



**NON-FINANCIAL INFORMATION
STATEMENT 2021**

ESPA 2025, S.L. and subsidiary
companies



60 years offering smart
pumping solutions

Let
water
be
water

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General

05 Company presentation

- 05 Our history
- 08 Business model
- 10 Organisation
- 12 Geographical presence
- 16 Organisation objectives and strategies

18 Main impacts, risks and opportunities

- 18 Main factors and trends that could affect their future development

19 Bases for formulating the Non-financial Information Statement

- 20 Materiality

Environmental matters

22 Environmental management

- 22 Effects of the company's activity on the environment, health and safety
- 22 Environmental assessment and certification procedures
- 23 Resources dedicated to environmental risk prevention
- 23 Amount of provisions and guarantees for environmental risks

24 Pollution

- 24 Measures to prevent, reduce or remedy the emissions that seriously affect the environment

25 Circular economy and waste prevention

- 25 Prevention, recycling, reuse measures, and other ways of recovering and eliminating waste

26 Sustainable use of resources

- 26 Water consumption and supply according to local limits
- 27 Raw material consumption and measures implemented to improve efficiency in their use
- 28 Direct and indirect energy consumption
- 29 Measures implemented to improve energy efficiency
- 30 Use of renewable energies

31 Climate change

- 31 Elements of greenhouse gas (GHG) emissions
- 31 Measures implemented to adapt to the consequences of climate change
- 31 Voluntary objectives to reduce greenhouse gas emissions and measures implemented

Social and staff-related matters

33 Management focus

- 33 Description and results of the policies applied
- 34 Main risks

35 Occupation

- 35 Total number and distribution of workers by sex, age, country and professional classification (on 31/12/2021)
- 36 Total number and distribution of work contract modalities by sex, age and professional classification
- 37 Number of dismissals by sex, age and professional classification

37 Average remuneration and its development disaggregated by sex, age and professional classification

37 Pay gap

38 Average remuneration of board members and directors

38 Implementation of work disconnection policies

39 Organisation of work

- 39 Organisation of work time
- 39 Number of hours of absenteeism
- 39 Measures aimed at work-family life balance

40 Health and safety

- 40 Health and safety conditions in the workplace
- 40 Occupational accidents and diseases, by sex

41 Social relationships

41 Organisation of social dialogue Procedures to inform, consult and negotiate

41 Balance of collective agreements

42 Training

42 Policies implemented in the field of training

43 Universal accessibility for people with disabilities

43 Integration and universal accessibility for people with disabilities

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44 Equality

44 Measures to promote equal treatment and opportunities between men and women, protocols against sexual harassment, policies against all forms of discrimination, and diversity management

Respect for human rights

47 Management focus

47 Description and results of the policies applied

Fight against corruption and bribery

49 Management focus

49 Description and results of the policies applied

49 Information on the fight against corruption and bribery

49 Measures implemented to prevent corruption and bribery

49 Measures to fight money laundering

49 Contributions to not-for-profit foundations and entities

Society

51 Company commitments to sustainable development

51 Impact of the company's activity on local employment and development

51 Association or sponsorship actions

52 Subcontractors and suppliers

52 Inclusion in the Purchases Policy of social, gender equality and environmental matters

53 Consumers

53 Measures to ensure consumer health and safety

54 Claim systems, complaints received and their settlement

56 Tax information

56 Profits obtained country by country and the tax on profits paid

56 Information on the public grants received

56 Economic value generated and distributed

57 **Annex 1** Correspondence with the contents of Law 11/2018 and greenhouse gas indicators



General

- › Company presentation
- › Main impacts, risks and opportunities
- › Bases for formulating the Non-financial Information Statement



Company presentation

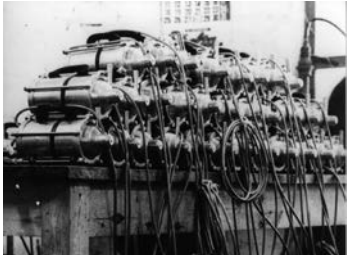
Our history

ESPA is an international organisation that develops its activity in the water and energy industries, creating products (water pumps - centrifugal, immersible, for drainage, among others - and high-performance, highly efficient hydraulic accessories, in addition to compact hydro-energy systems) and offering comprehensive services that combine evolution, innovation, wellness and quality of life.

Since the company was founded in 1962 in Banyoles (Girona, Spain), here at ESPA we have evolved to become an industrial group. In our constant search for new service horizons we have incredibly valuable tools: powerful, recognised brands, innovative products, a close relationship with the client, and a team of staff who identify with each project.

The continuous improvement of domestic water pumping solutions is one of our core values. For this reason, we have a value chain based on our staff, corporate social responsibility and customer satisfaction, as well as a strategic definition based on development, innovation and improving products. At ESPA, innovation and research are the keys to achieving the level of excellence the market requires and to offering innovative products that fulfil the needs of the modern-day client who demands technological, efficient equipment that ensures energy resources are sustainably processed.





1962

Our origins

A group of entrepreneurs, headed up by Josep Pagès, Joaquim Daranas and the brothers Lluís and Joan Fontfreda, founded the company “Tallers ESPA” that would come to be known as Bombas Eléctricas, S.A. five years later. The company was founded in the small town of Banyoles in north-east Spain. Over time, it has consolidated its position as a highly diversified industrial area.



1970

First steps, first logos

The local origin of the company always had a more global vision. Generation of a product portfolio that would respond to multiple pumping needs shaped the research and development work of the Spanish market, while consolidating an industrial structure.



1975/76

The origin of an industrial commitment

The workshop was moved from the town centre and a modern production plant was opened in an industrial area in the outskirts of Banyoles. The first steps in international expansion came about with the creation of the first subsidiary in France in 1978.



1978

Committed to the future

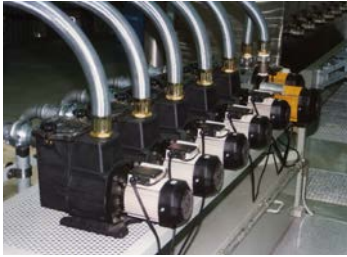
The first multi-stage centrifugal pumps were developed and acted as a starting point for a line that would allow our positioning among Europe's leading producers to be steered.



1992

A decisive year

With the creation of the ESPA Group, the company was equipped with a centralised administrative and financial management centre, as well as professional management. The industrial group's vision consolidated the creation of a pool of suppliers who supported the parent company's growing demand.



1996

R&D&I leads the way

Consolidation of a Development and Innovation Department allowed the company to take important strides forward in terms of adapting the product to international markets and channelling the need to launch products with a quick time to market. This allowed the company to compete in Central European markets, the result of which was the opening of our subsidiary in Germany.



2011

New challenges in a global world

We adapted to the new needs of the global market by creating ESPA 2025, S.L., the new corporate name of the parent company ESPA. This allowed us to strengthen the brand's value and prepare the company for a future filled with challenges and opportunities.



2021

ESPA EDE Iberia

2021 began with the birth of a new company: ESPA EDE Iberia. It was the formalisation of a role we have been developing from corporate headquarters since ESPA began: specialist advice and the sale of ESPA products in Spain. This creation was the result of a corporate restructuring to segregate the distribution units from the production units, and thus better adapt to new trends and market demands. With this new commercial figure, we are more prepared to go further in terms of service, while also highlighting our proximity to the client, locating the subsidiary's headquarters in Madrid.



Business model

Our business model is based on offering a comprehensive service. Since the company was founded, we have worked to design, manufacture, distribute and generate value for our clients through a quality post-sale service. Our brand and its values are some of our most important assets, which is why we go to great lengths every day to adapt to the market's new demands and requirements.

As a renowned European brand in the residential pumping sector, we enhance our brand's value through our collaborators who are located across the world. Our main objective goes further than marketing pumping products and equipment. Our purpose is to create wellness for all users in their daily lives and in each of the uses given to our products.

Here is a breakdown of the activities we carry out at present:



PRODUCTION

- › Transformation
- › Components or subcomponents
- › Assembly

LOGISTICS

- › Supply/purchases logistics
- › Picking - docking of components and subcomponents
- › Special services (preparations)
- › Distribution logistics

SERVICES

- › Pre-sale services
- › Post-sale services
- › Spare parts
- › Start-up and maintenance



Our head offices are located in an area known for being highly qualified in the metal industry. We have a cluster of local suppliers with a high level of specification, allowing us to generate synergies and optimise processes. Their extensive history and the years we have collaborated together mean we have grown and learned together about market needs and trends.

We work side by side with our collaborators to define the strategy according to market and channel with the aim of offering an optimal service adapted to current needs. We are present on channels for traditional, modern and specialist distribution, OEMs and alliances, as well as projects and tenders.

We have adapted to the changes that have arisen in distribution. We remain committed to being present in traditional distribution channels and maintaining a close relationship with professionals,

installers and storekeepers through collaboration agreements with large vertical and horizontal purchasing associations.

The rise of marketplaces and online sales platforms has seen our presence on this channel increase in recent years, and new collaborations have arisen with large DIY and specialist retail spaces.

We also have alliances and collaborations with renowned industry actors.

Our presence in the projects channel - specifically in the residential and commercial pressurisation segment - is developed in the Middle East and in European countries like Spain, Italy and Germany.



Traditional distribution



Modern distribution



Specialist distribution



OEMs and alliances



Project and tenders



Organisation

Group companies

> Parent company

ESPA 2025, S.L. was founded on 26 November 2010 as the result of a merger involving different companies. This merger was carried out in accordance with article 22 et seq. of Law 3/2009 on Structural Modifications to Commercial Companies, applying article 23.1 of said Law and expressly opting to apply the Special Tax Regime for mergers, demergers, transfers of assets and exchange of securities that, at the time, established title VII, chapter VIII of the Consolidated Text of the Income Tax Law. The merger was notarised on 30 December 2010 and registered in the Commercial Registry on 31 December 2010.

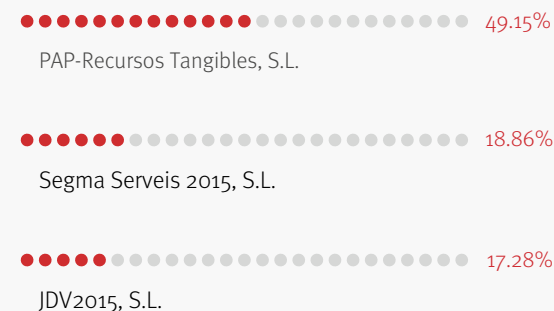
The corporate purpose and main activity of the company ESPA 2025, S.L. is the manufacture of pumps to raise or circulate all kinds of liquids or fluids, and the construction of all kinds of equipment, machinery and components related to this purpose, as well as the production, assembly, installation, control and provision of all kinds of technical assistance services for hydraulic, metal, gardening, heating and, in general, mechanical, electrical or automatic manufacturing mechanisms. In addition, its corporate

purpose also includes the manufacture of motors, the smelting and manufacture of metal products, the manufacture of manometers, foreign and domestic trade activity, the repair, rental and marketing of all kinds of mechanical, electrical and hydraulic apparatus and all other industrial products, the marketing of all kinds of computing products, the operation and management of patents and industrial property, the development of urban and industrial buildings, as well as offering advice, managing and directing investee companies.

Its main facilities are located in Banyoles, with its registered address at Carretera de Mieres, s/n, 17820 Banyoles (Girona).

The capital stock of the parent company ESPA 2025, S.L. is comprised of 10,388,734 shares. The companies that directly own a percentage equal to or greater than 10% of the parent company's capital stock are detailed next:

> Percentage on 31/12/2021





› **Subsidiary companies**

All companies that are in some way controlled, either due to holding the majority of voting rights or having the capacity to possess the majority of voting rights pursuant to agreements reached with third parties, are considered subsidiary companies.

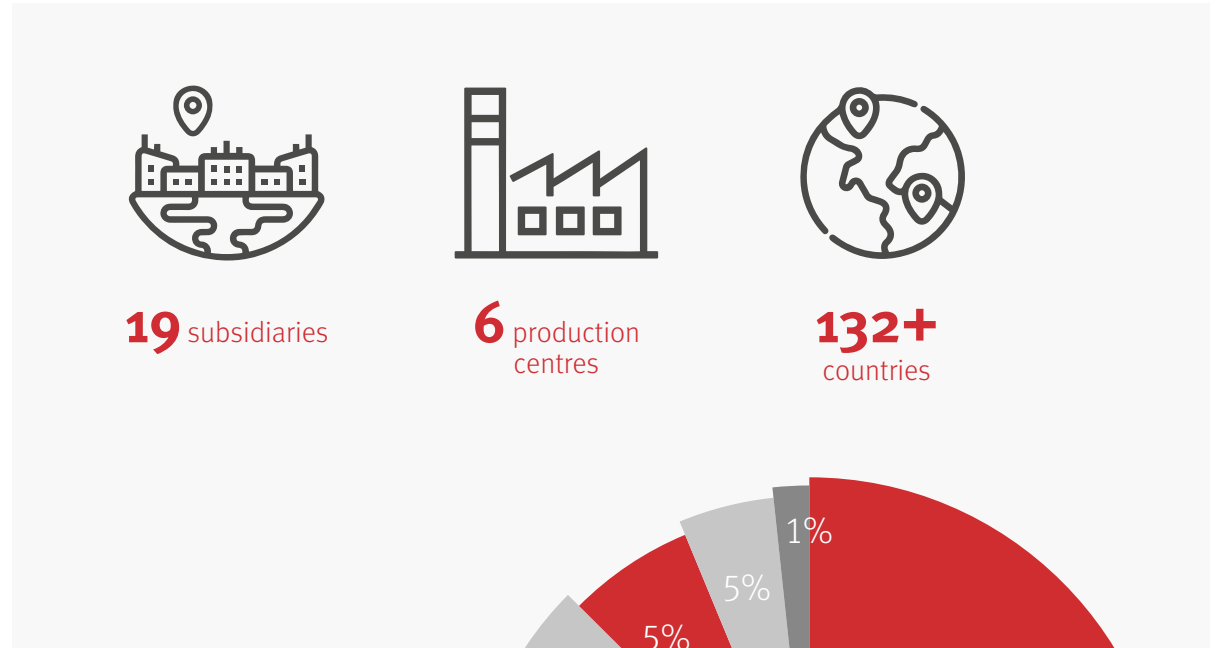
The breakdown of subsidiary companies that are included in this report and form a part of the consolidated scope, are as follows:

Company	Country	Activity
› ESPA 2025, S.L. (Parent)	Spain	Production and marketing of pumps
› ESPA EDE IBERIA, S.L.U.	Spain	Marketing of pumps
› SA ESPA FRANCE	France	Marketing of pumps
› ESPA MIDDLE EAST (FZE)	United Arab Emirates	Marketing of pumps
› ESPA PRODUCTION FRANCE, SAS	France	Prod., mkt. and tech. assistance serv. for pumps and comp.
› ESPA DEUTSCHLAND, GMBH	Germany	Marketing of pumps
› ESPA CHINA JIAXING CO, LTD	China	Production and marketing of pumps
› ESPA ITALIA, SRL	Italy	Marketing of pumps
› ESPA ARGENTINA, S.A.	Argentina	Marketing of pumps
› ESPA CHILE, S.A.	Chile	Marketing of pumps
› SARL POMPES GUINARD LOISIRS	France	Marketing of pumps
› ESPA PUMPS (U.K.), LTD	United Kingdom	Marketing of pumps
› ESPA WATER SYSTEM PVT, LTD	India	Marketing of pumps
› SARL POMPES GUINARD BATIMENT	France	Marketing of pumps
› ESPA PUMPS CHINA, LTD	Hong Kong	Marketing of pumps
› BOMBAS IMCHISA, S.A.	Chile	Production and marketing of pumps
› CENPISA FRANCE, SARL	France	Further mkt. and distr. of spare parts and repair of electrical material
› SCI NEUVY MOTEURS	France	Rental of real estate
› CUIDADOS DENTALES, SLU	Spain	Not operational



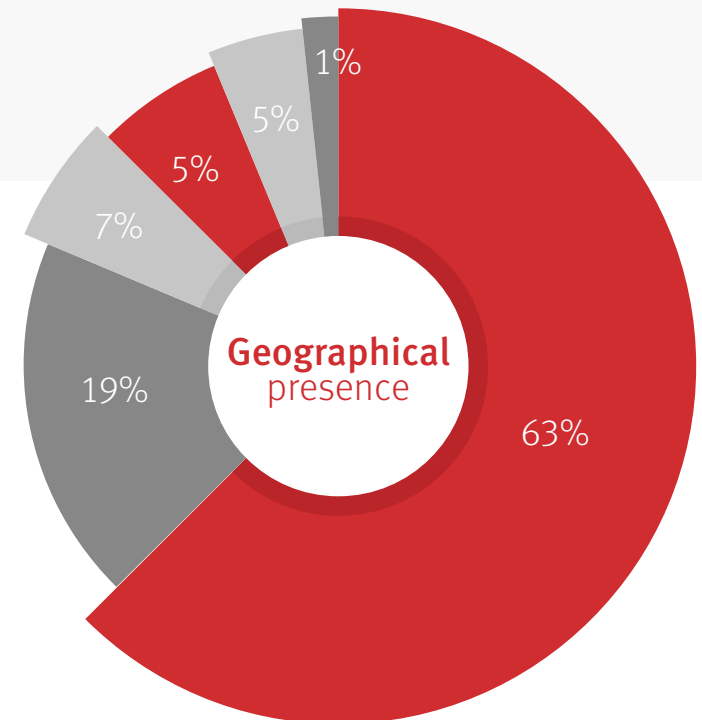
Geographical presence

We have more than 60 years of experience in the pumping industry and we are the first water management pump producing company in Spain dedicated to the design, innovation, production and distribution of pumps, systems and pressurised equipment for the domestic and residential sector. We are present in more than 132 countries across the world through our production centres in Spain, France, Chile and China, and we operate commercially in all international markets with subsidiaries in Spain, France, Germany, the United Kingdom, Italy, Chile, Argentina, India, the United Arab Emirates (Dubai), China, Hong Kong and corporate-distribution alliances in Russia. Our extensive network of local distributors in more than 75 countries around the world strengthens our international nature and foreign outlook in an economy without borders.



Breakdown of activity by geographical area in 2021:

- › Europe 63%
- › Asia 19%
- › South America 7%
- › North America 5%
- › Africa 5%
- › Australia 1%





Products

From the very beginning, here at ESPA we have been designing and manufacturing pumping products and equipment adapted to market needs and demands. We specialise in the domestic, commercial and residential sector, and we have more than 5,000 product references under the following brands:



> **ESPA** This is the Group's quintessential brand with a wide range of products for the domestic and professional residential pumping sector.



> **EVOPPOOL** A huge leap in efficiency and sustainability, offering operational efficiency and respect for the environment.



> **ESPA LEADER** With a product portfolio adjusted to suit the needs and demands of the DIY channel.



Pompes Guinard
Loisirs

> **POMPES GUINARD LOISIRS (PGL)**
Brand aimed at the DIY channel for the French market.



Pompes Guinard
Bâtiment

> **POMPES GUINARD BÂTIMENT (PGB)**
In the French market we sell products and equipment for residential pressurisation, construction, irrigation systems, agricultural systems and others for industrial use under the PGB brand, which is famed for its extensive career in this market.



Our applications

Capture

From the bottom up. Simple

Perhaps you have a well and you need a **submersible pump** to raise the water to the surface, pumping it from inside a tank to take it to a plantation, garden or your home. These pumps are designed for clean water. We have a wide range to suit all depths, flows and pressures.



Supply

Enjoy the best hydraulic comfort

When the pressure or flow is insufficient, a **smart pumping** solution must be considered to achieve the desired level of comfort. Good water pressurisation equipment and correct maintenance of it can generate significant savings in your home or irrigation system.



Recirculation and filtration

The pump your pool needs

Moving water is healthy water: a good recirculation and filtration system is vital to keep water in the correct state and your swimming pool in perfect condition. Additionally, a **variable speed pump** will help to reduce energy consumption, improve filtration and reduce noise emissions.



Drainage

Taking care of the dirty work

Flooded garages, gardens or basements need drainage pumps. It could be clean water, rainwater, greywater, sewage or a mixture of all of these. Some of these pumps allow the passage of solid particles. **Drainage pumps** are also used to empty swimming pools, tanks and ponds.





R&D&I

Improving the performance along with the energy and hydraulic efficiency of our products is our priority. For this reason, the R&D&I team works daily to offer the market innovative solutions. Given our commitment to the ISO 14001 certificate, we promote our variable speed products, which allow the pressure and flow that the home, building or facility requires at each given moment to be maintained with lower energy consumed.




> **In 2021**, we launched an improvement in our motor casing with the aim of enhancing air circulation and thus produce better cooling to improve performance and accessibility.

> **For 2022**, and as a new feature, the pump and water management equipment configurator will be available on our website. This tool is designed to support professionals interested in identifying the product that best suits their needs.

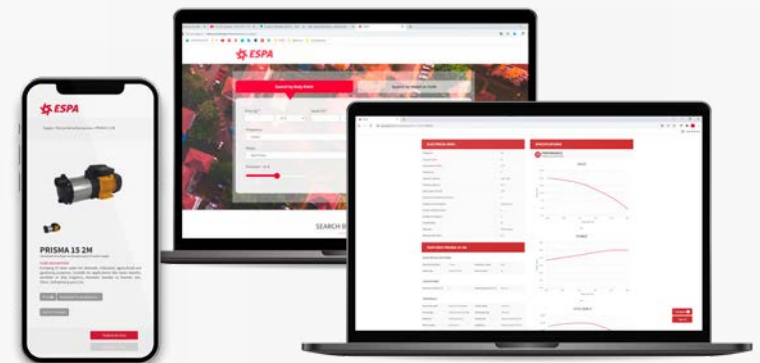
We work to design new products that are smarter and have better connectivity. We know how important product monitoring, control and optimisation are, which is why we make every effort to offer a different product adapted to the market's current needs.

Improvements to products



-  + performance
-  + accessibility
-  + air circulation
-  + cooling

Pumps Selectors Program





Organisation objectives and strategies

Our values



MISSION

Our purpose is to generate **wellness for society** through sustainable water management.



VISION

To develop innovative technology that enables **water to be used efficiently**, adapting to **society's needs**.



VALUES

We have **history, essence and identity**. We are committed to establishing a close relationship with the client. We value the **work** and **efforts** of our team. We adapt to market trends and we generate **emotions and wellness**.



COMMITMENT

Make our planet a **more sustainable, safer place**. We comply with regulations in force and we encourage green initiatives.



Short/medium-term business objectives and strategies

> Business

- > Optimise production processes with the aim of being more efficient and competitive in terms of costs and both manufacturing and reaction times.
- > Improve the production process with new production lines to enhance productivity and reduce logistics.
- > Optimise current manufacturing costs to reach a greater number of consumers.
- > Invest in technology to optimise and automate production processes and the entire distribution chain.
- > Invest in moulds and matrices to improve the cost of current products, as well as introduce a new range of products.
- > Define a supply plan according to the critical nature of the product, with the aim of offering an optimal service.
- > KMO suppliers. Local supplier alternatives that allow us to avoid the volatility of markets with local manufacturing.
- > Establish agreements with actors who offer a service that allows us to improve structural flexibility, reduce reaction times and, consequently, improve service quality.
- > Promote the brand in the markets where ESPA is present and open new markets.

> Implement new digital tools that enable decision making and more agile management.

> Produce and/or market new products in the water sector that generate wellness for the population.

> Social

- > Train staff in equality.
- > Implement remote working for certain job posts.
- > Improve well-being in work areas with good lighting and air conditioning/heating.
- > Remuneration policy through career plans and training plans that encourage talent retention.
- > Hire of staff to reinforce different company divisions, allowing turnover to grow, as well as profitability.

> Environmental

- > Obtain the ISO 14001 certificate in all ESPA production centres.
- > Continue to develop technology with a high degree of energy and hydraulic efficiency.

> Drive the manufacture and marketing of products with highly recoverable components that have a high degree of recycling.

> Incorporate energy efficient processes in all our centres.

In 2020 with the arrival of COVID, new market opportunities emerged. Consumer behaviour changed because of the pandemic and the need to feel wellness and comfort at home. As a result, there was an increase in home renovation investment and in the construction of residential swimming pools.

The markets that were most positively affected by this were three large areas we will be focussing on in the coming years:

- > The great Mediterranean Europe
- > The great Atlantic Europe
- > The United States market



Main impacts, risks and opportunities

Main factors and trends that could affect their future development

As part of the company process, we revise existing controls to identify risks, establish control mechanisms, and implement improvement actions to mitigate them. We identify corporate, social and environmental risks.

› **Corporate**

› **Fluctuations in raw materials**

Reduction in profit margin owing to the inability to pass the increase in costs for components to the client. The increase in client rates is determined by those made by the competition.

› **Local suppliers**

The difficulty involved in the supply of materials of Asian origin as a result of the COVID-19 pandemic has sparked the search for local raw materials as an alternative.

› **Credit risks**

Continual monitoring of the credit risk underwritten by an external insurance company.

› **Technological optimisation**

Technological optimisation to offer a more competitive product and be able to reach the majority of the population. Facilitate and ensure product repair and replacement.

› Identify new market segments in the water industry.

› Consolidate current sales channels and creation of synergies with new sales channels boosted by the pandemic, including *marketplaces*.

› Strengthen the *branding* of the ESPA brand as a European manufacturer in consolidated markets and those with potential.

› Define strategies to continue generating value for the distribution chain and end user.

› Growth in the European and United States markets due to the effects of the pandemic.

› **Social**

› Talent retention. Investment in continued training and staff motivation plans. Implement measures aimed at facilitating work-family life balance.

› Occupational health and safety. Review of all staff safety protocols.

› **Environmental risks**

› Enhance sustainable technologies and energy and hydraulically efficient processes.

› Optimise energy consumption. Staff training and awareness.

› Allocate the resources necessary to reduce and manage waste generation.

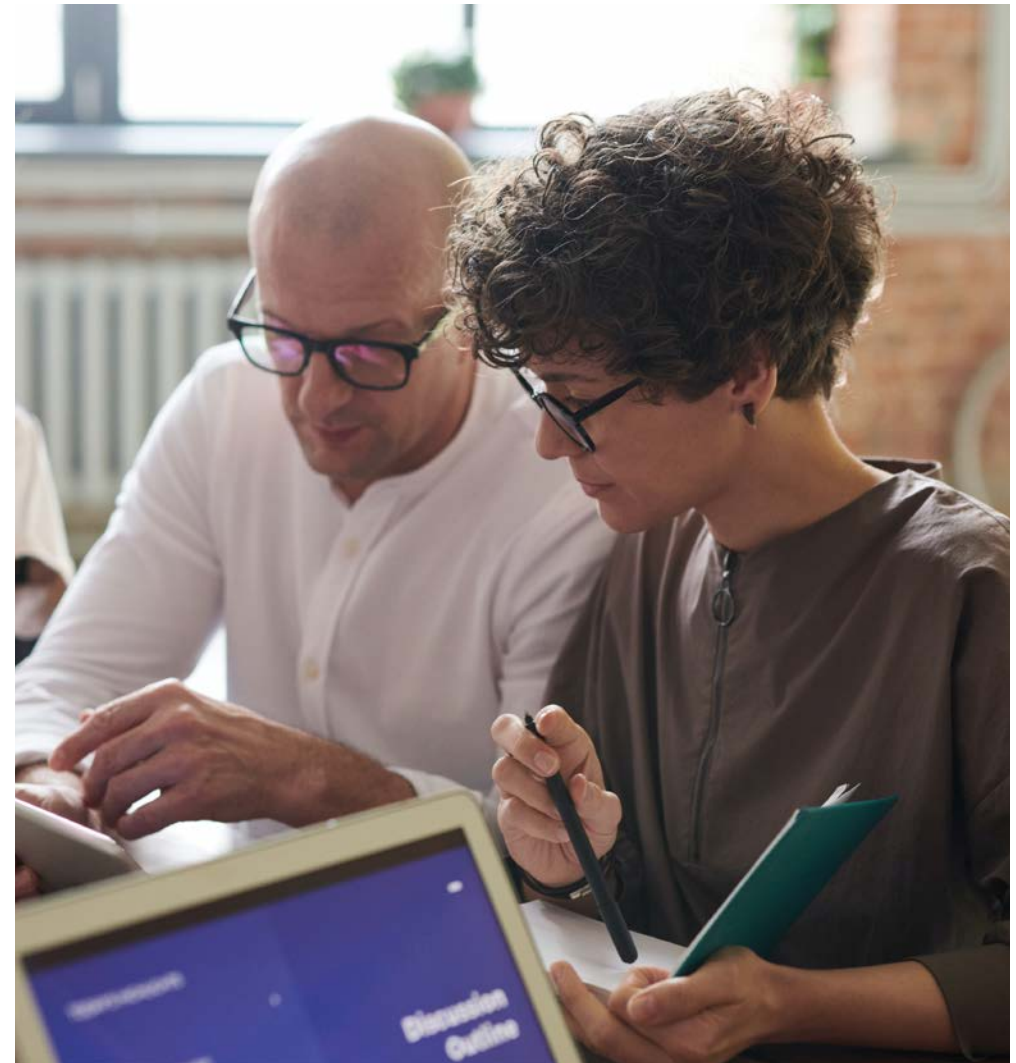




Bases for formulating the Non-financial Information Statement

The management report includes financial and non-financial information based on the requirements of Law 11/2018, of 28 December, on non-financial information and diversity. When this report was prepared, the provisions set out in the Guide to Preparing Sustainability Reports of the Global Reporting Initiative (GRI Standards) were considered. This report was drawn up in accordance with the essential option of the GRI Standards. For content not considered in these standards, standard reference indicators were used. The Non-financial Information Statement is annual in nature (GRI 102-52), in this case, for financial year 2021, and covers the activities of ESPA 2025, S.L. and its subsidiary companies.

In this context, through the Non-financial Information Statement, the company has the aim of providing information on environmental, social and staff-related matters, as well as those linked to human rights that are relevant to the company in the development of its business activity. For each question proposed by the law, the report indicates the policies associated with it, the risks related to it, and the reference indicator used to monitor and assess it. **ANNEX 1** contains a summary table indicating the information reported, including the standard used.



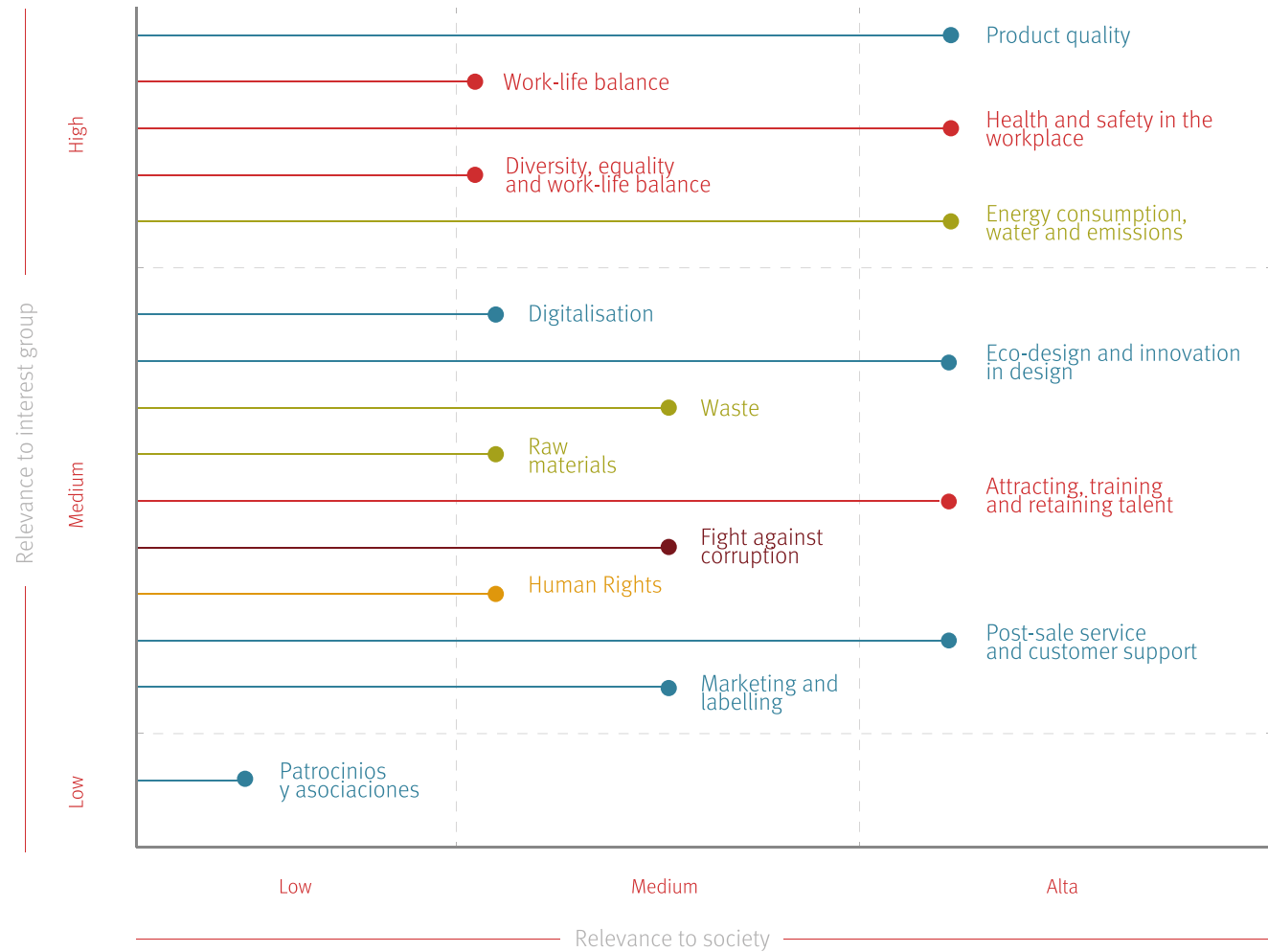


Materiality

The materiality of the report is the result of an internal process of consulting each company department. Meetings, consultations, conversations and interviews were carried out with the Production, Sales, Environment and Human Resources departments. The company's risk management system identifies the potential risks of all company activities at the different levels of the organisation, operating as a whole from offices to corporate support departments. Understanding what matters to, concerns and interests the company's stakeholders has been a key tool in preparing this materiality analysis. The result is presented next:

Bearing in mind the result of this analysis, the Group does not consider the following to be material subjects:

- › Actions to combat food wastage
- › Biodiversity protection



- Environment
- Economic
- Work
- Society
- Governance



Environmental matters

- › Environmental management
- › Pollution
- › Circular economy and waste prevention
- › Sustainable use of resources
- › Climate change



Environmental management

Effects of the company's activity on the environment, health and safety

At ESPA we are aware of the importance of energy efficiency and saving in our society in the coming years. For that reason, we are in the middle of developing and producing pumps that revolve around these concepts. They will be a key factor in optimising resources and costs in producing and designing products, improving our competitiveness in the global market.

Our commitment: make our planet a more sustainable, safer place. We comply with regulations in force and we encourage green initiatives:

- › Efficient use of energy and water
- › Reduction in gas emissions
- › Reduction and management of waste

No negative environmental impacts have been identified in our manufacturing process. With regard to our Purchases Policy, we give preference to suppliers in possession of the ISO 14001 certificate and FSC certification in cardboard. Our environmental commitment also translates to suppliers so they minimise their environmental impact and correctly manage their waste.

Environmental assessment and certification procedures

In response to our commitment to environmental sustainability, we are currently in the process of implementing the ISO 14001 environmental certification in Environmental Management Systems, having reached PHASE 1 of the certification, with the aim of obtaining the final phase in July 2022.

In October 2021, environmental control was approved, granting the corresponding environmental licence for the activity of smelting injected and finished aluminium alloys at the production plant in Porqueres (Spain). This licence is subject to periodic controls every six years.





Environmental management

Resources dedicated to environmental risk prevention

To prevent environmental risks, we carry out actions that must be developed to implement the Environmental Management System. We have an Environmental Manager who manages all actions in this area. Resources have been allocated to this area, including the new hire of waste administrators, new recycling containers distributed throughout the company's departments and areas, and the hire of an external consultancy to obtain advice and ensure our compliance with all legal requirements.

Amount of provisions and guarantees for environmental risks

During financial year 2021, no provisions or guarantees were made for environmental risks. During the financial year, no legal or regulatory breaches were recorded in environmental matters.





Pollution

Measures to prevent, reduce or remedy the emissions that seriously affect the environment

At ESPA, all waste generated in our production centres and offices (wood, cardboard and banal waste) is duly separated to facilitate its collection and recycling. All waste generated by the Group is managed by carriers and administrators authorised to remove it correctly. No waste generated is hazardous.

Noise and light pollution are not a significant environmental aspect of our production activity. At our subsidiary in Chile, noise pollution is mainly generated in the part cleaning sector. Corrective measures have been implemented to minimise this; noise reduction panels have been installed. The Chilean Safety Association has carried out controls to check measurements are below the levels permitted by regulations in force.



Circular economy and waste prevention

Prevention, recycling, reuse measures, and other ways of recovering and eliminating waste

The information provided on the waste generated refers only to the ESPA production plants in Spain, France, China and Chile. The waste generated includes the packaging used to supply products, comprising cardboard, plastic and wood.

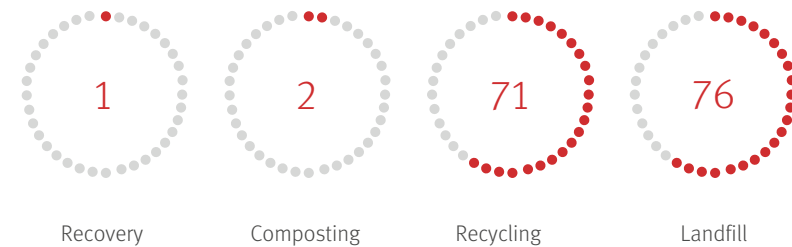
At ESPA's head offices, we issue an annual statement on waste management, the Annual Packaging Statement (DAE, using its Spanish acronym). We also have a Packaging Waste Prevention Plan (PEP in Spanish) in place to develop improvements to minimise waste that have already been implemented, improvement forecasts, recycling measures and material reuse.

One measure implemented includes a project to reduce the use of cardboard in product packaging and reduce the use of wooden pallets. We have also taken steps to improve plant recycling.

In Chile, the paper and cardboard waste generated is removed by a child assistance foundation.

Table of waste generation according to final destination (in tons).

> Non-hazardous waste



> Hazardous waste



> TOTAL



*Includes data for production centres in Spain, France, China and Chile



Sustainable use of resources

Water consumption and supply according to local limits

At ESPA, water consumption is not a significant part of our activity. We do not have an Environmental Programme in place for water and no underground water pollution is generated. The water used - mainly from the use of WCs and evaporative coolers - comes from the mains water system.

We are committed to using energy and water efficiently through staff training and awareness programmes and by renewing toilets so they have a dual flush system.

In Chile, gardens are watered with an electronic system.

— **Water consumption** in absolute values (m³) from the mains water system 2021:

8,074

(*) data reported for all ESPA Group production centres and 80% of the distribution subsidiaries, direct measurements (supply invoices)



Raw material consumption and measures implemented to improve efficiency in their use

Initiatives we have launched with the aim of reducing the use of certain non-reusable/recyclable materials include:

- › Design of new products following environmental criteria in selecting materials and eco-friendly design: new casing moulds to reduce shrinkage, part modification to reduce iron, unification of packaging boxes, and reuse of pallets.
- › Efficient water consumption. Staff training and awareness, renewal of toilets for those with dual flush system.
- › Efficient energy consumption. Operational control of electricity, gas and diesel consumption. Staff training and awareness. Replacement of lighting with an LED system. Renewal of heat pumps.
- › Reduction in waste generation. Guide for storing, managing and removing waste according to type. Coordination with waste administrators. In the China subsidiary, the use of reusable boxes has been implemented with some suppliers to transport raw materials to be used to manufacture of our products.
- › The cardboard used has FSC certification.

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*Consumption of materials for the production centre in Banyoles (Spain), the Group's most representative centre.

*Different raw materials are used in the production process.

The Group consumes 3% renewable materials by reusing packaging. The remaining 97% of non-renewable materials are easily segregated and recycled.

Materials related to the manufacturing process and that do not form a part of the end product (lubricants and detergents) are not harmful to the environment and they are all recycled.

	Units
Consumption of materials and raw materials	
Enamelled wire	404,746 kg
Other oils and lubricants	13,679 kg
Alcohol	961 kg
Lubricant oils used as raw material	548 kg
Paint and varnish	68 kg
Vaseline, paraffin and other similar products	51 kg
Solvents	28 l
Flexible meshes and galvanised accessories	5 t
Labels, leaflets	13,209,656 units
Screws	6,687,715 units
Plastic insulation parts for machines, apparatus and electrical facilities	2,698,043 units
Sheet/stainless steel parts	1,738,266 units
Rubber seals	1,619,471 units
Other graphite and other carbon items for electrical uses	891,959 units
Cardboard packaging	826,115 units
Bearings	802,863 units
Stainless steel rods	720,605 units
Other insulating parts for machines, apparatus and facilities	701,462 units
Aluminium minerals and concentrates	442,689 units
Rotor shaft for electrical motors	405,789 units
Condensers	336,917 units
Steel-free smelting parts	264,560 units
Winding stator	221,910 units
Magnetic steel stator sheet	199,309 units
Wires	169,972 units
Waste generated	
Paper and cardboard	81 t
Wood	40 t
Plastic	13 t
Banal	21 t



Direct and indirect energy consumption

At ESPA we consume energy by using fuel, electricity, heating and cooling facilities. The energy used comes from external renewable sources.

We have heating or air conditioning facilities in manufacturing areas and air conditioning facilities in office areas. These systems are: natural gas boilers, diesel boilers, diesel air heaters, heat pumps and evaporators. The purpose of these systems is to maintain optimal thermal comfort conditions for workers based on the activity carried out.

For the facilities located in Banyoles, ESPA is subject to the Catalan Energy Dependency Law. Pursuant to Royal Decree 56/2016, of 12 February, transposing Directive 2012/27/EU of the European Parliament and of the Council, of 25 October 2012, on energy efficiency, the company is subject to an energy audit every four years.

To reduce energy consumption, certain measures have been implemented, including:

- › Replacement of lighting with LED lights
- › Replacement of air conditioning apparatus.
- › Reduction in the energy requirements of the products and services sold during the period that is the subject of the report, given the IEC standard on electrical motors.

Types of energy consumed:

The company's main energy source is natural gas (54%), which is used for the smelting process in aluminium injection smelting furnaces and in thermal heating facilities.

Electricity represents 37% of the energy consumed. This source is used for our production processes, air conditioning and cooling systems, and lighting.

Diesel represents 9% of the energy consumed. It is used for our heating systems and the motor winding process.

Propane is used sparingly and represents less than 1% of our energy consumption. It is mainly used in the smelting production process to heat the moulds in the manufacturing process.

Energy consumption in absolute values (kWh)	2021
Natural gas	3,284,155
Electricity	2,256,057
Diesel	545,700
Other	28,165
TOTAL (kWh)	6,114,077
% of turnover	7.67%

*Data reported for all ESPA Group production centres and 80% of the distribution subsidiaries, direct measurements (supply invoices).



Measures implemented to improve energy efficiency



2012

ESPA Efficient Engineering

ESPA Efficient Engineering summarises the innovative spirit focused on studying and applying the most suitable technology to the concept of efficient pumping and engineering that works every day to develop efficient equipment.

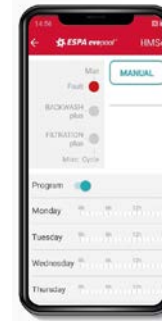


2013

EVOPPOOL® app

ESPA launched the new EVOPPOOL technology, a huge leap in efficiency and sustainability that integrates with the full range, providing efficiency, performance and respect for the environment.

The app can be used to configure and manage the operating cycles of your pump and adapt them to your swimming pool. Once set up, the pump works autonomously so you don't have to worry about anything else.



2020

Committed to energy efficiency

One year before the application date in July 2021, ESPA fulfilled the third phase of Regulation (EC) 640/2009 on ecodesign requirements for electric motors. This means that all three-phase motors of 50 Hz, with a power of 0.75 to 1000 kW (according to the new Regulation 2019/1781), comply with the IE3 efficiency level. In addition, all ESPA product ranges are available with variable speed.



Improvement measures and proposals to prevent, reduce and/or remedy carbon emissions and increase energy efficiency

- › Replacement of lighting in production areas with highly efficient LED lights
- › Implementation of a *district heating* system in production areas
- › Implementation of a PV solar installation
- › Implementation of an energy management system
- › Improvement of thermal insulation in office areas
- › Replacement of the cooling system in the production area and ESPA1 warehouse
- › Implementation of a maintenance plan in the aluminium smelting area
- › Replacement of the diesel burner for a highly efficient natural gas one in the winding area
- › Installation of skylights in the ESPA1 packaging area to make the most of the natural light
- › Raising awareness among staff of good energy practices
- › Automation of the air conditioning system

Use of renewable energies

The energy used comes from external renewable sources. By implementing the ISO 14001 standard, group suppliers will be deemed to share a commitment to using renewable energies.





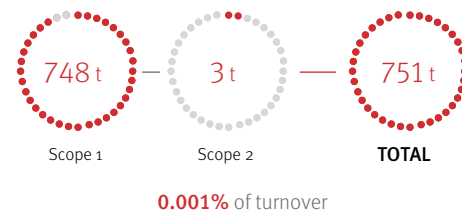
Climate change

Elements of greenhouse gas (GHG) emissions

We calculate our carbon footprint to identify the greenhouse gas emissions generated by our operations and their impact on climate change.

Energy consumption includes the data for all Group work centres. The consumption of natural gas, propane gas, diesel for production, diesel for vehicles and electricity have been included.

Greenhouse gas emissions in absolute values (e.g. tons of CO₂) in 2021



*Data reported for all ESPA Group production centres and 80% of the distribution subsidiaries, direct measurements (supply invoices).

Measures implemented to adapt to the consequences of climate change

The Group is not subject to emissions regulations or policies.

Voluntary objectives to reduce greenhouse gas emissions and measures implemented

In future vehicle purchases, the company will prioritise hybrid/electric models.

Energy audits will be carried out and staff will be trained and made aware of responsible energy use.

Social and staff-related matters

- › Management focus
- › Occupation
- › Organisation of work
- › Health and safety
- › Social relationships
- › Training
- › Universal accessibility for people with disabilities
- › Equality





Management focus

Description and results of the policies applied

At ESPA, we work to ensure equal opportunities for all workers and to promote the professional development of our entire team of staff. We are committed to establishing and developing objectives that integrate equal treatment and opportunities for men and women, with no place for any form of discrimination based on gender, religion, race or ideology.

We have internal codes and regulations that are periodically reviewed and updated. They form a part of the ESPA Human Resources Policy. The Code of Conduct applies to all employees, directors and administrative bodies of the company and Group subsidiaries. All protocols and regulations are available to company personnel, who are made aware of these.

- › In selection processes, the ESPA Staff Selection Policy is applied according to the company's values.
- › The ESPA Staff Recruitment Policy sets out the minimum requirements that must be met by new hires and it ensures compliance with existing labour legislation.
- › We have a Welcome Plan in place that facilitates the integration of new people in the organisation.
- › We have a protocol to detect training needs so we can develop the human and professional potential of our employees. Continuous training is offered within the company's Training Plan.
- › We carry out annual assessment processes that analyse attitudes, performance and behaviour to identify company staff members' strengths and growth. We encourage teamwork, trust and the career and professional development opportunities of our employees.
- › The Health and Safety Policy consists of applying regulations to prevent risks in our workplaces.
- › COVID-19 Protocol. We have implemented the necessary measures to protect and ensure the health and safety of the workforce throughout the pandemic.
- › We have a protocol in place to prevent, detect and act against sexual harassment.



Main risks

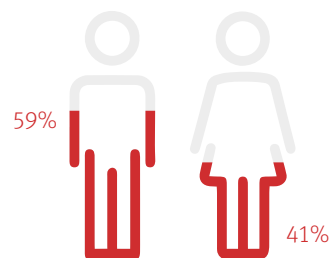
The following are among the main social risks included in the Equality Plan for ESPA 2025, S.L. They are assessed by the entire Group:

- › Principle of no discrimination: All people are equal and there must be no direct or indirect discrimination due to birth, race, sex, religion, opinion or any other personal or social condition or circumstance.
- › Principle of equal treatment between men and women: Creation of a balanced workforce containing men and women. Increase in the number of women in selection and promotion processes in posts where they are less represented.
- › Equal treatment and opportunities: Equality in access to employment, training, professional promotion and working conditions. Removal of all forms of discrimination in internal promotions and selection with the aim of achieving balanced representation of women in the workforce.
- › Prevent sexual and sex-based harassment: Implementation of a code of conduct that protects all female workers.
- › Gender equality: Creation of an organisational culture and values based on gender equality.
- › Equality training: Training of people responsible for recruitment processes in matters of equal opportunities, diversity, sexual and gender-based harassment, and gender violence.
- › Remuneration: Guarantee to fulfil the principle of equal remuneration for jobs that are the same and of equal value. Yearly review of the salary record to ensure there are no unintentional imbalances between the remuneration of men and women.
- › Non-sexist language: Guarantee to use inclusive, non-sexist language in the company's corporate image and communications.
- › Work-family life balance through work time flexibility and remote working.



Occupation

Total number and distribution of workers by sex, age, country and professional classification (on 31/12/2021)



> Workforce by age group and sex

Age group	Men	Women	Total	%
< 30	28	15	43	13%
30-50	112	75	187	56%
> 50	59	48	107	32%
TOTAL	199	138	337	100%
%	59%	41%	100%	

> Workforce by professional composition

Professional category	Men	Women	Total	%
Manager	11	-	11	3%
Technicians and graduates	41	16	57	17%
Sales	21	7	28	8%
Administration	35	47	82	24%
Workers	91	68	159	47%
TOTAL	199	138	337	100%

> Workforce by country

Country	Men	Women	Total	%
Spain	105	97	202	60%
France	21	9	30	9%
Chile	18	5	23	7%
China	9	10	19	6%
India	14	1	15	4%
Germany	8	6	14	4%
United Arab Emirates	10	-	10	3%
Argentina	4	4	8	2%
Italy	5	2	7	2%
United Kingdom	4	3	7	2%
Hong Kong	1	1	2	1%
TOTAL	199	138	337	100%

As of 31 December 2021, at ESPA we have a total of 337 employees, with the workforce remaining stable. Of these staff members, 59% are men and 41% are women. The difference between men and women is mainly owed to subsidiary management teams and the posts of sales agents, who are mainly men. It is worth noting that the majority of candidacies received for sales and technical job posts have been from men, which has led to said selection processes closing with more male hires than female hires. In all other job posts, the parity between men and women is balanced, with 57% of women in administration and 43% of women in production.

We must continue to work to promote equality and establish action plans so we may increase the presence of women in job posts where they are less represented.

According to age groups, 56% of the workforce is in the age range between 30 and 50 years old.



Total number and distribution of work contract modalities by sex, age and professional classification

> Work contract modalities on 31 December 2021

Professional category	Total
Permanent	316
Full-time	299
Part-time	17
Temporary	21
Full-time	12
Part-time	9
TOTAL	337

> Annual average of work contract modalities

Contracts	Employees	Total %
Permanent	310	94%
Full-time	293	89%
Part-time	17	5%
Temporary	19	6%
Full-time	10	3%
Part-time	9	3%
TOTAL	329	100

*An important aspect at the ESPA Group is labour stability, where permanent employment prevails, representing 94% of contracts.

> Annual average of work contract modalities by age groups

Professional category	Men	Women	Total	%
< 30	24	14	38	11.55%
Permanent	22	13	35	10.64%
Full-time	21	11	32	9.73%
Part-time	1	2	3	0.91%
Temporary	2	1	3	0.91%
Full-time	2	1	3	0.91%
Part-time	-	-	-	0.00%
30 - 50	109	72	181	55.02%
Permanent	106	70	176	53.50%
Full-time	105	58	163	49.45%
Part-time	1	12	13	3.95%
Temporary	3	2	5	1.52%
Full-time	3	2	5	1.52%
> 50	61	49	110	33.43%
Permanent	58	41	99	30.09%
Full-time	58	40	98	29.79%
Part-time	-	1	1	0.30%
Temporary	3	8	11	3.34%
Full-time	2	-	2	0.61%
Part-time	1	8	9	2.74%
TOTAL	194	135	329	100%
%	59%	41%	100%	

> Annual average of work contract modalities by categories

Professional category	Men	Women	Total	%
Permanent	186	124	310	94.22%
Full-time	184	109	293	89.06%
Manager	10	-	10	3.04%
Sales	21	6	27	8.21%
Technicians and graduates	37	14	51	15.50%
Administration	34	38	72	21.88%
Workers	82	51	133	40.43%
Part-time	2	15	17	5.17%
Technicians and graduates	-	1	1	0.30%
Administration	2	4	6	1.82%
Workers	-	10	10	3.04%
Temporary	8	11	19	5.78%
Full-time	7	3	10	3.04%
Sales	1	-	1	0.30%
Administration	-	1	1	0.30%
Technicians and graduates	1	-	1	0.30%
Manager	1	-	1	0.30%
Workers	4	2	6	1.82%
Part-time	1	8	9	2.74%
Technicians and graduates	-	-	-	0.00%
Administration	-	2	2	0.61%
Workers	1	6	7	2.13%
TOTAL	194	135	329	100%
%	59%	41%	100%	



Number of dismissals by sex, age and professional classification

Dismissals	Manager	Sales	Administration	Workers	Total
> 30	-	1	1	2	4
Men	-	1	1	2	4
30 - 50	-	2	-	-	2
Men	-	2	-	-	2
< 50	1	2	-	5	8
Men	1	2	-	2	5
Women	-	-	-	3	3
TOTAL	1	5	1	7	14

Average remuneration and its development disaggregated by sex, age and professional classification

Average remuneration	Men	Women	Total
Manager	63,674	-	63,674
Technicians and graduates	33,511	34,650	33,839
Sales	27,882	17,513	25,586
Administration	19,487	20,870	20,253
Workers	22,714	18,703	20,960
TOTAL	27,178	21,176	24,727

Average remuneration	Men	Women	Total
< 30	16,766	20,297	18,062
30 - 50	28,299	21,861	25,757
> 50	29,280	20,432	25,342
TOTAL	27,178	21,176	24,727

Pay gap



	Men	Women	Total General	Pay Gap
Average remuneration sum	27,178	21,176	24,727	22.09%

At ESPA, we remain fully committed to equality by offering the same opportunities for men and women, and we comply with the principle of equal remuneration for work that is the same and of the same value. Remuneration is consistent with the degree of complexity and responsibility involved with each job post.

We follow a salary policy that works to ensure equal pay between men and women, according to category and functions, to eliminate the unjustified pay gap. The pay gap is calculated as the difference between the gross salary of men and women, including fixed and variable remuneration received annually.

> Pay gap by professional category

If we analyse the pay gap by professional category, these differences are reduced as they reflect the responsibilities according to professional groups and the data are more comparable, except in the sales area and management teams of subsidiaries, where men are in the majority.

The fact that the majority of staff working in subsidiaries are men is determined by the nature of the post (salespersons and technicians, basically), where many of the candidacies received were from men, which led to said selection processes closing with more male hires than female hires.

Average remuneration	Men	Women	Total General	Pay Gap
Manager	63,674	-	63,674	100.00%
Technicians and graduates	33,511	34,650	33,839	-3.40%
Sales	27,885	17,513	25,586	37.20%
Administration	19,487	20,870	20,253	-7.10%
Workers	22,714	18,703	20,960	17.66%
TOTAL	27,178	21,176	24,727	22.09%



Average remuneration of board members and directors

Average remuneration of board members and directors, including variable remuneration, expenses, compensation, payments made to long-term savings plan systems, and any other amount received, disaggregated by sex.

Information provided in NOTE 20 of the report on the annual accounts, section b) Senior management staff and Governing Body.

> Administrators

The breakdown by sex of the members of the parent company's Board of Directors, corresponding to individuals, on 31 December 2021.



Sole administrator

Management tasks are carried out by the Sole Administrator.

The Sole Administrator of the parent company is a legal entity.

Implementation of work disconnection policies

We do not have a specific digital disconnection policy. For the majority of job posts, we have a sign in/out system at the start and end of the working day.



Organisation of work

Organisation of work time

At the ESPA Group, we have several production plants, offices and warehouses. We organise the company with different entry and exit times, with attendance control, according to the occupational needs of work posts and the circumstances of each country, always in compliance with legislation in force while trying to fully balance work and family life, and following criteria of labour flexibility.

In the work centres outside of Spain, which represent 60% of the Group's staff, the production workforce is organised with rotating work shifts (mornings and afternoons) and the office workforce is organised with flexible entry and exit times, provided the total stipulated number of daily hours is completed. We have two work calendars that apply to production staff and office staff. These are negotiated annually with the Business Committee.

The COVID-19 pandemic has seen us adopt remote working in all positions where this is possible. However, given the approval of the new Law 10/2021, of 9 July, regulating remote working, it was adopted as a new form of recruitment for work posts that allow

it, and with a maximum of 30% of weekly hours.

In the production plants of Chile, China and France, work time is organised as follows:
In CHILE, there is a 45-hour work week, organised with a unique schedule for all workers, except sales-people who have a more flexible work schedule. Due to the pandemic, the option of remote working was created especially for administration personnel.

In CHINA, office staff is organised with work schedules of 8 hours a day, 5 days a week, while production staff work 10 hours a day, 6 days a week.

In FRANCE, there is a single work shift that amounts to a 36.75-hour work week.

All other distribution plants are organised with split working days, with their duration and rest periods depending on local legislation.

Number of hours of absenteeism

The total hours of occupational absenteeism at ESPA was 22,765 hours, including occupational accidents, common contingencies and leave. This represents 4% of the total working hours.

Measures aimed at work-family life balance

We have defined a series of measures with the aim of facilitating personal, family and work life balance and encouraging the co-responsible exercising of said rights.

Such is the case that flexible entry and exit times have been established for office staff, provided that they work the set total number of daily hours.

For production personnel, as time flexibility is not possible, we have studied and applied shift changeovers whenever there is justification for it, and we have adapted to the reductions in working hours due to legal custody that have arisen.

There is a protocol in place to manage maternity and paternity leave, as well as breastfeeding leave for parents, in order to comply with the needs of the workers involved, whether they are men or women, in compliance with current legislation. Remote working is implemented in positions where it is possible.

In Spain, we have implemented a flexible remuneration plan, with a key feature being health insurance for employees, which is exempt from tax.



Health and safety

Health and safety conditions in the workplace

In matters of occupational health and safety, at ESPA 2025, S.L. we follow all protocols set out pursuant to the Occupational Risk Prevention Act 31/1995 and we have an external occupational risk prevention company on hand to ensure we comply with regulations.

There are mandatory regulations that set out specific rules for certain job posts in terms of using work clothing and personal protective equipment (PPE).

In all other countries where we develop our activity, occupational health and safety protocols are applied in compliance with the laws of the region.

COVID-19 management procedures

In all of our Group's work centres we have applied the local regulations required at the time to prevent the spread of COVID-19.

Furthermore, we have adapted our facilities to provide greater safety in the work environment, improving the circulation of air in offices, using screen dividers and making disinfection elements available at each work station. Hygienic masks, facial screens and hydroalcoholic gel have been supplied to all staff members.

Actions to prevent occupational risks

We develop actions to prevent occupational risks, assess risks and implement protective measures.

› Protective measures available to workers

The company's external prevention service is responsible for indicating which workplaces require protective measures, whether these are collective or personal in nature.

Collective safety protective elements are priorities. In cases where collective protection is not possible, all workers are supplied with the necessary PPE depending on the job post.

› Occupational health and safety training and information

All company staff members receive occupational health and safety training upon joining the company for their job post, as stated in article 19 of the Occupational Risk Prevention Act. They receive all information required to safely develop their work.

At ESPA 2025, S.L. we have trained all company staff members in risk prevention in accordance with the provisions set out in the 2nd State Agreement for Metal Industries.

› Medical assistance

An external mutual insurance company offers us medical care in the event of occupational accidents. This care is covered for all workers.

› Health monitoring

We have an external prevention company on hand to offer their services and carry out medical examinations to prevent risks to all company employees.

Occupational accidents and diseases, by sex

To correctly manage occupational accidents, we have a Human Resources Department that works alongside the occupational mutual insurance companies for accidents in Spain, and other equivalent organisations for all other countries.

Only occupational accidents in Spain (ESPA 2025, S.L.) were recorded as this is the most representative Group company. Accident rates were only calculated using these data and are as follows:

- › Number of occupational accidents: 23, of which 9 involved time off work
- › Occupational accidents involving time off work: Women: 6 accidents / Men: 3 accidents
- › 386 working days lost
- › Frequency rate: 0.91%
- › Severity rate: 1.18%
- › Occupational diseases rate: 0.00%. No cases were recorded at the company.



Social relationships

Organisation of social dialogue. Procedures to inform, consult and negotiate

All ESPA Group employees have the right to association and collective bargaining. Countries that do not have specific regulations on collective bargaining are governed by the country's labour legislation.

The staff members covered by specific collective agreements amount to 76%.

In the ESPA work centre in Banyoles (Spain), the representation of workers has two committees, one for the main work centre comprised of nine members, and the other for all other work centres comprised of three members.

The committees and delegates arrange quarterly meetings directly with company representatives for consultations, suggestions and collective bargaining. Emergency meetings may be held to respond or find a solution to a specific, occasional issue.

The committees and delegates are responsible for informing company employees via internal communication. Negotiations, if required, are put to a vote and questions are resolved democratically and by mutual agreement with the company.

In France, workforce representation is offered by the CSE (Social and Economic Committee), which holds monthly meetings with the company's manager and issues a report that is available to all employees.

In Argentina, employees in the trade union are always governed in accordance with the provisions set out in signed agreements, but they are periodically reminded that lines of communication with management, whether formal or informal, are always open to them.

Balance of collective agreements

The staff members covered by specific collective agreements amount to 76%. Each work centre has its own specific regulations and it adheres to the local labour agreement of each country.

In Spain, the Banyoles production centre is governed by the collective agreement for the iron and steel industries in the Province of Girona, and it represents 57% of the total.

The Spanish distribution centre is governed by the collective agreement for the general trade sector in Girona (for employees at the Banyoles centre) and the collective agreement for the metal trade in Madrid (for those located at the work centre in Madrid).

In terms of occupational health and safety, each country has its own internal regulations based on procedures or governed by the collective agreements of each work centre.

In Chile, the procedures, requirements, obligations, prohibitions in matters of order, health and safety are governed via the internal RIOHS ruling.

In Hong Kong, occupational health and safety is managed through a ruling of the Hong Kong Labour Department.

In France, occupational health and safety is regulated by the Convention Collective de la Metallurgie (CCN0934).

In Argentina, the Ministry of Justice and Human Rights governs occupational health and safety through Infoleg, legislative information on the work contract.



Training

Policies implemented in the field of training

At ESPA, we work to offer continuous training to our employees. We define a training plan in accordance with the training needs of the company and workers.

- › Needs of each department
- › Understand staff training concerns
- › Detect collective needs to homogenise courses
- › Work with certified companies to ensure the quality and cost of the service

In 2021, some 172 people from our production centres and commercial subsidiaries received free training. A total of 3,772 hours of training were given.

Training sessions were on safety and prevention to comply with new regulations on occupational risk prevention set out in the new State Agreement for the Metal Industry.

This training was aimed at all professional categories.

To improve the skills of employees, leadership and team management courses were given, along with other on industrial training. These were aimed at staff with intermediate roles.

In France, a training course was given to acquire knowledge on environmental risk prevention. The mandatory training sessions were also given to forklift drivers among the warehouse staff.





Universal accessibility for people with disabilities

Integration and universal accessibility for people with disabilities

We facilitate the labour integration of people with disabilities to job posts appropriate to their capacities.

ESPA 2025, S.L. is the only Group company that is obliged to comply with the LISMI, which requires that companies with more than 50 employees have 2% of employees with a disability in its workforce.

In 2021, the company complied with this obligation as it had a total of six disabled employees in the workforce. This number represented 3% of the workforce.

The six employees with a disability are all men with different degrees of disability:

- › 4 employees with 33% disability
- › 1 employee with 45% disability
- › 1 employee with 51% disability

Disability	Technicians and graduates	Workers	Total
30 - 50	1	3	4
Men	1	3	4
> 50	-	2	2
Men	-	2	2
TOTAL	1	5	6



Equality

Measures to promote equal treatment and opportunities between men and women, protocols against sexual harassment, policies against all forms of discrimination, and diversity management

We are dedicated to the principle of equality as an essential part of our Human Resources Policy. We are committed to establishing and developing objectives that include equal treatment and opportunities between men and women, with no kind of sex-based discrimination, by implementing the measures necessary to ensure equality between men and women. We have a protocol in place to prevent, detect and act against sexual or sex-based harassment.

In accordance with Law 3/2007, of 22 March, on equal opportunities between men and women, we have drawn up an Equality Plan that was the subject of negotiation with the legal representatives of our employees. Negotiations and preparation of this plan were carried out via a negotiating committee, the members of which were appointed by company management and the representatives of our employees.

Implementation of the planned actions and measures will be monitored. These actions and measures include the following:

- › Provide the Business Committee with a training course on gender equality.
- › Provide the department managers with a training course on gender equality.
- › Raise awareness of the Equality Plan among all employees.
- › Include the Equality Plan in the company's Welcome Plan documentation.
- › In terms of equal knowledge and skills for training, give priority to the under-represented sex in the position.
- › Correct all contents of the company's website to ensure the use of non-sexist language.

- › Create an information campaign on gender violence. Review and facilitate the sexual harassment protocol.
- › In selection processes in equal conditions of suitability, consider the under-represented sex in the professional group or post to be filled.
- › Maintain a balanced presence of men and women at all levels of the company.
- › Continue to assess the performance of each employee.
- › Adapt the times of training sessions to ensure people with reduced hours can attend.
- › Guarantee the right to digital disconnection.
- › Maintain working hour flexibility in the conditions indicated in company policies.
- › Check that job posts continue to have no pay gap.



Analysis diagram



General conditions

- › Data disaggregated by sex
- › Methodology used
- › Reference period of the data
- › Analysis date
- › People involved



Basic company information

- › Basic, internal and external information
- › Data on the sector of activity, scale of the company and organisational structure
- › Data on location, geographical dispersal and unique nature of each work centre, where applicable



Quantitative analysis

- › Workforce by age, connection, labour relationship, contract and working hours, time at the company, department, hierarchical level, professional groups, job post, training level
- › Distribution by sex in the representation of male and female employees in relation to the workforce



Staff management processes

- › Recruitment and hiring processes
- › Training process
- › Professional promotion process



Remuneration policy

- › Remuneration
- › Professional classification
- › Remuneration audit



Working conditions

- › Work day, hours and distribution of work time
- › Shift work schedule
- › Remote work
- › Leave of absence permits
- › Functional and geographical mobility



Co-responsibility

- › Co-responsible exercising of rights to personal, family and work life
- › Measures implemented at the company
- › Permits and leaves of absence



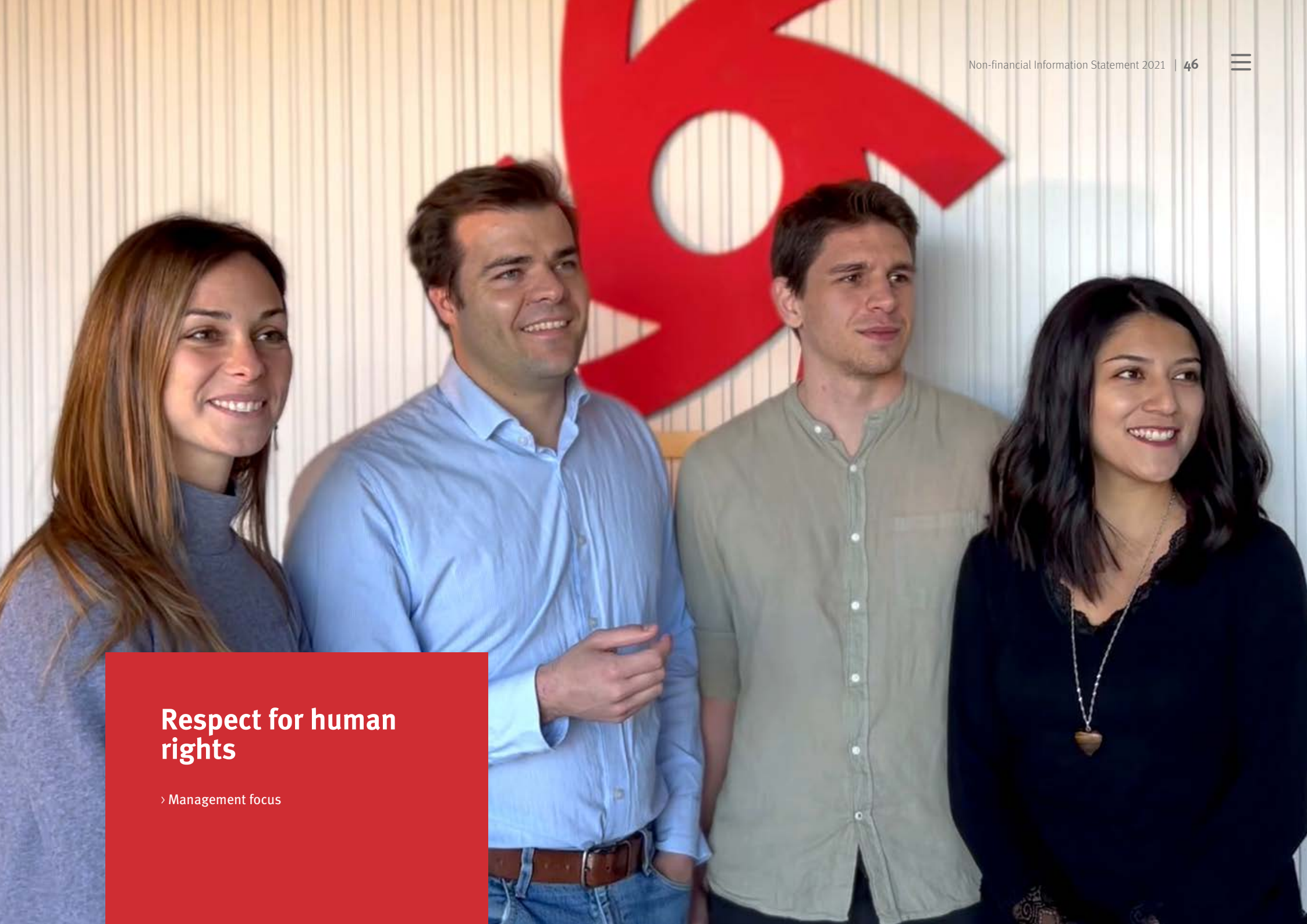
Female under-representation

- › Presence of men and women in the company as a whole
- › Vertical and horizontal segregation
- › Presence of men and women in the legal representatives of workers



Prevention of sexual and sex-based harassment

- › Procedure to prevent, detect and act
- › Awareness and training actions



Respect for human rights

› Management focus

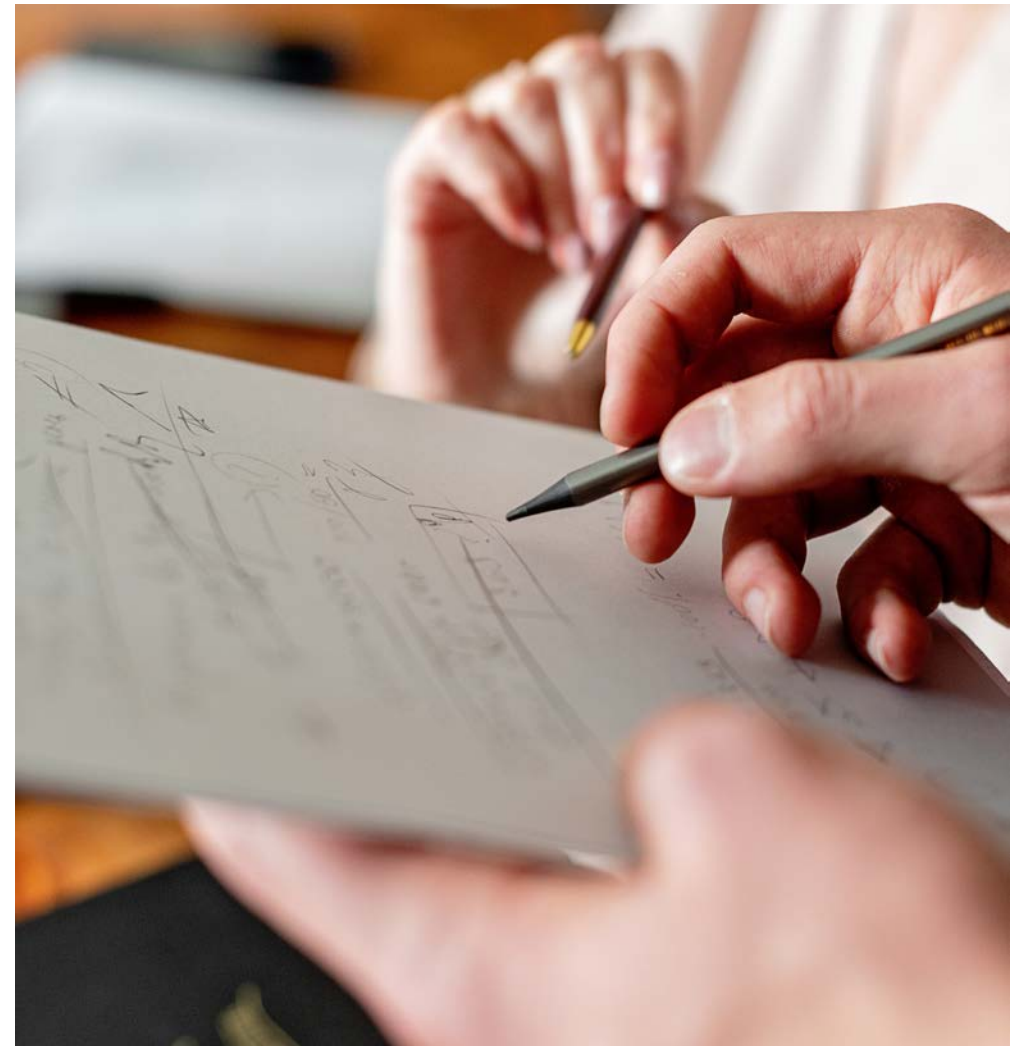


Management focus

Description and results of the policies applied

ESPA has codes of conduct, protocols and company policies to ensure compliance with the Universal Declaration of Human Rights, as well as the right to collective bargaining and the abolition of child labour and forced labour.

In 2021, the Group did not record any complaints or claims due to infringements of human rights.





Fight against corruption and bribery

- › Management focus
- › Information on the fight against corruption and bribery



Management focus

Description and results of the policies applied

ESPA has internal procedures, policies and manuals on good practices for fighting against corruption and bribery. No incidents related to this matter were detected in 2021.

Information on the fight against corruption and bribery

Measures implemented to prevent corruption and bribery

ESPA's good practices manuals set out the conduct standards for the employees involved in the company's daily operations. The following are some key aspects:

- › Supplier selection will be governed by criteria of objectivity and transparency.

- › Internal procedure to put together and authorise supplier invoices.
- › No employee will give payments, bribes, gifts or economic advantages with the aim of securing commercial deals.
- › All ESPA staff members must act legally, ethically and respectfully.
- › Internal audits will be organised in subsidiaries to ensure compliance with Group regulations, as well as to detect areas for improvement.

Measures to fight money laundering

All money transfers that the company completes with its employees, suppliers, clients or any other related stakeholder are carried out by authorised individuals and within the limits of said authorisation, via registered securities or bank transfer. Cash payments are strictly prohibited.

Contributions to not-for-profit foundations and entities

In 2021, ESPA did not make any contributions to not-for-profit foundations and entities.



Society

- › Company commitments to sustainable development
- › Subcontractors and suppliers
- › Consumers
- › Tax information



Company commitments to sustainable development

Impact of the company's activity on local employment and development

ESPA contributes to the sustainable development of local organisations and entities in employment matters by collaborating with institutes and universities to offer job posts to students looking to complete internships.

Association or sponsorship actions

This season (2021-2022), we chose to support young athletes by sponsoring the junior teams of Girona Football Club. We identify greatly with the values shown by new generations and sport. Commitment, effort and teamwork, along with the ability of sport to mobilise emotions, define the essence of ESPA.



Subcontractors and suppliers

Inclusion in the Purchases Policy of social, gender equality and environmental matters

The main aim of the ESPA Purchases Policy is to optimise the cost, quality and service in the purchase and hire of all goods and services required in the normal development of our activity.

As such, we concentrate all our efforts on:

- › Establishing a company commitment to suppliers in the purchase process.
- › Encouraging compliance with the different environmental laws in force (prioritising recyclable raw materials, encouraging the sustainable use of production resources, avoiding the generation of unnecessary waste, promoting km0 suppliers, upholding occupational health and safety and human rights, and overseeing the environmental compliance of both internal work and that of our suppliers).
- › Maintaining continuity in the supply of the products and services required.
- › Ensuring the material or service supplied complies with the technical and quality requirements set out by our Quality Department.
- › Acquiring products at the lowest cost possible in line with technical specifications and quality standards.
- › Forecasting variations in price, as well as existing market trends and encouraging the improvement of processes to minimise the volatility of raw material costs.
- › Collaborating with our suppliers on continuous improvement.

Code of personal conduct and ethics

All staff involved in the purchase process must uphold impeccable integrity guidelines in all their relationships, both inside and outside the organisation, avoiding any conduct that could harm or endanger ESPA or its reputation, acting faithfully and honestly and prioritising the company's interests over their own.

We promote diversity and respect the personal dignity of our employees. We hope our suppliers also do the same.

We condemn all forms of bribery and corruption, and we ask our collaborators to help eliminate and report said practices.

We emphasise honesty and respect.

We encourage our suppliers to promote gender equality in every scope of their company, to encourage diversity and respect for the personal dignity of employees, and to respect the company's assets and goods.

Data and intellectual property protection

Unless authorised by ESPA management or required by law, employees will not disclose confidential information (product designs, specifications, new developments, financial information and any other information not published by the company), whether it pertains to ESPA or its suppliers. Similarly, employ-

ees will keep secret all confidential information they have accessed in previous employment positions.

If necessary, the corresponding confidentiality agreements will be signed to ensure the information supplied is stored and used correctly.



Consumers

Measures to ensure consumer health and safety

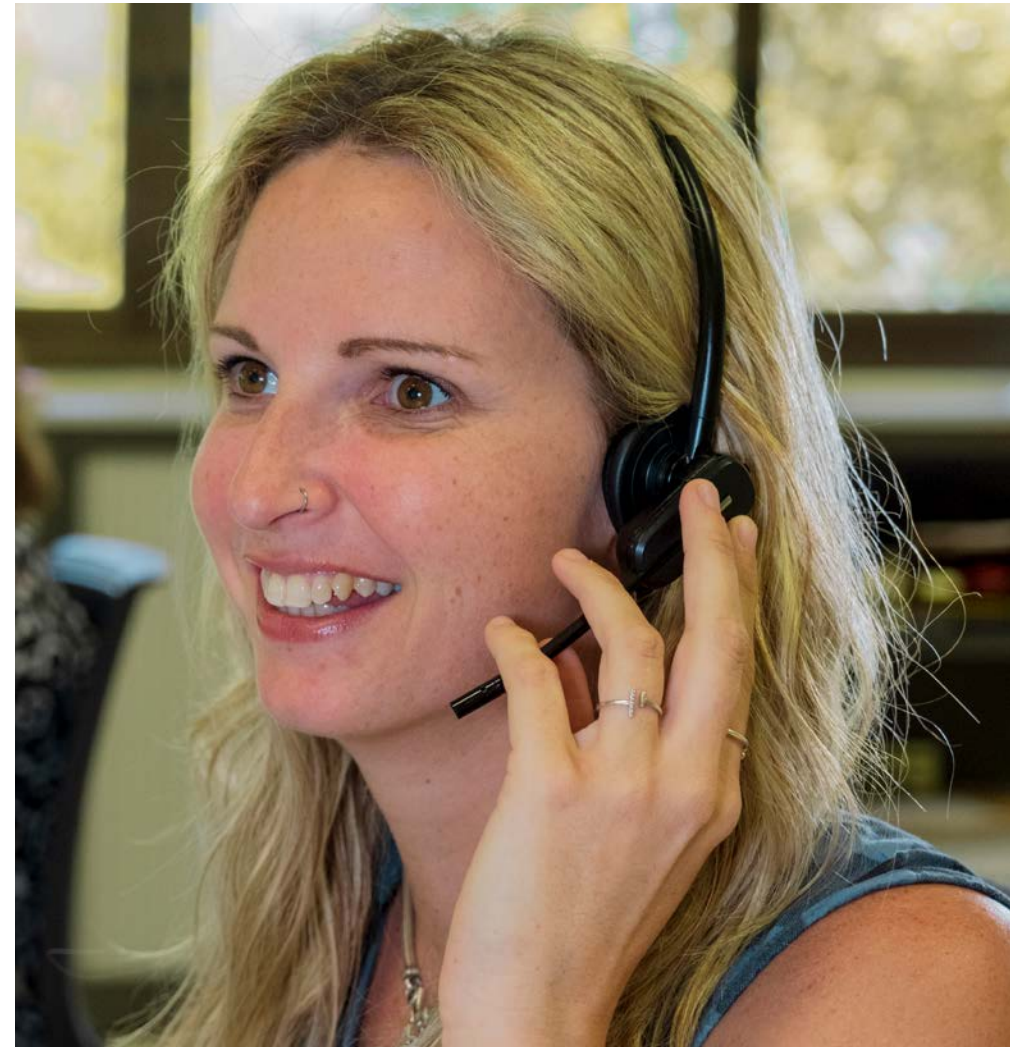
Offering a good service and customer support is one of our main objectives. For this reason, the Services Department works every day to improve the quality, speed and efficacy of the service offered and to identify the demands and needs of the value chain in this area.

We are in possession of ISO 9001:2015 certification and we apply all quality controls required by guidelines and regulations to our components and finished products. We follow the Quality Manual and procedures demanded by standards with the aim of guaranteeing the health and safety of those who use our products.

In addition, we are in the process of obtaining ISO 14001 certification. This shows our clear commitment to sustainability and preserving the environment.

Other certificates we have include:

- › IEC
- › ACS





Claim systems, complaints received and their settlement

We are constantly learning from our clients, building and offering a full range of services based on their experience. We have an extensive official technician service and technical assistance network comprising staff with the knowledge required to maintain, repair and market components for our products and equipment. We offer:

- › **Start-up:** The start-up service for all clients who require it.
- › **Spare parts:** We recommend using ESPA spare parts with the aim of ensuring the correct repair, maintenance and quality of our products.
- › **Repairs:** It is incredibly important that the necessary spare parts are available in the markets where we are present to guarantee swift, quality assistance.



Start-up

Through our post-sale service, our network of official technicians and our technical assistance services, ESPA offers a specific start-up service for each piece of equipment or system.



Spare parts

We recommend using our original spare parts to maintain and repair our products with a view to ensuring they operate correctly.



Repairs

An extensive official technical service and assistance network will offer you the necessary support, maintenance and repair of ESPA products and equipment.



We have several claim channels available at corporate and subsidiary level.

The Services Department is responsible for managing any claims received and deciding what actions to take within a maximum of 48 hours and, depending on the type of incident recorded, proceeding to replace the part or provide the corresponding pay out.

Periodically, the Services Department informs the Quality and Operations departments of the incidents received in order to carry out improvements and the corresponding actions to minimise the possibility of these occurring in the future.

Intranet

Our clients can use this channel to make a claim, view the status of their claim and view a list of historic claims. As such, the client has traceability and a record of the incidents that have occurred.

Group subsidiaries also record the incidents they receive from the sales generated in their markets using the same portal. This allows us to analyse the volume of incidents by market, client and item, and apply the appropriate corrective measures in each case.

Social media

Users can also make contributions and claims through other authorised channels open to everyone, including social media. At present, ESPA is active on Facebook, Instagram, LinkedIn, YouTube and Whatsapp.

Traditional

We also use traditional channels, such as telephone and email.



Tax information

Profits obtained country by country and the tax on profits paid

Country	Profits obtained	Tax on profits
Spain	-€1,261.3 M	€269.0 M
France	€1,773.7 M	€426.4 M
Argentina	€144.7 M	€44.3 M
India	€90.1 M	€0.5 M
Chile	-€199.2 M	€44.2 M
Hong Kong	€37.7 M	€0.0 M
United Kingdom	€6.0 M	€0.0 M
Italy	€3.8 M	€1.4 M
China	€0.6 M	€0.0 M
United Arab Emirates	-€0.6 M	€0.0 M
Germany	€15.3M	€0.0 M
TOTAL	€610.7 M	€785.8 M

Information on the public grants received

2021	Public grants received
9,216	SS grants
15,884	Training
6,000	Internship contract

Economic value generated and distributed

Main figures

Balance sheet	2021
Non-current assets	€60,226.9 M
Current assets	€30,530.5 M
Shareholders' equity	€4,337.7 M
Non-current liabilities	€13,102.3 M
Current liabilities	€73,317.3 M
Income statement	
Turnover	€79,718.2 M
Operating profit	€1,553.8 M
Financial expenses	€767.6 M
Pre-tax profit	€610.7 M
Financial year result	-€175.1 M



Annex 1



Annex 1

Correspondence
with the contents
of Law 11/2018
and greenhouse
gas indicators

Scope	Content	GRI standard	Page
Business model	Business model description	102-2, 102-7	08
	Geographical presence	102-3, 102-4, 102-6	12
	Organisation objectives and strategies	102-14	16
	Main factors and trends that could affect their future development	102-15	18
General information	Company policies	103-2	33-47-49
	Reporting framework used	102-54	19
Environmental matters	General information: policies applied by the company and their results, as well as the main risks affecting the company	103-2, 103-3, 102-15	18
	Environmental management	307-1, 308-2, 102-11	22
	Pollution	103-2, 102-15	24
	Circular economy and waste prevention and management	103-2, 102-15, 306-1, 306-2	25
	Sustainable use of resources	303-1, 301-1, 302-1, 302-2, 302-3, 302-4	26
	Climate change	201-2, 305-1, 305-2, 305-3, 305-4, 305-5, 201-2	31
	Biodiversity protection	304-2, 303-2, 306-5	Not applicable
Social and staff-related matters	General information: policies applied by the company and their results, as well as the main risks affecting the company	103-2, 103-3, 102-15	33
	Work	102-8, 401-1, 401-2, 405-1, 405-2, 201-3	35
	Organisation of work	403-2, 401-3	39
	Health and safety	403-2, 403-3	40
	Social relationships	102-41, 102-43, 403-1, 403-4	41
	Training	404-1, 404-2	42
	Accessibility	405-1	43
	Equality	103-2, 406-1, 405-1	44
Human rights	General information: policies applied by the company and their results, as well as the main risks affecting the company	103-2, 103-3, 102-15	47
	Application of due diligence procedures in matters related to human rights, prevention of risks of infringing human rights and, where applicable, measures to mitigate, manage and remedy possible infringements	102-16, 102-17, 414-1	47
	Reports of infringements of human rights	419-1, 406-1, 414-1	47
	Promotion and compliance with the provisions of the core agreements of the ILO related to respect for freedom of association and the right to collective bargaining. Elimination of discrimination in the workplace and effective abolition of child labour	406-1, 408-1, 409-1	47
Corruption and bribery	General information: policies applied by the company and their results, as well as the main risks affecting the company	103-2, 103-3, 102-15	49
	Measures to prevent corruption and bribery	102-16, 102-17, 205-1	49
	Measures to fight money laundering	205-2	49
	Contributions to not-for-profit foundations and entities	201-1	49
Society	General information: policies applied by the company and their results, as well as the main risks affecting the company	103-2, 103-3, 102-15	51
	Company commitments to sustainable development	413-1, 201-1, 413-2, 102-43	51
	Subcontractors and suppliers	308-1, 414-1, 308-2, 414-2	52
	Consumers	416-1, 416-2	53
	Tax information	201-1, 201-4	56



Signed by the Board of Directors for ESPA 2025,
S.L. and its subsidiary companies, in Banyoles
on 31 March 2022.

PAP RECURSOS TANGIBLES, S.L.
(Represented by Josep Planas Rubirola)



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