with zero accidents and zero injuries by increasing the number of days without accidents and incapacitating diseases.



This objective is measured with a group of indicators such as the number of days without disabling accidents and the Disabling Accident Severity Index; the number of incidents or Recordable Cases and the Recordable Cases Frequency Index (IFCAR, for its acronym in Spanish) and the number of incidents without injury and the Incidents Without Injury Frequency Index (IFIS, for its acronym in Spanish).

Thus, we can indicate that:

In the last three years, there have been no fatalities due to an occupational accident injury. The last disabling accident occurred in August 2021.



Location	Number of Hours Worked		
	2019	2020	2021
Fadesa Metals	1,558,962	1,399,050	1,479,317
Fadesa Plastics	522,821	477,525.78	495,198.87
Fadesa Quito	84,061	71,348	88,907

### Number and Rate of Recordable Work-related Injuries

	2019		2020		2021	
	M	F	M	F	M	F
Fadesa Metals	5	0	9	0	7	0
	IF=0,61		IF=1,29		IF=0,95	
Fadesa Plastics	0	0	2	0	0	0
	IF=0		IF=0,84		IF=0	
Fadesa Quito	1	0	1	0	1	0
	IF=2,38		IF=2,8		IF=2,25	

The rates were calculated in accordance with art. 57 of Resolution 513 of the IESS, which states:

The frequency rate will be calculated by applying the following formula:  $FI = \# \text{ Injuries} \times 200,000 / \# \text{ H H/M worked}$ .

Where: # Injuries = Number of accidents and professional or occupational illnesses requiring medical attention (requiring more than one working day), in the period. # H H/M

worked = Total man/woman hours worked in the organization in a given annual period.

From 2019 to 2021, injuries such as cutting wounds, contusions, amputations, crack fractures and sprains have been presented.

### Acting in Prevention

According to the safe risk task analysis and a risk matrix analysis, the occupational hazards that present a risk of injury from occupational accidents with major consequences at Fadesa Plastics are electrical risks in combination with work at heights, both for the company's own personnel and contractors.

To minimize these risks, panels have been adjusted, work has been done with a contractor company to fix wiring and improve machine connections, and to improve the condition of the panels.

It has been instructed that only electrical maintenance personnel operate the panels, and electrical risk signs have been posted and the panel locks have been changed.

In the case of Fadesa Metals, amputation and potential fatality risks have been detected in the die-cutting machines, as well



as in the shearing machines, varnishing machines, coil cutting machines, container welding line, automatic palletizers, or blows, crushing when moving forklifts, and burns, fires and explosions with the furnaces and incinerators.

For the control of the risk of entrapment assessed in the plant, the following criteria have been created:

**Source Control.** Where applicable, replacement of machines with new equipment that does not have the identified risk (this control is normally applied as part of improvement projects).

## Occupational Health And Safety Committees

	2019	2020	2021
<b>Quantity of Committees</b>	3	3	3
<b>Number of Employees who are Members</b>	24	24	24
<b>Number of Cities where these Committees are Maintained</b>	2	2	2



**Control in the Environment.** The following controls were carried out:

- a.- Planned inspections to verify the condition of guards and micros on a quarterly basis by the Industrial Safety area.
- b.- Reports of unsafe conditions on guards by employees.
- c.- Tours to identify unsafe conditions.
- d.- Annual mechanical risk assessment.

**Engineering Controls.** Implementation of safety switches and sensors to stop machines when guards or entrapment points are exposed.

**Administrative Controls.** Implemented and carried out:

- a.- Hazard signage at danger points.
- b.- Work procedures.
- c.- Training for employees on risk factors.

**Worker Control:** Appropriate personal protective equipment was provided, metal safety guards were installed to prevent damage to workers' bodies, and safety micros were installed to stop the machine and prevent accidents.

Fadesa has a Joint Safety and Health Committee at Fadesa Metals and two subcommittees, one at Fadesa Plastics and the other at Fadesa Quito, which are formed and updated annually in accordance with the procedures of the Ministry of Labor.

It is made up of three main employer representatives and three main employee representatives, plus three alternates for the employer representatives and three alternates for the employees, for a total of 12 people. The same structure exists in the subcommittees.

During this year we implemented the Psychosocial Risk Prevention Program, random alcohol and drug testing was resumed for

100% of employees in high-risk positions, including action and prevention plans for positive test results. For this purpose, we acquired blood alcohol meters for exhaled air and urine drug tests.

We also standardized procedures for medical emergencies, occupational accidents and injuries by establishing agreements with private medical centers near the plant to ensure immediate attention for these types of events.

With regard to Covid-19, our efforts focused on biosafety protocols, such as hand-washing campaigns, handing out masks to vulnerable personnel, taking temperatures at the plant entrance, on-the-spot tests in the event of symptoms, and audits in the plant for the use of masks.

We strengthened our sanitation programs and implemented biosafety control strategies. We also designed new strategies for biosafety controls, such as controls by medical dispensaries at the entrance of the personnel, programming of teleworking for administrative personnel, creation of distancing areas, installation of acrylic dividers in the dining room, and execution of preventive tests and PCR assessment.



# We Are Simple And Agile

We act with a sense of urgency which seeks to be practical and agile in what we do; always thinking about the care of the environment.



## 50%

Share

in the Metals market in 2021 and we continue working on positioning our brand image at a regional level.



## 3

New

export destinations: Panama, Mexico and Honduras



## 14,260

kwh/month

Savings thanks to the optimization of production cycle time in Fadesa Plastics.

# Our Value Chain

GRI 102-9,203-1

**F**or the manufacture of our products we have four production plants: 2 in Guayaquil, 1 in Jaramijó and 1 in Quito, which cover the packaging needs of our clients in Ecuador and internationally.

Fadesa Metals: We import the main inputs for the manufacture of containers and lids (tinplate, varnishes, among others), which go through a transformation process in the cutting, varnishing, printing, welding or stuffing lines. After this process, the finished product is stored in our warehouses to be shipped as planned. Additionally, we provide technical assistance to our clients during their processes.

Our organization's supply chain is divided as follows:

- ▶ Reception of raw material.

- ▶ Coil cutting
- ▶ Varnishing/lithography of tinplate sheets
- ▶ Processing of packaging/lids
- ▶ Storage of finished product
- ▶ Dispatch to clients.

Fadesa Plastics: The main inputs (resins, inks, pigments, among others) for the manufacture of containers and lids are imported and undergo a transformation process in the production lines. After this process, the finished product is stored in our warehouses to be shipped when the client requires it. Additionally, we provide technical assistance services to our clients.



From this process, we obtain plastic packaging solutions such as buckets, bottles, containers, gallons, droppers, spoons and plastic caps. We have a department of Control of Quality, where the analyses and controls that the finished product requires before its commercialization and/or export are conducted.

- ▶ Raw material storage

- ▶ Extrusion, injection, molding and blow molding.

- ▶ Milling and reuse of material (Resins).

- ▶ IML (In-Mould Labeling) process for heavy injection being the pioneer in this top-quality printing technology.

- ▶ Packaging and dispatch

- ▶ Storage of finished product

- ▶ Dispatching to clients

# Our Solutions

GRI 102-6

**W**e manufacture metal and plastic packaging solutions for the fishing, pharmaceutical, vegetable, dairy, paint and solvents, agrochemicals, lubricants, construction and cleaning segments.

Specifically, in Fadesa Metals we have tins, caps and containers, aluminum tubes and caps, crown caps; while in Fadesa Plastics we manufacture buckets, bottles, containers, gallons, droppers, spoons and plastic caps. In both divisions, we have a technical assistance service for our clients.

In the category of the container, there has been an increase in the production volume of these and metal caps, as a result of two effects. The first is due to the increase in market share, both in the tuna and sardine segments, especially in the sardine segment, where growth has been significant due to management and commercial strategy. The second is the result of the increase in our production capacity, in response to the high demand in 2020, which allowed us to grow 13% in MT versus 2020.



Area	Increase 2020-2021	Product
2P Containers	1.3%	Deep-drawn containers
3P Containers	5.5%	Welded Containers
Crown Cap	14.9%	Crown Caps
Aluminum Tubes	17.8%	Collapsible Aluminum Tubes

Measured in packaging units



In 2021, Fadesa Metals led the market with a market share of over 50%. In that year we continued working on positioning our brand image at a regional level through internal communication tools and externally, we strengthened our presence in social networks such as LinkedIn, Facebook and Instagram.

At Fadesa Plastics, buckets had a reactivation of the market after the impact of the 2020 pandemic. PET containers met sales expectations; however, it is difficult to repeat the sales volume of 2020, mainly due to the timely sale of the pandemic of alcohol containers. As for compression caps, in 2021 the production of the less cap was discontinued and, for this reason, unit sales decreased.

Area	Increase 2020-2021	Product
Blowing	5.69%	Chlorine Container
Light Injection	22%	IML Handle Kit
Heavy Injection	29.26%	IML Buckets

Medidos en kilos producidos

In Fadesa Plastics our market share varies according to the segment in which we participate, from 7% to 60%.

Through our market share study, we take strategic actions to achieve leadership in all the segments in which we participate, strengthening our positioning from our commercial presence as a key and strategic supplier for our client portfolio.



After the arrival of the pandemic, we worked in coordination with the operations area to supply our clients with all their requirements. We strengthened planning and worked with clients to improve the delivery of withdrawal plans.

We also increased the frequency of the slow-moving review to deplete the references that were not moving, taking advantage of the shortage of containers during the quarantine weeks and helping to clear the warehouses of old stocks.

# Clients

GRI 416-1 (103-1, 103-2, 103-3)

The level of client satisfaction is of great interest to our stakeholders, especially to our employees and shareholders. Because it is an indicator that summarizes the global management of our entire operation that becomes tangible through a sales experience.

The level of satisfaction of our clients is an area that is directly related to our sales and market share.

These satisfaction levels reflect the management performed with the client and have a direct impact on the company's economic results. Additionally, intangible benefits can be perceived, such as the loyalty of our clients, which in turn provides long-term benefits.

Fadesa's focus on the client and the fact that decisions are based on satisfying their requirements have been the key to achieving positive impacts and growth in the company.

We focus our processes to deliver products and services that meet the needs of the clients. To this end, we have constant feedback from our commercial staff that allows us to better understand the needs of clients and generate effective solutions to their requirements. In addition, we conduct satisfaction surveys every two years with our main clients where we measure different

parameters such as technical service, customer service, delivery times, prices, quality, and inventory availability.

Client satisfaction is a key indicator to measure the global management of all the points of contact we have with our clients. We have a procedure detailing the client satisfaction assessment process. In recent years, the mechanism for providing questionnaires has been assessed in order to obtain more detailed and accurate information through an external consultant.

3.70/5

Fadesa Metals

Satisfaction Indicator 2021

4.01/5

Fadesa Plastics

Satisfaction Indicator 2021

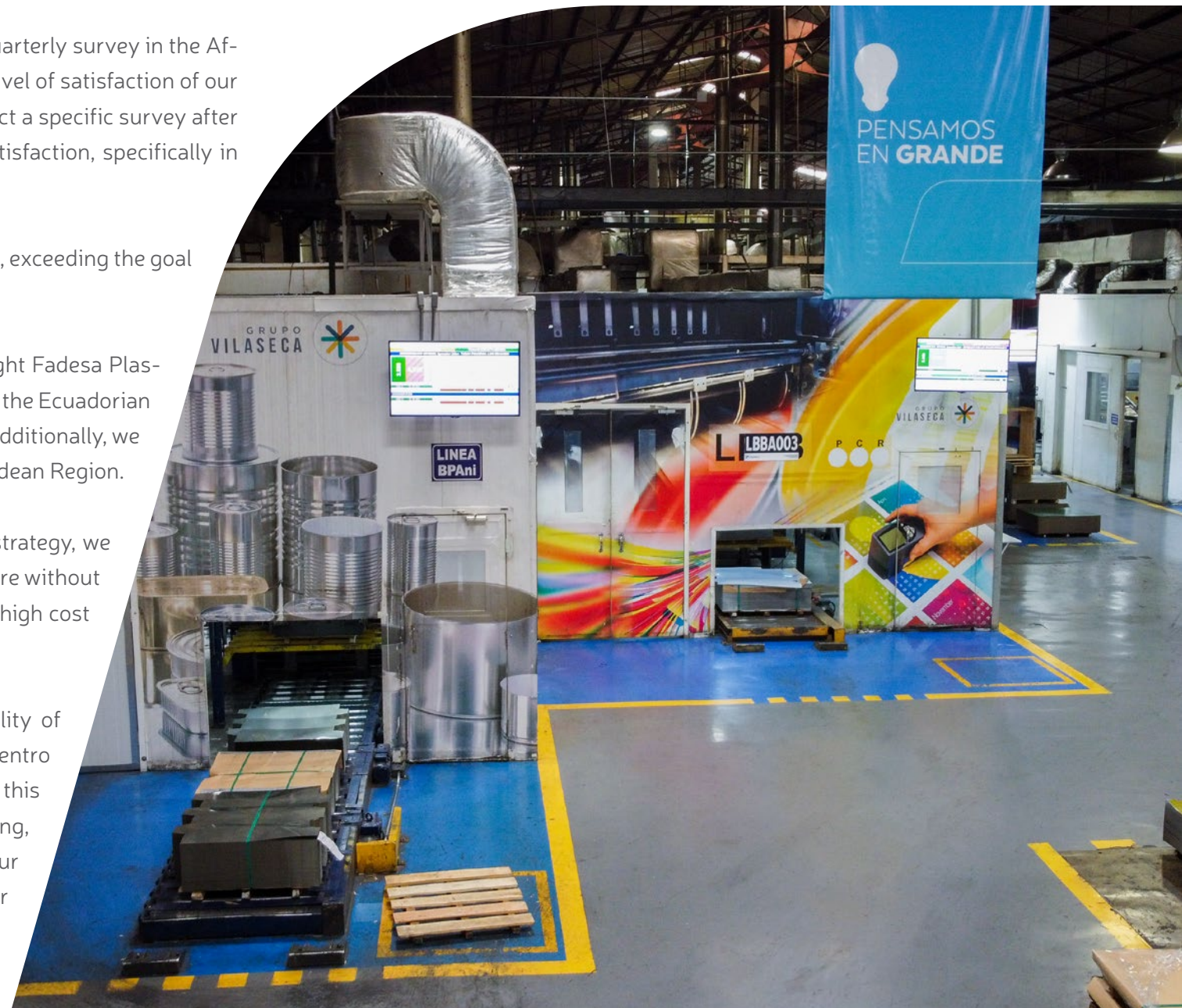
Additionally, at Fadesa Metals we conduct a quarterly survey in the After Sales Service area to measure the overall level of satisfaction of our clients on the service provided. We also conduct a specific survey after each service to be notified of their level of satisfaction, specifically in that service received.

As a result, the level of satisfaction is over 85%, exceeding the goal set.

As main commercial achievements, we highlight Fadesa Plastics, which has positioned itself as the leader in the Ecuadorian bucket market. We have a share of over 60%. Additionally, we began to export buckets to countries in the Andean Region.

Through a good commercial and operational strategy, we were able to maintain our budgeted market share without losing the quality of our products, despite the high cost of raw materials.

In Fadesa Metals we have improved the quality of printing on metal, thanks to the support of Centro de Educación del Color and GAMUTE, with this we managed to improve the quality of printing, reduce time and use of inputs, improving our effectiveness and efficiency. We expanded our markets and managed to export to a new destination: Panama.



# We Create Packaging That Preserves The Future

GRI 307-1 (103-1, 103-2, 103-3)

**C**ontrolling, preventing and efficiently reducing the impacts derived from our activities are part of the commitments of Fadesa's Integrated Policy in favor of environmental care. With this, we also comply with the applicable legal requirements in all stages of the logistics chain of national and international trade.

Our commitment to care for the environment is tied to our message of “we create packaging that protects the future”.

For this reason, we have implemented the classification of hazardous and non-hazardous waste for final management in our operations, logistics chain and stakeholders.

The operations area keeps a detailed record of the amount of waste generated in the production process, through performance indicators in each of the production lines. For this reason, we keep the Environmental Management Plan updated, which is audited every two years, maintaining the management approach carried out annually.

At Fadesa Metals we recycle tinfoil waste to generate a good economic and environmental impact. Fadesa contributes by compacting production waste and making it part of the supply chain of local tinfoil recyclers, managing 8 million kilos of tinfoil per year.

At Fadesa Plastics, we have focused on the production of products such as buckets and blown containers with approximately 50% recycled resin. With this, we have been able to reduce the use of raw material in our containers compared to previous years.

We have increased our product portfolio, incorporating containers with recycled raw material, more stylized and taller containers for a greater impact on the hanger; and buckets with an IML printing system so that our clients have more options when packaging their products.

## How do We do it?

The control of environmental compliance is done through the legal compliance matrix that is part of the Industrial Safety, Occupational Health and

Environment management system. The objectives of this matrix are:

- ▶ To achieve optimal monitoring of compliance with environmental regulations.
- ▶ To follow up on the company's legal compliance indicators.
- ▶ Compliance with Environmental Management Plans.
- ▶ Environmental Licenses or Registrations
- ▶ Annual declaration of hazardous waste
- ▶ Environmental Monitoring Report (EMR)
- ▶ Environmental Management Report (EMR)
- ▶ Environmental Legislation
- ▶ Environmental Compliance Audits or Environmental Compliance Report

## Water Management

GRI 303-1, 303-2, 103-1, 103-2, 103-3

The process used by Fadesa for the production of containers has no water-related environmental impact. The Fadesa Metals process is dry, as it does not use water for container production. Water consumption occurs in the line cleaning processes and also for the auxiliary cooling equipment of the production lines, for example, the cooling towers, for which water is supplied by the municipal public entity, which after being used goes through the wastewater treatment plant to be returned to the public network after its respective characterization. For auxiliary equipment and cleaning, this is the control method required by the environmental control agency.

The limits used to analyze and compare the results of the characteriza-

tion of water treated at the wastewater treatment plant are from Ministerial Agreement No. 097-A, corresponding to the limits for discharge to the public sewage system, fresh water, and seawater.

The discharge system is managed in batches every 30 to 45 days, during which time the effluent is generated by equipment cleaning, for which an approximate water flow of 8,000 liters/month (0.27m<sup>3</sup>/day) is used.

## Water Consumption (Cubic meters)

	2019	2020	2021
Fadesa Metals	40,097.00	47,766.00	43,136.00
Fadesa Plastics	8,503.00	8,274.00	8,963.50
Fadesa Quito	2,404.00	2,824.00	3,288.00
<b>FADESA TOTAL</b>	<b>51,004.00</b>	<b>58,864.00</b>	<b>55,387.50</b>
	<b>By extraction source</b>		
Public Water	51,004.00	58,864.00	55,387.50
Well Water	0	0	0
Superficial Water	0	0	0
Rainwater	0	0	0
Purchased and Trans-ported Water	0	0	0
<b>TOTAL</b>	<b>51,004.00</b>	<b>58,864.00</b>	<b>55,387.50</b>

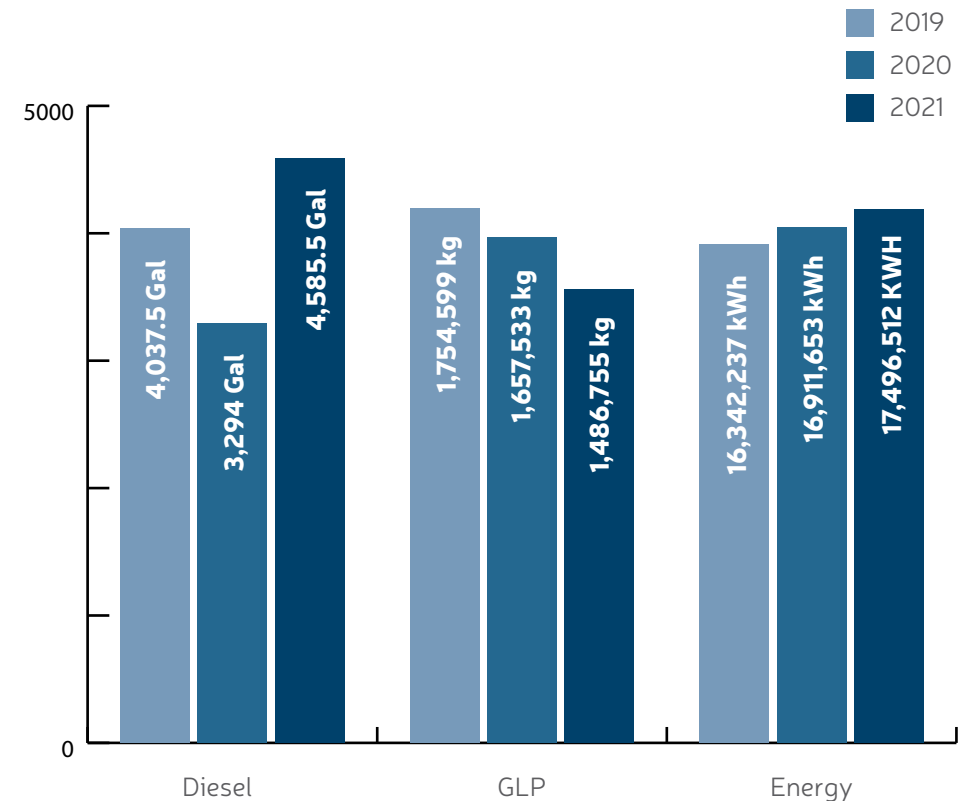
# Clean Production

The consumption of water, electricity and LPG, as well as the control of emissions and discharges from Fadesa's production process are part of the environmental risks that the law determines must be controlled, therefore there are measurable parameters and mechanisms for these measurements. The scope is for all production and storage operations.

The control of these variables is important because of their impact on the surrounding communities and on legal and economic compliance with environmental control bodies.

Environmental management is monitored through the implementation of the environmental management plan that the government environmental authority approves for Fadesa's activities. This plan measures compliance with activities, environmental parameter measurements, and management indicators (atmospheric emissions, fluid discharges, noise, and particulate matter) on an annual basis and is audited every two years by an environmental consultant authorized and supervised by the environmental authority.

## Internal Energy Consumption, Consolidated Fadesa



Compliance is measured through environmental management reports (IGA, in its Spanish acronym) and environmental measurement reports (IMA, in its Spanish acronym), which are submitted annually to the environmental authority, who validates compliance and certifies it through an administrative ruling, which is a mandatory requirement to continue operating.

## Residues

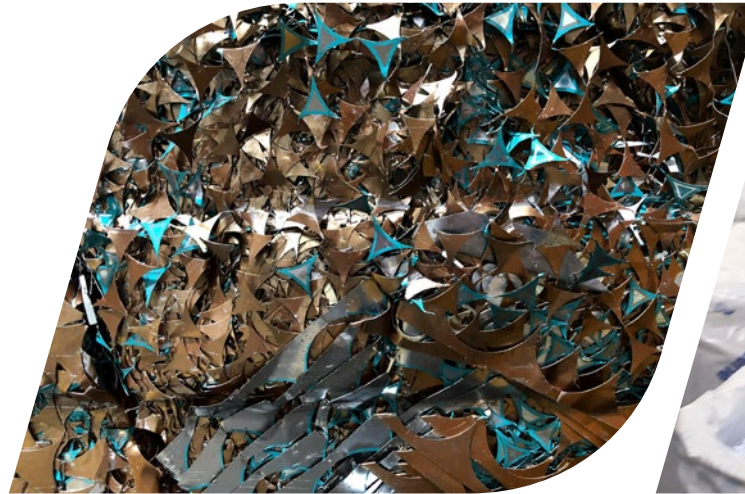
GRI 302-1, 302-4

Responsible waste management is part of the legal compliance obligation that is part of Senior Management's responsibilities and commitments.

Process residues are common waste, tin waste, plastic, cardboard, wood, and non-hazardous solid waste and hazardous waste. Common waste is managed through the responsible municipal public company.

Tinplate waste is compacted and managed with metal-mechanical companies so that it can be used in their processes as raw material. Non-hazardous solid waste is managed by recyclers so that it can be used as raw material in new processes, and hazardous waste is delivered to an Environmental Manager approved by the Ministry of the Environment for thermal processing.

The production of plastic containers uses cardboard separators and wooden pallets, as well as plastic wrappers. Waste from the process is recycled daily and delivered to local recycling companies that use it as raw material for their production processes.



As for waste downstream in the value chain, there is water and the remains of inks, varnishes and solvents.

**Water:** Since this is a dry process, water is only used for auxiliary equipment; this has the potential impact of increasing the level of suspended solids in the water, which is controlled by the water treatment plant, which produces a sludge that, once dried, is delivered to authorized environmental managers.

**Inks, Varnishes and Solvents:** In the tinplate varnishing and printing process, the inks, solvents and

varnishes that become waste go through recovery processes (where applicable) and the resulting sludge is also disposed of, together with the liquid remains of varnishes and solvents, through management companies that use it as raw material for their production processes or dispose of it in accordance with environmental regulations.

Above the upstream waste are those containers sold to clients and disposed of by the final consumer, for which Fadesa has no control, since its sale is 100% empty containers.

### Main Production Milestones:

In 2021, recycled resin from local suppliers was incorporated into our processes, awareness was raised with waste sorting and the Environment Committee was created at Fadesa Plastics.

In relation to the efficient use of energy resources (fuel and electricity), during the last few years, we optimized the production cycle time at Fadesa Plastics, generating savings equivalent to 14,260 kWh/month.

In the middle of the year, as a company, we began the path towards the goal of carbon neutrality, by carrying out an inventory of its greenhouse gas (GHG) emissions, in accordance with the requirements and guidelines established in the international standards ISO 14.064-1 and the GHG Protocol series.

The project covers direct and indirect emissions (Scope 1, 2 and 3) at our plants located in Guayaquil and Quito.

The result of the calculation quantified our emissions for 2019 (base year) at 31,146.81 Ton CO<sub>2</sub>e and in 2020 they were 30,484.11 Ton CO<sub>2</sub>e.



In 2020,

**662.70**  
tons of CO<sub>2</sub> were reduced.

Period	Ton CO <sub>2</sub> e	Ton produced	Ton CO <sub>2</sub> e/Ton produced
2019	31,146.81	39,872.55	0.78
2020	30,484.11	44,556.41	0.68

In 2019 the GHG emissions rate per person working in FADESA was 0.78 Ton CO<sub>2</sub>e/Ton produced, in the reporting year 2020 it was 0.68 Ton CO<sub>2</sub>e/Ton produced where a reduction of 0.1 Ton CO<sub>2</sub>e/Ton produced is observed.

Based on this calculation, we will be able to identify opportunities for energy and production process improvements in order to design and implement a plan to mitigate and compensate our emissions.





# We Innovate

We accompany the growth of our customers with transformative changes that mark the path of the industry. We constantly reinvent ourselves.



**\$270.57**

**Invested**

in Fadesa Plastics, in the IML cabin, generating added value in the production of buckets.



**39**

**Innovation projects**

that included remodels to encourage communication among staff.



**1**

**New department**

integrates our organization since 2021: Innovation.



# Transforming The Industry

**A**t Fadesa we have a project area that is considered a key element in the operational and sustainability of the business lines, since this area analyzes, assesses and implements projects in accordance with commercial and operational requirements.

The following are pursued in this area:

- ▶ **Compliance:** Requirements by public entities such as government and municipality, BCBG, regulations and certifications.
- ▶ **Operational Continuity:** These are necessary to continue an operation efficiently, but do not have an incremental economic recovery.
- ▶ **With return:** Investments that result in an economic benefit, which can be increased sales and/or savings in operating and administrative costs.

The impacts on the organization are linked to increased sales, improvement and optimization of processes, development of solutions and products that meet the needs of the market, all with the aim of becoming leaders in packaging solutions for all types of industries; ensuring products with excellence, quality and safety.



In 2021 we invested US \$270,573.00 in Fadesa Plastics in the IML cabin, generating an added value in the production of buckets with this technology, thus achieving our first sale of IML buckets.

In addition to this, the manufacturing and safety conditions in the Heavy Injection machines were improved, with the objective of providing safer working areas and environments for our operators and technicians.

We have started continuous improvement projects based on SMED methodology (Area: PET) and we initiated a start up of

projects for plastic solutions with glue and epoxy content.

Currently, the construction of Fadesa Manta in Jaramijó has been completed and we are serving clients from this new location.

Also, at Fadesa Metals, we began remodeling the men's, women's, temporary and contractors' locker rooms and remodeling the workshop office in "coworking" style, with the idea of fostering communication among personnel. In total, 39 projects were completed in 2021.



## Innovation Department

103-1, 103-2 y 103-3

In the year 2021, the Innovation Department was created to build a model that fits our needs and can help us with our purpose of transforming the industry. To do this, it was necessary to be notified of the following:

1. To understand how the organizational culture is shaped, what opportunities it presents and what reinforcements should be generated.
2. To have knowledge about the leadership styles, understanding the perspective on the opportunity to innovate, and the strengths and barriers of the leaders in each area.
3. To understand the current management metrics.
4. To know the barriers to the implementation of methodologies or activities that promote innovation.

From that year on, we conducted several activities such as personal interviews with staff members, an innovation culture survey, workshops and training.



# Materiality And Dialogue With Stakeholders

**A**s part of the process of preparing the Fadesa 2021 Sustainability Report, we underwent an exercise to review and update the material issues on which we established our management in 2018, with the aim of being notified of the appreciation of our main stakeholders on what was reported in the first Sustainability Report of our company, presented in the previous period.

The process, which was in charge of the Vilaseca Foundation for the effect was conducted as follows:

- ▶ **Identification:** Review of the materiality analyses of companies related to the sector to be reported and of the materiality study of the previous period. Analysis of the company's strategic pillars and impacts on sustainable development.
- ▶ **Internal prioritization and validation of expectations:** Working meeting with the management team for this purpose.
- ▶ **Identification of stakeholder expectations:** Surveys conducted in early 2022 to key stakeholders such as employees, shareholders, na-

tional and international suppliers, clients, in addition to a validation carried out with national and international supplier clients.

- ▶ **Prioritization of material issues:** Through the processing of information collected and the definition of the contents of the sustainability report.

In order to identify the issues that “have a substantial influence on the assessments and decisions of stakeholders”, the following stakeholders were consulted



1

shareholder



6

clients



17

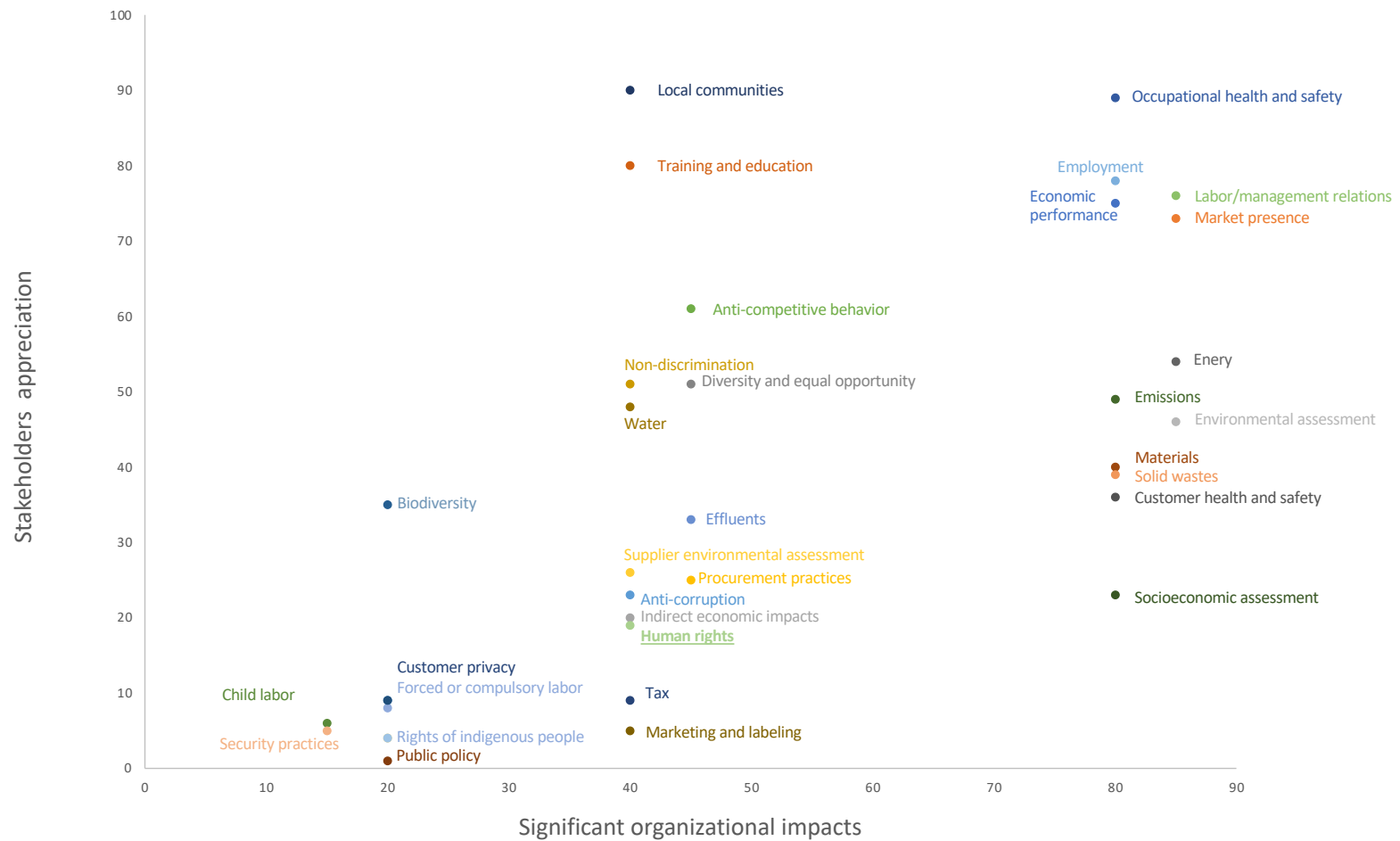
suppliers



80

employees

# Materiality Matrix



The review process of the material issues carried out in 2022 did not imply a modification of the structure or the contents reported in relation to the previous year's Sustainability Report.

Stakeholders	Main Issues or Concerns	Channel of Communication	Frequency of Dialogue
<b>Employees</b>	Environmental and social activities, to know the financial statements and the economic performance.	Digital information boards in the plants, massive mailings, breakfasts with the President, meetings with area leaders.	Daily
<b>Shareholders</b>	Issues of social responsibility and environmental impact of activities.	Management reports, directories. Sustainability Report	Permanent
<b>Suppliers</b>	Use of processed material, projects to identify opportunities, benefits to best suppliers, to be notified of all their social and environmental activities.	Work meetings, workshops and specialized training, plant visits, telephone communication.	Periodically
<b>Clients</b>	Good practices of social responsibility, treatment to their employees, care for the environment, management of their value chain and development to their suppliers, existence of foundations or social actions.	Satisfaction surveys, mailings, periodic meetings, training, specialized technical service	Permanent

The topics identified as material by way of a result of the process carried out in 2018 and their ratification in 2022 are listed below:

Economic Subjects	Environmental Subjects	Social Subjects
Economic performance	Compliance with environmental laws	Community support projects
Market presence	Water management	Benefits for employees
Direct economic impact	Waste and residue management	Training and education
Projects in the company's improvement opportunities and their impact on sustainability.	Compliance with environmental laws regarding emissions, effluents and wastes	Diversity and equal opportunities
Strategies for overcoming market threats	Contribution to the environmental education of the community	Occupational health and safety
Risk rating in the stock market	Environmental awards	Gabriel Vilaseca Soler Foundation
Market participation	Recycling of materials	Programs with employees' families
Cost savings	Environmentally-friendly practices	External social support activities
Publication of rankings and recognitions in the economic arena	Environmentally-friendly production practices	Relationship between the employee and the company
	Carbon footprint	Marketing and product labeling standards
	Consumption of raw materials	Social evaluation of suppliers
	Environmental impacts	Occupational health and safety
		Support to microenterprises and local industry
		Child labor
		Freedom of association and collective bargaining
		Social responsibility practices
		Support for foundations



# GRI Index

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	102-7	Scale of the organization	13
	102-8	Information on employeesand others workers	13
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	102-10	Significant changes to the organization and its supply chain	There have been no significant changes in the organization and its supply chain
	102-11	Precautionary Principle or approach	It is applied, at the time of complying with the environmental legislation that already has contemplated this principle
	102-12	External initiatives	21
	102-13	Membership of associations	21
	102-14	Statement of from senior decisión-maker	4
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	102-46	Defining report content and topic Boundaries	61
	102-47	List of material topics	61
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	102-49	Changes in reporting	Changed the reporting period from annual to biennial
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