

An investment for a sustainable,  
innovative and competitive  
industrial future...





The investment  
opportunity



Partners



The project "at a  
glance"



Expected  
impacts



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The investment opportunity

# An investment for a time of transformation

“A new generation of sustainable packaging”

## THAT SEEKS TO POSITION ITSELF IN THE PRODUCTIVE FABRIC OF THE FUTURE.

A strategic commitment to the future that seeks:

- Positioning in a strategic sector in transformation.
- Competitiveness
- Internationalization



## THAT IS COMMITTED TO SUSTAINABILITY

Responding to a time of business transformation :

- New products
- New business models
- New consumer trends



## WITH A BOOSTING IMPACT ON ITS ENVIRONMENT

An industrial project that expands and multiplies the current capacities of companies with a proven track record and will act as an engine to attract new investments in a strategic location.



## AND PULLING EFFECT IN DIFFERENT INDUSTRY VALUE CHAINS

It will attend to sectors such as:

- Healthcare
- Retail or
- Agri-Food

And it will combine its industrial capabilities with a powerful logistics project.



The investment opportunity

# A growing sector

## “A new generation of sustainable packaging”

### THE INDUSTRY

**Spain is one of Europe's leading producers of pulp and paper, the sixth largest.**

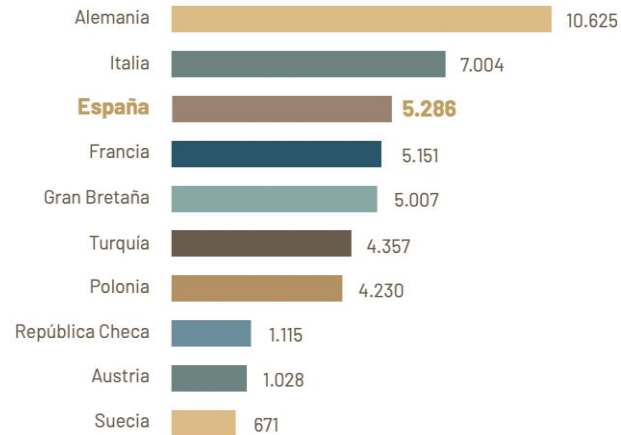
The sector has 10 pulp mills and the 69 paper and cardboard mills employ around 17,000 workers and generate around 80,000 indirect jobs.

In 2019, according to data from the Spanish Association of Pulp, Paper and Cardboard Manufacturers (ASPAPPEL), the sector's turnover amounted to 4,618 million euros.

The cardboard industry is particularly relevant in the national economy. **In Spain there are 89 factories dedicated to its manufacture, which together employ, both directly and indirectly, around 24,000 workers.**

**Spain is the third largest European producer,** behind Germany and Italy, with a total annual production of 5,520 million square meters.

Spanish corrugated board production has grown by 32% in the last decade, from 4,229 million square meters produced in 2010 to 5,520 in 2019.

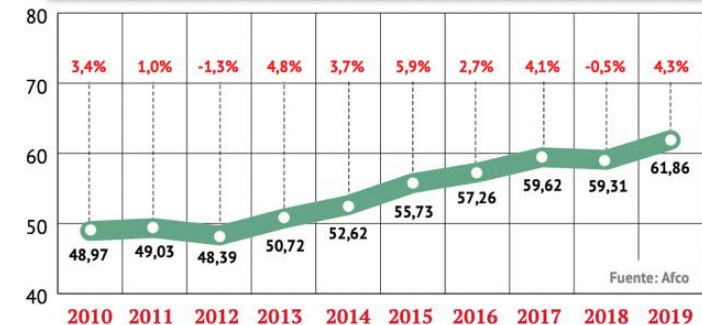


Carton board production in Europe 2018 (In million m²)  
Source FEFCO

**The paperboard industry supplies many sectors.** The agricultural sector is the most intensive consumer of paperboard, with 23.3% of total consumption. It is followed by the food sector (16.4%) and the beverage sector (15%). Further behind are the cartonboard converting sector (11.4%), audio, electronics and automotive (8.7%) and other industrial producers (7%), among others.



Evolution of per capita consumption of corrugated cardboard in Spain (kg/inhabitant)

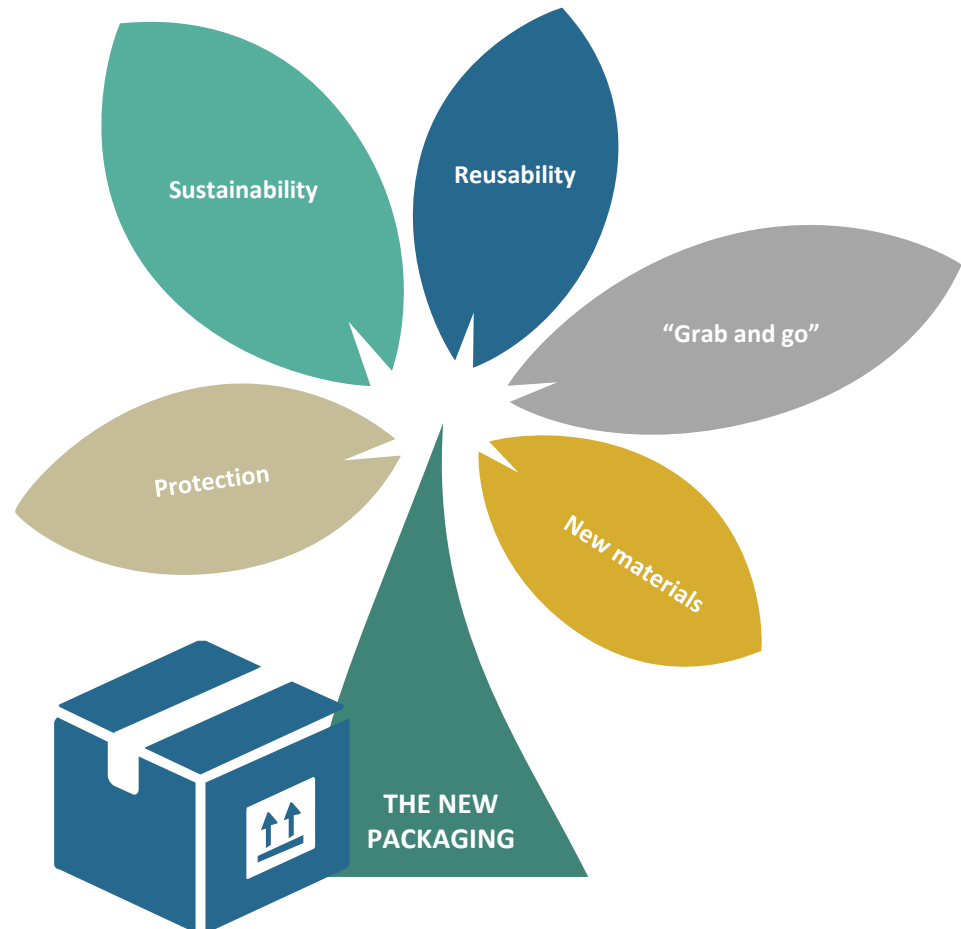




# A market and a consumer with new demands

## “A new generation of sustainable packaging”.

The commitments and objectives have been set by the European Green Deal, the national sustainability and circular economy strategies and a wide range of legislation that develops them. The main target is to promote the transformation of our production model towards a more sustainable one that responds to the requirements of a more aware and socially responsible consumer. In terms of packaging, we are faced with a customer that demands "eco-friendly" packaging, as well as new formats. In general, the main trends in packaging in the immediate future are marked by some lines already underway and others that the new reality imposed by the covid-19 health crisis is imposing, which could be summarized as follows



**Sustainability:** packaging based on sustainable materials, of natural origin and displacing the use of other materials such as plastics.

**Recyclability:** We are in the paradigm of the circular economy, which is reflected both in the recycling of raw materials and in the optimization of the use of resources in the production process (such as water), as well as in the final packaging that reaches the consumer, minimizing waste.

**“Grab and go”:** As a post covid trend, a new form of in-store consumption is being imposed to minimize the time spent indoors and facilitate quick product display, as well as smaller packaging for everyday needs.

**Protection:** New containers and packaging require extra hygiene and preservation.

**New materials:** Progressive substitution of plastics as an objective of the European Green Deal and regulations at both European and national level.



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# Project partners

“A new generation of sustainable packaging”.

- ✓ **DRYLOCK TECHNOLOGIES S.L. starts its activity in 2018.** It is the Spanish subsidiary of the Belgian family Group Drylock Technologies NV, dedicated to the manufacture of disposable absorbent products created in 2011 and which has a workforce of 1,100 employees, with a presence in 9 countries and a turnover close to 600 thousand. €.  
It is a **logistics centre of reference for the Group** that supplies the markets of southern Europe such as Iberian (Spain and Portugal), southern France and Italy as well as North Africa, with an export share of over 65% and the vocation to increase it with its new products.

It is conceived as a **high technology centre of reference at European level**, with its own R&D laboratories, from where it carries out a continuous innovative activity developing and testing new designs and products .  
It stands out for its **commitment to sustainability**. Drylock currently recycles 100% at its plant. It has green energy certification, ISO 13845, 14001 and 9001 certifications and is committed to the use of raw materials of natural origin and the minimization of the use of scarce resources.

- ✓ **FABRICA EMBALAJES MADRID, S.A. (FEMASA).** It is a company specialized in the manufacture of **corrugated cardboard boxes** that has a trajectory of more than 20 years with a specialized human capital. It emphasizes its firm commitment to the environment in its processes and products, protecting natural resources and betting on renewable energies.

- ✓ **CARTONAJES JUAREZ, S.L.** is a family company with **more than 50 years of experience since its foundation in 1964**. Its policy of continuous improvement and adaptation of its services to the needs of its customers, guarantee its professionalism and capacity in handling and service with an eco-friendly product in its different ranges and characterized by its quality and permanent innovation in design and materials.

- ✓ **ASPOR ENGINEERING** is an engineering company with **more than 15 years of experience, specialized in the design of logistic platforms** that guarantee the technical and economic viability of the operations through the structural optimization of the buildings and that bases its work procedures on Lean manufacturing, ISO 9001 and ISO 14001 management systems.

- ✓ **The ESCORIAL GROUP** has extensive experience and specialized human teams and a continuous commitment to diversification. It brings together a group of companies in different sectors such as construction, engineering, leisure and tourism among which are the following companies:
  - ALMERIMAR, S.A.
  - ARQUITECTURA, INGENIERIA Y SERVICIOS, S.A.
  - ALJAMIL, S.A.
  - PREFABRICADOS DEL HORMIGÓN ARQUITECTONICO, S.A.
  - VEMSA, Ventilation Structures and Assemblies

- ✓ **ENERGY SOLAR TECH** is a regulated energy company focused on the **outsourcing of self-consumption photovoltaic plants**. Its main objective is to facilitate the energy transition of companies to reduce their energy costs contributing to the reduction of CO2 emissions and thus meeting the objectives of decarbonization and achieving a climate neutral economy by 2050.



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# The project: Objectives

“A new generation of sustainable packaging”.

## PROJECT TARGETS



- Setting up new production and logistics capacities with an estimated investment of €113 million



- Innovate in the design of new container and packaging formats, seeking an offer that adapts to the new characteristics of demand and sustainable consumption.



- Development of a logistics centre that optimizes distribution and provides scalability and volume to these activities, with a positive impact on the competitiveness of the sectors and user companies.



- To offer technologically advanced solutions based on continuous R&D to different industrial sectors.



- To meet the demand of a more socially responsible consumer and new market trends, in view of cultural changes and consumer habits from the point of view of new product development



- Contribute to compliance with new regulatory requirements that, among others, promote the substitution of other materials such as plastics for others of natural and bio-sustainable origin in different sectors such as the agri-food industry.



- Contribute to the economy's decarbonization objectives



- .Contribute to the bioeconomy and circular economy.

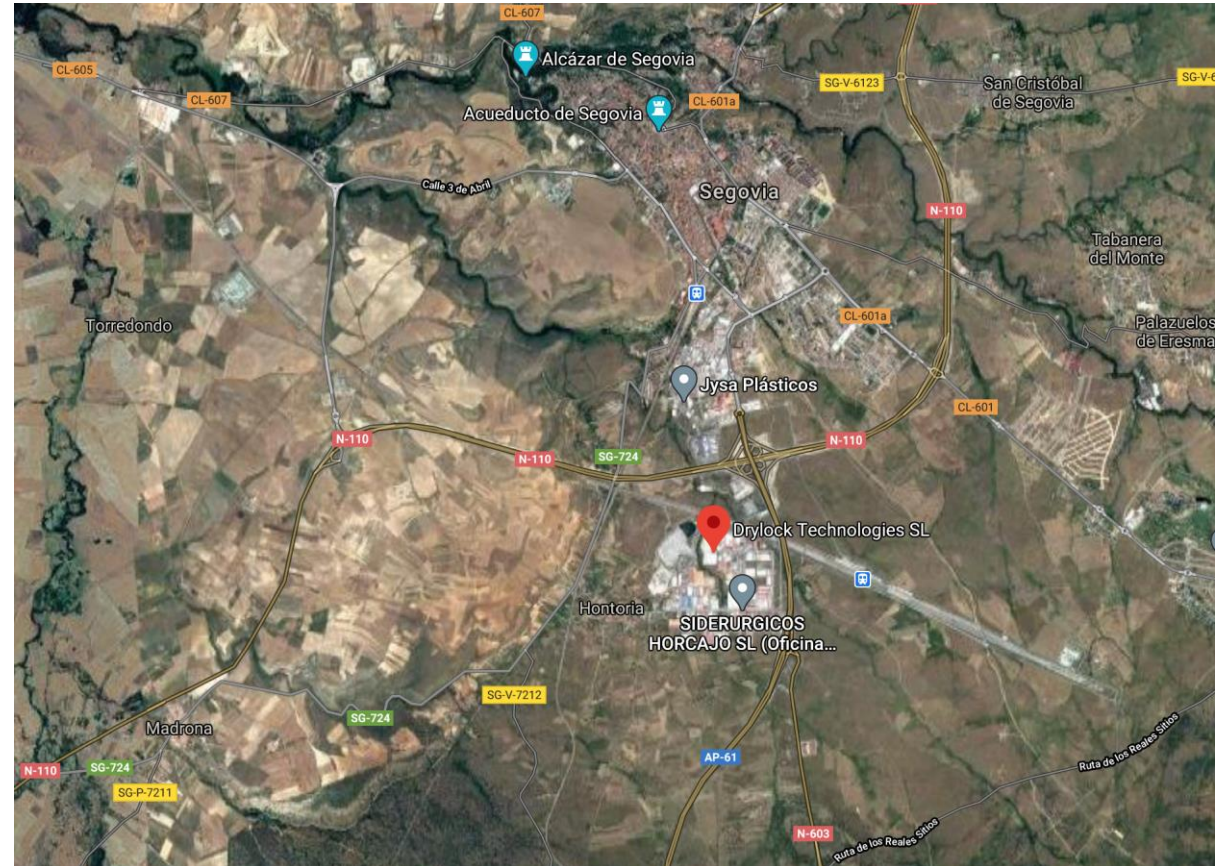


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# The project: a strategic location

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A STRATEGIC LOCATION



**Strategic geographical location**, due to its proximity and connection with Madrid as well as its centrality in Spain as a whole. Castilla y León is located in the middle of two fundamental axes for the European economy: from North to South, it connects the Iberian Peninsula with North Africa; from East to West, it is a central part of the Lisbon-Paris-Helsinki axis, which allows optimizing the logistics of any product and centralizing its business on an international scale.

In addition, it borders Portugal and more than half of the Spanish Autonomous Communities, making it an ideal platform for the national and Iberian markets.



El Proyecto  
“at a glance”

# Project data

“A new generation of sustainable packaging”

## MODERN, DIGITAL AND SUSTAINABLE FACILITIES

### 1 The new investments will consist of:

**The expansion of the current Drylock plant**, doubling its current facilities from 12,000 m<sup>2</sup> to 22,000 m<sup>2</sup> with the implementation of 3 new production lines, going from the current 7 to 10, incorporating the range of absorbent products for adults, as well as the **lines for the packing in paper bags of children's diapers**.

This last line will make this company the first in the sector to replace plastic packaging with this new bio-sustainable packaging, with the aim of packing at least 30% of the 750 million diapers it will manufacture in paper by 2021, which will mean removing 12 million plastic bags from the market.

With these investments, it also intends to increase its export share (currently above 65%) and diversify its target markets.

The investments will also include one of the most ambitious energy sustainability projects at the industrial level with the installation of solar panels for self-consumption, which will involve the installation of of:

- 3,000 kWp Grid.
- 3 Redundant Transformers.
- 5,000 Photovoltaic Panels.
- 3,000 Tons of CO<sub>2</sub> Reduced.
- 20 Inverters.
- Emissions of 900 homes of CO<sub>2</sub> neutralized..



The project “at a glance”

# Project data

“A new generation of sustainable packaging”

## MODERN, DIGITAL AND SUSTAINABLE FACILITIES

2

The construction of a new industrial plant with an estimated surface area of more than 120,000 m<sup>2</sup>.

This new plant will mainly manufacture and market: Corrugated cardboard boxes of three channel and micro channel in double and single cardboard, with any grammage, including the minimum ones demanded by the market, printed through flexography, mainly intended for packaging and transport of elements

It will meet the needs of different sectors in new types and formats of packaging, particularly in the food industry, a line in which it will also position itself through new biodegradable packaging.

It will allow the customization of orders according to the customer's needs and the combination of the different kinds of paper needed for the physical-mechanical requirements of the final package.

For this purpose, AI technology will be used, which, based on mathematical algorithms, will plan the corrugation trains for the production of cardboard sheets on which the different boxes will then be produced.

This investment also includes the construction of a logistics platform for storage and distribution with a space of more than 30,000 m<sup>2</sup> to facilitate more efficient logistics in terms of cost and sustainability, contributing to the reduction of emissions and optimizing distribution routes and services..



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Both facilities will complement their capacities and will form a strategic pole of packaging manufacturing and logistics in Segovia with a national and European impact.

# Project data: Sustainability as a "leitmotiv"

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360° SUSTAINABILITY: CONSTRUCTION, PROCESSES, PRODUCT...



## GREEN SUSTAINABLE CERTIFICATION

- ✓ Reduction of consumption and expenses
- ✓ Increase in profitability for investors
- ✓ Reduction of greenhouse gas emissions
- ✓ Efficiency in the use of resources



## LEED CERTIFICATION

- ✓ Energy savings
- ✓ Reduction of CO2 emissions
- ✓ Improved indoor air quality
- ✓ Resource management



## BREEAM CERTIFICATION

- ✓ Commitment to Corporate Social Responsibility
- ✓ Low environmental impact building
- ✓ Criteria and standards higher than those required by regulations.
- ✓ Awareness of all stakeholders

## SUSTAINABILITY STRATEGIES

- ✓ Life Cycle Analysis.
- ✓ Building Management System.
- ✓ Building Energy Simulation.
- ✓ Electric Vehicle Charges.
- ✓ Biodiversity Management Plan.
- ✓ Waste management and WTP products.
- ✓ Particulate Matter Emissions Monitoring.

## SELF-CONSUMPTION: ZERO CO2 EMISSIONS TARGET

- ✓ Solar thermal energy for DHW consumption
- ✓ Self-consumption photovoltaic installation with discharge of surpluses to the general grid.
- ✓ Zero CO2 emissions in building operation

## ENVIRONMENTAL BENEFITS, SOCIAL AND ECONOMIC

- ✓ Savings in real estate operational costs.
- ✓ Reduced emissions.
- ✓ Improve employee health and well-being.
- ✓ Promote a sustainable company culture. Develop and publicize its CSR policy.
- ✓ Brand image and reputation (customer/shareholders). Increase benchmarking and transparency.



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# The project: Planned investments

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## MAIN FIGURES

### NEW PLANT AND LOGISTICS CENTER

Presupuesto anual por partidas	Año 1	Año 2	Año 3	Total por partida
Aparatos y equipos de producción	50.420.000			50.420.000
Edificación	10.511.209	10.511.209	-	21.022.418
Instalaciones (línea producción)		-	-	0
Obra civil	3.814.401	-	-	3.814.401
Personal propio		-	-	0
Colaboraciones externas	1.676.178	-	-	1.676.178
Instrumental y material inventariable		-	-	0
Otros: especificar	4.584.301	-	-	4.584.301
<b>Total anual</b>	<b>71.006.089</b>	<b>10.511.209</b>	<b>-</b>	<b>81.517.298</b>

### NEW DRYLOCK INSTALLATIONS

Presupuesto anual por partidas	Año 1	Año 2	Año 3	Total por partida
Aparatos y equipos de producción	24.000.000	-	-	24.000.000
Edificación	3.587.792	-	-	3.587.792
Instalaciones (línea producción)	1.285.653	-	-	1.285.653
Obra civil	-	-	-	0
Personal propio	-	-	-	0
Colaboraciones externas	-	-	-	0
Instrumental y material inventariable	-	-	-	0
Otros: especificar	-	-	-	
Sostenibilidad energética	-	3.000.000	-	0
<b>Total anual</b>	<b>28.873.445</b>	<b>3.000.000</b>	<b>-</b>	<b>31.873.445</b>

**TOTAL**

**113.390.743**

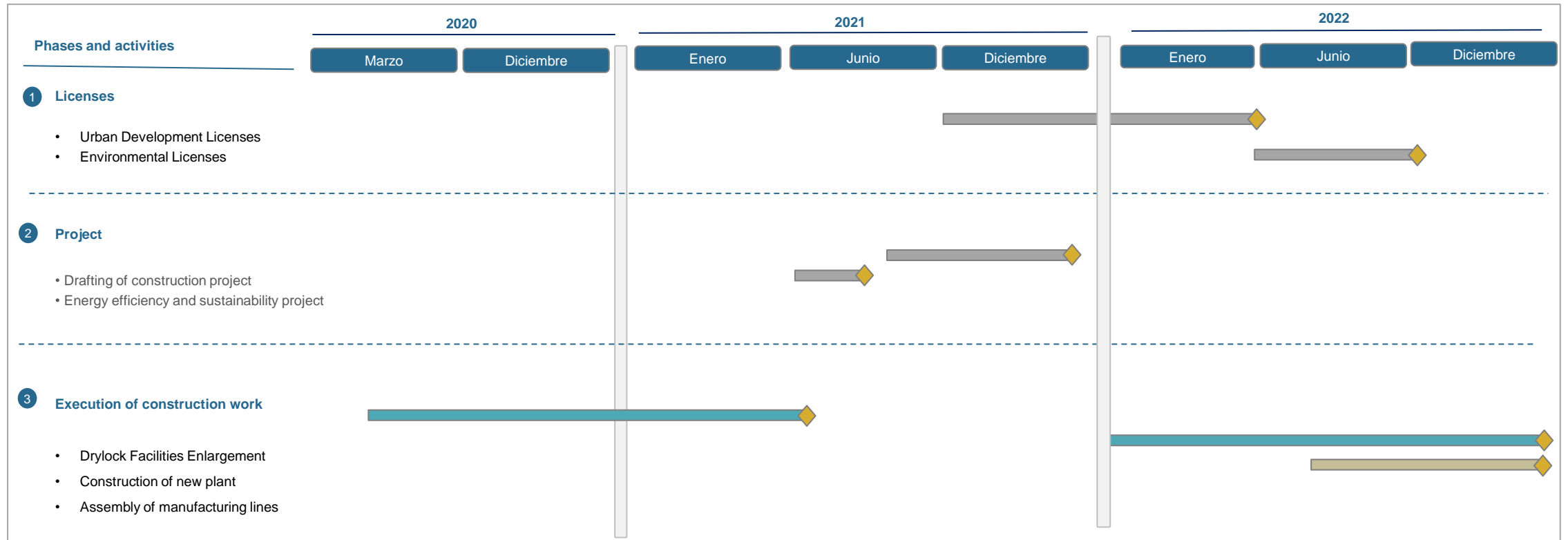


El Proyecto “at a glance”

# Expected schedule: A mature project

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## MAIN MILESTONES



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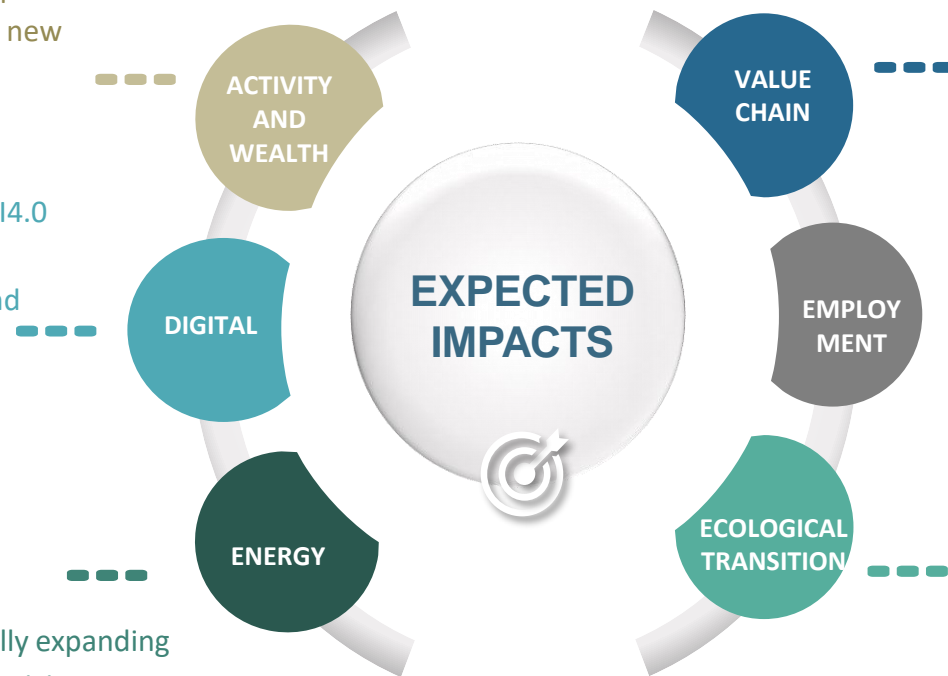
# The project: Expected impacts

“A new generation of sustainable packaging”

- Revitalization of your local environment
- Own innovation, located in Spain
- Pull effect for the location of new industries

- Factory automation and digitization: I4.0
- Real-time activity monitoring
- Data analytics for decision making and process control
- Predictive maintenance
- Product traceability

- Commitment to continually expanding its use of sustainable electricity
- Use of 100% of energy with solar panels



- The project will operate in the paper and board value chain at the manufacturing and logistics level.
- It aims for a market share of more than 50% of the paperboard consumption associated with sectors such as hygiene products (diapers), beverages, corrugated board converting and electronics.

- Creation of 300 new direct jobs, 90 of them in Drylock and 200 in the new factory, with an estimated multiplier of 3 indirect jobs.
- Commitment to employee training and equality in its workforce.

Strong commitment to sustainable practice. International standards to set best practices

- 100% recycling of production waste 100% biodegradable packaging as of January 1, 2022. Optimization of the use of scarce resources, such as water, in its processes.

