

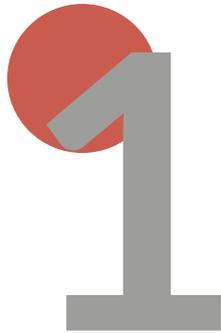
**ANNUAL REPORT**  
**SUSTAINABILITY 2022**

**DEUTZ SPAIN S.A.U**



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**DEUTZ SPAIN**



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• **MANUFACTURE & RESEARCH DEVELOPMENT SITES**



**DEUTZ AG LOCATIONS**



1

## HEADQUARTER Köln-Porz

**Floor area:** ca. 276.000 m<sup>2</sup>**Production:** Assembly Plant for BR 2.2–7.8 engines Manufacturing crankshafts, camshafts.**Research and Development:** Combustion engines & E\_DEUTZ.**Deutz Service:** Customer service , Trainings Center.**Sequencenter:** Sequencing & picking parts for assemblies.

## Köln-Kalk

**Floor area:** ca. 61.000 m<sup>2</sup>**Production:** Manufacturing crankcase BR 4-8L.**Deutz Service:** Global Logistic Center for spare parts.

## Herschbach

**Floor area:** ca. 53.000 m<sup>2</sup>**Production:** Manufacturing & preassemblies for modules e.g. PTO, mass balancers, EGR, rocker arms and service parts.

## Alsdorf FUTAVIS

**Research and Development:** Battery management systems.

## Ulm

**Floor area:** ca. 74.000 m<sup>2</sup>**Production:** Assembly of air-cooled engines 91x & V BR 2011 / BR 12-16L / Manufacturing of crankcases, crankshafts, gears /Xchange Engines and parts.

## Gilching Torqeedo

**Floor Area:** ca. 6.000 m<sup>2</sup>**Production/ Research and Development:** Out- and inboard marine E-engines Batteries modules Hybrid-drives.

2

## Maribor

Research and Development.

3

## Lomagna DEUTZ Italy

**Floor area:** ca. 33.000 m<sup>2</sup>**Employees:** ca. 60 Sales & Service**Production:** Value add assembly of Power Packs.

4

## Zafra

**Floor area:** ca. 74.000 m<sup>2</sup>**Production:** Manufacturing of crankcases, gears, connecting rods, cylinder heads, bearing caps.

5

## Sapino Magi DEUTZ

**Floor area:** ca : 3.500 m<sup>2</sup>**Production:** Gen-Set assemblies.

6

## Norcross

**Floor area:** ca. 12.500m<sup>2</sup>  
Sales & Service  
Headquarter of DEUTZ Corp. America.

## Pendergrass

**Floor area:** ca. 11.000 m<sup>2</sup>**Production:** Xchange Engines  
Value add assembly of Power Packs.

7

## Tianjin

**Production:** Assembly BR 2.9, 6.1 / Contract Manufacturer BEINEI / Deutz parts and supply chain.

## Changsha (JV) Hunan DEUTZ Power Co., Ltd.

**Start:** 2021/2022**Production:** Assembly BR 5.7, D5-D13.

## Kunshan (JV) Hunan DEUTZ Power Co., Ltd.

**Production:** Assembly BR D5-D13.

## • MESSAGE FROM THE GENERAL MANAGER

**W**e prepared this report following the requirements of Law 11/2018 on the disclosure of non-financial information, as well as the standards in the Global Reporting Initiative (GRI).

We begin this year 2022 with the hope that the worst of the terrible pandemic that ravaged the world during the last two years is now behind us. Despite a very efficient vaccination campaign and the deployment of strict security measures in all our workplaces in Spain, January again saw a high number of casualties due to COVID 19, which fortunately during the rest of the year had hardly any impact on our organisation.

Unfortunately, a few weeks later, the world, and especially our European continent, was once again hit by a new misfortune when Russian troops invaded neighbouring Ukraine, marking the beginning of a war that is still going on today.

This armed conflict, which from the Deutz Group was strongly condemned by the members of our management in Germany, also revealed Europe's weakness in the face of its dependence on raw materials and especially on the energy sources of the enormous country that Russia is, thus dragging all our suppliers of materials and energy into a price escalation which, for decades, has been unprecedented in the European Union.

It is precisely in this context of energy scarcity and rising prices, where Deutz Spain highlighted the sustainability and energy efficiency strategy that we have been deploying for years. The commissioning of the first phase of the photovoltaic plant which, in collaboration with our supplier Engie, was installed on the roofs of our car park and the gear shed at the Zafra production plant in September, with an installed capacity of 1620 MWh/year, made it possible to considerably reduce the external dependence of the production plant's energy consumption during its morning shifts, while

at the same time contributing efficiently to the elimination of CO2 emissions in all our production processes.

In addition to the commissioning of this facility, Deutz Spain signed a power purchase agreement for 2023-2024 with a guarantee of origin, which guarantees the consumption of 100% renewable energy in all the facilities that the Deutz Group has in Zafra, including our production plant.

Finally, and also within the framework of this sustainability and cost improvement agreement, at the end of last year an agreement was reached to purchase energy through the PPA modality with the French multinational Total Energies, which will install a new solar plant on land near our factory, with a production capacity of over 5,000



MWh/year, which, from the second half of 2024 onwards, will allow us to produce up to 90% of the energy necessary for the production plant in those shifts when the powerful sun of Extremadura shines on us.

All of this is aimed at guaranteeing the competitiveness of our company in a way that is responsibly sustainable with the environment in which we are located.

In order to be able to specify all these measures with indicators, systematic measurement of the carbon footprint was implemented in 2022 which, in 2023, will also make it possible to obtain impact data in previous years.

In 2022, the Deutz Group began to roll out a new strategic plan, called "Powering Progress". DEUTZ continues on its growth path with a clear framework for further corporate development. With its strategic "Powering Progress" programme, DEUTZ is actively addressing the challenges of the mobility revolution and responding to key requirements of the market: the further development of the internal combustion engine and the development of new propulsion technologies.

To achieve additional growth and profitability, DEUTZ is relying on a "Dual+" strategy that includes a new ecosystem of emission-free products in addition to its existing core business with optimised internal combustion engines.

The long-term goal of the new management team led by Dr. Sebastian C. Schulte is to position DEUTZ permanently among the top three independent engine manufacturers and to offer a portfolio of completely climate-neutral products and technologies by 2050 at the latest.

With our strategic programme "Powering Progress", we want to continue to grow profitably and operate in a climate-neutral manner throughout the entire process chain by 2050.

One of the key pillars of our strategy is the development of the DEUTZ GREEN segment: climate-neutral product ecosystem based on openness to technology, innovative strength and the necessary investment to exploit this potential on its way to a climate-neutral product portfolio and, in the "green" segment, relying above all on our innovative strength and the experience of almost 160 years of pioneering engine development, with a fundamentally open approach to technology.

This will include among other innovations the further development of the climate-neutral combustion engine, e.g. through the use of hydrogen or synthetic fuels.

New value chains will open up, in the charging of electric machines or the filling of hydrogen engines. To this end, DEUTZ plans to invest more than 100 million euros in the "green" segment of the future over the next three years.

Our commercial divisions in Madrid and Barcelona, as well as our facilities development areas in Zafra, have worked throughout 2022, fully aligned with this strategy in the search for partners specialising in these industrial segments for the development of potential applications for the Spanish market.

This includes meetings with the University of Loyola in Seville on projects related to hydrogen, as well as with other technological partners in the production of electrolyzers for the sustainable use of surplus energy from our new photovoltaic plants.

At DEUTZ SPAIN we have implemented the Criminal Compliance and Anti-bribery management systems, under the UNE 19601 and ISO 37001 standards respectively, of which we were

pioneers in our country. It is managed and supervised by the criminal compliance body, which has revised the compliance policy with the aim of integrating it fully into the code of conduct of the Deutz AG Group and subsequently ratified by all members of the Board of Management in order to continue the continuous improvement of these systems.

We would also like to highlight that the Deutz Spain purchasing team has actively participated in the worldwide deployment of the new CSR policy throughout the group, in order to secure efficient management of all our suppliers in the field of guaranteeing decent working conditions and avoiding any kind of abuse throughout our value chain.

A fundamental part of our strategic programme is respect for all people in our organisation. Under the 4P programme, we deploy "Passion" as one of our strategic "Cores":

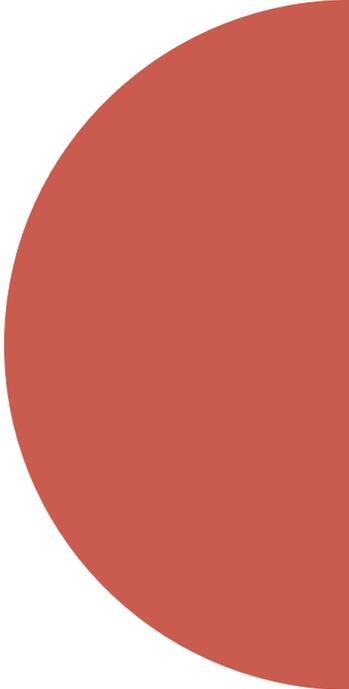
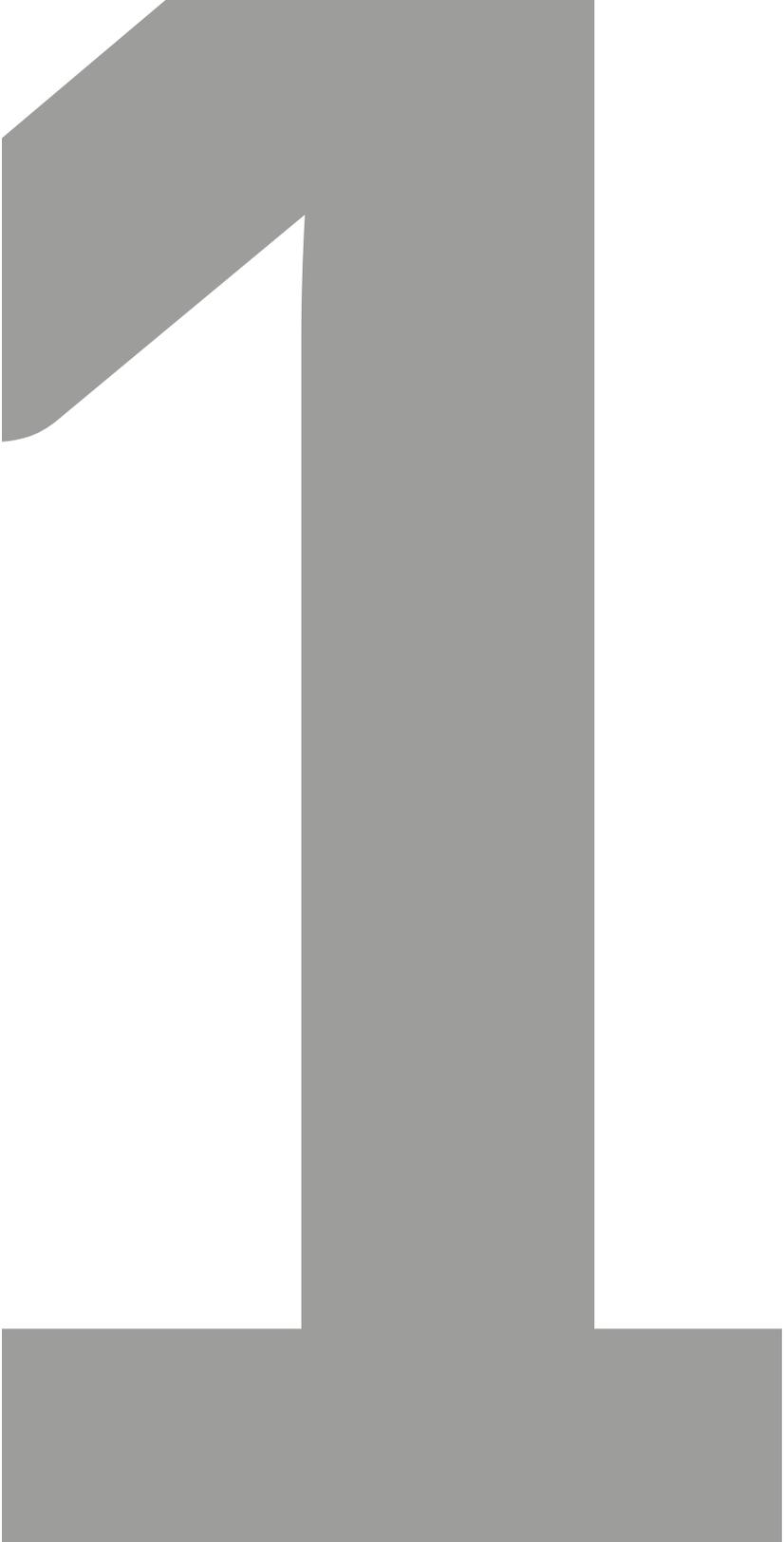
- Living our Values
- Sustainability strategy
- Leadership Culture & Development
- Corporate & Employer Branding
- Good Corporate Citizen

All of this is deployed in all our locations in Spain, with active policies that favour respect for diversity and equality, and social responsibility towards all the people who make up our organisation and our closest environment. It is in this aspect, where the Foundation promoted by the company and supported in our Deutz Business School facilities next to the Zafra factory where, with training and awareness programmes, we promote all these values in our culture of leadership and preparation of future generations.



Signed,  
Fernando Angulo Romero  
General Manager





**DEUTZ SPAIN**



## • DEUTZ SPAIN

**DEUTZ SPAIN** is a reference company in the manufacture of engine components, specialised in machining and assembly.

Its Zafra plant is one of the most important factories in Extremadura, being the first company in Extremadura in terms of number of employees and salaries. In addition, the organisation has offices in Madrid and Barcelona for the marketing of DEUTZ products.

The main customers of DEUTZ SPAIN are the DEUTZ plants located in Cologne and Ulm (Germany), for which it produces engine blocks, cylinder heads, connecting rods, bearing covers and gears for most of its engine ranges.

*DEUTZ SPAIN is 100% owned by DEUTZ, one of the leading independent diesel engine manufacturers.*

### Main figures 2022



### Our History

- 1883  
1949: Company is founded as DIAZ DE TERÁN in Zafra(DITER).  
• Iron foundry, production of agricultural machinery.
- 1949  
1967: First patent for a DITER engine and creation of first range of single- cylinder engines manufactured in Spain.
- 1967  
1987: MWM acquires most of DITER's shares.
- 1987  
1990: The German group KHD (Köckner Humboldt Deutz. Currently DEUTZ AG), absorbs MWM.
- 1990  
2008: DEUTZ chooses the LEAN Philosophy.  
• First company in Spain to implement DUAL Vocational Training.  
• Opening of Service Centre in Madrid.
- 2008  
2013: Expansion of organisation and increase of activity.  
• First in Extremadura to gain ISO 9001 certification.
- 2013  
2017: Production of Blocks is started.  
• Deutz Business School project approved.  
• Opening of Service Centre in Barcelona.
- 2017  
2018: Gaining IATF automotive sector certification.  
• Construction of Deutz Business School.
- 2019  
2020: Start of activity of Deutz Business School.  
• Obtaining the Energy Efficiency Certificate.  
• The creation of DEUTZ SPAIN "DEUTZ GLOBAL SERVICE CENTER S.L."is approved.
- 2021: ORP Award: Excellence in risk management.  
• CIA Project  
• Construction of Controlled Substances Department (DGSC) offices.
- 2022: The start of self-consumption of electricity through photovoltaic energy.  
• Deutz's new corporate strategy with a focus on CSR and sustainability.  
• Boosting the Green sector.



• MISSION, VISION AND VALUES

# VISION



Usefulness for the customer



After-sales solutions



System solutions



Market

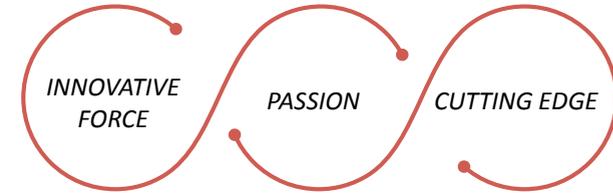


Technology



Quality

# MISSION



*The success and sustainability of a company's management depends not only on the achievement of objectives, but also on the way they are achieved.*



# VALUES

## WE ARE DRIVEN BY PASSION.

To inspire and think beyond our daily work. To share, create and try new ways to achieve common goals. Persistence: we learn from our mistakes and work to succeed.

## WE MAINTAIN OUR PIONEERING SPIRIT.

We act with passion and courage, seeking new ideas and bringing them to life. The idea is to think ahead and set trends in global markets. We provide technology for a sustainable future. We have created an environment for entrepreneurs: to take advantage of the digitalisation and constant improvement of products and processes

## WE VALUE OUR EXPERTISE.

The success of the organisation is driven by experience and continuous learning that ensures our growth, always putting our knowledge to the test.

## WE ARE ONE TEAM.

Joining forces with employees, customers, suppliers and partners. We are all involved and we all participate. Collaboration is based on trust, respect, integrity and transparency. We support each other and debate in a constructive manner. DEUTZ SPAIN values different points of view and respects different perspectives.

## WE ASSUME RESPONSIBILITIES.

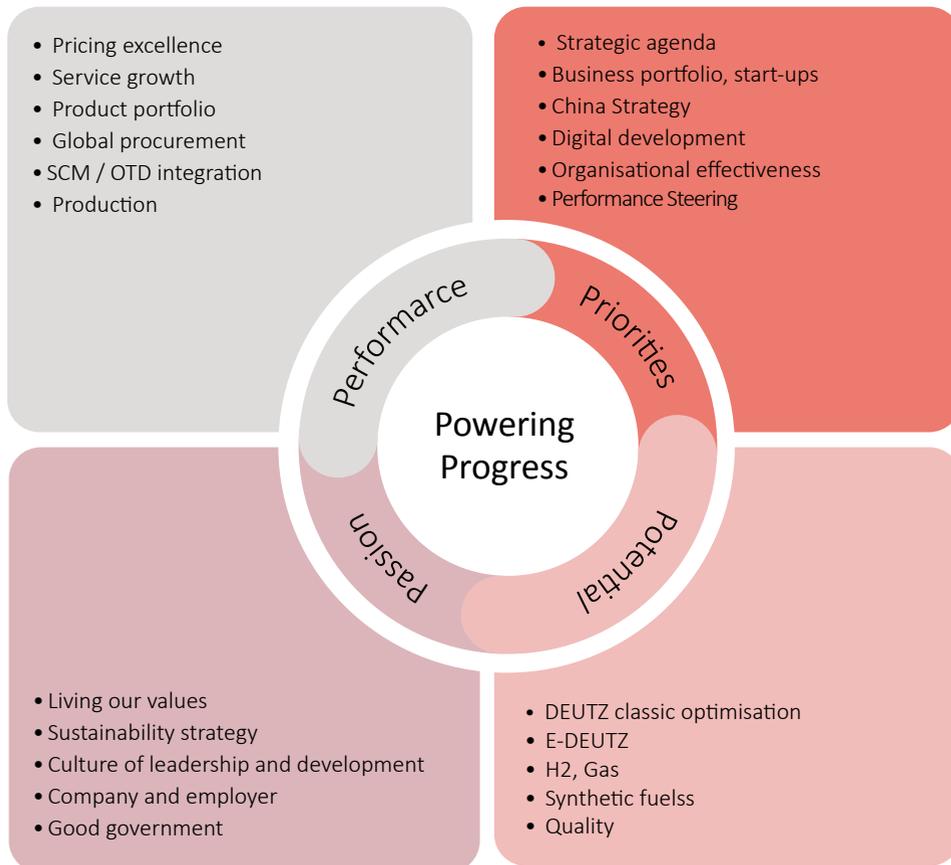
As capable and responsible people, we stand behind our decisions. When we have made decisions, we act quickly and take minimal risks. We want to be responsible for our decisions and our agreements. We constantly strive to improve ourselves and our company.



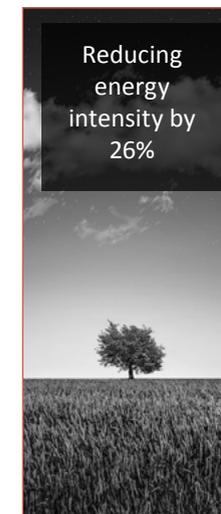
## • NEW POWERING PROGRESS STRATEGY

DEUTZ has developed its new business strategy, "Powering Progress", based on 4 key areas fundamental to the transformation and improvement of the organisation. Potential, Priorities, Development and Passion, constitute the strategic axes which in turn unfold into specific objectives on which the action plans will be developed over the coming years.

1

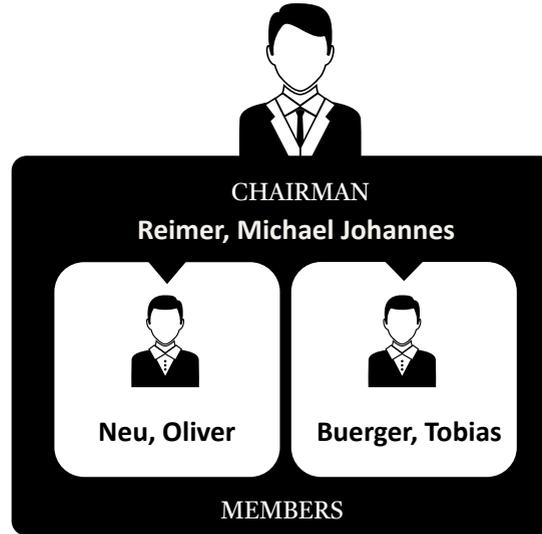


## • MILESTONES IN 2022



## • GOVERNING BODIES

Board of Directors



Management



## • SUPPLY CHAIN

### Global Procurement

Suppliers of raw materials and components



PARTS	29.468.000
PART NUMBERS	511
SUPPLIERS	73
COUNTRIES	13

**Spain**  
 16 Suppliers  
 1.481.000 parts

**France**  
 1 Supplier  
 3.000 parts

**Germany**  
 34 Suppliers  
 16.658.000 parts

**Poland**  
 1 Supplier  
 578.000 parts

**Slovakia**  
 3 Suppliers  
 775.000 parts

**Italy**  
 2 Suppliers  
 377.000 parts

**China**  
 4 Suppliers  
 238.000 parts

**Turkey**  
 1 Supplier  
 33.000 parts

**Argentina**  
 1 Supplier  
 1.810.000 parts

**India**  
 6 Suppliers  
 1.770.000 parts

**England**  
 2 Suppliers  
 544.000 parts

**Czech Republic**  
 1 Supplier  
 1.024.000 parts

**United States**  
 1 Supplier  
 4.176.000 parts

**DEUTZ SPAIN** analyses the supply chain from a risk prevention and management perspective, minimising possible impacts through the application of clauses, requirements, and even on-site supervision and/or audits of its suppliers. Specifically, **DEUTZ SPAIN** only purchases raw materials identified as conflict-free minerals and includes environmental requirements in the evaluation of its suppliers.

When awarding contracts and services **DEUTZ SPAIN** values aspects related to environmental management, energy efficiency, Corporate Social Responsibility and Compliance.

*A new platform for supplier evaluation from a Corporate Social Responsibility perspective is currently being developed and will be included as a standard in future supplier monitoring audits. This assessment aims, among other things, to ensure that its suppliers maintain decent working conditions and avoid any abuse of their workers.*

### Visit of Fagor Ederlan Tafalla and Deutz AG



In October, a meeting took place between the staff of the raw material supplier Fagor Ederlan Tafalla, DEUTZ SPAIN and DEUTZ AG, to jointly define the next steps for the continuous improvement of supplies from this supplier.



• CUSTOMERS



• ECONOMIC MANAGEMENT

**DEUTZ SPAIN** has developed a sustainable economic management model as part of its business strategy, through which, in addition to maintaining the economic profitability of its productive activities, takes into account the risks and opportunities associated with environmental and social factors.

Economic data (in Euros)	2020	2021	2022
<b>Income</b>	99.310.354	134.750.341	<b>164,804,711</b>
<b>Operational costs</b>	75.522.963	103.981.203	<b>130,246,326</b>
<b>Employee Salaries</b>	21.097.852	25.775.450	<b>28,018,741</b>
<b>Employee Social Benefits</b>	622.620	683.438	<b>930,978</b>
<b>Supplier Payments</b>	106.945.720	88.054.026	<b>110,724,474</b>
<b>Payments to the government (taxes)</b>	129.802	105.515	<b>144,243</b>
<b>Community Investments</b>	18.000	7.575,70	<b>7,200</b>
<b>Investment Subsidies</b>	1.528.150	198.840	<b>0</b>
<b>Infrastructure Investments</b>	8.664.826	5.058.010	<b>4,761,569</b>



# ENCARNACIÓN GARCÍA DOMÍNGUEZ

Administration and Finance Coordinator · DGSC



**Deutz Spain works to be a company that performs proper corporate management and complies with the established legislation; Therefore, what concepts (respect for human rights, fight against corruption, fight against bribery etc.) do you consider to be the most relevant in the company?**

*Deutz Spain has a corporate management policy based on risk management and takes compliance with the law very seriously. I believe that all their procedures and processes are fully analyzed by their legal department in collaboration with the compliance department and they make sure that there is no risk uncovered. Even so, I believe that special importance is given to human resources management as shown by its entire strategic plan for people management that includes from continuous training, performance evaluations to review of working conditions so that employees work and feel comfortable developing their functions. A rather arduous task when you have profiles of such disparate qualifications, qualifications, and tasks (machinery technicians, engineers, administrative staff, IT staff ...) and are still able to count on a committed and happy staff.*

**What role do you think companies like Deutz Spain should play in a social environment like Extremadura?**

*A company of these characteristics has a considerable responsibility in a rural environment and with "few" possibilities of development of the industrial fabric such as Extremadura. The Zafra factory is a benchmark in the region and therefore must be able to meet expectations in terms of promotion and job creation, training of personnel already hired and development of commercial relations both nationally and internationally (the latter part of the hand of the Deutz group of which it is part).*

**What corporate values do you think the Deutz brand best conveys?**

*In my opinion, Deutz is working very hard to meet the 5 objectives set in its new strategy plan (Trust, Truth, Team, Tenacity and Transparency), but I think that from Deutz Spain one of the most significant is*

*that of "TEAM". There is no company that functions without workers and Deutz Spain is fully aware of that fact.*

*In addition to being part of the same business group, I know first-hand the new plans to increase autonomy and improve the working conditions of workers in which DS is currently implemented and that have been raised from the results of its "workshops" held during 2022.*





**TAKING  
RESPONSIBILITY**



GLOBAL SERVICE CENTER

DEITZ  
Service  
SOLUTIONS



DEITZ  
Service  
SOLUTIONS

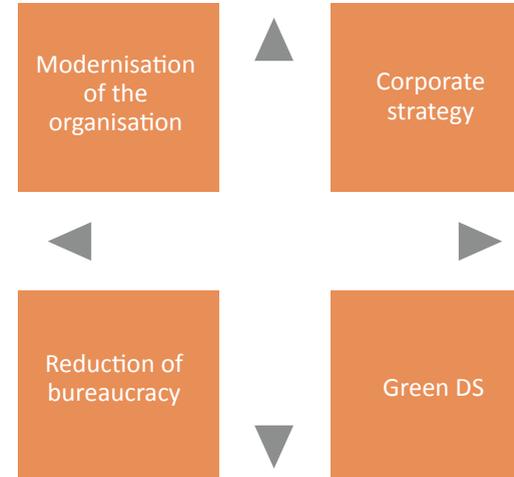
## • CORPORATE SOCIAL RESPONSIBILITY

DEUTZ SPAIN understands Corporate Social Responsibility (CSR) as an integral and essential part of the organisation itself and of each of the services it provides. The social, environmental and ethical commitment, together with the contribution to the Sustainable Development Goals (SDGs) set out in the 2030 Agenda, has formed the basis for the development of the organisation's new CSR strategy for the coming years.



*Our aim is to combine commercial success with the fulfilment of our environmental, social and corporate governance responsibilities.*

### DEUTZ SPAIN CSR STRATEGY



DEUTZ SPAIN's commitment to sustainable development is materialised in a Policy based on the following principles: **DEUTZ SPAIN CSR POLICY**

Ethical and responsible management



Talent development



Minimisation of environmental impacts



Responsible management of suppliers



Accountability and transparency



## • CONTRIBUTION TO THE SDGs

DEUTZ SPAIN's sustainable strategy contributes directly to the Sustainable Development Goals (SDGs) set out in the 2030 Agenda, through specific actions framed in the goals defined for each of the selected SDGs.

Aware of the importance that the Sustainable Development Goals (SDGs) have on the social, economic and environmental impact of companies on society, DEUTZ SPAIN is part of the ACS working group on SDG 13 Climate Action in order to share experiences among companies and create lines of work for the future.

SDGs	SDG TARGET	DEUTZ SPAIN	Performance 2022
	<ul style="list-style-type: none"> <li>3.4 Promoting mental health and well-being.</li> </ul>	<ul style="list-style-type: none"> <li>One of the principles of DEUTZ SPAIN is safe and healthy work</li> </ul>	<ul style="list-style-type: none"> <li>Measurement of tumour indicators in medical examinations.</li> <li>Inauguration of the new engine test stand, with new features focused on risk minimisation.</li> <li>Performing Body Mapping of pathologies by age and area of work</li> </ul>
	<ul style="list-style-type: none"> <li>4.3 Ensuring equal access to technical, vocational and higher education for all, and to quality, including university education.</li> <li>4.4 Increase the number of <b>young people and adults</b> who have the necessary skills, particularly technical and professional to access <b>employment</b>.</li> <li>4.5 Ensuring <b>equal access</b> to all levels of education and vocational training for vulnerable people, including persons with disabilities.</li> </ul>	<ul style="list-style-type: none"> <li>Deutz Business School® collaborates with regional and international educational entities in order to promote the economic development of the region.</li> </ul>	<ul style="list-style-type: none"> <li>Increase in events, students and Deutz Business School® educational offerings focused on talent and innovation.</li> </ul>
	<ul style="list-style-type: none"> <li>8.2 Improving <b>Productivity</b> through technological modernisation and innovation.</li> <li>8.6 Educating youth unemployment.</li> <li>8.8 Protect labour rights and promote a safe and secure working environment.</li> </ul>	<ul style="list-style-type: none"> <li>Employee participation in improvement and innovation.</li> <li>Deutz Business School Agreements with Secondary Schools (I.E.S.) and Universities.</li> <li>In 2021, DEUTZ SPAIN won the Extremadura Regional Government's award for the integration of Occupational Risk Prevention in its management system.</li> </ul>	<ul style="list-style-type: none"> <li>247 measures submitted in 2022 by employees, of which 10 have been awarded prizes.</li> <li>Promotion of youth employment.</li> <li>Vocational and language training for young people.</li> </ul>
	<ul style="list-style-type: none"> <li>9.2 Promoting inclusive and sustainable industrialisation.</li> <li>9.4 Upgrading infrastructure to make it sustainable, using resources with increased efficiency and promoting sustainable industrial technologies and processes.</li> </ul>	<ul style="list-style-type: none"> <li>Objective to have digital transformation and the production industry come together in a sustainable way.</li> <li>Commitment to optimise energy consumption in a sustainable way through continuous improvement in facilities and processes.</li> </ul>	<ul style="list-style-type: none"> <li>Smart Factory / Industry 4.0</li> <li>Energy efficiency as a strategic objective.</li> <li>Installation of photovoltaic plant.</li> <li>Contract for the supply of electrical energy with a Guarantee of Renewable Origin, effective from January 2023.</li> <li>Deployment of the first Self-Managed Smart Cell on the connecting rod line.</li> </ul>
	<ul style="list-style-type: none"> <li>12.5 Reducing waste generation through prevention, reduction, recycling and reuse activities.</li> <li>12.6 Adopt sustainable practices and incorporate information on sustainability in its reporting cycle.</li> </ul>	<ul style="list-style-type: none"> <li>Contribution to the circular economy through the recovery of waste.</li> <li>Fifth publication in 2022 of the DEUTZ SPAIN Sustainability Report, according to GRI and law 11/18.</li> </ul>	<ul style="list-style-type: none"> <li>100% of hazardous waste generated is recycled or reused.</li> <li>Launch of project study for the recovery of water from washing machines by means of an ultra-filtration process.</li> </ul>
	<ul style="list-style-type: none"> <li>17.17 Develop and promote the formation of <b>effective alliances</b> in the public, public-private and civil society spheres, taking advantage of the experience and resource-acquisition strategies of the alliances.</li> </ul>	<ul style="list-style-type: none"> <li>Through agreements with local entities and other stakeholders, DEUTZ SPAIN has become one of the main sources of employment and quality training in Extremadura.</li> </ul>	<ul style="list-style-type: none"> <li>Alliances with strategic suppliers.</li> <li>Execution of phase I of a photovoltaic plant in collaboration with ENGIE.</li> <li>Agreement with Loyola University for collaboration in the development of projects through the use of hydrogen.</li> </ul>



## • DIALOGUE WITH STAKEHOLDERS

For DEUTZ SPAIN, knowledge of the needs and expectations of its stakeholders is essential to be able to deploy its business strategy. Through communication with different stakeholders, the organisation identifies their interests and opinions about its economic, environmental, and social performance. DEUTZ SPAIN's priority stakeholders are as follows:



DEUTZ SPAIN has several specific communication channels, prominent among which are the internal communication APP, annual reporting, intranet, internal magazine, social network profiles and face to face conversations.

**APP internal communication**  
**162 news during 2022**  
**52% openness**



During 2019, DEUTZ SPAIN carried out a materiality study giving voice to all its stakeholders, in which more than 120 people participated, with the aim of identifying the most relevant Corporate Social Responsibility issues for both the organisation and its stakeholders.

This report responds to all these issues or relevant aspects through the different GRI indicators shown in the following table:

CSR	RELEVANT ASPECT	GRI INDICATOR	
<i>GENERAL</i>	Ethical Performance and Good	2-9 / 2-10/ 2-11 / 2-12/ 2-15 2-17/ 2-18/ 2-23/ 2-26	
<i>GOOD GOVERNANCE, ETHICS AND INTEGRITY</i>	Policies and codes of conduct	2-23/ 2-26	
	Dialogue with stakeholders	2-29	
<i>ENVIRONMENTAL PERFORMANCE</i>	Reduction of energy consumption	302-1/ 302-2/ 302-3 302-4/ 302-5	
	Cleaner and more efficient technologies	301-1/ 302-1	
<i>SOCIAL PERFORMANCE</i>	Employees	Internal promotion	401-1/ 404-2/ 404-3
		Training	404-1 a 404-2
	Society	Promoting Education and culture	404-1 a 404-2 413-1 a 413-2
		Employability	2-7 /202-2/ 401-1 413-1/ 413-2

Note: The GRI indicators related to the relevant themes or aspects have been identified in red in the attached GRI index.

2



## • CORPORATE COMPLIANCE AND CODE OF CONDUCT

### CORPORATE COMPLIANCE PRINCIPLES

Maintain free competition	Maintain integrity in business	Environmental protection
Safe and healthy work	Non-discrimination	Comply with international trade laws
Transparent financial information	Non-violation of human rights	Separation of corporate and personal interests
Correct processing of personal data	Principle of data minimisation	Cooperate with authorities

The DEUTZ Code of Conduct sets out regulations and guidelines that must be observed by the organisation and all its employees internally and in their relations with other organisations, public administrations and society in general.

### CODE OF CONDUCT

<b>HUMAN RIGHTS</b>	<ul style="list-style-type: none"> <li>Diverse and inclusive work</li> </ul>
<b>HEALTH AND SAFETY</b>	<ul style="list-style-type: none"> <li>Never compromise on Health and Safety commitments</li> </ul>
<b>ENVIRONMENT</b>	<ul style="list-style-type: none"> <li>Commitment to contribute to environmental balance and impact reduction</li> </ul>
<b>COMPETITIVENES</b>	<ul style="list-style-type: none"> <li>Market economy and fair trade competition</li> <li>Antitrust legislation</li> </ul>
<b>TRADE CONTROL</b>	<ul style="list-style-type: none"> <li>Compliance with national and international legislation on trade control</li> </ul>
<b>CORRUPTION AND BRIBERY</b>	<ul style="list-style-type: none"> <li>Preserving the trust and integrity of DEUTZ</li> </ul>
<b>MONEY LAUNDERING</b>	<ul style="list-style-type: none"> <li>Responsibility of all employees to ensure that DEUTZ is not used for laundering or other illegal purposes</li> </ul>
<b>CONFLICTS OF INTEREST</b>	<ul style="list-style-type: none"> <li>Employees act in the interests of DEUTZ and protect its name</li> </ul>
<b>INFORMATION PROTECTION</b>	<ul style="list-style-type: none"> <li>Employees must not unlawfully use inside information about DEUTZ or any other company</li> </ul>
<b>PROPERTY</b>	<ul style="list-style-type: none"> <li>Responsibility for the company's facilities and property</li> </ul>
<b>DATA PROTECTION</b>	<ul style="list-style-type: none"> <li>DEUTZ respects the privacy and integrity of its employees, partners and other third</li> </ul>

During 2022, training on the Code of Conduct has continued and the functioning of the whistleblowing channel has been reinforced with the possibility of anonymous reporting.

*DEUTZ SPAIN, on its corporate website, has a whistle-blower channel open to any employee, customer, supplier, or any interest group. Through this channel any type of infringement or violation of rights can be anonymously reported.*



### Visit of the Supervisory Board of Deutz AG

Visit of the Supervisory Board of Deutz AG, accompanied by members of the Board of Management, to review the organisation's activities in Spain.



## • HUMAN RIGHTS

Human rights are basic international standards intended to ensure the dignity and equality of all. They are universal, inalienable, and indivisible, and every individual has the right to enjoy them.

In November 2022, DEUTZ published its Human Rights Code, which applies to the people within the organisation as well as to customers, suppliers, and other stakeholders. The aim of this code is to ensure that human rights are always upheld without exception and, both in terms of the company's own operations and professional relationships, and in terms of the indirect impact of its activity.



## • MANAGEMENT SYSTEM

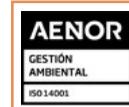
DEUTZ SPAIN develops its strategies based on its integrated management system of Quality, Environment, Energy and Health and Safety in the Workplace, and having as a guarantee of legal and ethical compliance, its criminal and anti-bribery compliance management system.



• **ISO 9001:2015**  
Quality Management Systems.



• **IATF 16949:2016**  
Automotive Sector Quality Management System.



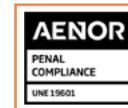
• **ISO 14001:2015**  
Environmental management systems.



• **ISO 45001:2018**  
Energy Management in Health and Safety at the Workplace.



• **ISO 37001:2016**  
Anti-bribery management systems.



• **UNE 19601:2017**  
Quality Management Systems.



• **ISO 50001:2018**  
Energy Management Systems.



• GRI verification of the Sustainability Report



## • RISK MANAGEMENT

Through DEUTZ SPAIN's risk management model, risks are identified at any level which, depending on their criticality, will be escalated to the Risk Committee and even to the DEUTZ Group for treatment.

To establish the criticality of any risk, the level of inherent risk and the level of economic risk, calculated as the impact it may have on the company's results, are addressed separately.

In 2021, a specific committee was set up to monitor the economic risks that could have the greatest impact. This committee issues a monthly report that is included in the monthly closing of the company's results prepared by the financial management.

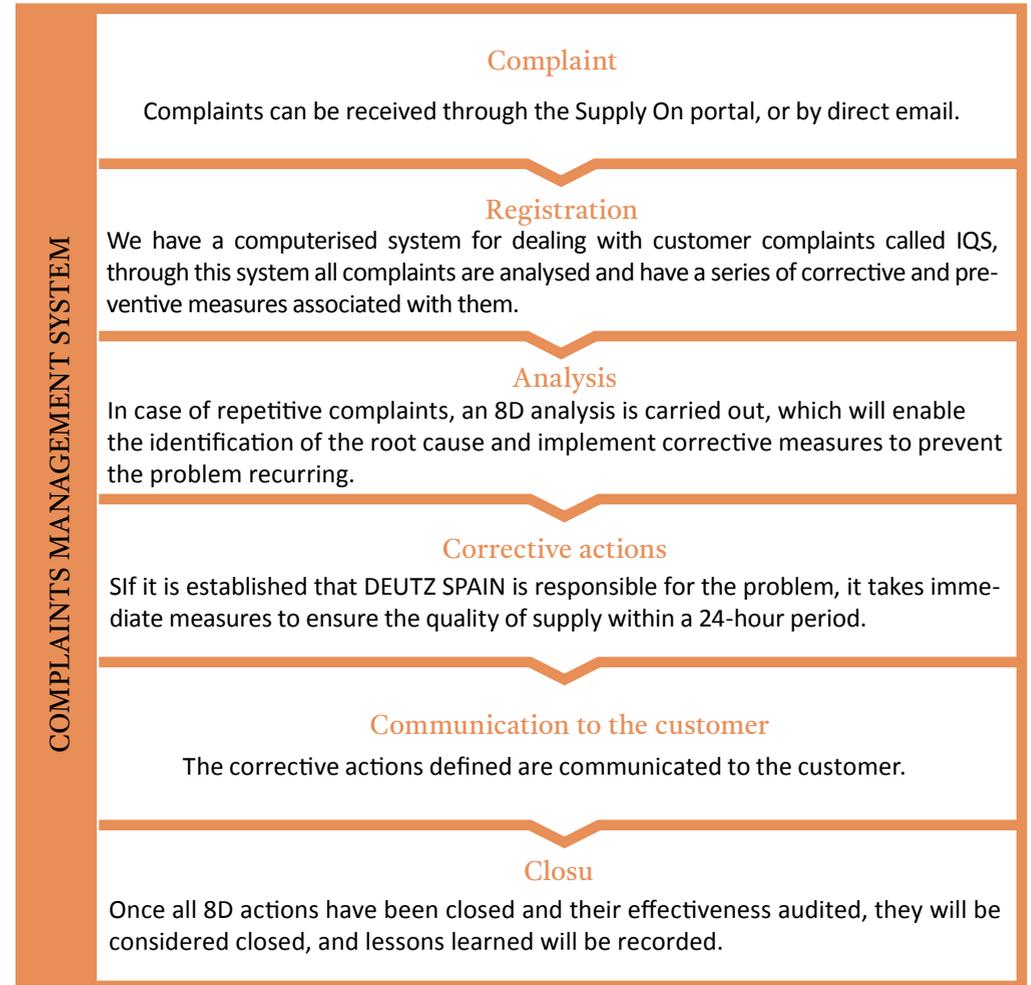
Furthermore, to prevent or minimise any undesired impact on its immediate environment or influence generated by its production processes, DEUTZ SPAIN has implemented the necessary operational controls, which in turn are audited and certified within the scope of the different ISO standards implemented in the company.

Currently, due to the market situation, the main risks are the increase in the cost of energy and raw materials, which has also given rise to an operational risk such as problems in securing supplies from some suppliers. DEUTZ SPAIN is working to mitigate all of them by searching for alternative energy sources and improving its supply chain.



## • COMPLAINT MANAGEMENT

DEUTZ SPAIN has a complaint management system that allows it to provide a rapid solution to its customers and, by identifying the root cause, to establish actions to avoid recurrence.



This complaints system is also present in DEUTZ SPAIN's technical services in Madrid and Barcelona, and no complaints were received in 2022.



*The technical services in Madrid and Barcelona have digitalised the customer satisfaction surveys.*



**C**RISTINA VERGEL IZQUIERDO  
Manufacturing Engineering Manager



**W**hat concepts related to diversity and equal opportunities do you think would be the most relevant to work in the future?

*Cultural transformation through training, at all levels, in terms of equality and diversity is of vital importance. The metal business, very masculinized, requires several changes in the work environment in order to favor inclusion.*

**D**eutz Spain works to be a company that performs proper corporate management and complies with the established legislation; Therefore, what concepts (respect for human rights, fight against corruption, fight against bribery etc.)? do you consider to be the most relevant in the company?

*The development of the compliance process has managed to have a high relevance for Deutz Spain, which is why the fight against bribery and corruption in the workplace are two aspects already implemented in the company's workers.*

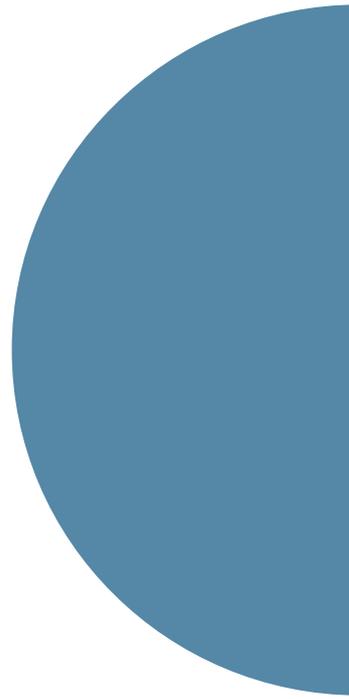
**W**hat corporate values do you think the Deutz brand best conveys?

*Externally, I believe that the social commitment to Zafra and the region are very relevant in the company's actions. If we look at it from the inside, the deployment and developments of the 5T, trust, truth, team, tenacity and transparency are the values that are promoted and for which the DEUTZ A.G group is working hard. I consider Deutz Spain to be an example of tenacity and transparency.*



Years in the company 18 · Member of the equality committee





**QUALITY IN  
PRODUCTION**



## • PRODUCTION PHILOSOPHY

The experience acquired by **DEUTZ SPAIN** in the machining and assembly of engine components for over 70 years has made it the almost exclusive supplier of all cylinder heads, connecting rods and gears and DEUTZ diesel engine blocks manufactured in its plants in Germany.

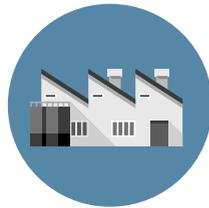
The high qualification of its engineering and production teams makes it capable of adapting and responding quickly to the needs of its customers, being able to manufacture all types of prototypes and series.



### ZAFRA PRODUCTION CENTRE



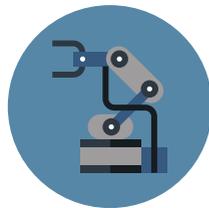
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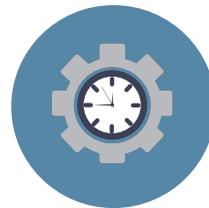
**14.600 m<sup>2</sup>**  
*Production surface*



**532,75**  
*Average Squad 2022*



**508.627**  
*Hours worked per machine (h.m.t.) in 2022*



**15-17**  
*Shifts*



## • PRODUCTS



### ENGINE BLOCKS



**63.207** units/year. Annual capacity.  
**6** Product families.  
**3.300** m<sup>2</sup> Current production surface.  
**84** Workers.



### CYLINDER HEADS



**232.836** units/year. Annual capacity.  
**14** Product families.  
**6.000** m<sup>2</sup> Current production surface.  
**162** Workers.



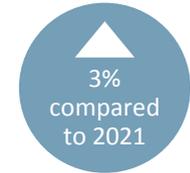
### GEARS



**646.155** units/year. Annual capacity.  
**10** Product families.  
**2.200** m<sup>2</sup> Current production surface.  
**53** Workers.



### CONNECTING RODS



**818.309** units/year. Annual capacity.  
**12** Product families.  
**1.900** m<sup>2</sup> Current production surface.  
**44** Workers.



• PRODUCTION SYSTEMS

Pillars of DEUTZ SPAIN's technological competence

- Knowledge of the motor and its components
- Control and standardisation of manufacturing processes
- Technological level and flexibility of the facilities
- Agreements with machining technology partners

DEUTZ SPAIN has implemented **Lean Manufacturing** methodology through the **Deutz Production System (DPS)**, with the purpose of guaranteeing "Just in Time" customer demand, minimising production Lead Time and optimising the "value added chain" for the customer.



The **DEUTZ SPAIN** Production System (DPS) is based on the philosophy of Continuous Improvement applied through a structure made up of Autonomous Production Units (APUs) to which the following necessary resources are applied to react quickly and self-sufficiently to deviations from the objectives set. The general objectives are deployed using each one of their APUs so that they align with and are communicated to all employees.

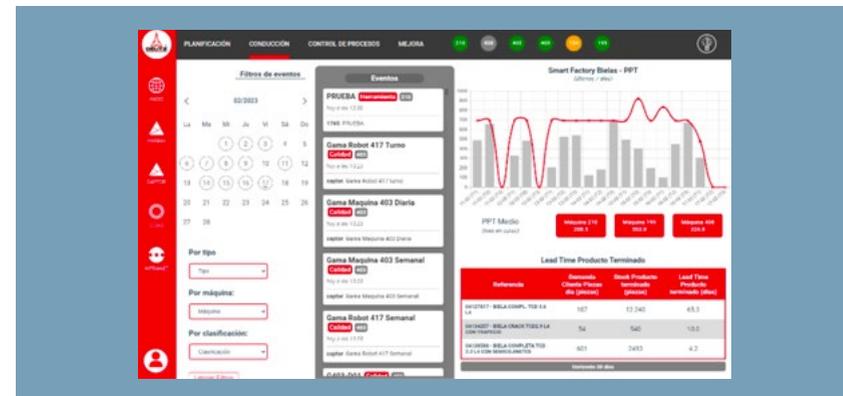
• TECHNOLOGY: INDUSTRY 4.0

The Smart Factory concept is already part of the **DEUTZ SPAIN** philosophy. Since 2015 when the organisation implemented this Connected Industry 4.0, improvements have been introduced in all processes through pilot projects that through real tests have enabled the exploration of the possibilities offered by this technology. During 2022, its development has been continued as it is considered one of the pillars of the competitiveness of the company's products.

T4G Industrialisation - C.I.A. Project.

During 2022, the first Self-Managed Smart Cell was deployed on the 2.9/3.6 Connecting Rods line, achieving the following milestones:

- AI Machine Learning algorithms to detect operating anomalies in critical machinery.
- CIA terminal that allows the operator to visualise the information they need from different systems.
- Communication between line staff and supervisors.
- Analysis of problems on the line.
- Integration with ERP for rejection reporting.



## New DEUTZ - John Deere engine

During 2022, B-sample prototypes of blocks, cylinder heads, connecting rods and gears for the new low horsepower engine being developed by Deutz in collaboration with John Deere were designed, developed, and manufactured.

Deutz Spain has been involved with the simultaneous engineering team in the design of the components from a manufacturing feasibility point of view. In addition to the entire development of the manufacturing processes for B samples and the execution of this first production.



*The fact that John Deere chose Deutz as a partner for this engine project underlines our strong position in off-road applications*

Frank Hiller, CEO of Deutz



## • 2023 GOALS

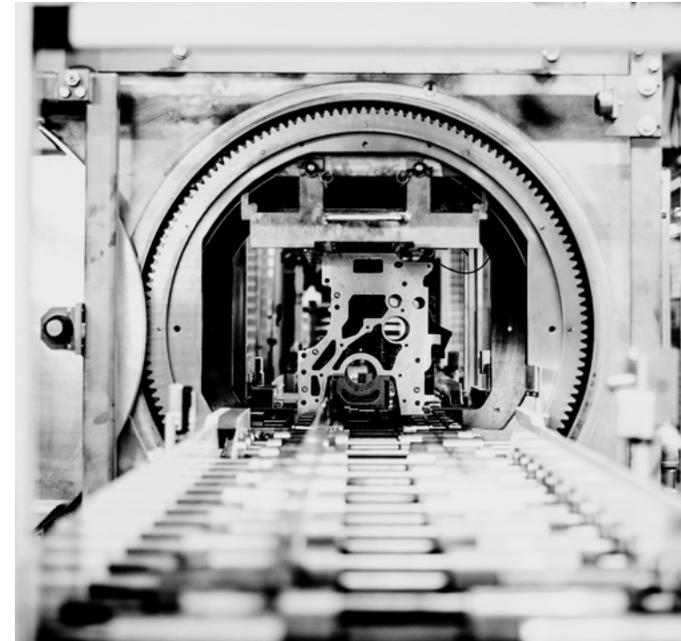
*Securing an increase in volume in international area.*

*Energy cost savings > €2M compared to 2022.*

*Higher degree of automation and digitisation for prismatic parts.*

*Strategic orientation of the 4P programme and 5T leadership.*

*New engine developments.*





*Communication is an employee's right and management's obligation; we respect difference and are enriched by diversity, defending equality regardless of gender, race, religion or sexual orientation; we achieve objectives by meeting the requirements defined for our products, services and processes, making decisions based on responsibility and trust in our employees and their skills as the basis for our success.*

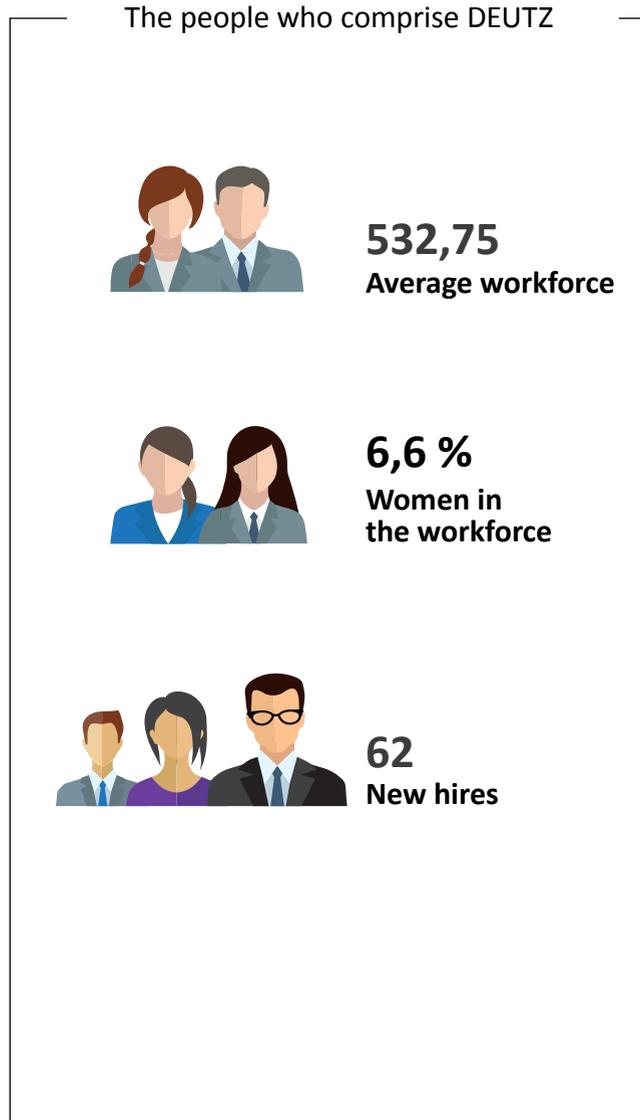


**PEOPLE, THE MOTOR  
BHIND DEUTZ SPAIN**



## • HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

Aware that the people who make up the organisation are its main value, **DEUTZ SPAIN** focuses on improving the professional development and qualification of its employees. Based on the organisation's commitments to its employees, policies and measures are implemented to improve safety at work, equal opportunities and treatment for all women and men, personal development, active listening and work-life balance.



### MISSION

To guarantee human resource management based on the principles of Respect, Communication, Trust, Development, Success, Objectives, Decisions, Feedback, Innovation, Responsibility and Quality.

### VISION

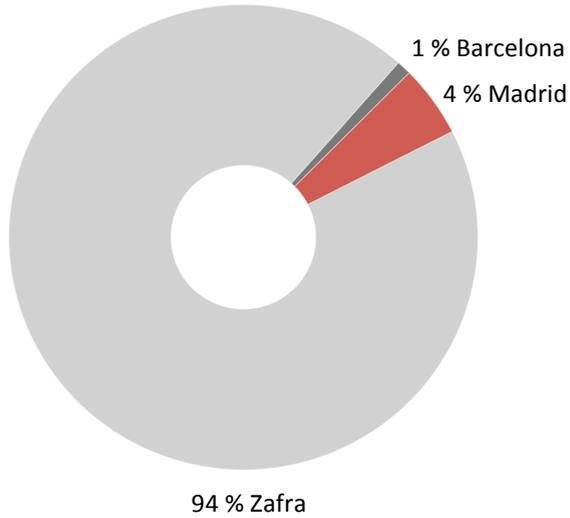
Based on the values and principles of DEUTZ SPAIN, to contribute, as a strategic asset of the organization, to the implementation of the business strategy, enhancing the value of people and contributing sustainability to the growth process.

### VALUES

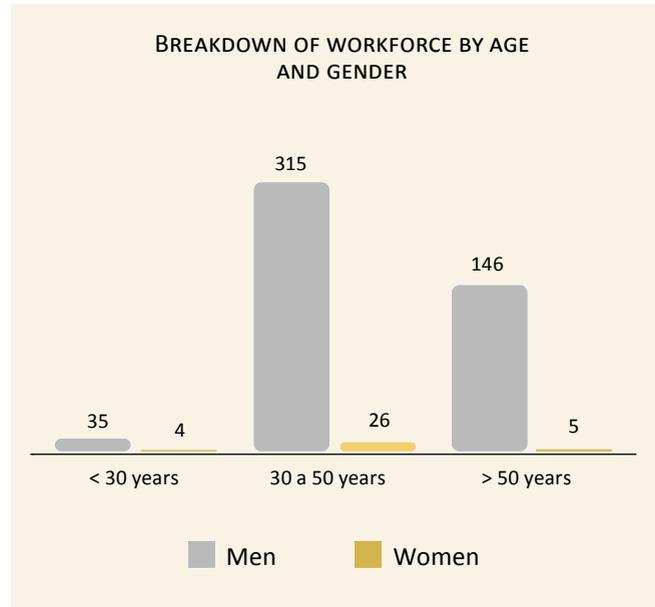
- **QUALITY**
- **RESPONSIBILITY**
- **SUCCESS**
- **COMMUNICATION**
- **TRUST**
- **DECISIONS**
- **INNOVATION**
- **OBJECTIVES**
- **RESPECT**
- **PERSONAL DEVELOPMENT**



BREAKDOWN OF WORKFORCE BY WORK CENTRE



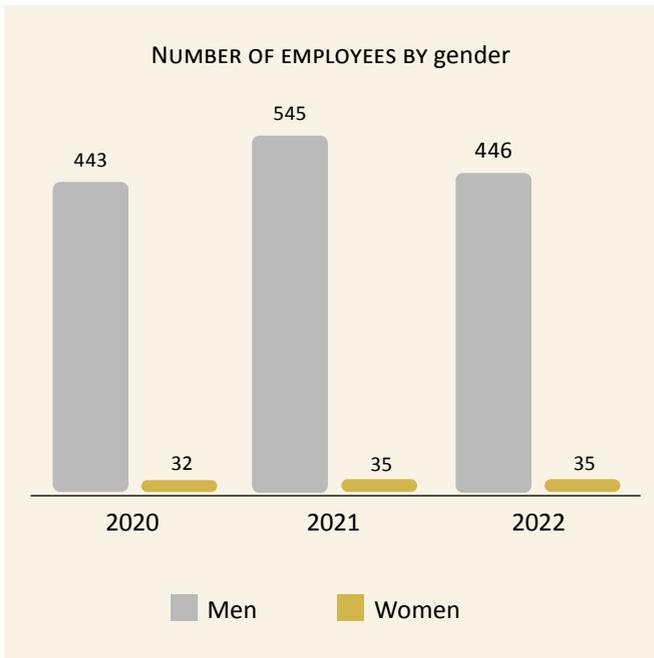
BREAKDOWN OF WORKFORCE BY AGE AND GENDER



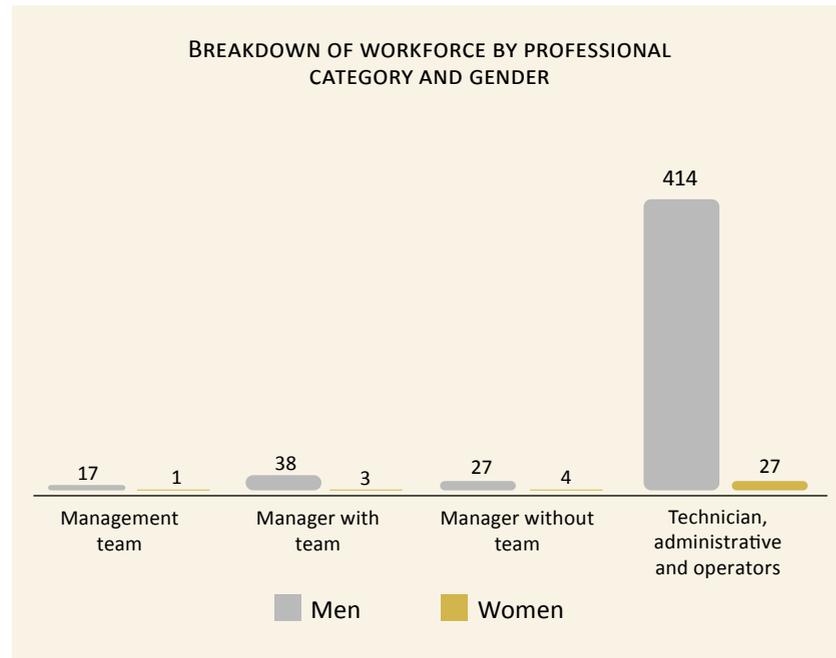
BREAKDOWN OF WORKFORCE BY MODALITY OF CONTRACT AND GENDER



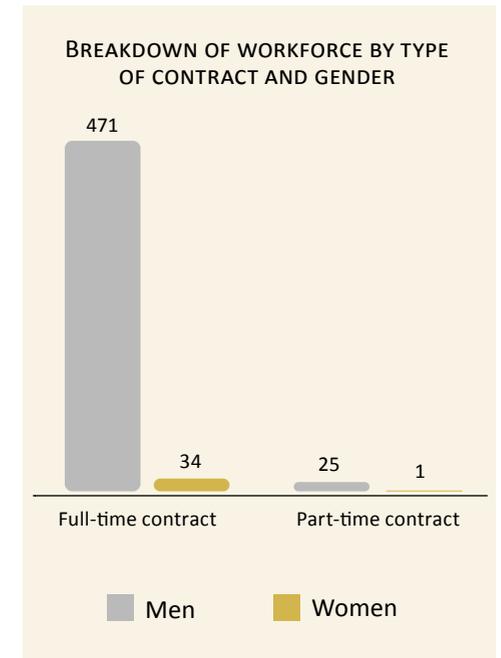
NUMBER OF EMPLOYEES BY gender



BREAKDOWN OF WORKFORCE BY PROFESSIONAL CATEGORY AND GENDER

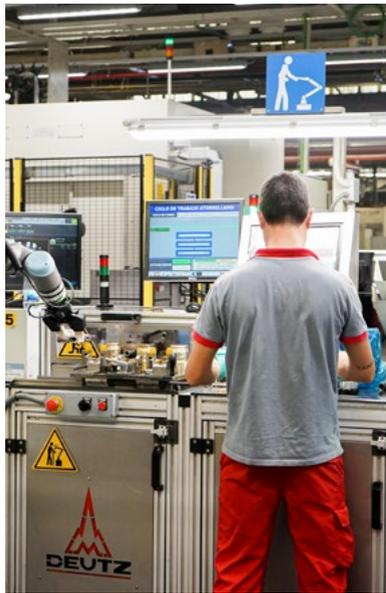


BREAKDOWN OF WORKFORCE BY TYPE OF CONTRACT AND GENDER



In recent years, DEUTZ SPAIN has based its people management on three main pillars: **commitment, training** and **communication**. As a result, the organisation has a stable and experienced workforce, which enables it to look to the future secure in the knowledge of being able to meet any major challenges that arise.

**58%** Workers with more than 10 years of experience in the company



MEN	WOMEN
<b>3,4%</b> Turnover rate	<b>5,7%</b> Turnover rate
<b>54</b> Recruited in 2022	<b>8</b> Recruited in 2022
<b>45</b> Years old male average	<b>40</b> Years old female average
<b>86,7%</b> Permanent contracts	<b>82,9%</b> Permanent contracts
<b>95,0%</b> Men with full-time contracts	<b>97,1%</b> Women on full-time contracts

## • COMMITMENT

Mutual commitment is the basis of the relationship between DEUTZ SPAIN and the people who work in the organisation. Proof of this is the stability of the workforce, with 58% of employees having been with the company for more than 10 years. People management is approached on the basis of equal opportunities, work-life balance, recognition and motivation.

**25**

**New full-time permanent operator contracts during 2022**

### Balancing of work and personal life

During 2022 new work-life balance measures were implemented to improve the balance between work and personal life.

*Discount on fees for nursery and primary schools.*

*Measurement of tumour indicators in medical examinations.*

*Discounts for dental treatment.*

*Improvements in public transport.*

*Partial retirees exempted from making up work time\*.*

*Over 58s exempted from night shift.*

*Photo set for newborns.*

*Extension of opening hours for workers.*

\*If there are health reasons for the worker or their immediate family members.

**48**

**Scholarships for workers' children in 2022**



These new measures have reinforced other existing reconciliation measures:

 <i>Scholarship for children</i>	 <i>Fitness centre discounts for employees and their immediate family members</i>	 <i>15% Discount on dental treatments</i>	 <i>Discount on health insurance, including spouse and children</i>	 <i>Congratulatory basket for birth of children</i>
 <i>Voucher re-deemable at a bakery as a birthday present</i>	 <i>Christmas hamper</i>	 <i>Agreements with financial institutions</i>	 <i>Support in the processes of occupational disability</i>	 <i>Shuttle service</i>
 <i>Laundry service</i>	 <i>Hours bank</i>	 <i>Extra vacation days for seniority in the company</i>	 <i>Family support: paid leave and bonuses</i>	 <i>Family visit on last day before retirement</i>

### 40th anniversary event

Deutz Spain held a ceremony in the Aula Magna of DEUTZ BUSINESS SCHOOL to recognise 22 DEUTZ SPAIN employees for their 40 years of service to the company, which was attended by representatives of the management and the works council, as well as the employees' families.



## Equal opportunities

Equal opportunity is a reality in DEUTZ SPAIN and is part of its business ethics. The people who are selected have been selected without any distinction, with objective and transparent criteria. And with the aim of increasing the presence of women in its workforce, their incorporation, on equal terms, is favoured.

In 2022, **DEUTZ SPAIN** adhered, following the path of the Deutz Group, to the Diversity Charter, a European charter of principles signed voluntarily and free of charge by companies and organisations to show their commitment to diversity and inclusion in the workplace. "Diversity" refers to the variety and differences which exist among people, such as ethnicity and nationality, physical and mental abilities, gender and gender identity, religion and beliefs, social background and age.

<b>Pillars that ensure equal opportunities</b>	<b>Equal access to employment and recruitment</b>
	<ul style="list-style-type: none"> <li>• Transparent selection process in which qualifications and experience are valued.</li> </ul>
	<b>Continuous training</b>
	<ul style="list-style-type: none"> <li>• All DEUTZ SPAIN employees have access to tools for professional development.</li> <li>• Through internal selection processes, the degree of qualification obtained is linked to a professional category that is automatically accessed when a temporary minimum is met at the company.</li> </ul>
	<b>Balancing of work and personal life</b>
	<ul style="list-style-type: none"> <li>• Implementation of work-life balance measures that facilitate the compatibility of personal and professional life, and that favour professional development regardless of the gender or personal situation of each employee.</li> </ul>
	<b>Equal pay</b>
	<ul style="list-style-type: none"> <li>• DEUTZ SPAIN has continued with the salary equity analysis that firstly compares salaries with comparable functions in the market (external equity) and, on the other hand, analyses that people carrying out the same function with similar performance evaluations are remunerated in a comparable way in the organisation (internal equity).</li> </ul>

In addition, there is a protocol for the prevention of and intervention against sexual harassment and gender-based harassment.

### Equality plan

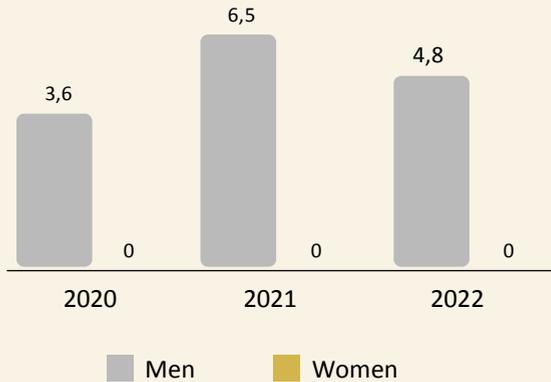
In order to draw up the Second Equality Plan for DEUTZ SPAIN, the Equality Negotiating Committee was formed in 2021. It comprises seven members of the works council and seven members of the organisation, with representation from the Zafra, Madrid and Barcelona work centres, and from the majority unions.

Since then, work has been carried out to draw up the equality diagnosis, which was approved at the end of 2022. This diagnosis led to the new Equality Plan, which is expected to be approved and registered during 2023.



## • HEALTH AND SAFETY AT WORK

ACCIDENT FREQUENCY RATE



**DEUTZ SPAIN** assumes as one of its fundamental principles to guarantee the safety and well-being of all its employees.

As a new measure aimed at looking after the health of **DEUTZ SPAIN** employees, from 2022 onwards, medical check-ups will include the measurement of tumour indicators for the early detection of prostate and breast cancer.

During 2022, the Self-Protection Plan was reviewed and the corresponding training has been carried out for the different emergency teams.

↓  
**26%**

**Accidents per million hours during 2022.**

### Engine test and running-in bench

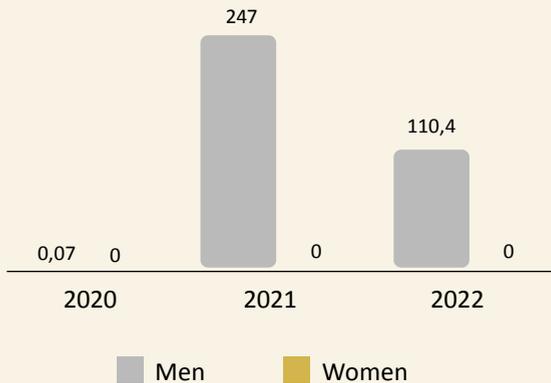
DEUTZ inaugurated its new engine running-in and test bench at the Service Center in Madrid in May 2022. A project on which the company has been working for the last five years, designed to offer customers the utmost guarantee and safety.

Safety and noise minimisation is one of the aspects DEUTZ has focused on. In addition to being portable, this bench allows testing to be carried out without the need to be near the engine.

Deutz's objective with this bench is to service an engine on a daily basis. Although each test requires adaptation and preparation of the circuit and the benches, its design allows this process to be carried out quickly.



ACCIDENT SEVERITY RATE



4



## • TALENT MANAGEMENT

### Training

DEUTZ SPAIN has made a firm commitment to training and especially to Dual Vocational Training, of which the organization was a pioneer. In 2022, 18,152 training hours were delivered, 124% more than in 2021.

Amongst the courses carried out, those related to LEAN methodologies and English stand out, both fundamental subjects for the development of people within the organisation.

**34,18** training hours /employee during 2022

**35,5%** ↑ workers in English classes during 2022

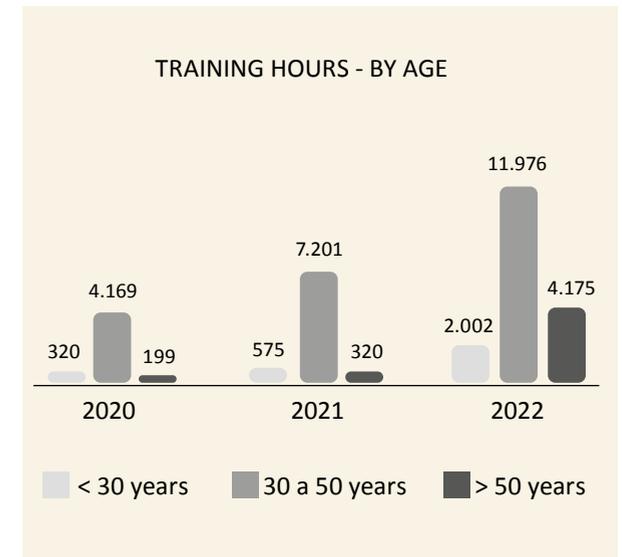
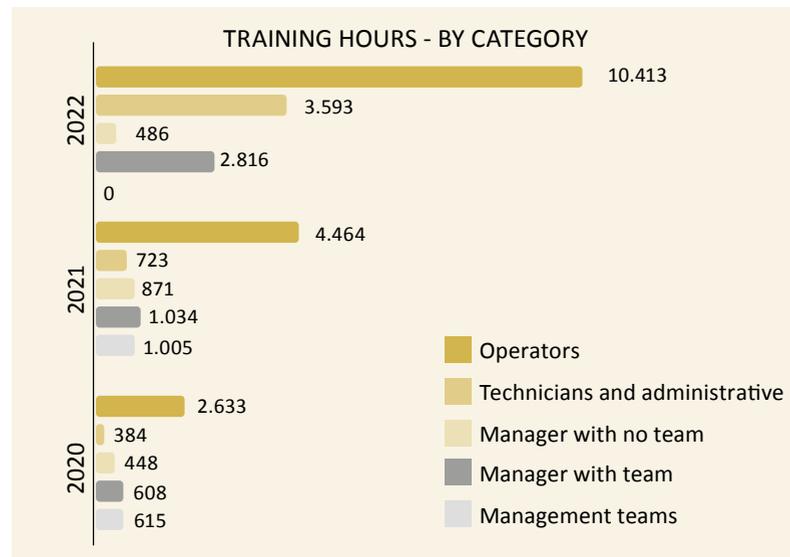
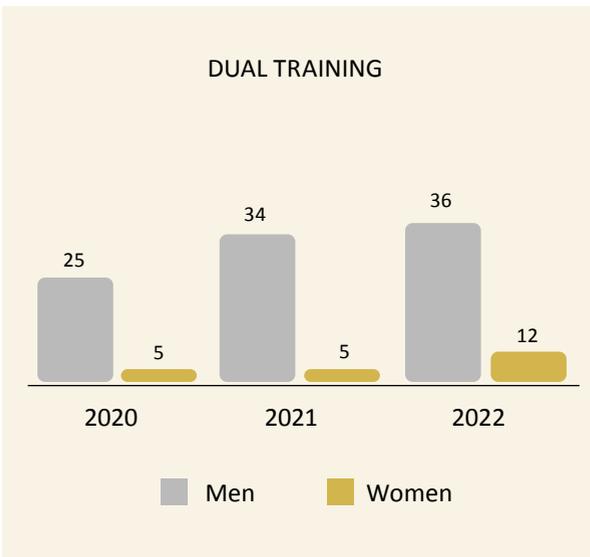
Also in 2022, the number of Dual Vocational Training students who carry out their studies and internships at DEUTZ SPAIN facilities rose by 23%. The increase in female participation is noteworthy, having gone from 5 female students in 2021 to 12 in 2022, an increase of 140%



**12** Dual VT students in 2022



**More than 18,000** training hours during 2022



## Performance evaluation

The skills of the organisation's employees are periodically evaluated in order to analyse their knowledge and abilities, and to identify areas for improvement that are strengthened through training and development actions.

*Any worker can define their own professional development path and DEUTZ SPAIN puts the means and resources to do so at their disposal*

- Through self-evaluation.

- Allows the identification of deficiencies in training or skills and thus guides the person to skills training courses that may be suitable for them.

Reviewable self- assessment in the interview with the line- manager depending on the different profiles:

1. Administrative Technician.
2. Manager with no team.
3. Manager with team.
4. Management.



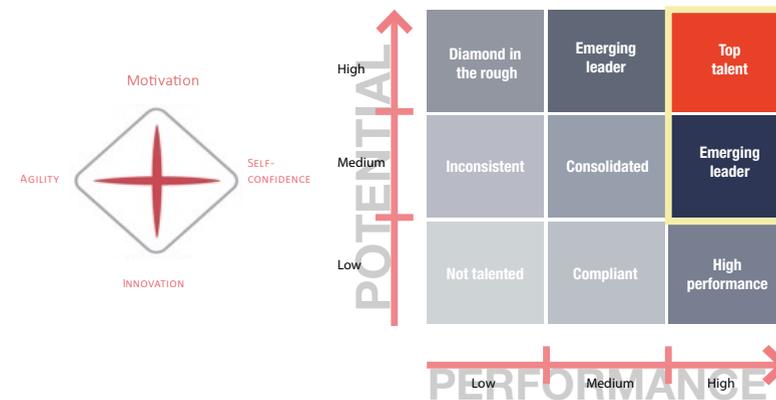
Performance evaluation ends with the determination of training measures that should help to improve each person's.

- The evaluator identifies strengths and weaknesses of the person being evaluated.

- Personal success factors are also evaluated: "Self-confidence, self-development, self-control, optimism, perseverance and change orientation".

### Matrix for the identification of potential

On a biannual basis, DEUTZ SPAIN identifies people with high potential and carries out an assessment in an external centre to evaluate their possible performance in a profile with a higher skill level and thus corroborate the evaluation of potential made by their manager. Individuals with high potential are proposed for a 3-year degree plan.



## • COMMUNICATION

At **DEUTZ SPAIN** communication is a tool aimed at strengthening the links between people and the company. With two-way operation, DEUTZ has established channels and mechanisms accessible to all people linked to the organisation so that they can express their opinions, proposals and suggestions.

For this reason, in 2022, communication actions were strengthened and increased as a measure to improve the engagement and recognition of the workforce.

*DEUTZ SPAIN is committed to a communication model built on transparency and active listening. The communication plan pursues this objective by establishing itself as a basic pillar, an open and people-oriented management model as a strategic value of the company.*

### Communication channels



**My DEUTZ Magazine**  
Published worldwide for all employees of the group.

**Intranet**  
Used as a two-way communication channel.



**Personal meeting with People Management**  
All employees have an annual meeting with the People Management Department.

**Engagement survey**  
As a result of this survey, action plans are drawn up to improve the most significant weaknesses.



**DEUTZ Mobile App**  
Real time information on the main news happening in DEUTZ SPAIN.

**Direct communication**  
Information sessions and briefings.



### Participation

DEUTZ SPAIN encourages the participation of its employees in the incorporation of improvements in their own work and in the organisation in general. Workers make proposals that are studied and which may end up with an award from managers in Production and People Management.



247

Proposals received during 2022, of which 92 have been implemented.

10

Individuals were awarded for submitting more than 5 ideas on their continuous improvement panels.

4

### • 2023 GOALS

To be carried out on an engagement slope.

Performance evaluation.

Deployment of the training plan.

New HR strategic plan.

Definition and deployment of HR processes.



**M**ANUEL JURADO MELLADO  
Groups Manager SIFU Extremadura

“

**A**s a collaborator of Deutz Spain as a special employment center, what aspects of improvement do you consider would be the most relevant to work in the future?

*We must continue on the path of what has been achieved so far in these years of joint work, since the beginning of our collaboration as a provider of auxiliary services and cleaning: reinforcing the integration of work teams, collaborating and growing with a joint approach. We must advance even more in the involvement of teams and people as a way to obtain the best results, living up to the expectations and standards of both Deutz Spain and the SIFU Group. The involvement and satisfaction shown by the workers of Grupo SIFU, both factory and building cleaning and logistics, testifies that we are on the right track.*

**W**hat concepts (transparency, reliability, integrity, collaboration, trust, etc.) do you think would improve the relationship that Deutz Spain maintains with its suppliers?

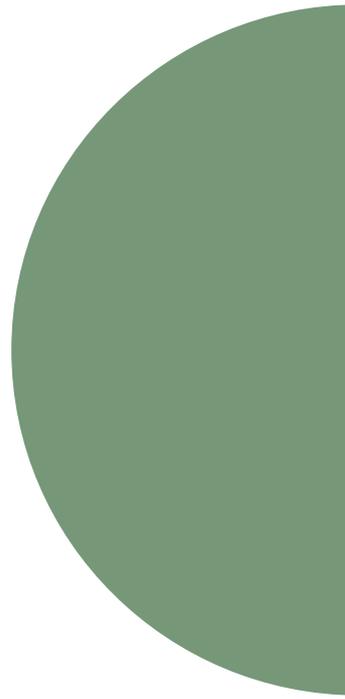
*The relationship between both companies is very good and is based on absolute trust, which goes beyond the simple customer-supplier. It is an open, frank relationship, and that bets that the involvement in the shared project, for the objectives set both on a business and human scale. Fundamental aspects of day-to-day life with any service provider such as SIFU Group, specifically with regard to training, innovation, coordination... And, in short, I work with a common goal, in the same direction, they are the tonic. The integration of SIFU Group workers with the rest of the workforce is a reality, and this contributes to effective labor and personal inclusion.*

**W**hat corporate values do you think the Deutz brand best conveys?

*In the first place, the real and sustained effort for labor inclusion and, therefore, the improvement of the lives of people with disabilities and their families. The company is very clear about the importance of inte-*

*gration in all aspects and is committed to it in its processes, and the best example is the collaboration that the German company has maintained with Grupo SIFU since the beginning of 2018. Another important aspect of Deutz Spain is its commitment to the territory, to the local society, in this case of Zafra, to which it contributes, in addition to about five hundred direct jobs and many indirect jobs, a labor and human fabric that allows to structure the territory in a region in which unemployment is one of its main problems. Finally, at the business level, another of its fundamental characteristics is its commitment to training, as evidenced by its own business school, as well as innovation and the evolution and improvement of its processes. Deutz is an experienced multinational that never stops devising new processes and looking for aspects of improvement to remain competitive.*





**INNOVATION AND EFFICIENCY  
FOR THE ENVIRONMENT**



• ENVIRONMENTAL MANAGEMENT

**DEUTZ SPAIN**, within its code of business ethics, outlines and develops objectives and standards that reflect the obligation to act responsibly, ethically and in accordance with the law. This Code of Business Conduct is addressed to all areas of the company (including the environment) and to all participating companies (with a stake of more than 50%) in **DEUTZ AG**.

**DEUTZ SPAIN's** commitment to sustainable development is materialised in tangible actions, among them:

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- Minimisation of environmental impacts.



- Development and monitoring of Waste Minimisation and Energy Efficiency Plans.



- Establishment of atmospheric emissions objectives.



- Environmental liability insurance up to €1,000,000 for damage inside and outside the premises.



*With regards future generations we take our responsibility for the environment very seriously.*

The most significant projects and investments undertaken in 2022 were as follows:



The resources dedicated to the organisation's environmental management are summarised as follows:

Management of hazardous	50.571,49 €
Measurements of pollutant emissions	4.030 €
Discharge measurements	2.635 €
Energy management system	12.435 €
Dedicated staff	3 specialists

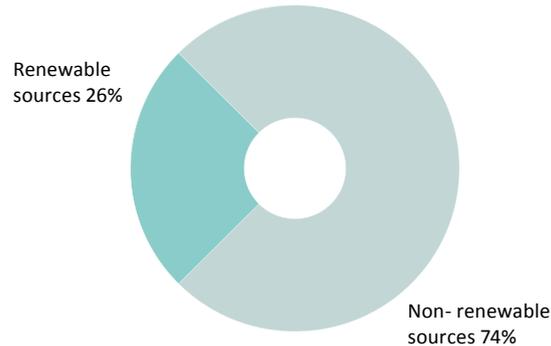
**Agreement with Loyola University**

An agreement has been reached with Loyola University to investigate the potential development of a pilot plant to use surplus photovoltaic energy to generate green hydrogen, which can be converted into electricity during periods without solar power, using a generator set powered by a Deutz H2 engine.



## ENERGY

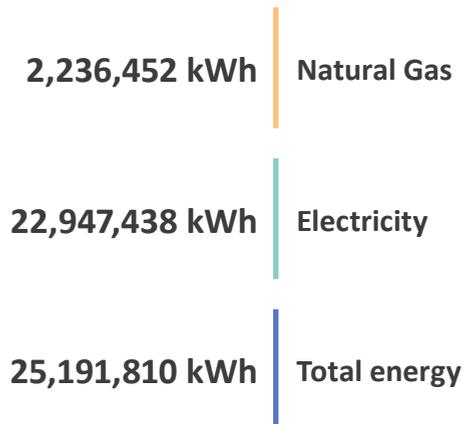
Electricity consumption by source (kWh)



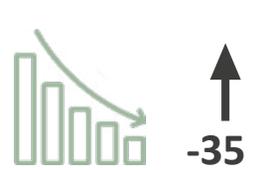
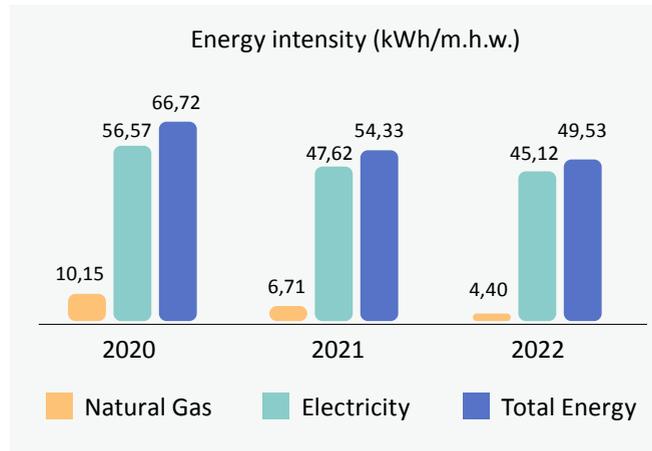
**DEUTZ SPAIN** controls its energy consumption through its environmental and energy management system, in accordance with **ISO 14001:2015** and **ISO 50001:2018** standards.

During 2022, the optimisation of the management of compressed air generation equipment achieved a reduction of 5% compared to the previous year. In the case of cold air for air conditioning, the reduction reached 17% in the summer months.

### Energy consumption in 2022



Energy intensity (kWh/m.h.w.)



reduction in energy intensity compared to 2020

26.7% of the plant's electricity consumption comes from renewable sources, an improvement of 1.44% over the previous year. DEUTZ SPAIN executed a 3.2 MWh photovoltaic installation project that was commissioned in November 2022.

Aware that renewable and CO2 neutral energy is the future for companies, DEUTZ SPAIN intends to define the project of a second phase of self-supply by using solar energy in 2024 that can supply up to 30% of the plant's electrical energy demand.

Furthermore, in 2022, a power purchase agreement was signed with GDO which means that 100% of the energy consumed by the Zafra plant in the coming years will come from renewable sources;



*In 2023, a new solar plant with a production capacity of more than 3.2 MWh/year will be installed, which will enable the production of up to 90% of the energy required for the production plant from 2024 onwards.*

### Partnership with TotalEnergies

**Deutz Spain** partners with **TotalEnergies** to provide **renewable energy** to its Zafra plant:

- The two companies have signed a long-term renewable power purchase agreement (PPA) that will allow the establishment of a solar photovoltaic plant with an installed capacity of **3.3 MW**.
- The solar plant will have more than 6,000 photovoltaic panels covering 90% of the electricity consumption of the Deutz factory's first production shift.
- The reduction in CO2 emissions will amount to approximately **1,400 tonnes per year**.



• **RAW MATERIALS**

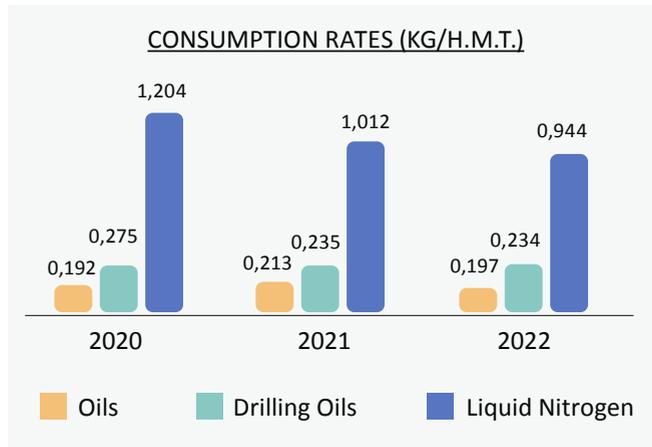
Oils	Drilling Oils Liquid	Nitrogen
Methanol	Adhesives	Antioxidants
Detergents VCI	Paper	A3/A4 sheet type paper

The main materials consumed at the Zafra production plant are oils, cutting oils and liquid nitrogen. To this must be added the consumption of paper, a product that is not directly involved in the production process, but which is necessary for support activities.

5

The company's integrated management system monitors these products in order to control and minimise their consumption.

Thanks to the measures implemented, reductions in some of the raw materials have been achieved.



↓  
**7 %**

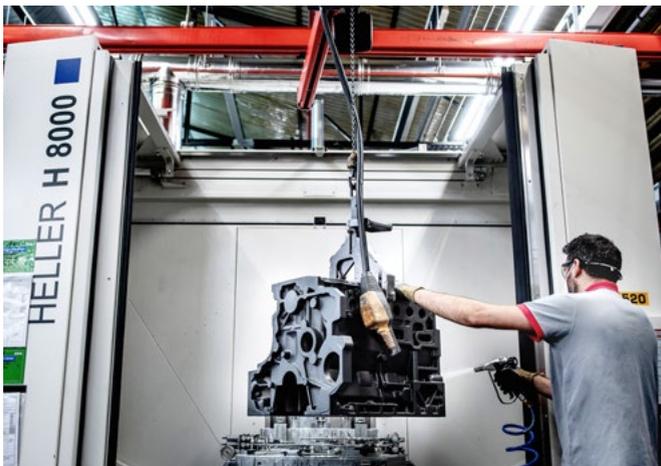
**reduction in liquid nitrogen consumption by machine hours compared to 2021**

↓  
**15 %**

**reduction in the consumption of Coolant as per machine hours since 2020**

↓  
**8 %**

**reduction in oil consumption by machine hours compared to 2021**



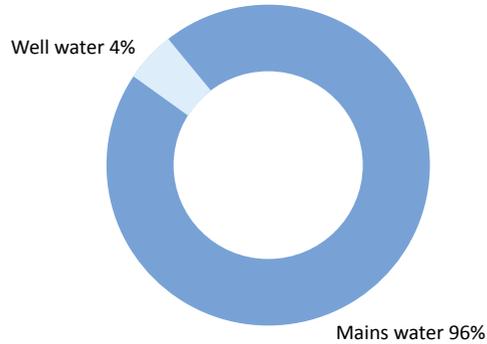
**Less paper, better management**

Already in 2021, a significant reduction in paper consumption was achieved by changing the audit process to the ISOTools Radar platform. During 2022, the progressive implementation of the tool has continued, achieving a 19% decrease in consumption compared to 2021. It is estimated that when the implementation reaches 100%, the reduction in paper consumption will be 95%.



## • WATER

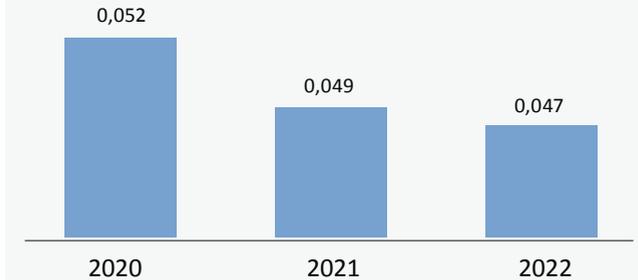
WATER CONSUMPTION BY SOURCES



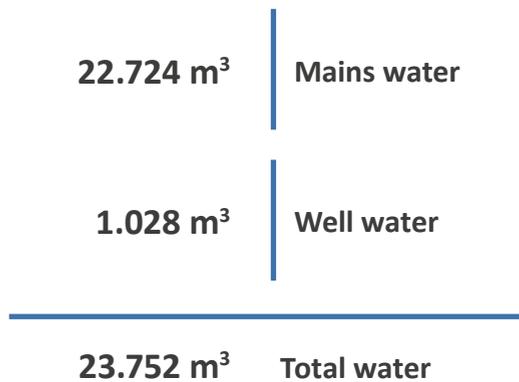
By implementing new technologies, the organisation seeks to reduce water consumption through water reuse. For this reason, DEUTZ SPAIN has established as standard the cooling of its production processes by means of water-water technology through cooling towers. This is an environmentally friendly technology, as 95% of the water used in a tower is reused and the energy required for operation is less than that of air-cooled equipment.

In the course of 2022, a cooling tower for production processes and another for the installation of the water-cooled chiller will be installed.

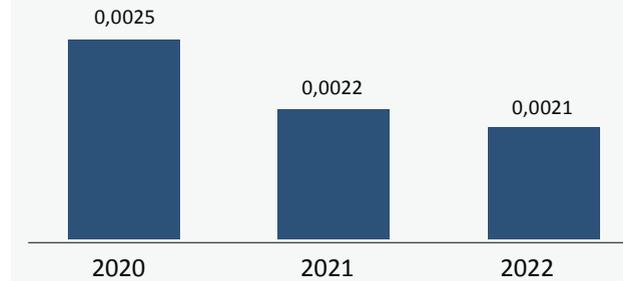
TOTAL WATER CONSUMPTION (M3 / H.M.T.)



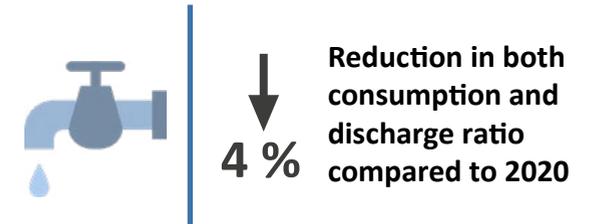
Water consumption in 2022



TOTAL WASTE-WATER DISCHARGE (M3/H.M.T.)



*Water from production goes through the different necessary treatment mechanisms before being returned to the network*

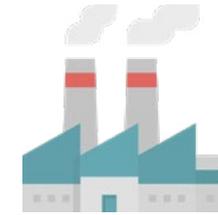


## • EMISSIONS

DEUTZ SPAIN has managed to reduce its CO2 emissions by 31% since 2020. Thanks to the application of emissions prevention and reduction measures.

In 2022, a major change was made to the cold generation facilities for air conditioning, replacing two technically obsolete and less efficient machines for a water-cooled chiller.

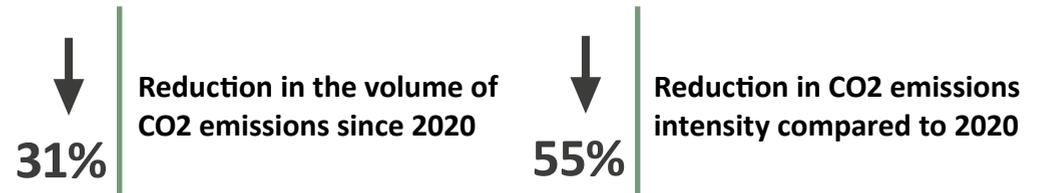
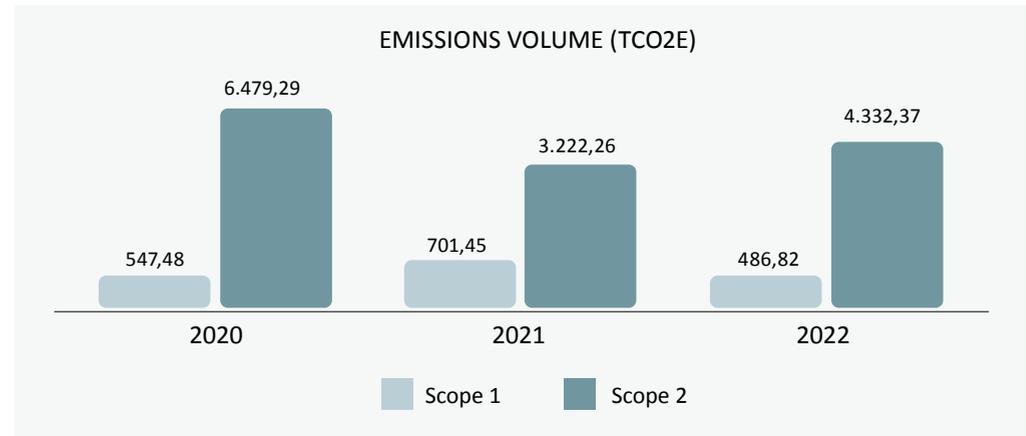
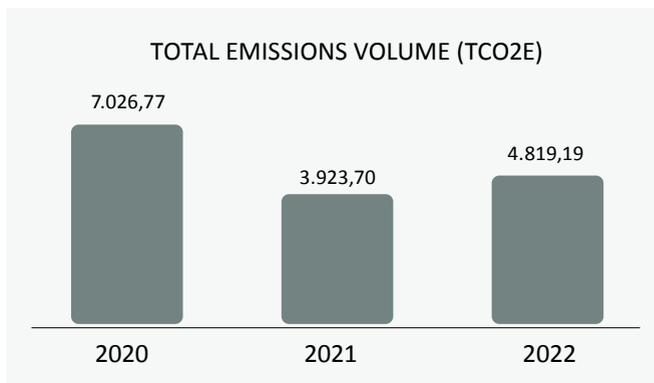
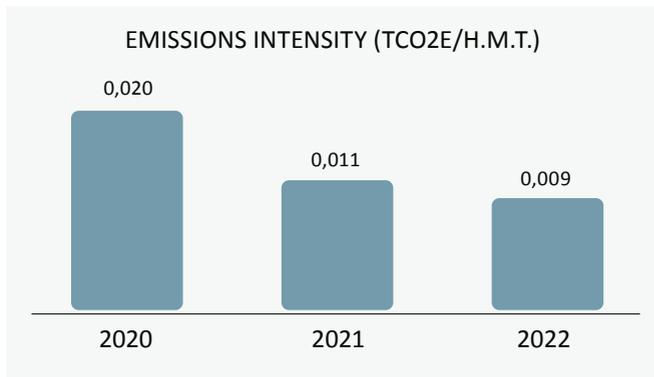
DEUTZ SPAIN's policy with regard to carbon emissions is to apply measures to prevent and reduce them, understanding that efforts should focus primarily on avoiding emissions in generation rather than on remedying them. In 2022, a major change was made to the cooling installations for air conditioning, replacing two obsolete machines which performed poorly (SEER=2) with a water-cooled chiller with a SEER=8.



*DEUTZ SPAIN set a target for 2022 of reducing its CO2 emissions due to electricity and natural gas consumption by 1.5%.*

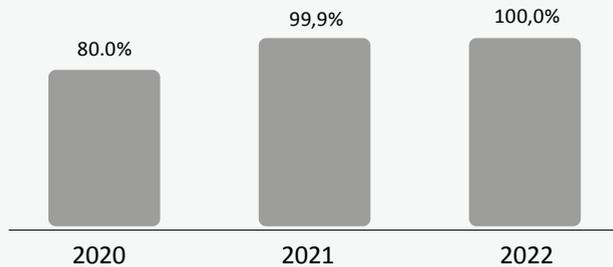
5

During 2022, the organisation began the process to verify its carbon footprint calculation, which is scheduled for completion in 2023.



## • WASTE

RECYCLED OR RECOVERED HAZARDOUS WASTE (%)



Each year DEUTZ SPAIN has improved its waste management, for which, in addition to applying the best technologies, it raises awareness and trains all the people in the organisation. As a result, 100% of the hazardous waste generated is recycled or reused.



### Committed to the Circular Economy

Most hazardous waste corresponds to the generation of water with hydrocarbons. Within the policy of addressing improvements related to this waste, in 2022, the study of projects for the recovery of water from washing machines by means of an ultra-filtration process, with the aim of preventing this volume of water from passing through the treatment plant and being reused in the cooling towers that support the production processes.

### Waste generation in 2022

270,4 t

Hazardous waste

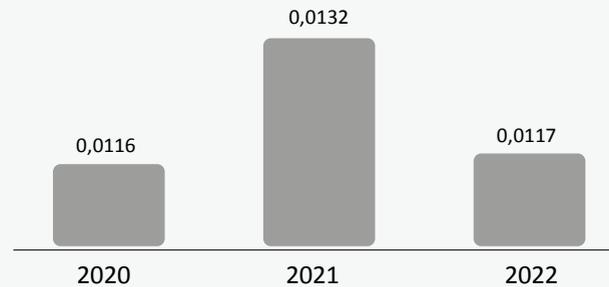
5.956 t

Non-Hazardous Waste

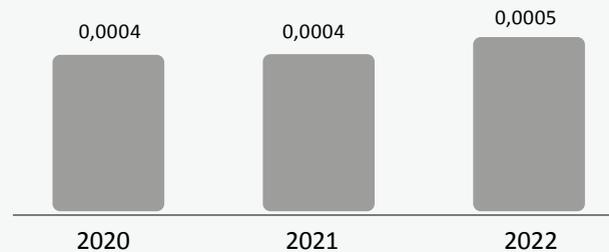
100%

Recycled or recovered hazardous waste (%)

NHW GENERATION RATIO (t/h.m.t.)



HW GENERATION RATIO (t/h.m.t.)



## • 2023 GOALS

*Reduction of energy consumption by 2% in 2023.*

*100% consumption of energy from renewable sources (100% energy from guaranteed renewable sources - GDO)*

*First comprehensive carbon footprint measurement report scope 2.*

*Reuse of 25% of spent water from washing processes.*

5



## MARÍA FERNANDA SÁNCHEZ CONDADO

Founder - President ONG Zafra Solidaria



**D**eutz Spain, is a socially committed company; Do you think you should carry out any other donation, or activity, different from those made?

*Deutz Spain, collaborates with Zafra Solidaria and has already done so several times for which we are very grateful. Yes, we would like this great company to become a member of the soup kitchen, making the contribution that you consider once a year. The partners give us the security of knowing with the money we have for the multiple expenses we have, especially in food.*

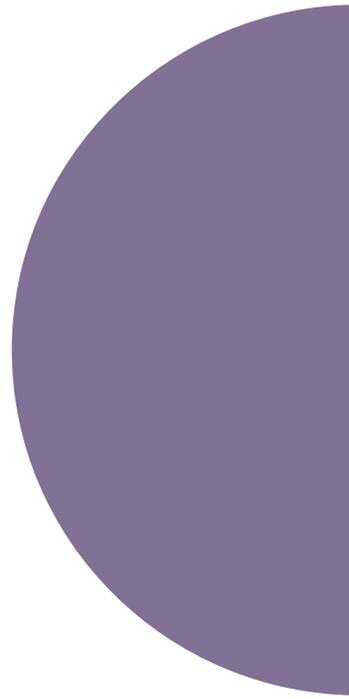
**W**hat corporate values do you think the Deutz brand best conveys?

*Professionalism / Training - Education / Companionship / Responsibility / Social commitment / Quality / Accessibility / Teamwork / Innovation.*

**W**hat role do you think the company Deutz Spain plays in a social environment such as Extremadura?

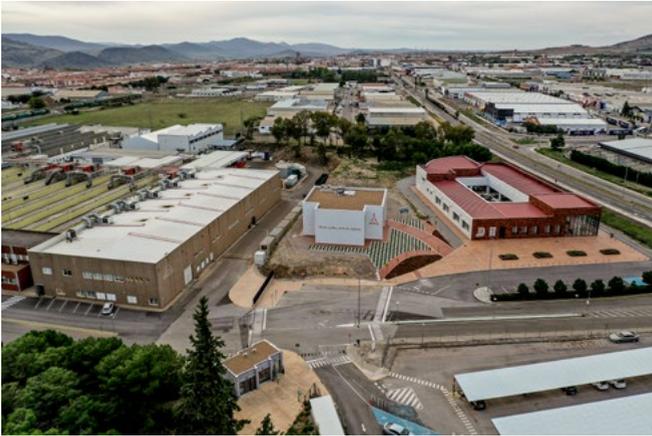
*Industrial development / Job creation / Vanguard.  
Wealth for Extremadura since its plant in Zafra, is one of the most important factories, being the first Extremaduran company in number of employees and salaries.*





# **LOCAL COMMUNITY DEVELOPMENT**





DEUTZ SPAIN's commitment to the local community is deployed in two main areas: training and employability, and support of vulnerable groups.

The almost 1,800 students and the numerous visits made to the Deutz Business School throughout 2022 are proof that Extremadura, and specifically Zafra, is becoming a reference centre for technical training and business development. This has a direct impact on the economic and social development of the region.

**Training and employability**

**Helping vulnerable groups**

• **TRAINING AND EMPLOYABILITY**

6

The **Deutz Business School**® Foundation is an independent non- profit institution promoted by the DEUTZ GROUP. Its main objective is to promote the economic and professional development of Extremadura and its environment through quality technical, competence and management training, which contributes to generating innovation and provides the new professional profiles demanded today by the current economic business fabric.

In its fourth year of existence, the Deutz Business School has remained firm in its aim to become a reference centre for the technical training of Spanish professionals. It has become

one of the Corporate Social Responsibility projects with the greatest impact in the whole of south- west Spain.

2022 was a record year in terms of the number of **training initiatives deployed, with more than 72**, an increase of 240% over the previous year. **1,974** formalised **enrolments**, more than 975 students, spread

50/50 between young people and external professionals, and professionals from the Deutz Group. The delivery of **more than 4,295 training hours** has been made possible thanks to the **79 teachers** (70 in 2021) who have passed through the classrooms this year.



1.974



Students

72



Training actions

12



Dual VT Editions



MAIN MILESTONES DEUTZ BUSINESS SCHOOL 2022

- *Lean Black Belt in Continuous Improvement postgraduate course*
- *Competence training (mainly oriented towards digitisation)*
- *Dual VT Cycles*
- *Language learning, including German*
- *Launch of the International Management Competence Programme (IMCP)*
- *First edition of the Advanced Programme in Administration and Finance*
- *Visit of more than 40 companies interested in learning about its training model*

Outstanding training

*Transforming corporate cultures into LEAN philosophy*



In 2022, the 4th edition of the Lean Black Belt Practitioner postgraduate course was closed and the 5th edition began, which, together with the University of Extremadura and the Lean Management Institute as collaborators, has managed to become a benchmark postgraduate course in Extremadura.

One of the advantages gained from the application of Lean technologies is significant cost reduction. The 18 trainees trained in 2022 accumulated more than €295,000 in savings in projects developed under these methodologies.

The current edition is **sponsored by BBVA**, which will award two scholarships in the form of a training voucher.

In addition, the Lean In Company programme has been launched in English: **Lean Management Training**.

*In 2022 Deutz Spain and Deutz Business School® organised the first day of the Lean On Community, the reference community in Spain for companies enthusiastic about Lean culture.*

*Continuous commitment to Dual Vocational Training*



After 12 editions of Dual VT in the facilities of Deutz Spain and DeutzBS, in 2022 the cycles of the technical specialities of Production Programming in Mechanical Manufacturing, FME 3-4, Electro-technical and Automatic Installations, and Administration and Finance were continued.

These courses give young people the opportunity to do an internship in any of the Deutz Group companies: Deutz Spain, Deutz Global Service Centre and Deutz Business School, and thus to apply for a job in the environment.

Proof of the success of this training is the fact that **students who have undergone dual training are now part of the permanent staff**.

*Training in Skills and Social Abilities*



In 2022, essential competences for the personal and professional development of teams

were worked on, such as the management of emotions and conflict, emotional intelligence, recognition management and

positive feedback. Other training focused on management and teamwork, enhancing productivity and time management, and on developing digital skills.

Converting teams into digital professionals is one of the objectives of DeutzBS, as well as being in constant search of innovative tools such as LEGO® SERIOUS PLAY® or Harvard Negotiation, which have also been part of the 2022 portfolio.

There are also courses aimed at improving the skills of operators, including specific training such as quality management, industry 4.0, and Lean methodologies, among others. During 2022, 17 sessions were held with a total of 244 students.

207 | Students    22 | Courses    9 | NPS



**International Programme in Management Skills - PIEM**

Deutz Business School has created the only International Programme in Management Skills in Spain, which has successfully completed its 1st edition.

A 120-hour programme in which 12 management profiles from companies in different sectors took part. With sessions on Leadership, Change Management, Finance for non-financiers, Communication, Lean, among many others, and which has enabled study of cases of cutting-edge companies, as well as visits to industrial plants, an international immersion in Cologne (Germany) at the facilities of Deutz AG, and networking activities with CEOs and other management profiles from leading sectors.



### Advanced Administration and Finance Programme



2022 once again witnessed the 1st pilot edition of the Practitioner Programme in Administration and Finance, designed to complement the skills and knowledge of the Deutz Global Service Centre and the Deutz Spain team so that they can fully integrate into an international business context.

This 6-month, 160-hour training course, which for the first time is offered in the three available modalities (classroom, online and hybrid), has enabled participants to update their knowledge in the areas of finance, accounting, and corporate purchasing, as well as to acquire new economic-financial skills to improve their decision-making.

#### Open Day

- Open day with more than 100 attendees. As a result, new partnerships have been forged for the development of new projects.

#### DEMO Universal Robots and Robot Plus

- As the only specialised and approved centre for training in Collaborative Robotics in southern Spain, DBS responded to companies' challenges in terms of product quality, productivity and talent management during a live demonstration day.

#### Visit from AEC

- The **Spanish Quality Association** visited the facilities of Deutz Spain, a member of the association, and Deutz Business School to get to know both reference projects in the region in their respective sectors.

#### Lean On Community

- More than 20 companies visited the DEUTZ BUSINESS SCHOOL facilities, where they discovered the keys to the transformation that the Deutz Group has carried out to attract knowledge and generate valuable alliances.

### Language Academy



During the 2022 academic year, training programmes continued to be developed, both in English and German, for managers and executives of some of the most significant companies in the region.

In addition, this year has seen a new weekend English immersion initiative for teachers from public educational institutions in the region. Thanks to which the participants have achieved greater fluency in the language and have improved their ability to interact with the students of the different specialities they tutor.



• **HELPING VULNERABLE GROUPS**

DEUTZ SPAIN is aware that being a leader in the business fabric of Zafra makes it in turn a fundamental lever for solidarity initiatives developed in the community. For this reason, year after year it supports several of Zafra's humanitarian organisations.

The organisation also collaborates with various organisations in moving towards a fairer and more inclusive model.

*During 2022, more than €7,200 was donated to various organisations*

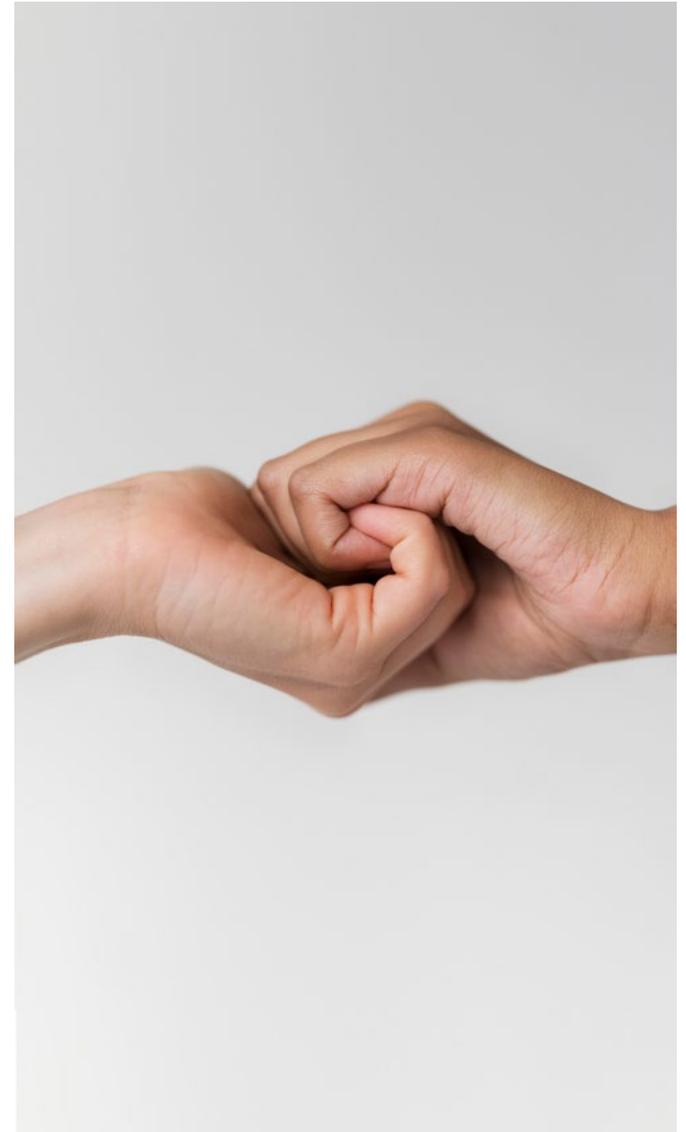


With an annual turnover of almost €40,000, the Plena Inclusión Zafra centre carries out assemblies and cuts-to-size necessary for the production process.



Through the hiring of GRUPO SIFU, a Special Employment Centre in charge of internal logistics, the external warehouse, and the cleaning of the facilities, DEUTZ SPAIN facilitates the integration of people with disabilities into the world of work.

This collaboration has been broadcast on Canal Extremadura Television, which visited the DEUTZ SPAIN plant in November 2022, to learn about the important work carried out by a group of workers with disabilities



## • ABOUT THIS REPORT

### **Coverage and scope**

For the fifth consecutive year DEUTZ SPAIN publishes its Corporate Social Responsibility Report, in accordance with Law 11/18 on non-financial reporting and in compliance with the GRI Standards for the period from 1 January 2022 to 31 December 2022. Likewise, in compliance with Spanish law 11/2018, this report has been verified by an external and independent entity, AENOR (the Spanish Association for Standardisation and Certification).

With this report, in an exercise of transparency vis-à-vis its stakeholders, DEUTZ SPAIN gives an account of its sustainability commitments under an economic, social, and environmental approach.

Los contenidos de este informe hacen referencia a los datos comprendidos desde 1 de enero al 31 de diciembre de 2021 y, en los casos que ha sido posible, se ha incluido información sobre los años 2019 y 2020 y cubren todas las actividades de la Organización.

### **Materiality**

The materiality or relevance of the contents of this report has been determined based on the study carried out on the Management Committee and all the Stakeholders, as described in the Corporate Responsibility section. Each relevant material aspect has been analysed to identify its correspondence with the GRI Standards, selecting those that meet with stakeholder expectations and the DEUTZ SPAIN strategy. In addition, other GRI indicators have been responded to voluntarily, with the aim of increasing transparency and understanding of the company's activity.

### **Contact**

Contact point for questions regarding the content and process of defining the Annual Corporate Social Responsibility Report:

DEUTZ SPAIN, S.A.U

Ctra, Badajoz-Granada ZAFRA (Badajoz)

antonio.bueno@deutz.com





## • ANNEX I: QUANTITATIVE INFORMATION

### ENVIRONMENT

#### RAW MATERIALS CONSUMPTION

Production consumption at the Zafra plant	2020 Consumption	Ratio	2021 Consumption	Ratio	2022 Consumption	Ratio
Oil consumption	56.852 KG	0,192 kg/machine hour	96.227 KG	0,213 kg/machine hour	100.043 KG	0,197 kg/machine hour
Cutting fluid consumption	81.639 L	0,275 l/h machine	106.518 L	0,235 l/h machine	118.825 KG	0,234 l/h machine
Liquid nitrogen consumption	357.052 L	1,204 l/h machine	458.264 L	1,012 l/h machine	480.000 L	0,944 l/h machine
Methanol consumption	52.020 KG	- kg/t pc cemented	62.730 KG	3,173 kg/t pc cemented	61.965 KG	0,122 kg/t pc cemented
Adhesive consumption	315 GR	0,001 gr/machine hours	442.095 GR	0,977 gr/machine hours	515.382 GR	1,013gr/machine hours
Antioxidant consumption	1.120 KG	3,778 kg/1000 machine hours	3.665 KG	8,096 kg/1000 machine hours	1.990 KG	3,912 kg/1000 machine hours
Detergent consumption	9.506 KG	0,032 kg/machine hour	12.614 KG	0,028 kg/machine hour	13.535 KG	0,027kg/machine hour
VCI paper consumption	1.774 KG	5,985 kg/1000 machine hours	1.776 KG	3,930 kg/1000 machine hours	1.712 KG	3,366 kg/1000 machine hours
A3/A4-type paper consumption	142.500 UD	0,481 pc A4/machine hours	135.500 UD	0,299 pc A4/machine hoursa	122.500 UD	0,241 pc A4/machine hours
Steel chip generation	568.060 KG	1,92kg/machine hour	5.205.740 KG	11,500 kg/machine hour	4.997.440 KG	9,825 kg/machine hour
Melt chip generation	2.325.700 KG	7,85kg/machine hour				
Aluminium chip generation	14.180 KG	0,048 kg/machine hour	2.210 KG	0,005kg/machine hour	25.100 KG	0,049kg/machine hour



Consumption in (kg) per work centre	MADRID			BARCELONA		
	2020	2021	2022	2020	2021	2022
Oil consumption	4.750	3.300	1.020	2.580	2.492	1.330
Detergent consumption	6	6	8	-	-	-
Refrigerant consumption	509	515	550	405	600	615
Filter consumption	321	311	156	193	234	181
Paper towel consumption	180	30	9	200	13	20
Sepiolite consumption		280	69		160	420
Cloth consumption		75	179		178	106
A4-type paper consumption	350,7	-	0	62,5	-	0

### FUEL CONSUMPTION AND EMISSIONS

Centre	Fuel Type	Volume (l)		
		2020	2021	2022
Zafra	Diesel C	-	-	7.920
Madrid	E5 (l)	7.947	16.726	13.487
Barcelona	E5 (l)	2.842	4.000	6.494

Factores emisión MITECO: E5=2,244

### ENERGY CONSUMPTION

Centre	Dealer	Electricity consumption (kW/h)		
		2020	2020	2022
Zafra	ENGIE ESPAÑA, S.L.U.	16.770.911	21.556.605	22.788.336
Madrid	ENDESA ENERGÍA S.A.U.	121.921	116.341	133.502
Barcelona	ENGIE ESPAÑA, S.L.U.	18.107	20.921	25.600



Centre	Natural Gas Consumption (kWh)		
	2020	2021	2022
Zafra	3.008.109	3.037.589	2.236.452

Centre	Total Energy Consumption (kWh)		
	2020	2021	2022
Zafra	19.779.020	24.594.194	25.024.788
Madrid	121.921	116.341	133.502
Barcelona	18.107	20.921	25.600

### ENERGY INTENSITY

Centre	Energy intensity - fuel (kWh/no. repairs)		Energy intensity - electricity (kWh/hours worked)	
	2021	2022	2021	2022
Madrid	739,54	359,88	65,21	2,84
Barcelona	220,62	209,93	11,73	1,94

MITECO 2021 emission factors

### EMISSIONS

Centre	Emissions Scope 1 (tCO <sub>2</sub> )			Emissions Scope 2 (tCO <sub>2</sub> )		
	2020	2021	2022	2020	2021	2022
Zafra	547,48	701,45	486,82	6.479,29	3.222,26	4.332,37
Madrid	17	37	31	33	23	34
Barcelona	6	9	15	5	4	7

MITECO 2021 emission factors

2022	t CO <sub>2</sub>	kg CH <sub>4</sub>	kg N <sub>2</sub> O	t CO <sub>2</sub> e
<b>Direct emissions</b>	454,00	47,90	1,10	486,82
<b>Indirect emissions per purchased energy</b>	-	-	-	<b>4.332,37</b>

MITECO 2021 emission factors



		kg CO <sub>2</sub>	g CH <sub>4</sub>	g N <sub>2</sub> O	kg CO <sub>2</sub> e
<b>Direct emissions (Scope 1)</b>	<b>Fixed installations</b>	409.339,06	36.094,43	18,40	410.354,58
	<b>Road transport</b>	44.657,54	11.808,77	1.078,97	45.274,11
	<b>Fugitive emissions</b>	31.192,71	-	-	31.192,71
	<b>SUBTOTAL</b>	<b>485.189,31</b>	<b>47.903,20</b>	<b>1.097,37</b>	<b>486.821,40</b>
<b>Indirect emissions electricity and other energies (Scope 2)</b>	<b>Electricity in buildings</b>	-	-	-	4.332.365,09
	<b>SUBTOTAL</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>4.332.365,09</b>
<b>TOTAL</b>		<b>485.189,31</b>	<b>47.903,20</b>	<b>1.097,37</b>	<b>4.819.186,49</b>

MITECO 2021 emission factors

**INTENSITY OF EMISSIONS**

<b>Centre</b>	<b>Emission intensity (tCO<sub>2</sub>/ no. external repairs)</b>		<b>Emission intensity (tCO<sub>2</sub>/hours worked)</b>	
	2021	2022	2021	2022
<b>Madrid</b>	0,16	0,077	0,013	0,0007
<b>Barcelona</b>	0,05	0,045	0,002	0,0005

**WATER**

<b>Water consumption (m3)</b>	<b>Mains water</b>			<b>Well water</b>			<b>Total consumption</b>		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
<b>Zafra</b>	16.378	21.222	22.724	738	883	1.028	15.502	22.039	23.752
<b>Madrid</b>	502	458	300	-	-	-	502	458	300
<b>Barcelona</b>	144	79	300	-	-	-	144	79	300
<b>Waste-water discharge (m3)</b>	<b>2020</b>			<b>2021</b>			<b>2022</b>		
<b>Zafra</b>	736,36			1.004,91			1.079,39		



**WASTE**

Type of hazardous waste	Amount of waste (kg)			Identification (EWL)	Method of final waste treatment
	2020	2021	2022		
Non-chlorinated mineral oils	30.140	45.000		130205	R13
Water with hydrocarbons	59.060	73.500	140.780	130507	R13
Contaminated absorbents	9.654	30.916	57.992	150202	R13
Gases in pressure vessels	120	11.433	270	160504	R13
Bio-sanitary waste	6	6		180103	R13
Electrical/electronic equipment	1.278	356	1.963	160213	R13
Contaminated metal packaging	331	455	860	150110	R4
Contaminated plastic packaging	694	785	1.740	150110	R4
Fluorescent tubes	125	220	58	200121	D15
Sludge with hcs	13.101	34.393	66.716	130502	R13

Non-Hazardous Waste Type	Amount of waste (kg)			Identification (EWL)	Method of final waste treatment
	2020	2021	2022		
Paper and cardboard	55.810	74.942	93.460	200101	R13
Plastics	15.740	20.160	23.300	200139	R13
Cast iron and steel chips	2.893.760	5.205.740	4.997.440	120101	R13
Aluminium	14.180	2.210	25.100	120101	R13
Ferrous metals (Iron and steel))	320.300	13.588.660	658.890	170405	R13
Wood	44.040	-	139.110	200138	R13
Plating	48.480	-	18.780	200140	R13

Waste generated per centre (t)	Madrid				Barcelona			
	2020	2021	2022	Destino	2020	2021	2022	Destino
Used oil	2,200	2,900	1,720	R13	2,541	1,711	1,491	R1303
Oil filters	0,322	0,288	0,369	R13	0,516	0,220	0,224	R1302
Pressure vessels	0,008	0,015	0,040	R13	0,148	0,014	0,033	R1303



Plastic containers	0,260	0,260	0,364	R13	0,261	0,397	0,248	R1303
Batteries	0,186	0,124	0,042	R13	0,098	0,161	0	R1303
Material impregnated with oil and hydrocarbons	0,372	0,419	0,289	R13	-	-	-	-
Absorbents	-	-	0,089	R13	0,836	0,588	0,770	R1303
Water-hydrocarbons	2,520	3,300	1,920	R13	-	-	-	-
Washing water	0,006	0	0	-	-	0,775	0,360	R1303
Anti-freeze	0,317	0,342	0,594	R13	0,614	0,779	1,055	R1303
Paper and cardboard	1,330	2,601	1,475	R13	0,241	0,300	0,300	R13
Wood	1,300	0,305	0,240	R13	-	-	-	-
Scrap	2,520	0	4,380	-	-	2,120	3,240	R13
Toner	-	-	0,015	-	-	-	-	-

## PERSONS

### BREAKDOWN OF WORKFORCE BY GENDER

Contract types		2020		2021		2022	
		Men	Women	Men	Women	Men	Women
By age	<30 years	28	6	75	7	35	4
	30-50 years	269	19	332	24	315	26
	>50years	146	7	138	4	146	5

By category	Management Team	19	1	18	1	17	1
	Team manager	48	16	42	3	38	3
	Manager with no team	38	4	32	4	27	4
	Technicians and administrative personnel	32	6	57	11	414	27
	Operators	306	5	396	16		

### TYOLOGY OF CONTRACTS

Contract types	2020	2021	2022
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By gender		Fixed	Temporar	Fixed	Temporar	Fixed	Temporar	
	Men	406	37	422	123	430	66	
	Women	25	7	29	6	29	6	
By age		<30 years	22	12	29	29	15	15
		30-50 years	285	3	314	314	319	319
		>50 years	124	29	108	108	125	125
By category	Management Team	20	0	19	0	18	0	
	Manager with team	41	1	44	1	41	0	
	Manager with no team	33	3	35	1	31	0	
	Technicians and administrative personnel	51	13	53	15	369	72	
	Operators	284	27	300	112			
Working time contracts		2020		2021		2022		
		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	
By gender	Men	416	27	513	32	471	25	
	Women	29	3	33	2	34	1	
By age		<30 years	34	0	82	0	39	0
		30-50 years	287	1	354	2	340	1
		>50 years	124	29	110	32	126	25
By category	Management Team	20	0	19	0	18	0	
	Manager with team	41	1	43	2	40	1	
	Manager with no team	37	1	34	2	31	0	
	Technicians and administrative personnel	61	3	62	6	416	25	
	Operators	286	25	388	24			
<b>HIRING</b>								



No. of hires		2020	2021	2022
By gender	Men	20	49	54
	Women	50	10	8
By age	<30 years	10	11	26
	30-50 years	14	44	33
	>50 years	1	4	3
By category	Management Team	0	1	1
	Manager with team	2	4	1
	Manager with no team	6	1	3
	Technicians and administrative personnel	8	15	57
	Operators	9	38	
<b>STAFF TURNOVER</b>				
Turnover rate		2020	2021	2022
By gender	Men	1,1%	2,50%	5,00%
	Women	3,1%	5,70%	5,70%
By age	<30 years	3,10%	0,86%	1,80%
	30-50 years	0,00%	0,34%	0,70%
	>50 years	1,10%	1,55%	2,40%
Voluntary turnover		0,2%	1,00%	2,60%
<b>DISMISSAL</b>				
No. of redundancies		2020	2021	2022
By gender	Men	5	5	3
	Women	1	2	0
By age	<30 years	0	1	0
	30-50 years	4	4	3
	>50 years	2	2	0



By category	Management Team	0	0	0
	Manager with team	1	0	0
	Manager with no team	1	0	0
	Technicians and administrative personnel	3	4	3
	Operators	1	3	

### REMUNERATION

Average salaries		2020	2021	2022
By Gender	Men	45.500,98 €	42.862,85 €	46.117,28 €
	Women	34.201,22 €	31.819,24 €	36.970,56 €

Por edad	<30 years	21.878,14 €	21.432,98 €	28.359,09 €
	30-50 years	42.564,00 €	40.563,81 €	41.416,76 €
	>50 years	54.806,12 €	54.218,56 €	55.088,89 €

By category	Management Team	74.758,17 €	66.412,22 €	71.330,57 €
	Manager with team	41.324,74 €	41.492,24 €	47.883,93 €
	Manager with no team	39.292,36 €	40.543,26 €	40.560,88 €
	Technicians and administrative personnel	29.791,56 €	28.204,83 €	34.759,51 €
	Operators	Salary per agreement	Salary per agreement	

### WAGE GAP

		Wage gap 2021	Wage gap 2022
By category	Management Team	29,23%	27,29%
	Manager with team	16,19%	20,00%
	Manager with no team	9,49%	7,10%
	Technicians and administrative personnel	1,93%	-0,53%
	Operators	-	

Positive values in favour of men and negative values in favour of women. /The gap calculation was performed by comparing median salaries between men and women.



**ABSENTEEISM**

Absence hours	Zafra	Madrid	Barcelona
<b>2021</b>	84.906	2.324,65	293
<b>2022</b>	87.300	1.049,00	96

**PARENTAL LEAVE**

	2020	2021	2022
No. of men who have been entitled to paternity leave	31	26	24
No. of men who have taken paternity leave	31	26	24
No. of women entitled to maternity leave	2	3	0
No. of women on maternity leave	2	3	0

**ACCIDENTS**

Recordable accidents at work	2020	2021	2022
No. accidents Women	0	0	0
No. accidents Men	2	5	0
Recordable accident injury rate	-	5	4
<b>Occupational accidents with major consequences</b>			
No. accidents Women	-	0	0
No. accidents Men	-	0	0
Index of accident injuries with major consequences	-	0	0
<b>No. of days lost due to occupational accidents</b>			
Women	0	0	0
Men	37	190	92
<b>No. of accidents at work with lost days:</b>			
Women	-	0	0
Men	-	5	4
<b>Accident frequency rate:</b>			
Women	0	0	0
Men	3,6	6,5	4,8



<b>Accident severity rate:</b>			
	<b>Women</b>	0	0
	<b>Men</b>	0,07	247
<b>Occupational illnesses:</b>			
	<b>Women</b>	0	0
	<b>Men</b>	1	1
<b>Deaths due to accidents at work:</b>			
	<b>Women</b>	0	0
	<b>Men</b>	0	0
<b>HOURS WORKED</b>			
<b>Hours worked</b>	<b>Zafra</b>	<b>Madrid</b>	<b>Barcelona</b>
<b>2021</b>	769.289	43.507	11.267
<b>2022</b>	833.151	43.311	13.128

• **ANNEX II: RESPONSE TO REQUIREMENTS OF LAW 11/18**

<b>Contents of Law 11/2018</b>		<b>Response within the report</b>	
<b>BUSINESS MODEL</b>	Description of the Group's business model	A brief description of the Group's business model, including its business environment, organisation and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that may affect its future development.	DEUTZ SPAIN
	Policies	Policies applied by the Group, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures that have been adopted.	DEUTZ SPAIN Taking responsibility People, the driving force behind DEUTZ SPAIN Innovation and efficiency for the environment



<b>INFORMATION ON ENVIRONMENTAL ISSUES</b>	Main risks	The main risks related to those issues related to the Group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have negative effects on those areas and how the Group manages those risks, explaining the procedures used to identify and assess them in accordance with the national, European or international reference frameworks for each area. This should include information on the impacts that have been identified, giving a breakdown of these impacts, on the main risks in the short, medium and long term.	Risk management Innovation and efficiency for the environment
	General	Current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety.	Occupational health and safety Innovation and efficiency for the environment
		Environmental assessment or certification procedures.	Management systems Energy
		Resources dedicated to the prevention of environmental risks.	Environmental management
		Application of the precautionary principle.	Innovation and efficiency for the environment Health and safety at work
		Provisions and guarantees for environmental risks.	Environmental management
	Pollution	Measures to prevent, reduce or remediate carbon emissions that seriously affect the environment, taking into account any form of activity-specific air pollution, including noise and light pollution.	Energy Emissions Annex I
	Circular Economy and waste prevention and management	Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste. Actions to combat food waste	Waste Environnemental management Environnemental objectives Annex I
	Sustainable use of resources	Water consumption and water supply according to local constraints.	Agua Anexo I
		Consumption of raw materials and measures taken to improve the efficiency of their use.	Materias primas Anexo I
Energy: direct and indirect consumption, measures taken to improve energy efficiency and the use of renewable energy.		Energy Annex I	



<b>INFORMATION ON ENVIRONMENTAL ISSUES</b>	Climate Change	Greenhouse Gas Emissions.	Emissions /Annex I
		Measures taken to adapt to the consequences of climate change.	Environnemental management Energy Emissions
		Voluntary medium- and long-term reduction targets set to reduce GHG emissions and means implemented to this end.	Energy Emissions Environmental objectives
	Protection of biodiversity	Measures taken to preserve or restore biodiversity.	Given the type of activity of the organisation and the location of its premises, it has not been considered necessary to take measures for the preservation or restoration of biodiversity, in addition to the environmental impact reduction measures already in place.
Impacts caused by activities or operations in protected areas.			
<b>INFORMATION ON SOCIAL AND PERSONNEL ISSUES</b>	Policies	Policies applied by the Group, which include the due diligence procedures applied for the identification, evaluation, prevention and mitigation of significant risks and impacts, and verification and control, as well as the measures that have been adopted.	People, the driving force behind DEUTZ SPAIN Building the future
	Main risks	The main risks related to those issues related to the group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have negative effects on those areas and how the group manages those risks, explaining the procedures used to identify and assess them in accordance with the national, European, or international reference frameworks for each area. This should include information on the impacts that have been identified, giving a breakdown of these impacts, on the main risks in the short, medium and long term.	People, the motor behind DEUTZ SPAIN
	Employment	Total number of dismissals and breakdown by sex, age, country and professional classification;	Development and management of people Annex I
		Total number and distribution of employment contracts.	Development and management of people Annex I
		Average annual number of permanent contracts, temporary contracts and part-time contracts by sex, age and professional classification.	Development and management of people Annex I
Number of dismissals by sex, age and professional classification.		Development and management of people Annex I	
Average salaries and their evolution broken down by sex, age and professional classification or equal value.	Development and management of people Annex I		



		Wage Gap.	Development and management of people Annex I			
		Remuneration of equal or average jobs in the company.	Development and management of people Annex I			
		The average remuneration of directors and executives, including variable remuneration, allowances, indemnities, payments to long-term savings schemes and any other payment, disaggregated by sex.	Development and management of people Annex I			
		Implementation of work disconnection measures.	Development and management of people Annex I			
		Employees with disabilities.	<b>2020</b>	<b>2021</b>	<b>2022</b>	
			5	4	3	
		DEUTZ SPAIN has recognised the declaration when using alternative measures				
	Organisation work	Organisation of working time.	Production Philosophy			
		Number of hours of absence.	Annex I			
		Measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of this responsibility by both parents.	Commitment			
	Health & safety	Occupational health and safety conditions.	Seguridad y salud laboral-Anexo I			
		Accidents at work (frequency and severity) disaggregated by sex.	Seguridad y salud laboral -Anexo I			
		Occupational diseases (frequency and severity) disaggregated by sex.	Annex I			
	Social Relationships	Organisation of social dialogue, including procedures for informing, consulting and negotiating with staff.	Communication GRI 2-30			
		Percentage of employees covered by collective bargaining agreements by country.	GRI 2-30			
The balance of collective agreements, particularly in the field of health and safety at work.		<p>100% of employees are covered by collective bargaining agreements. A Works Committee has been established at the Zafra work centre and a union delegate at the Madrid and Barcelona work centres, with whom worker dialogue, information and consultation must be carried out.</p> <p>There are the following negotiation and company dialogue committees:</p> <ul style="list-style-type: none"> <li>• Quadrant and shift committee</li> <li>• Social Fund, Scholarships, Training and Recruitment Committee</li> <li>• Equality Committee</li> <li>• Occupational Health Committee</li> <li>• Flexibility Committee or Hours Pool</li> <li>• Committee for Agreement Interpretation</li> <li>• Payroll Committee</li> </ul> <p>During 2021, a new Collective Bargaining Agreement was negotiated for the Zafra work centre, which affects 90% of the DEUTZ SPAIN workforce, with a three-year term until 31/12/2023.</p>				



	Training	The policies implemented in the field of training.	Talent management Training and employability Annex I
		The total number of hours of training per professional category.	Annex I
	Accessibility	Universal accessibility for persons with disabilities	DEUTZ SPAIN's facilities allow total accessibility for people with disabilities.
	Equality	Measures taken to promote equal treatment and opportunities for men and women.	Equality Plan
		Equality plans.	Equality Plan
		Measures implemented to promote employment.	Commitment Talent management/Training and employability
		Protocols against sexual and gender-based harassment.	Commitment
		The integration and universal accessibility of people with disabilities.	DEUTZ SPAIN's alternative measures are the contracting of various CEE (Special Employment Centres) for intra-logistics services, external warehouse management and site cleaning.
		Policy against all types of discrimination and, where appropriate, diversity management.	Commitment
	INFORMATION ON RESPECT FOR HUMAN RIGHTS	Policies	Policies applied by the Group, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures that have been adopted.
Main risks		The main risks related to those issues related to the Group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have negative effects on those areas and how the Group manages those risks, explaining the procedures used to identify and assess them in accordance with the national, European or international reference frameworks for each area. This should include information on the impacts that have been identified, giving a breakdown of these impacts, on the main risks in the short, medium and long term.	
Human Rights		Implementation of human rights due diligence procedures.	



		Prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress possible abuses.											
		Complaints of human rights violations.											
		Promotion and enforcement of the provisions of ILO core conventions related to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labour and the effective abolition of child labour.											
<p><b>INFORMATION RELATING TO THE FIGHT AGAINST CORRUPTION AND BRIBERY</b></p>	Policies	Policies applied by the Group, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures that have been adopted.	Corporate Compliance Code of Conduct										
	Main risks	The main risks related to those issues related to the Group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have negative effects on those areas and how the Group manages those risks, explaining the procedures used to identify and assess them in accordance with the national, European or international reference frameworks for each area. This should include information on the impacts that have been identified, giving a breakdown of these impacts, on the main risks in the short, medium and long term.											
	Corruption and bribery	Measures taken to prevent corruption and bribery.											
		Measures to combat money laundering.											
		Contributions to foundations and non-profit organisations.	<table border="1"> <thead> <tr> <th>Donations 2022</th> <th>Importe €</th> </tr> </thead> <tbody> <tr> <td>Cáritas</td> <td>6.000</td> </tr> <tr> <td>Zafra Solidaria</td> <td>1.000</td> </tr> <tr> <td>Asoc. contra el cáncer de Extremadura</td> <td>200</td> </tr> <tr> <td><b>TOTAL 2022</b></td> <td><b>7.200</b></td> </tr> </tbody> </table>	Donations 2022	Importe €	Cáritas	6.000	Zafra Solidaria	1.000	Asoc. contra el cáncer de Extremadura	200	<b>TOTAL 2022</b>	<b>7.200</b>
			Donations 2022	Importe €									
Cáritas	6.000												
Zafra Solidaria	1.000												
Asoc. contra el cáncer de Extremadura	200												
<b>TOTAL 2022</b>	<b>7.200</b>												
Cáritas	6.000												
Zafra Solidaria	1.000												
Asoc. contra el cáncer de Extremadura	200												
<b>TOTAL 2022</b>	<b>7.200</b>												



<b>INFORMATION ON THE COMPANY</b>	Policies	Policies applied by the Group, including the due diligence procedures applied for identification, assessment and evaluation, prevention and mitigation of significant risks and impacts, and of verification and control, as well as the measures that have been taken.	Local community development	
	Main risks	The main risks related to those issues related to the group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have negative effects on those areas and how the group manages those risks, explaining the procedures used to identify and assess them in accordance with the national, European or international reference frameworks for each area. This should include information on the impacts that have been identified, giving a breakdown of these impacts, in particular on the main risks in the short, medium and long term.		
	Commitments of the company with the sustainable development	The impact of the company's activity on local employment.	Local community development	Local community development Corporate social responsibility Contribution to SDGs
		The impact of the company's activity on the local populations and territory.		
		Relations with community stakeholders and the modalities of dialogue with them.		
	Partnership or sponsorship actions.			
Subcontracting and suppliers	The inclusion of social, gender equality and environmental issues in the procurement policy.	Supply Chain		
	Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.			
	Monitoring systems and audits and their results.			



	Consumers	Measures for the health and safety of consumers.	<p>DEUTZ SPAIN complies with the established requirements, both legal and normative, as well as those of its customers, regarding the safety characteristics applicable to the products it manufactures.</p> <p>DEUTZ SPAIN has a quality system based on IATF standards where all manufactured elements that have a significant impact on the safety of the end user are under specific control plans. All chemicals used in processes and that may accompany the final product are under European REACH regulations.</p> <p>Specifically, the products manufactured by DEUTZ SPAIN have safety standards that are subject to exhaustive control. This classification of product and process safety characteristics serves to prioritise the development of more robust control plans for these products, following regulatory specifications. In any case, safety features identified by the initial "S" entail specific treatment that identifies them in the eyes of any process document and for any role in the organisation. Thus anyone is able to physically see that such control is relevant for functionality under safe conditions, both in the use of the final product and in its subsequent process phases.</p>
		Complaint systems, complaints received and their resolution.	Complaint management
	Tax information	Profits obtained by country.	Economic management
		Paid profit taxes.	
Public subsidies received.			



• MATERIALITY - GRI

CSR AXIS		MATERIAL ASPECT		GRI INDICATOR
	<b>GENERAL</b>	Ethical Performance and Good Governance		2-9, 2-10, 2-11, 2-12, 2-15, 2-17, 2-18, 2-23, 2-26
	<b>GOOD GOVERNANCE, ETHICS AND INTEGRITY</b>	Policies and codes of conduct		2-23, 2-26
		Dialogue with stakeholders		2-29
	<b>ENVIRONMENTAL PERFORMANCE</b>	Reduction of energy consumption		302-1 to 302-5
		Cleaner and more efficient technologies		301-1, 302-1
	<b>SOCIAL PERFORMANCE</b>	<b>EMPLOYEES</b>	Internal promotion	401-1, 404-2 to 404-3
			Training	404-1 to 404-2
<b>SOCIETY</b>		Encouraging education and culture	404-1 to 404-2, 413-1 to 413-2	
		Employability	2-7, 202-2, 401-1, 413-1 to 413-2	
				



## • GRI CONTENTS INDEX

### GRI CONTENTS INDEX

DEUTZ SPAIN has prepared the report in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022

GRI Standard	Version	Summary description	Comment	Omission	Page
<b>CONTENTS GENERAL</b>					
<b>The organisation and its reporting practices</b>					
2-1	2021	Organisational details	DEUTZ SPAIN, S.A.U.Ctra, Badajoz-Granada ZAFRA (Badajoz)		10
2-2	2021	Entities included in the submission of sustainability reports			10,30
2-3	2021	Reporting period, frequency and contact point	Reporting period: 01/01/2022 to 31/12/2022 Frequency of publication: annual Contact: Ctra, Badajoz-Granada ZAFRA (Badajoz) Email: antonio.bueno@deutz.com		
2-4	2021	Updating of information	None have occurred		
2-5	2021	External verification	This report has been verified by an external and independent entity (AENOR).		
<b>Activities and workers</b>					
2-6	2021	Activities, value chain and other business relationships			10-14-15
2-7	2021	Employees			33-38,71-75
2-8	2021	Non-employee workers	The percentage of non-employees who work at DEUTZ SPAIN is minimal and their performance and activity is not controlled by the organisation.		
<b>Governance</b>					
2-9	2021	Governance structure and composition	The functioning of the governing bodies is regulated by the Internal Regulations for the Management of DEUTZ AG Subsidiaries. The Board of Directors is the company's highest decision-making body.		13
2-10	2021	Designation and selection of the highest governing body	The members of the Board of Directors are selected by the Sole Shareholder (ownership) The members of the Management Committee are selected on the basis of their ability and worth, within the organisation.		
2-11	2021	Chairperson of the highest governing body			13



<b>2-12</b>	2021	Role of the highest governance body in the monitoring of the sustainability report	The Internal Regulations for the Management of DEUTZ AG Subsidiaries establish the functions and responsibilities of the Management Committee and identify those situations that require prior approval by DEUTZ AG and its Board of Directors. DEUTZ SPAIN is governed by the guidelines set out in the group's Strategic Plan, which is deployed in objectives and actions using the HK tool.		13
<b>2-13</b>	2021	Delegation of management responsibility for impacts	The Board of Directors empowers the General Manager to represent the Company. The General Manager also sits on the Management Committee as Manager. The Internal Regulations for the Management of DEUTZ AG Subsidiaries establish the functions and responsibilities of the Management Committee and identify those situations that require prior approval by DEUTZ AG and its Board of Directors. The Board of Directors is responsible for the governance of the company, and management is the responsibility of the Directors.		13
<b>2-14</b>	2021	Role of the highest governing body in the presentation of the sustainability report	The General Manager is responsible for timely informing of the Board of Directors on the most relevant issues for the operation of the company. The Board of Directors is informed through quarterly meetings and monthly reports by the General Manager, who in turn is informed of each matter by the various area or department directors who sit on the Management Committee through periodic meetings and monographic sessions to analyse specific projects. The Board of Directors is responsible for strategic decisions resulting from any deviation from the year's approved Plan; the directors are in charge of Management.		13
<b>2-15</b>	2021	Conflicts of interest	Art.229 LSC of the Spanish Law on Capital Companies stipulates that there must be an annual declaration by each director regarding that article. In addition, the Internal Regulations for the Management of DEUTZ AG Subsidiaries regulate possible conflicts of interest that may arise in purchasing, hiring, etc.		22
<b>2-16</b>	2021	Communication of critical concerns			24-25
<b>2-17</b>	2021	Collective knowledge of the highest governing body	The members of the Steering Committee are selected on the basis of their ability and worth within the organisation and represent the different areas and departments of the company (Management, HR, etc.), Engineering, Production), all of whom have extensive knowledge in their specialities.		43-45,60
<b>2-18</b>	2021	Evaluation of the performance of the highest governing body	The Board of Directors supervises and controls the proper functioning of the organisation and consequently the performance of its General Manager.		
<b>2-19</b>	2021	Remuneration policies	Board members do not receive any remuneration.		



2-20	2021	Process for determining remuneration	The wage revision is determined in accordance with the provisions of the relevant agreements.		
2-21	2021	Total annual compensation ratio	20,33%		
<b>Strategy, policies and internships</b>					
2-22	2021	Statement on the sustainable development development			12,20-21
2-23	2021	Commitments and policies			11-12,20-21,22 23,30-31,38,40,41-42,50,60
2-24	2021	Mainstreaming commitments and policies			11-12,20-21,22 23,30-31,38,40,41-42,50,60
2-25	2021	Processes to remedy negative impacts			25
2-26	2021	Mechanisms for seeking advice and raising concerns			22,23,25-27,45
2-27	2021	Compliance with legislation and regulations			23-25
2-28	2021	Affiliation with associations	Spanish Association for Quality Assurance (AEC) MCA - Madrid Automotive Cluster SERNAUTO- the Spanish Association of Automotive Suppliers		
<b>Stakeholder engagement</b>					
2-29	2021	Approach to stakeholder engagement			22-23
2-30	2021	Collective bargaining agreements	The Zafra plant has its own agreement (signed during 2021 for the period 2021-2023), while the Zafra plant has its own agreement (signed during 2021 for the period 2021-2023), and the centres in Madrid and Barcelona are governed by the regional metalworkers' agreement. These agreements cover 100% of the persons employed.		
<b>MATERIAL ISSUES (materiality study)</b>					
3-1	2021	Process of determining the material topics			22-23
3-2	2021	List of material topics			23,84
3-3	2021	Management of material issues			10,12,20-22,23-25,38-41,43-45,50-51,60-63
<b>ECONOMIC PERFORMANCE</b>					
201-1	2016	Direct economic value generated and distributed.			15
201-2	201-2	Financial implications and other risks and opportunities for the activities of the organisation due to climate change.			50
201-3		Defined benefit plan obligations and other retirement plans	The organisation does not plan to save for a pension plan		



201-4		Financial aid granted by government entities			15
<b>PRESENCE IN THE MARKET</b>					
202-1	2016	Ratio of the standard entry level wage by gender versus the local minimum wage.			73-75
202-2	2016	Proportion of senior executives hired in the local community.	70,24%		
<b>INDIRECT ECONOMIC EFFECTS</b>					
203-1	2016	Investment in infrastructures and supported services.			15
203-2	2016	Significant indirect economic impacts.	GRI Indicator 2-25		
<b>ACQUISITION PRACTICES</b>					
204-1	2016	Proportion of spending on local suppliers.			14
<b>FIGHT AGAINST CORRUPTION</b>					
205-1	2016	Operations assessed for corruption-related risks.			23
205-2	2016	Communication and training regarding anti-corruption policies and procedures.			23
205-3	2016	Corruption cases confirmed and action taken.	No		
<b>UNFAIR COMPETITION PRACTICES HAVE OCCURRED</b>					
206-1	2016	Legal actions related to unfair competition, monopolistic and anti-competitive practices.	No		
<b>TAXATION</b>					
207-1	2019	Fiscal approach.	Not answered as it is not material.		
207-2	2019	Fiscal governance, control and risk management	Not answered as it is not material.		
207-3	2019	Stakeholder engagement and management of tax concerns.	Not answered as it is not material.		
207-4	2019	Country-by-country reporting	Not answered as it is not material.		
<b>ENVIRONMENTAL PERFORMANCE</b>					
<b>MATERIALS</b>					
301-1	2016	Materials used by weight or volume.			52,66-67
301-2	2016	Recycled inputs used.			52,66-67
<b>PRODUCTS AND SERVICES</b>					



<b>301-3</b>	2016	Reused products and packaging materials.			52,66-67
<b>ENERGY</b>					
<b>302-1</b>	2016	Energy consumption within the organisation.			51,67-68
<b>302-2</b>	2016	Energy consumption outside the organisation.	Information not available.		
<b>302-3</b>	2016	Energy intensity.			51,68
<b>302-4</b>	2016	Reduction of energy consumption.			51,67-68
<b>302-5</b>	2016	Reductions in energy requirements of products and services.			51,67-68
<b>WATER</b>					
<b>303-1</b>	2018	Interaction with water as a shared resource.			53,69
<b>303-2</b>	2018	Management of the impacts related to water discharges.			53,69
<b>303-3</b>	2018	Water extraction by source.			53,69
<b>303-4</b>	2018	Water discharges.			53,69
<b>303-5</b>	2018	Recycled and reused water.			53,69
<b>BIODIVERSITY</b>					
<b>304-1</b>	2016	Owned, leased or managed operations centres located within or adjacent to protected areas or areas of high value in terms of biodiversity outside protected areas.	Given the nature of the organisation's activity and the location of its facilities, it has not been considered necessary to take measures for the preservation or restoration of biodiversity, apart from those measures for the reduction of environmental impacts that have already been implemented.		
<b>304-2</b>	2016	Significant impacts of activities, products and services on biodiversity.	None exist		
<b>304-3</b>	2016	Protected or restored habitats.	None exist		
<b>304-4</b>	2016	Species appearing on the IUCN Red List and on national conservation lists whose habitats are in areas affected by operations.	None exist		
<b>EMISSIONS</b>					
<b>305-1</b>	2016	Direct and indirect GHG emissions.			54,68-69
<b>305-2</b>	2016	Indirect GHG emissions from energy generation.			54,68-69



<b>305-3</b>	2016	Other indirect GHG emissions (Scope 3).	Information not available.		54,68-69
<b>305-4</b>	2016	Intensity of GHG emissions.			54,68-69
<b>305-5</b>	2016	Reduction of GHG emissions.			54,68-69
<b>305-6</b>	2016	Emissions of ozone-depleting substances.			54,68-69
<b>305-7</b>	2016	Nitrogen oxides, sulphur oxides and other significant air emissions.			68
<b>EFFLUENTS AND WASTE</b>					
<b>306-1</b>	2020	Waste generation and significant waste-related impacts.			55,70-71
<b>306-2</b>	2020	Management of significant waste-related impacts.			55,70-71
<b>306-3</b>	2020	Waste generated.			55,70-71
<b>306-4</b>	2020	Waste not destined for disposal.			55,70-71
<b>306-5</b>	2020	Waste for disposal.			55,70-71
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>					
<b>308-1</b>	2016	New suppliers that have passed evaluation and selection filters according to environmental criteria.	100%		
<b>308-2</b>	2016	Negative environmental impacts in the supply chain and measures taken.	Within the purchasing policy, in the matrix for the awarding of purchases and services, the suppliers' commitment to environmental management and the environment is valued. The potential impacts of the supply chain are minimised through the application of clauses, requirements and on-site supervision/audits of suppliers. Specifically, DEUTZ SPAIN only purchases raw materials identified as conflict-free minerals, and includes environmental requirements in the evaluation of its suppliers. DS raw material suppliers are subject to approval and/or follow-up audits throughout the year. When awarding contracts and services, Deutz Spain values aspects related to energy efficiency, CSR and compliance standards. The supply of electricity from renewable sources is promoted annually with the supplier, and this information is included in the supplier's invoices.		14,20
<b>SOCIAL PERFORMANCE</b>					
<b>EMPLOYMENT</b>					
<b>401-1</b>	2016	New employee hires and staff turnover.			38-41,72-73
<b>401-2</b>	2016	Employee social benefits.			40-41



401-3	2016	Parental leave.			75
<b>RELATIONS BETWEEN WORKERS AND MANAGEMENT</b>					
402-1	2016	Minimum notice periods for operational changes.	15 days		
<b>OCCUPATIONAL HEALTH AND FETY</b>					
403-1	2018	Occupational health and safety management system.			25,42
403-2	2018	Hazard identification, risk assessment and incident investigation.			25,42,74-76
403-3	2018	Occupational health services.			42
403-4	2018	Worker participation, consultation and communication on health and safety at work.	The workers' representatives (Health and Safety Committee and Prevention Delegates) are informed of any aspect that affects the working conditions of the workforce.		
403-5	2018	Training of workers on health and safety at work.			25,42
403-6	2018	Promotion of workers' health.			25,42
403-7	2018	Prevention and mitigation of impacts on the health and safety of workers directly linked to business relationships.			42
403-8	2018	Coverage of the occupational health and safety management system.	100% of workers are covered by the occupational health and safety management system.		
403-9	2018	Work-related injuries.			74-76
403-10	2018	Occupational ailments and illnesses.			74-76
<b>TRAINING AND EDUCATION</b>					
404-1	2016	Average hours of training per year per employee.			43
404-2	2016	Employee skills improvement programmes and transition assistance programmes.			43,60-62
404-3	2016	Percentage of employees receiving regular performance appraisals and professional development.	100%		44
<b>DIVERSITY AND EQUALITY OF OPPORTUNITIES</b>					
405-1	2016	Diversity in governing bodies and employees.			13
405-2	2016	Ratio of basic salary and remuneration for women versus men.			73-75
<b>NON- DISCRIMINATION</b>					



406-1	2016	Cases of discrimination and corrective actions undertaken	No		
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>					
407-1	2016	Operations and suppliers whose entitlement to freedom of association and collective bargaining could be at risk	No		
<b>CHILD LABOUR</b>					
408-1	2016	Operations and providers at significant risk of child labour cases	Acquisition of conflict-free minerals. For the remaining operations, due to their type and location of suppliers, there is no risk of violation of human rights. In addition, Deutz Spain maintains its integrated policy ideals and means to ensure compliance with human rights. This is ensured through due diligence processes such as: conflict of interest, due diligence regarding the recruitment of individuals or due diligence of business partners.		
<b>FORCED LABOUR</b>					
409-1	2016	Operations and suppliers with significant risk of forced or compulsory labour cases	Acquisition of conflict-free minerals. For the remaining operations, due to their type and location of suppliers, there is no risk of violation of human rights. In addition, Deutz Spain maintains its integrated policy ideals and means to ensure compliance with human rights. This is ensured through due diligence processes such as: conflict of interest, due diligence regarding the recruitment of individuals or due diligence of business partners.		
<b>RIGHTS OF THE INDIGENOUS POPULATION</b>					
410-1	2016	Security personnel trained in human rights policies or procedures	No security personnel are available.		
<b>RIGHTS OF THE INDIGENOUS POPULATION</b>					
411-1	2016	Cases of violations of indigenous peoples' rights	There have been no such cases.		
<b>COMUNIDADES LOCALES</b>					
413-1	2016	Operations with local community participation, impact assessments and development programmes	Acquisition of conflict-free minerals. For the remaining operations, due to their type and location of suppliers, there is no risk of violation of human rights. In addition, Deutz Spain maintains its integrated policy ideals and means to ensure compliance with human rights. This is ensured through due diligence processes such as: conflict of interest, due diligence regarding the recruitment of individuals or due diligence of business partners.		
413-2	2016	Operations with significant negative impacts, whether actual or potential, on local communities	No negative impacts have been identified in the local community.		
<b>EVALUATION OF SUPPLIERS IN TERMS OF HUMAN RIGHTS, LABOUR PRACTICES AND SOCIAL IMPACT</b>					



<b>414-1</b>	2016	New suppliers who have passed selection filters according to social criteria.	100% See indicator 412-1		
<b>414-2</b>	2016	Negative social impacts on the supply chain and measures taken.	See indicator 412-1		
<b>POLÍTICA PÚBLICA</b>					
<b>415-1</b>	2016	Value of political contributions by country and recipient.	They do not take place.		
<b>HEALTH AND SAFETY OF CUSTOMERS</b>					
<b>416-1</b>	2016	Assessment of health and safety impacts of product or service categories.	DEUTZ SPAIN complies with the established requirements, both legal and normative, as well as those of its customers, regarding the safety characteristics applicable to the products it manufactures. DEUTZ SPAIN has a quality system based on IATF standards where all manufactured elements that have a significant impact on the safety of the end user are under specific control plans. All chemicals used in processes and that may accompany the final product are under European REACH regulations. Specifically, the products manufactured by DEUTZ SPAIN have safety standards that are subject to exhaustive control. This classification of product and process safety characteristics serves to prioritise the development of more robust control plans for these products, following regulatory specifications. In any case, safety features identified by the initial "S" entail specific treatment that identifies them in the eyes of any process document and for any role in the organisation. Thus anyone is able to physically see that such control is relevant for functionality under safe conditions, both in the use of the final product and in its subsequent processing phases.		
<b>416-2</b>	2016	Cases of non-compliance relating to impacts on the health and safety of product and service categories	There have been no breaches of this type.		
<b>LABELLING OF PRODUCTS AND SERVICES</b>					
<b>417-1</b>	2016	Requirements for information and labelling of products and services.	DEUTZ SPAIN complies with the established requirements, both legal and normative, as well as those of its customers, with regard to the information and labelling features applicable to the products it manufactures.		
<b>417-2</b>	2016	Cases of non-compliance related to information and labelling of products and services.	There have been no breaches of this type.		
<b>417-3</b>	2016	Cases of non-compliance related to marketing communications.	There have been no breaches of this type.		
<b>CUSTOMER CUSTOMERS</b>					
<b>418-1</b>	2016	Substantiated complaints relating to breaches of customer privacy and loss of customer data.	There have been no breaches of this type.		



