



SUSTAINABILITY REPORT 2022

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01 LETTER FROM THE MANAGING DIRECTOR



In an industry facing increasingly pressing environmental, social and economic challenges, the adoption of a coherent and cross-cutting sustainability strategy, embedded in our culture, has become an essential element for the medium and long-term success of our company.

Our commitment to sustainability helps us to be better prepared to face future challenges and strengthens our business resilience across the value chain. It is also an added benefit in driving values that are key to our future **growth: efficiency, adaptability and transparency.**



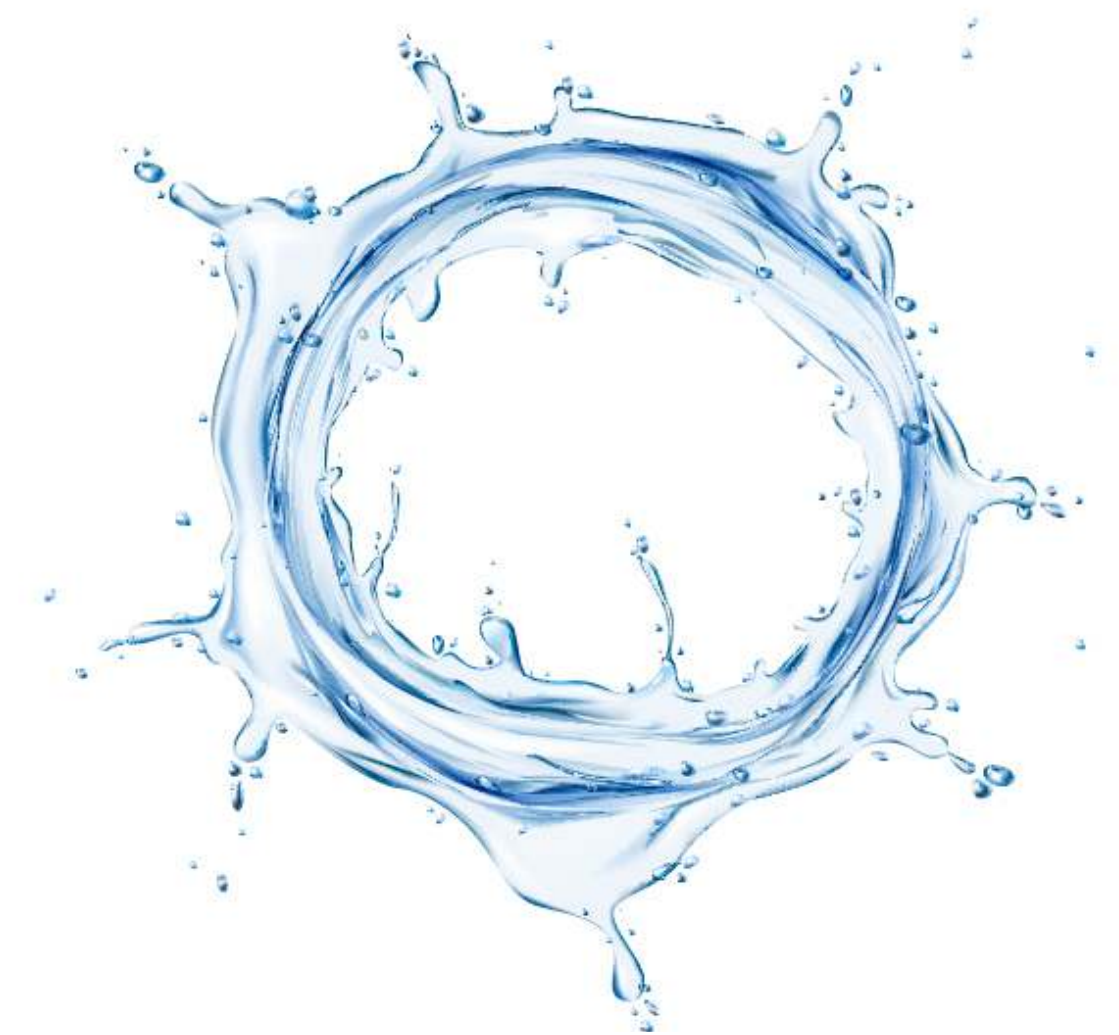
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For ISTOBAL, the commitment to sustainability goes beyond issues of regulatory compliance. The key is taking responsibility for the environment, seeking competitive advantages, fostering innovation, managing risks and leading in a world that demands a genuine commitment to protecting the planet.

Our first sustainability report provides a solid platform to identify, communicate and address industry challenges, ranging from **the efficient management of resources such as water and energy, to the development of more sustainable chemicals, to the integration of new technologies** across the value chain to promote operational efficiency in an environment that is increasingly aware of and **demanding more sustainable practices**.

It also highlights opportunities by **putting people and the environment at the heart of our strategy**. This means considering the well-being of our employees, promoting safe and equitable working conditions, increasing our efforts to minimise the environmental impact of production processes, reducing carbon emissions, managing waste responsibly and conserving natural resources.

This is not only an ethical commitment for us, **but it also means an essential step in a world that is increasingly aware of the importance of our responsibility**, where our customers and users value a genuine environmental Commitment, in a sector that is in a constant state of evolution. This involves openly communicating ISTOBAL's practices, policies and results in relation to key aspects of sustainability, such as responsible water use, waste management, energy efficiency and investment in clean technologies.

In this context, at **ISTOBAL we are working on our Sustainability Master Plan 2023-2025**, a genuine commitment, rooted in our organisational culture, aligning purpose and management of sustainable programmes and serving as a roadmap for the continuous improvement of our organisation. A dynamic, proactive roadmap, fully in line with the company's growth strategy, which allows all stakeholders to better understand ISTOBAL's commitment and contributions to the environmental and social well-being of our surroundings in all the areas in which we operate.



In short, the creation of our first sustainability report is an essential step to promote a lever that is fundamental for ISTOBAL, and it means promoting trust with a commitment to transparency in a transversal and coherent way towards our multiple stakeholders.

I sincerely thank all those who have contributed to this important achievement: our talented team, our valued business partners, and all the stakeholders who have given us their support and guidance on this journey.

We recognise that **the road to sustainability is an ongoing process on which we will continue to move forward**, setting more ambitious goals and adopting practices to ensure a prosperous future for generations to come.

And always putting in the centre what is our reason for being, our constant evolution to offer global, sustainable and integrated solutions that bring profitability to the car wash business, for focusing on the latest technologies and oriented to give the best service to our customers.



Antonio Martínez
Managing Director





02

2022 MILESTONES

Organisational strategy

Foresight, business flexibility and scalability to manage future uncertainties.

Increased customer focus, identification of medium-term growth areas.

ISTOBAL initiatives with emphasis on innovation and new technologies to increase profitability.

Management of operational challenges and supply chain to avoid impact on delivery times.

Growth of services as a lever of profitability.

Digital transformation as an integral part of ISTOBAL

Sustainable approach to the value chain, focusing on the development of products and services.


Milestones in line with our sustainable commitment in 2022

98%
of our **professionals**
have **permanent contracts**

ISTOBAL
Equality Plan

Social

8,132h
of training

 **+900**
employees

EBITDA 2022
14,8 M.€

ISTOBAL Group turnover
163,9 M.€

Economic


Growth

EBITDA
+9%

YoY
+12%

72%
Export figure
(Sales outside Spain in 2022)

R&D+i investment
3,7 M.€

Governance



Quality system

Certified according to ISO 9001

0

Sanctions and complaints

(in ESG matters)

Code of ethics and compliance policy

42%

of the **electricity** supplied in our facilities comes from **renewable energy sources**

11%

of reduction in stationary emissions



Environmental management certification

According to ISO14001

Environment

6

Environmental, quality and safety certifications

In our range of chemical products

Reduction of

46%

of waste generated in packaging by-products



03 ABOUT ISTOBAL

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ISTOBAL, a leading company

ISTOBAL is a multinational leader in the **design, manufacture and marketing of wash and care solutions for all types of vehicles**, that places innovation and high technology at the service of solutions that generate high profitability for its customers and a high user experience for its users.

After more than **70 years of experience**, ISTOBAL has become a benchmark in the sector, operating in more than 80 countries around the world, with 12 commercial subsidiaries, 4 manufacturing and assembly plants in Europe, Asia and America and a team of more than 900 professionals.



+70 Years

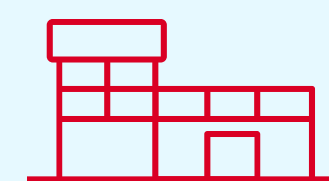
OF EXPERIENCE

+900

EMPLOYEES

+80 Countries

TRUST ON
OUR SOLUTIONS



12

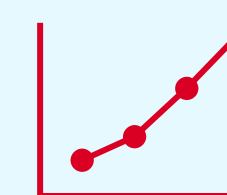
COMMERCIAL
SUBSIDIARIES

4

PRODUCTION AND
ASSEMBLY PLANTS

+72%

INTERNATIONAL
SALES



164 M.€

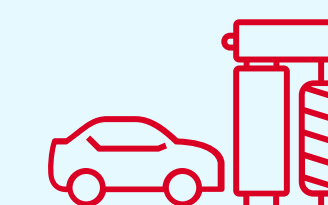
TURNOVER
IN 2022

3.7 M.€

INVESTMENT
IN R+D+I

60 Models

WASH EQUIPMENT
AND SYSTEMS



1.000.000

WASHES / DAY
IN THE WORLD

30.000

INSTALLED
EQUIPMENT
IN THE WORLD

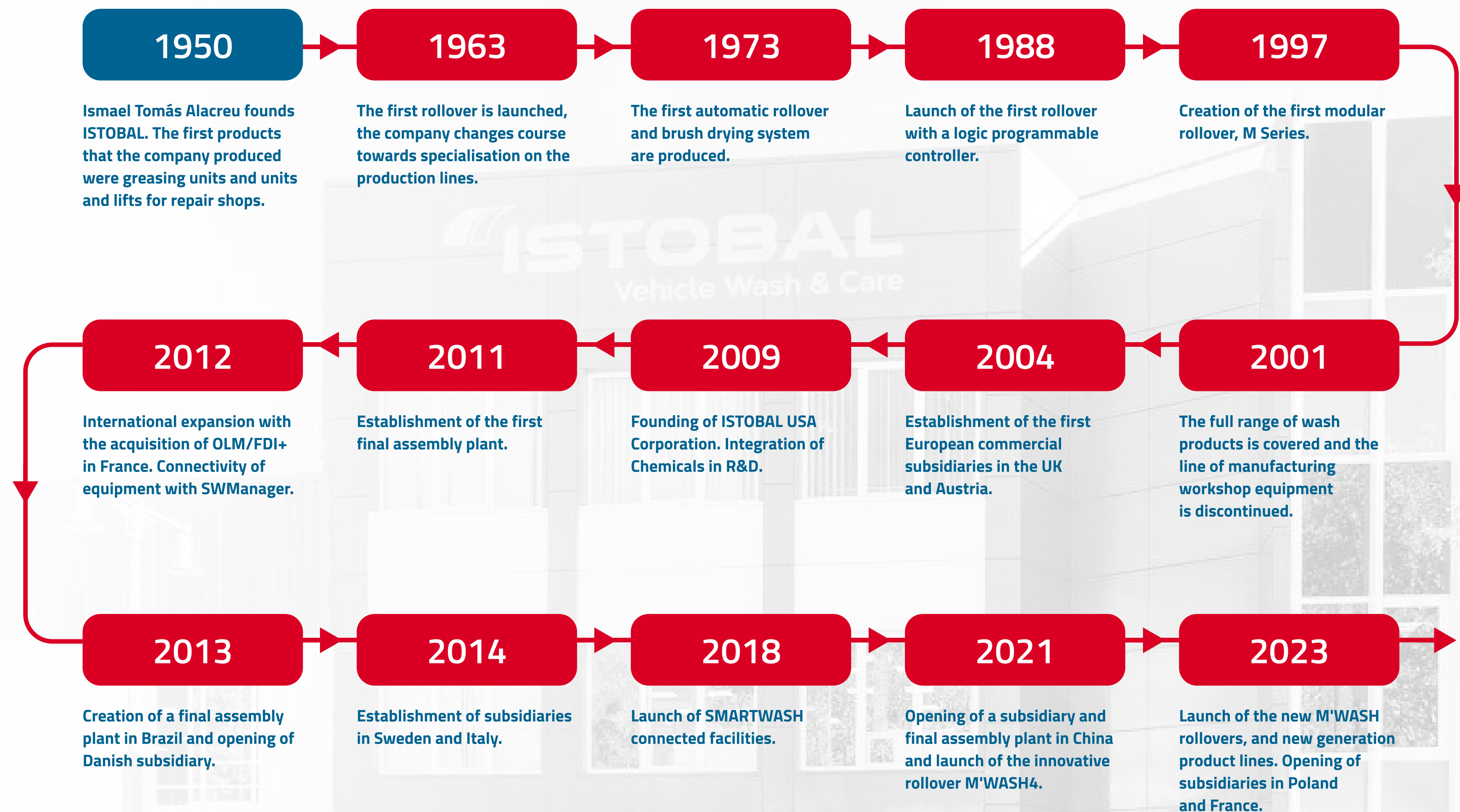
+85 References

SUSTAINABLE
CHEMICALS

Our history

ISTOBAL's history began in 1950 in a modest workshop in L'Alcúdia, Valencia (Spain). Driven by the vision and innovative spirit of our founder, Ismael Tomás Alacreu, today we are proud to be one of the leading companies in the vehicle wash and care industry worldwide.

Led by the third generation of management, at present we retain our essence as a **family business with a strong global focus.**





Our mission

Our mission is to offer global, sustainable and integrated solutions that bring high profitability to the vehicle wash and care business, using the latest technologies and focused on providing the best customer service.



Our values

- Curiosity and creativity
- Customer orientation
- Co-operation
- Integration and diversity
- Safety



Our vision

The application of all these values contributes to achieving our vision as a company, transforming the vehicle wash and care experience to be easy, fast, efficient and fun, while bringing maximum value to our customers.



Solid global approach



More than **900 employees**



More than **80 countries** rely on our equipment, products and services.



ISTOBAL exports through its **12 commercial subsidiaries** and a wide network of **official distributors**.



72% of production corresponds to international sales.



Manufacturing Subsidiaries

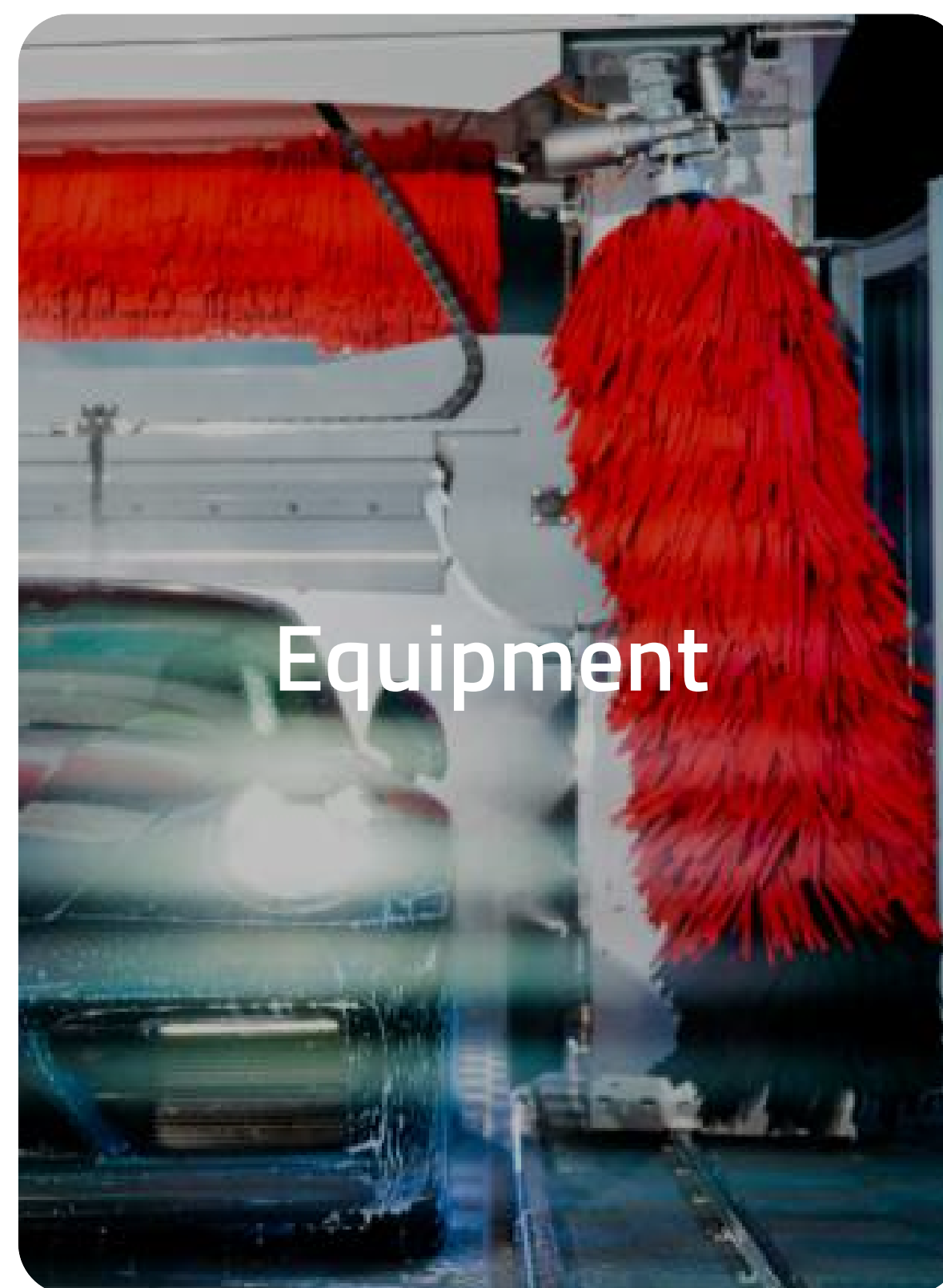


Commercial Subsidiaries



Distributors

Integrated solutions portfolio



ISTOBAL offers a wide range of comprehensive, flexible, agile and cost-effective solutions, adapted to the needs of a wide variety of sectors.

Our equipment and products



WASH EQUIPMENT

Rollovers that cover all the needs in the world of automatic vehicle wash through different ranges, from the most functional to the most sophisticated. Always with maximum technological reliability.

Car wash **tunnels** for facilities requiring high throughput rates in vehicle washing. The tunnels guarantee the highest throughput for washing a large number of vehicles per hour.

Jet wash solutions, with a variety of equipment for manual pressure washing, incorporating the latest technology and features to improve the user's experience in vehicle wash.

Industrial wash solutions by means of robustly designed and mechanically liable equipment that guarantees the efficient washing of any fleet of commercial vehicles such as buses, coaches, trucks, and all types of special vehicles, as well as customised wash systems for the washing of trains, trams and metros.



CHEMICAL PRODUCTS

Esens **chemical products** that stand out for their quality and high efficiency for different machines and phases of the wash process, variety of formats and environmental friendliness.



WASH ACCESSORIES

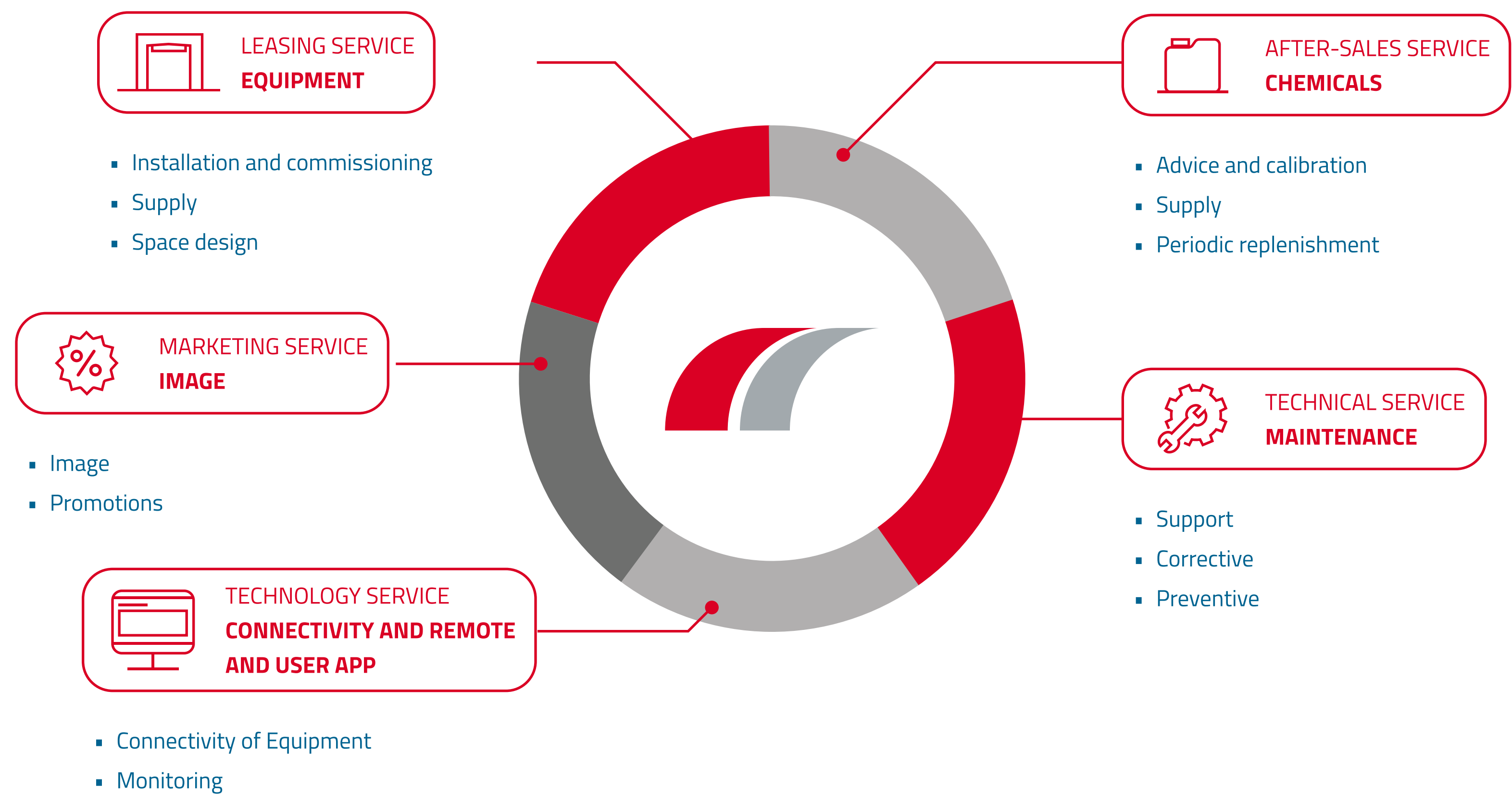
Water treatment systems both to obtain the highest quality wash water for an impeccable wash result and to recycle, save and decontaminate water in the car wash installations.

Car wash accessories such as vacuums, sprayers, testers, combination units, floor mat washers, and other accessories that complement a car wash facility to provide a comprehensive vehicle care service.

Enclosures, structures designed to complete and protect the wash facility. They include a variety of modular solutions for all types of installations based on simple, flexible structures and state-of-the-art materials.

Payment terminals, technologically advanced systems equipped with the latest payment methods, for a customised and intuitive user experience.

Our services



Leasing service: formulas adapted to the real needs of customers to start up and maintain a vehicle wash installation, with the most advanced machinery, in a simple and uncomplicated way.

Chemical products service: a wide and experienced network of ISTOBAL consultants advises on the best pre-washes, shampoos, foams and waxes, carries out periodic replenishment and guides the customer to achieve maximum performance.

Technical service: our technical assistance team is one of the closest, most complete and technologically advanced in the world. It offers preventive maintenance, equipment upgrades and remote intervention to extend the useful life of the equipment, guaranteeing the fastest and most effective service possible.

Technology service: allows you to connect all the equipmen in the facility, extract and analyse financial and user behaviour data, and remotely manage the machines, increasing the profitability and security of the business.

Marketing service: includes marketing actions to encourage sales, increase traffic and generate the trust and proximity necessary to build user loyalty.

Technology and innovation

At ISTOBAL, we strive to make the latest technologies available to our customers and users, with a focus on creating effective and innovative products, where connectivity and ease of use are key factors.

Our **Research + Development + Innovation** department is one of the key strategic pillars of our company. This area gives rise to pioneering ideas and technologies that end up materialising in solutions that, in addition to responding to customer requirements, anticipate the demands of the market in terms of vehicle wash and care.

In our R&D+I department, we have a team of next to 50 professionals who contribute their talent, experience and creativity to technological progress. This is reflected in **the 30 patents we have registered** in various countries.

All this work is achieved in close **collaboration with prestigious technological institutes**, universities and companies in the scientific and technological sectors, to attract talent and promote the development of projects and research in the fields of engineering, design, automation and digitalisation.

Some of the key tools and processes of our R&D+i department for promoting technology and driving innovation in the sector include:



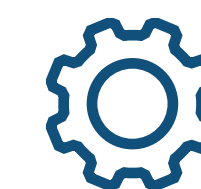
Innovation tools: We use Voice of the Customer, interviews and prototyping, with user-centred design.



Strategic collaboration: We work in collaboration with the Polytechnic University of Valencia (UPV) in the ISTOBAL Academic Programme as a framework to promote the training of future professionals, and the research and innovation generated at the university. We also promote a Product Ideas Mailbox as part of our commitment to open innovation among our employees.



Cross-industry synergies: We explore other industries and sectors to enrich our solutions.



Process engineering: We constantly apply technological achievements in manufacturing to adapt to customer needs and guarantee precise deliveries.

Value proposition

ISTOBAL puts innovation and high technology at the service of products and services that generate a positive impact on the profitability of our customers' car wash business, always considering the social and environmental impact that we generate with our operations at a global level.

We are committed to comprehensive solutions focused on sustainability, efficiency and digital transformation through more productive, intuitive and secure technologies, trying to anticipate the challenges of the sector and putting the demands of our customers first.



04 GOVERNANCE

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Ethics and transparency

Being a **responsible, transparent and honest company** is central to the way we operate. In every step we take, in every decision we make and in every relationship we build, we strive to reflect our commitment to our corporate values, such as inclusiveness and diversity, safety and cooperation.

The transparency and integrity of information about our business, products and services is a fundamental principle of our relationship with our stakeholders. We are therefore committed to ensuring that this **information is consistent, transparent, truthful and responsible** and that it reflects a true and fair view.

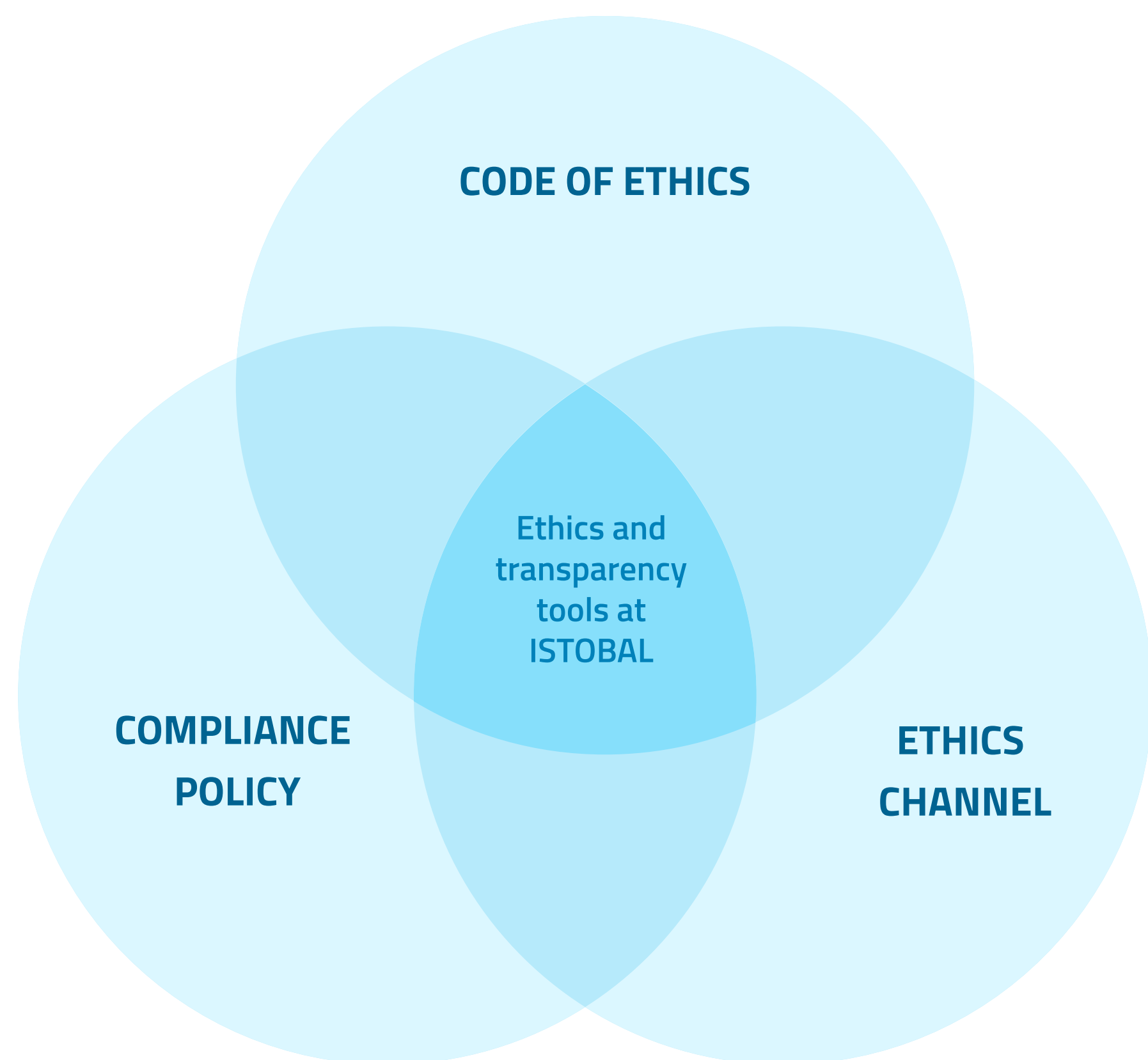
All ISTOBAL information must be recorded and presented accurately and in compliance with legal regulations, so as to ensure the correct accounting of all the assets, activities and responsibilities of the organisation. Likewise, we have controls in place to guarantee the reliability of the financial information in compliance with the requirements of current legislation, such as Law 1/2018 which regulates the preparation of the statement of non-financial information (EINF).

ISTOBAL's last **EINF** was submitted in the first quarter of 2023 for the financial year 2022.



▮ *Transparency, Responsibility and Honesty are pivotal elements, integrated in ISTOBAL's culture and thus, fundamental pillars in the company's commitment to our stakeholders.*

The following tools govern our principles of ethics and transparency:



At ISTOBAL we have a **Code of Ethics** that reflects our values and serves as a guide for our employees in all their professional interactions, both internally and with third parties.

This code establishes **the principles that should inspire** the behaviour of all those who work at ISTOBAL, and those who collaborate with us. Among other things, it regulates the ethical principles and rules of conduct that should govern relations at our company, both between employees within the organisation and with external groups of interest, be they clients, suppliers, agents, distributors or any other parties.

In accordance with the provisions of our Code of Ethics, we have a specific communication channel, specifically, the Ethics Channel, to report any inappropriate conduct or possible breaches or behaviour contrary to ethics, legality and/or our internal regulations, as well as to resolve any doubts about the application of ISTOBAL's Code of Ethics.

The Group's **Compliance Policy** aims that our associated companies, suppliers and customers also comply with high standards of integrity and honesty that equally apply to all the companies of the Group led by ISTOBAL, S.A., in all the geographical areas where ISTOBAL operates

Our compliance policy focuses on the following objectives:

- Convey a clear message of opposition to criminal wrongdoing or regulatory non-compliance, both inside and outside the organisation, by promoting the use of good practices.
- Formalise our commitment to vigilance, prevention and detection of non-compliance to safeguard its reputation and brand value, as well as its shareholder value.
- Establish a framework and corporate culture that promotes compliance with applicable laws and regulations throughout the organisation.

Corporate structure and governance model

At ISTOBAL we strive to ensure **sound corporate governance, based on honesty and transparency** from the top management of the company.

Our **corporate governance** model is based on three bodies, the Steering Committee, the Management Board and the Board of Shareholders.





STEERING COMMITTEE

The Steering Committee meets on a weekly basis and is composed of 8 members: Chief Executive Officer, Director of Expansion, General Manager, Global Managing Director, Operations and Quality/ HSE Director, Product, R&D+I and Marketing Director, Information Systems Director and Financial Director

The Main role of this Committee is to establish objectives and strategies in the business environment, as well as decision making at the level of investment, as well as any other high impact decisions in the organisation.

In addition, the Steering Committee oversees the performance of the company, ensuring its sound financial performance, coordinating with policies and procedures.



MANAGEMENT BOARD

The Management Board meets quarterly and is composed of a Chairman and a Vice-Chairman, 3 members and a non-director Secretary. Its main purpose is high-level decision-making, such as monitoring and supervising the implementation of strategies.

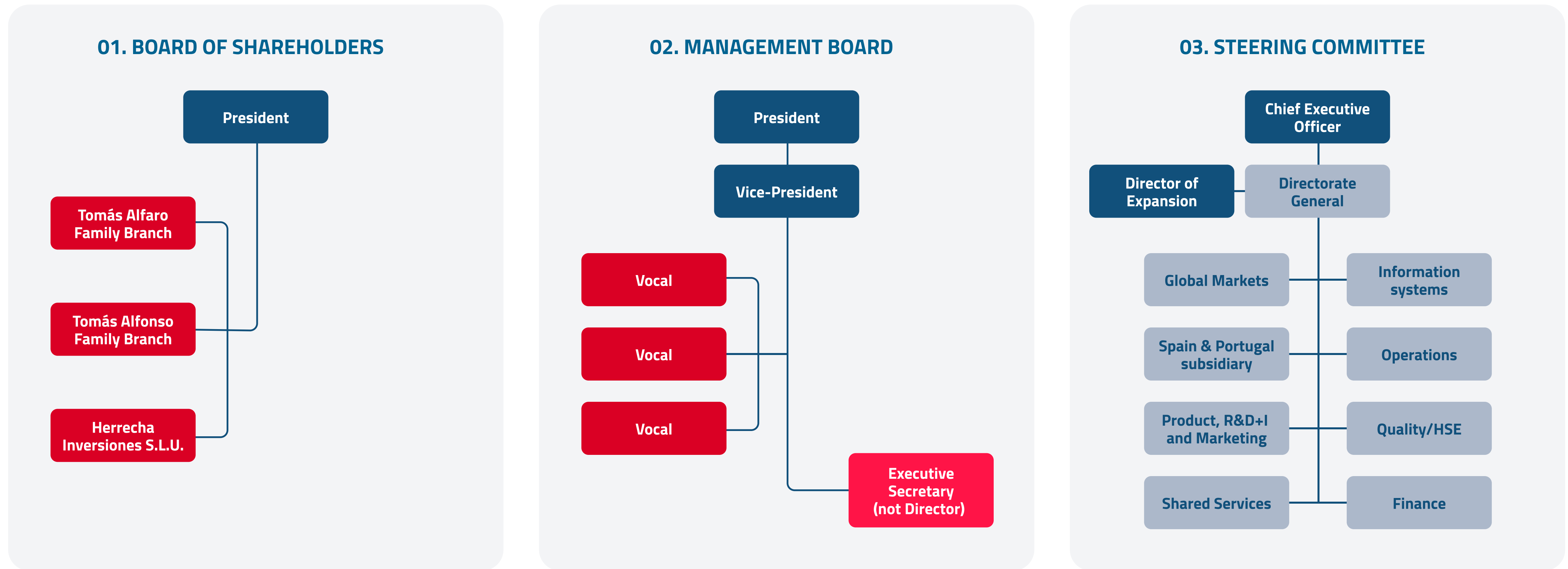
for the achievement of the company's objectives, the establishment and validation of budgets that form part of financial planning and forecasting, decision making on investments, mergers, acquisitions or asset sales, the review of annual accounts and analysis of the economic results obtained by the company or the modification or regulation of working conditions based on the company's needs and policy.



BOARD OF SHAREHOLDERS' MEETING

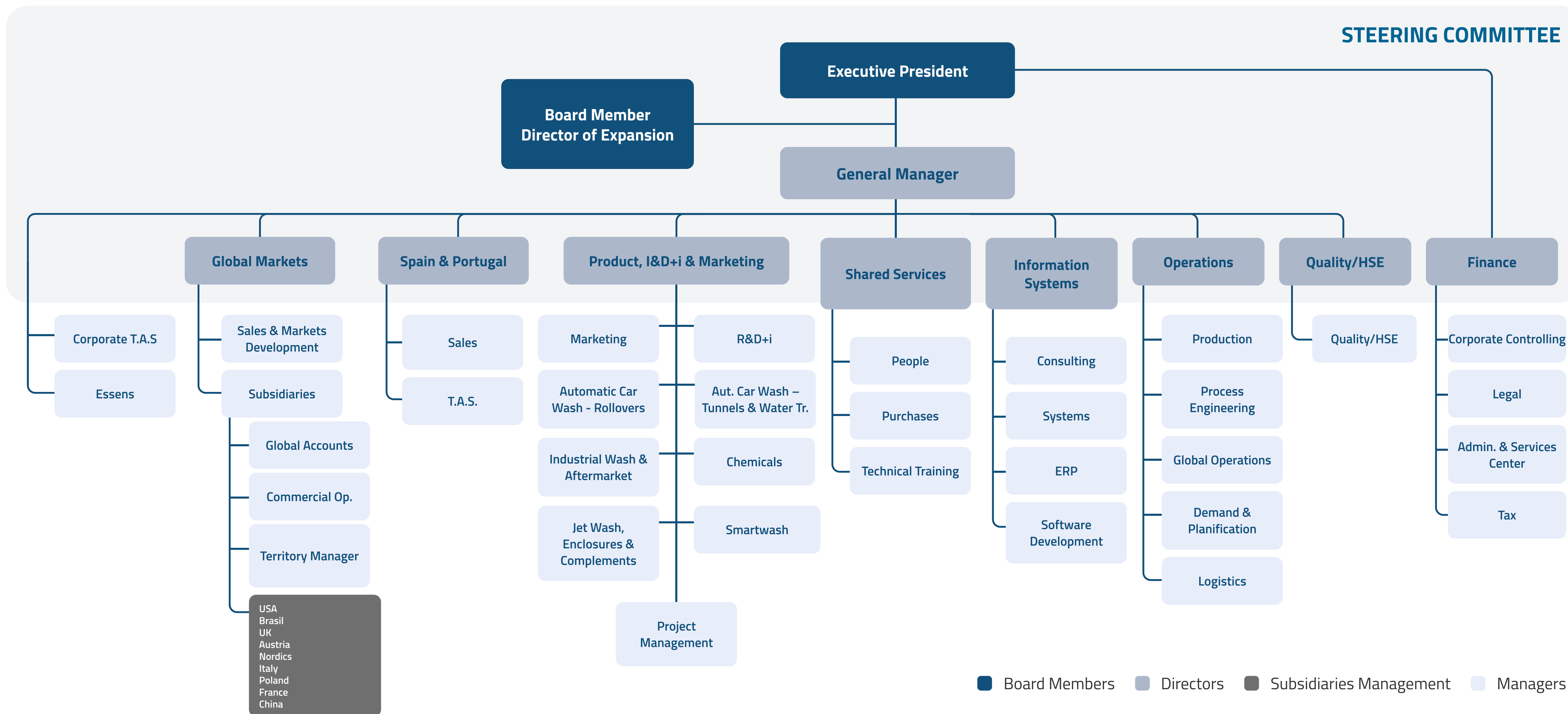
Finally, ISTOBAL's Board of Shareholders' Meeting is held once a year and its main purpose is to approve the Annual Accounts of the Organisation and review the financial status of the company. On exceptional occasions involving the renewal of auditors, distribution of dividends, modification of the company's Articles of Association or any movement in the share capital, the board of shareholders may meet during the year in an extraordinary meeting. Currently, the family branches Tomás Alfaro and Tomás Alfonso continue to hold a majority position in the shareholding after in May 2022 the Group gave entry to Herrecha Inversiones, S.L.U., an asset-holding company owned by Ms. Hortensia Herrero, in the shareholding of ISTOBAL with 22% of the total shares of the company.

ISTOBAL Group Corporate Structure and Governance Model



■ Internal members ■ Internal members ■ External to the company

ISTOBAL Group



Control risk management

ISTOBAL has a **transversal risk** assessment process involving each department head, where management assesses the main risks in the medium and long term and determines the necessary actions for their mitigation.



Risks identified in 2022

- Global economic uncertainty
- Developments in mobility systems
- Speed of change of new technologies
- Environmental policy changes
- Potential new low-cost competitors
- Security in computer systems

In addition, the crime risk prevention model at ISTOBAL is one of the bases on which the organisation allies its institutional commitment to develop all its activities and business in strict compliance with current legislation and in accordance with strict canons of ethical behaviour. **Our internal control model aims** to identify and prevent risk situations inherent to the development of the activity in the areas and places where our business is deployed.

This model integrates as basic pillars of the organisation's compliance system **the Code of Ethics, and the ISTOBAL Compliance Committee**, which is responsible for the supervision of the operation and compliance of the risk prevention model.

In order to regulate the identification and management of crime risks, at ISTOBAL we have an **internal regulatory body** made up of principles, policies and other internal developments, among which our Code of Ethics plays an important role as it functions as a guide for our employees in all their professional interactions for aspects related to possible risks and crimes.

On the other hand, compliance with the criminal risk prevention model, managed by the Compliance Committee since 2019, has the function of promoting and supervising and reinforcing the internal regulatory body,

with independence and objectivity, so that ISTOBAL acts with integrity, particularly in areas such as the prevention of money laundering, conduct with clients, prevention of corruption and other aspects that may represent a reputational risk for the company.

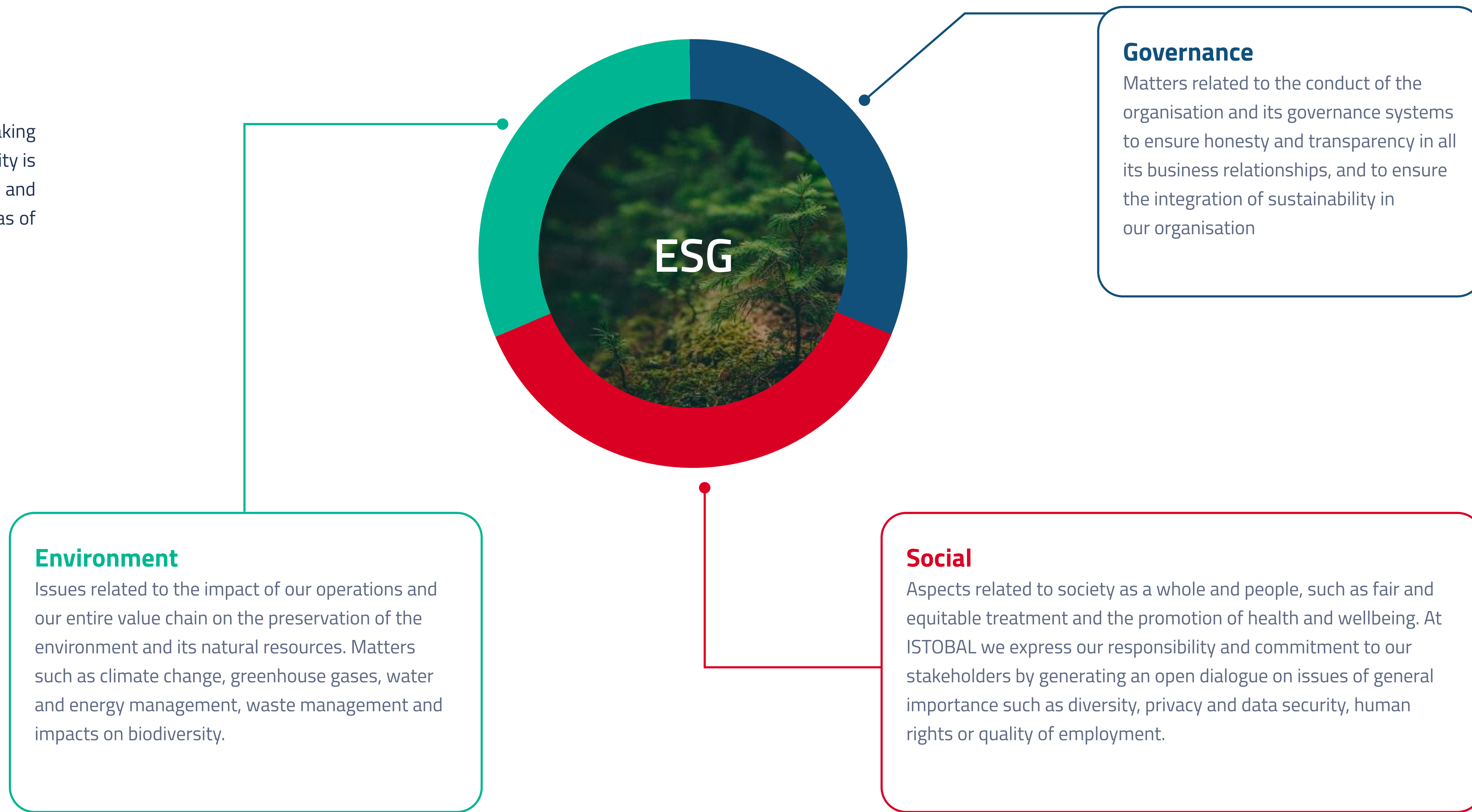
Among the possible crimes included in the criminal risk prevention model are those related to corruption and bribery, as there are a series of risks that could arise in an entity such as ISTOBAL.

These risks include, but are not limited to, those related to activities such as **offering, giving and accepting gifts or personal benefits**, promotional events, facilitation payments, donations and sponsorships, expenses, recruitment of personnel, relationships with suppliers, agents, intermediaries and business partners, mergers, acquisitions and joint ventures, accounting and recording of transactions.

During the 2022 financial year, no **disciplinary proceedings** have been initiated directly related to the commission of any offence by ISTOBAL or its employees, nor have there been **any sanctions related to its crime prevention model**.

ESG focus on our commitment to sustainability

At ISTOBAL, sustainability is more than just taking care of the planet. Our commitment to sustainability is reflected in a robust ESG (Environmental, Social and Governance) strategy that directly impacts all areas of our business and our value chain.



Sustainability Strategy

At ISTOBAL, we are dedicated to promoting a **sustainable strategy** that reflects not only our capacity for **innovation and differentiation**, but also our strong economic, **social and environmental contribution and commitment to our environment**.

Our constant search for innovation allows us not only to excel in our field, but also to lead the way towards more sustainable practices, recognizing the importance of not only being a successful company, but also being an agent of positive change in society and the environment.



SUSTAINABLE
COMMITMENT

ISTOBAL promotes a sustainable strategy to show its capacity for innovation, differentiation and economic, social and environmental contribution in the medium and long term for the well-being of the communities where it operates and future generations.



ESG strategy in key areas of the organisation



Directorate General

Objective — To integrate the sustainability strategy into ISTOBAL's business model.

- To ensure that two fundamental goals are met:
 1. To obtain benefits for shareholders.
 2. Ensure that the sustainability strategy is in line with the expectations of the market and society at large.
- Monitoring and compliance with ESG indicators throughout the organisation in accordance with the Sustainability Master Plan.

Governing bodies at ISTOBAL (Steering Committee)

Objective — to guide and monitor the strategically selected Sustainable Development Goals in ISTOBAL's sustainability strategy, helping to identify the critical ESG elements with the greatest impact on the company.

- Identification and prioritisation of critical ESG objectives for the company.
- Integrated ESG policies and strategy of the company through a Sustainability Master Plan.
- Allocation of responsibilities at cross-cutting level.

Product, R&D and Marketing Directorate

Product, R&D+I

Objective — To identify business opportunities associated with finding solutions that move towards sustainable and innovative production and consumption models in the car wash sector, focusing on sustainable innovation in our commercial offer to obtain a competitive differentiation and respond to the demand of our customers and users.

- Recognise areas for improvement in the environmental impact over the lifetime of our equipment, products and services.
- Use a sustainable and circular innovation approach to reduce this impact.
- Seek partnerships with other organisations and entities, prioritising creativity to identify synergies.

Marketing and Communication

Objective — To improve brand reputation and trust in the organisation.

The involvement in this aspect of Communication in ISTOBAL is key for:

- Facing the challenges of a changing environment and an agile and highly demanding sector.
- Optimising and capitalising on sustainable performance in the company.
- Achieving greater involvement of workers through internal actions, achieving greater cohesion and a greater sense of belonging to the organisation.

Shared Systems Directorate

Objective — To optimise internal processes and practices.

Persons

Objective — To promote responsible performance and talent management.

- The incorporation of sustainable practices, and increased regulation in this regard, fits in with other responsibilities that ISTOBAL has integrated into its strategy and policies:
 - Issues such as the wage gap, equality plans, teleworking, and work-life balance, which require agile adaptation to different scenarios.
 - Internal talent management, training plans, attracting external talent.

Purchasing

Objective — To ensure the sustainable supply chain by incorporating ESG criteria.

- Identification of relevant data and key information on the impacts of our supply chain for the decision-making process.
- Establishment of sound ESG principles and commitments aimed at our interactions with suppliers.
- Identification of the main environmental and social impacts in our supply chain and actions to minimise them, with appropriate traceability management.

Information Systems Directorate

Objective — To achieve more efficient and sustainable operations.

- At ISTOBAL, sustainability management is linked to actions aimed at measuring, controlling and managing the environmental and social impact derived from the use of IT resources and infrastructures, with a view to reducing energy consumption and carbon footprint.
 - Consolidation of a culture based on Data Intelligence with an improved operational structure in line with our commitment to the digitalisation of business processes.
 - Identification of systems and tools, such as in-house IT equipment, to promote energy efficiency.
 - Facilitate digital transformation to support social measures such as telework.
 - It is committed to tools such as Cloud Computing, virtualisation, data centre efficiencies and Artificial Intelligence.

Operations Directorate

Objective — To monitor the environmental impacts of our production processes, such as water and energy consumption, transport and logistics and waste generation, with a focus on continuous improvement.

- Improve the company's bottom line by reducing operating expenses in line with the reduction of environmental impacts during our processes.
- Finding specific solutions that transform our processes towards sustainability, reducing carbon emissions and promoting a circular approach.

Quality & HSE Directorate

Objective — The growing expectations of regulators and investors are driving companies to adopt a more proactive approach to managing sustainability risks, where sustainability risks are embedded in both their risk maps and risk management frameworks.

- Identification, implementation and supervision of strict quality policies involving detailed processes of control, evaluation and continuous improvement to ensure excellence in every operational aspect of the organisation.
- Implementation of safety protocols with preventive actions to avoid accidents and ensure the health of our employees, clients and users.

Financial Directorate

Objective — To meet ESG criteria expectations in order to obtain funding and comply with legal regulations.

- Identification of the most critical ESG criteria for the company from the point of view of sustainable financing or investment.
- Communication of quality information that complies with standards and regulations.
- Compliance with the expectations of our stakeholders, which refer both to the type of business in which the company operates and to its management model.

Legal

Objective — To respond to regulatory changes in ESG.

The aim is to develop, in transversal and multidisciplinary collaboration within the organisation, procedures to recognise, assess the impact of and ensure compliance with the different ESG protocols and regulatory modifications that influence our sector and may have an impact on our business, considering the different markets in which we operate.

- Monitor ESG regulations in an international and local framework in the countries where we operate.
- Assess the risk and impact of regulatory developments and ESG standards on our business, defining the most appropriate compliance framework.
- Design more appropriate actions and tools to control regulatory risk.
- Contribute to making the organisation's commitment to ESG standards explicit to establish an appropriate communication protocol.



Management model structure

Sustainability is a strategic aspect and commitment at ISTOBAL that has a clear internal impact. Our aim is to create an organisational culture that embraces sustainability as a fundamental principle of our identity, fully transversal with the involvement of all levels of the organisation, from top management to grassroots employees, with a positive impact in every aspect of our operations.

In the past year, a **Sustainability working group** has been set up with the support and involvement of senior management.

It formed by managers from transversal areas of the organisation, including **Operations, Product, People, Quality and Environment, Marketing and Legal**, and aims to achieve common objectives focused on promoting sustainability in the environmental and social areas of the company.

This working group plays an important role in managing and overseeing the governance of sustainability-related processes at ISTOBAL and is responsible for monitoring the **Sustainability Master Plan** which includes sustainability objectives, action plans and practices.



ISTOBAL Stakeholders

At ISTOBAL, we believe that **collaboration with our stakeholders** is essential to achieve a sustainable and significant impact on our environment. This active listening allows us to define a sustainability strategy aligned with our values, but also with the concerns and challenges of our employees and society.

To achieve this, we have considered various key steps in the process of interacting with our stakeholders:

- We have comprehensively identified our stakeholders, both internal and external.
- We have carried out a materiality study in which we actively engage with our stakeholders through open dialogue and consultation.

In this process, we consulted on key economic, social and environmental issues.

As a result of this interaction, we created ISTOBAL's first materiality matrix, which will guide and prioritise actions and decisions reflected in our Sustainability Master Plan.

Our stakeholders

At ISTOBAL, we consider stakeholders to be those individuals or entities who may be significantly affected by the equipment, products and services we offer and whose actions, in turn, have the potential to influence our ability to successfully carry out our strategy and meet our objectives.

Our company recognizes two distinct stakeholder groups: **internal and external**. Internal stakeholders comprise employees (as well as our Management Board and Steering Committee within our governance model) and shareholders, while external stakeholders include customers, distributors, suppliers, partners, associations, academia and local communities.

Internal

Board of Shareholders

Management Board & Steering Committee

Employees

External

Customers

Community

Distributors

Suppliers

Associations and collaborating partners

Universities and academic institutions

We are committed to continue to interact with our stakeholders in an open and an ongoing basis, listening to their perspectives and adapting our practices to contribute positively to society and the environment.

Materiality assesment

At ISTOBAL we have **conducted a comprehensive materiality assesment** with an emphasis on the main economic, environmental and social matters relevant to our industry.

To do this, we identified the key ESG aspects to ISTOBAL, in accordance with the Global Reporting Initiative (GRI) standards and our corporate values, in consultation with our stakeholders. This dialogue allowed us to consider the impact and prioritisation of these issues, thus obtaining both an internal and external perspective.

The guide we have used for this study and report is the **GRI, the most recognised, used and demanding international standard**, which aims to promote sustainability reporting in all types of organisations and establishes principles and indicators that companies can use to measure and publicise their economic, environmental and social performance.

These material issues provide the framework for the implementation and accelerated advancement of sustainability in our company, within the countries where we operate.



Process identification of material issues

The study has provided us with a clear vision of the most relevant sustainability issues for both our company and those with whom we collaborate, our stakeholders.

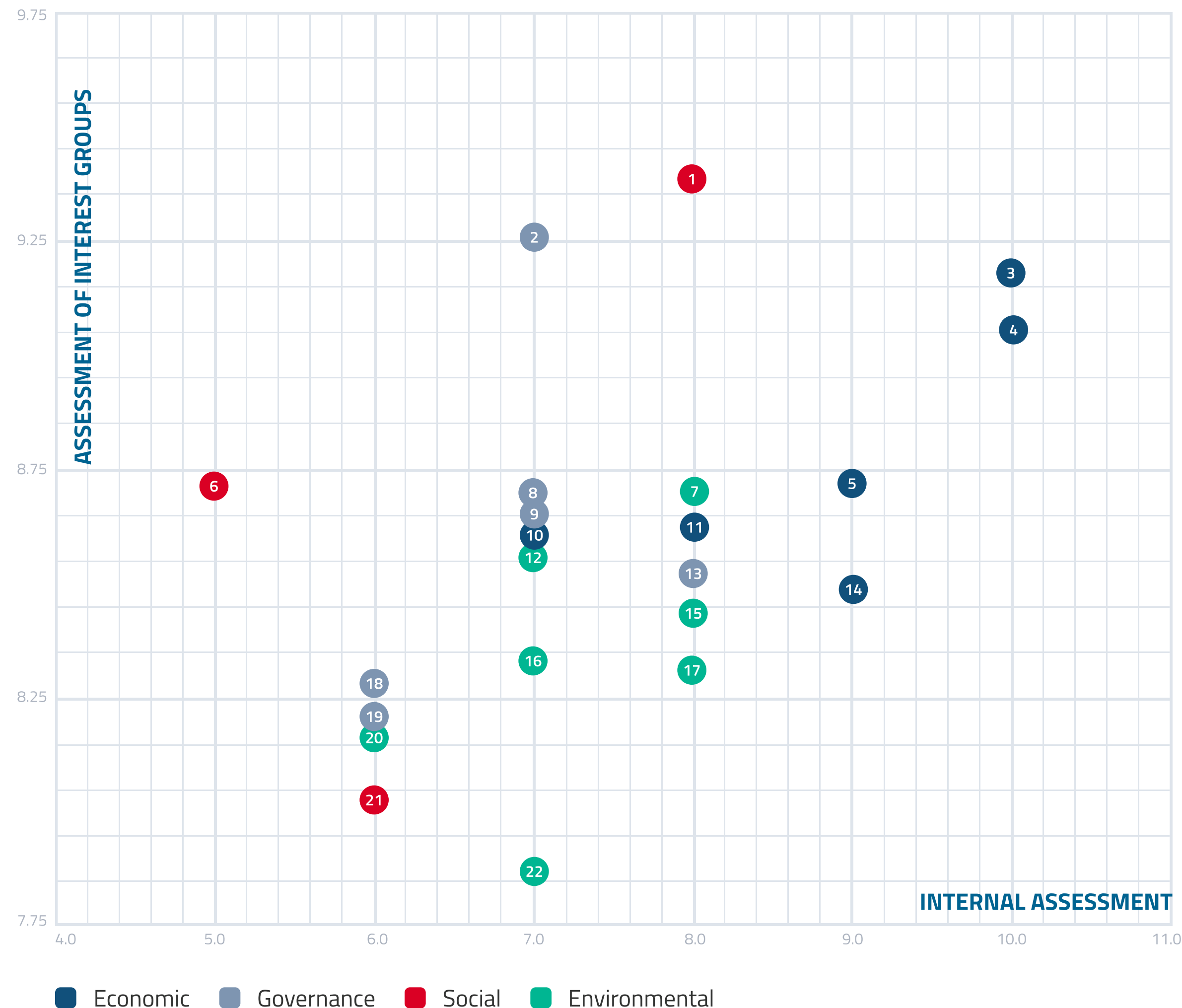
Guided by this matrix, we have developed strategies and concrete actions that allow us to address these issues effectively and continuously and are included in our **Sustainability Master Plan**. Each action represents a step towards a more sustainable performance and a constant commitment to continuous improvement, which is one of the pillars of our company.



The materiality taken as a reference has been elaborated and assessed within the sustainability working group and submitted to the ISTOBAL Executive Committee/ Board of Directors for consideration.

To this end, the most relevant ISTOBAL issues and how they can influence stakeholders have been identified:

- 22 topics of interest have been identified, grouped into 4 dimensions (Economic, Governance, Social and Environmental).
- A score of 10 was assigned to the most important issue and 1 point was subtracted as its prioritisation decreased.
- The value determined for each theme for each interest group considered was calculated by taking the arithmetic mean of the scores obtained.
- The results are presented in a matrix of coloured dots according to their dimensions, based on the relevance determined for the stakeholders considered.



(R) Variables

- 1 Occupational health and safety
- 2 Legal and regulatory compliance
- 3 Customer satisfaction and safety
- 4 Generating added value in the industry
- 5 Economic performance and profitability of our business model
- 6 Quality of employment
- 7 Water management
- 8 Governance and leadership
- 9 Ethics and transparency
- 10 Career development and work-life balance
- 11 Risk management
- 12 Responsible chemicals management
- 13 Digitalisation and cyber security
- 14 Development of sustainable products and services
- 15 Waste management
- 16 Efficient transport and logistics
- 17 Energy saving and efficiency
- 18 Responsible supply chain management
- 19 Responsible marketing
- 20 Emissions
- 21 Social commitment
- 22 Environmental impact of product packaging

Commitment to the SDGs

Our sustainability commitments are directly linked to the **Sustainable Development Goals (SDGs)** promoted by the **United Nations through the 2030 Agenda**, the global reference framework for private and public companies, governments and third sector organisations.

At ISTOBAL we have carried out a strategic analysis within the framework of our **Sustainability Master Plan**. To do so, we have used the **SDG Action Manager** tool of the United Nations Global pact, which allows, through specific questions, to know, manage and directly improve our performance in terms of sustainability based on the goals and objectives set out in the global agenda.

The **SDG Action Manager** tool enables organisations to assess their contribution to the SDGs and develop strategies to align their operations and business practices with global sustainability goals. It provides a range of tools and resources to measure and manage progress in key areas, helping companies identify opportunities to create a positive impact on society and the environment.

In our thorough analysis, we have identified ISTOBAL's direct strategic contribution to 5 SDGs.

THE GLOBAL GOALS
For Sustainable Development

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

SDGs to which ISTOBAL contributes.



SDG 6: Clean water and sanitation

We promote sustainable practices for the efficient use of water in our operations and value chain, as well as the creation of washing water, treatment and recycling solutions that contribute to the responsible consumption of this vital resource.



SDG 9: Industry, innovation and infrastructure

We dedicate our research, development and innovation efforts to align with sustainable development priorities. We are pioneers in offering global, sustainable and integrated solutions that prioritise environmentally friendly technologies, and we are committed to continue advancing in this direction.



SDG 7: Affordable and clean energy

We are committed to reducing our energy consumption and using renewable energy sources in our operations. We also promote energy savings and efficiency in our product development and design more efficient vehicle wash systems that consume less and better.



SDG 12: Responsible production and consumption

We promote sustainable production in our factories and operations by incorporating advanced technology, automated processes and efficient and accurate resource management. This enables us to reduce waste and maximize efficiency.



SDG 13: Climate action

We are committed to reducing our greenhouse gas emissions, focusing on climate change mitigation and adaptation activities and integrating sustainable solutions throughout our operations and value chain.

05 ENVIRONMENT

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ISTOBAL environmental measures focused on protecting the planet


At ISTOBAL, we understand the quality of our products and services, our impact on the environment and the promotion of the safety of the people who form part of our organisation to be essential premises for our business success.


We are aware that our activity involves a series of impacts that, if not controlled, managed and minimized as far as possible, may pose a potential risk to the sustainability of the environment we do business in. Therefore, **ISTOBAL's commitment to respect the environment** incorporates a series of **policies and procedures** in our internal operations.

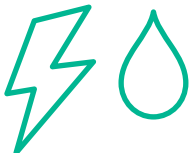


Sustainable measures to protect the planet

 More sustainable chemical products, with the latest certifications and ecolabels.

 Space optimisation during transport.

 CO2 reduction in production, equipment and processes.

 Reduction of equipment consumption, optimisation of installation resources.

 Less waste and plastics at the facilities with new chemical ranges.

 Responsible waste management at manufacturing plants and offices.

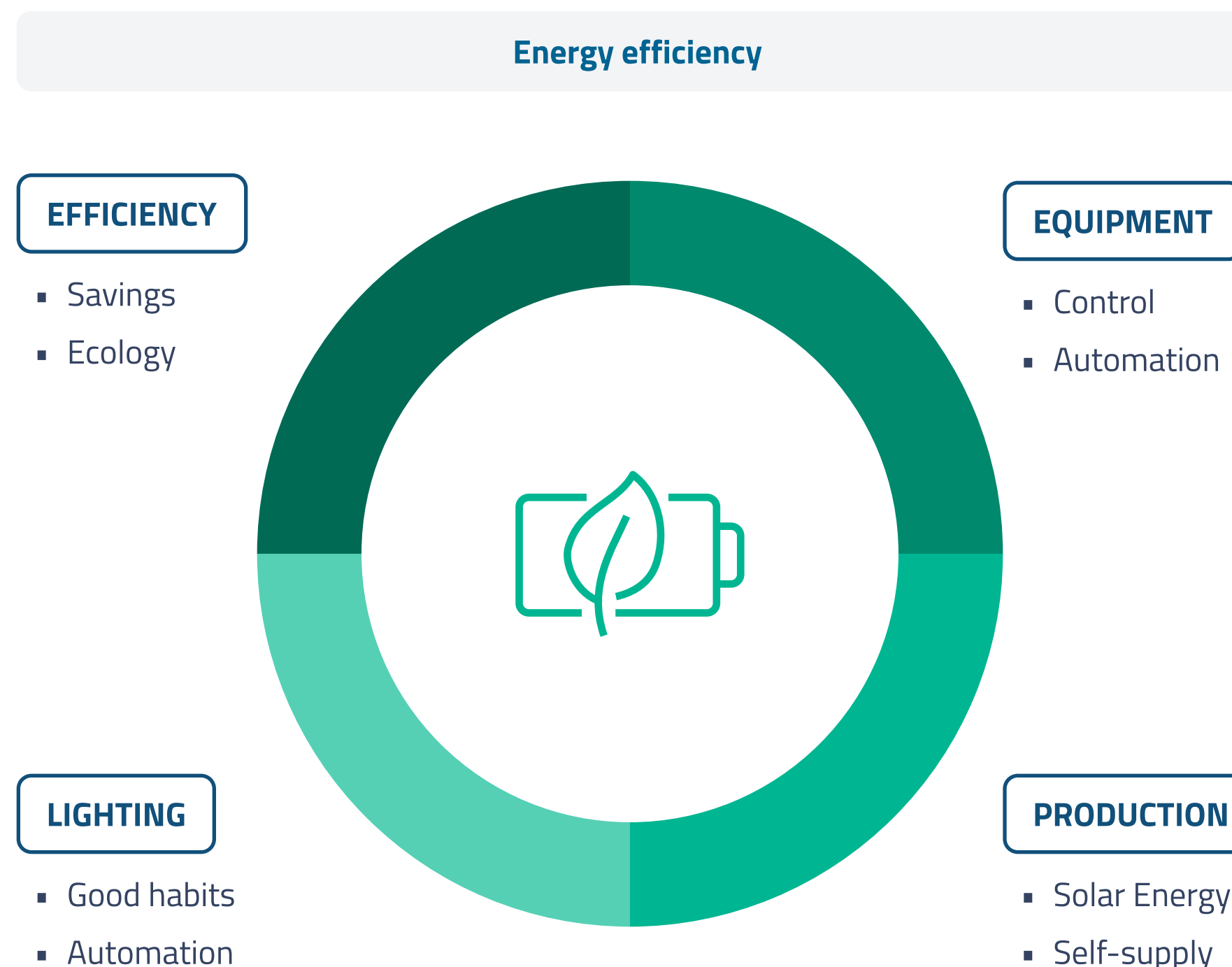
Climate change management

At ISTOBAL, we are committed to carrying out the necessary climate actions to accelerate the energy transition linked to the international commitments of the Paris agreement on climate action.

Our **commitment to innovation and continuous improvement** leads us to the constant search for new energy solutions and more efficient technologies that allow us to optimise our production processes, increase our efficiency and reduce our greenhouse gas emissions.

Several key drivers have been identified and developed through various action plans to help us make the **transition to much more sustainable activities**.

Our approach towards CO2-neutral manufacturing activities is located through an energy efficiency action plan, focusing on:



In addition to all the defined actions derived from this plan and the hours invested in the creation, training and dissemination of ISTOBAL's human resources, we have developed a new concept for identifying investments in sustainable technology.

In 2022, the operations area internalized all external warehouses of raw materials, thanks to the investment and automation of logistics processes. This helped achieve neutrality of the associated CO2 emissions, minimizing the generation of packaging waste and waste management associated with the activity, and providing the internal creation of new jobs, with a positive impact on our environment.

Resource optimisation in our manufacturing processes

The focus on **optimizing resources and raw materials in our manufacturing** processes is fundamental to maximizing efficiency and minimizing waste. This objective focuses on the responsible use of available resources, both material and energy, with the aim of reducing the number of raw materials used and reducing waste generation.

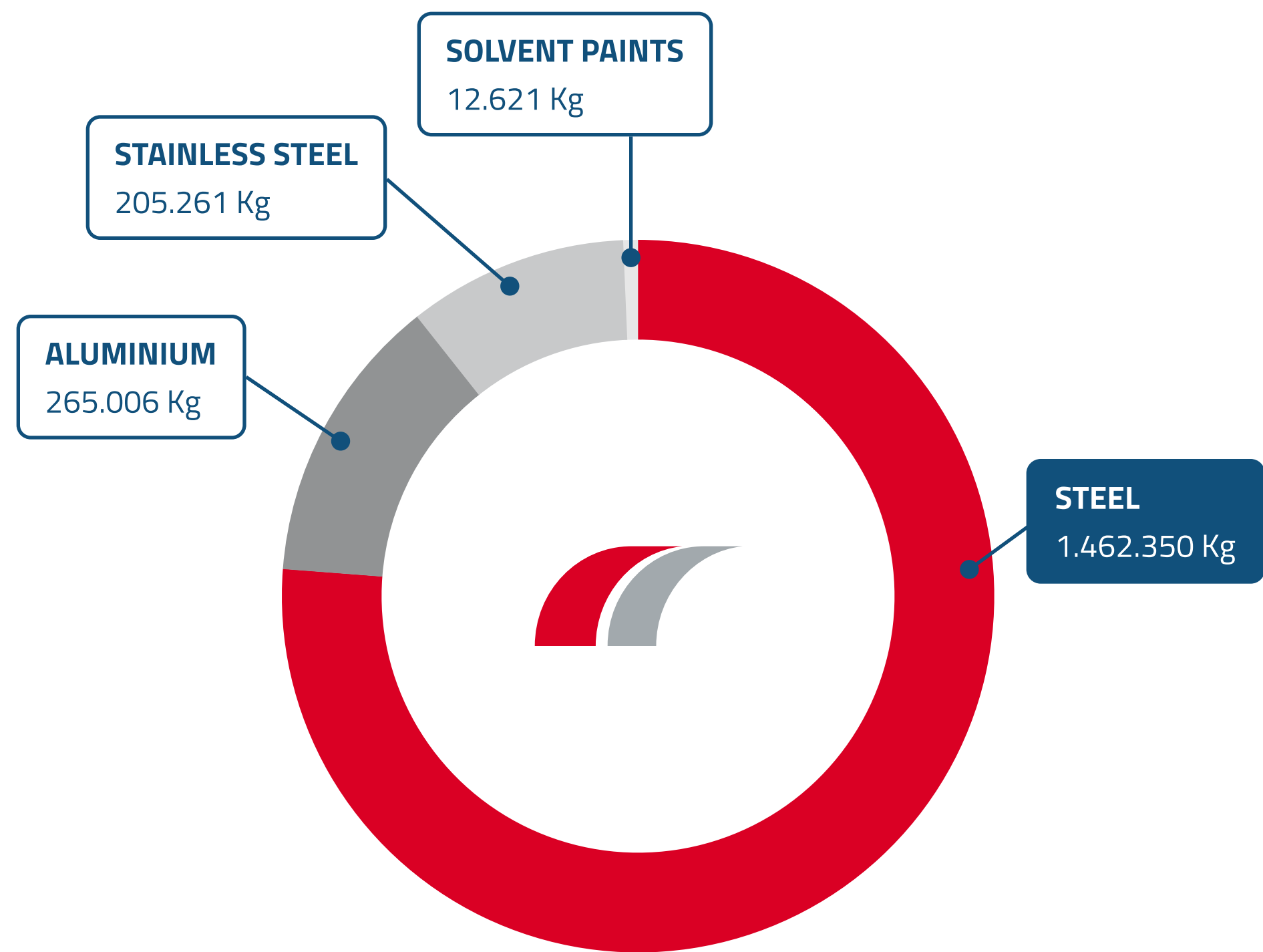
By implementing optimisation strategies, the aim is to achieve a more efficient use of resources, minimizing any excess or waste during manufacturing or production. This involves adopting more efficient technologies, reusing by-products or waste, planning processes that reduce the loss of raw materials and implementing recycling or reuse methods to reduce environmental impact.

Optimizing resources and raw materials not only helps to improve the sustainability of our operations, but also has a **positive impact on profitability**, by reducing costs associated with raw material procurement and handling, as well as waste management.

This approach is not only crucial for the conservation of the environment, but also aligns with corporate **responsibility and sustainability objectives**, promoting efficiency and responsible use of resources at all stages of our manufacturing processes.



Our main raw material consumption in 2022



Raw materials	2022 (Kg)	2021 (Kg)
Steel	1.462.350	1.704.333
Aluminium	265.006	276.861
Stainless steel	205.261	214.068
Solvent paints	12.621	14.265

Our company periodically submits prevention measures to the local Administration to reduce the environmental impact of the containers and packaging used in our products, while the 2022-2024 Business Plan for the prevention of packaging and packaging waste is in force.

In relation to the Plan and the objectives of our environmental management system, there is a **multidisciplinary work team** formed by marketing, purchasing, quality and production that works continuously on the optimisation of packaging by reducing materials, as well as the substitution of materials with recycled or more easily recycled materials and the logistical optimisation of our supply chain.

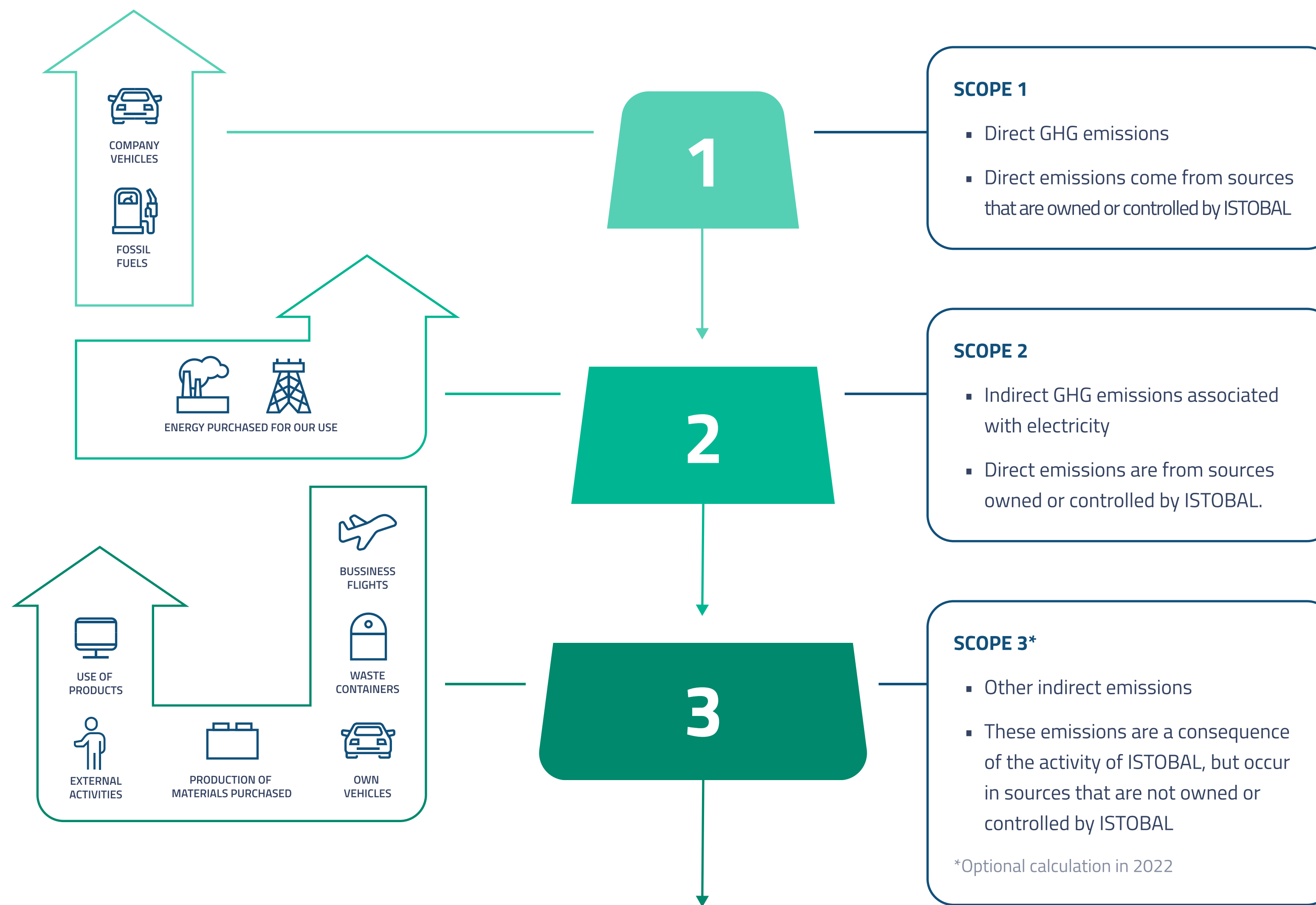
The result of these actions in 2022 are reductions in both cardboard consumption and plastic packaging consumption, at our Spanish production plant.

Our carbon footprint

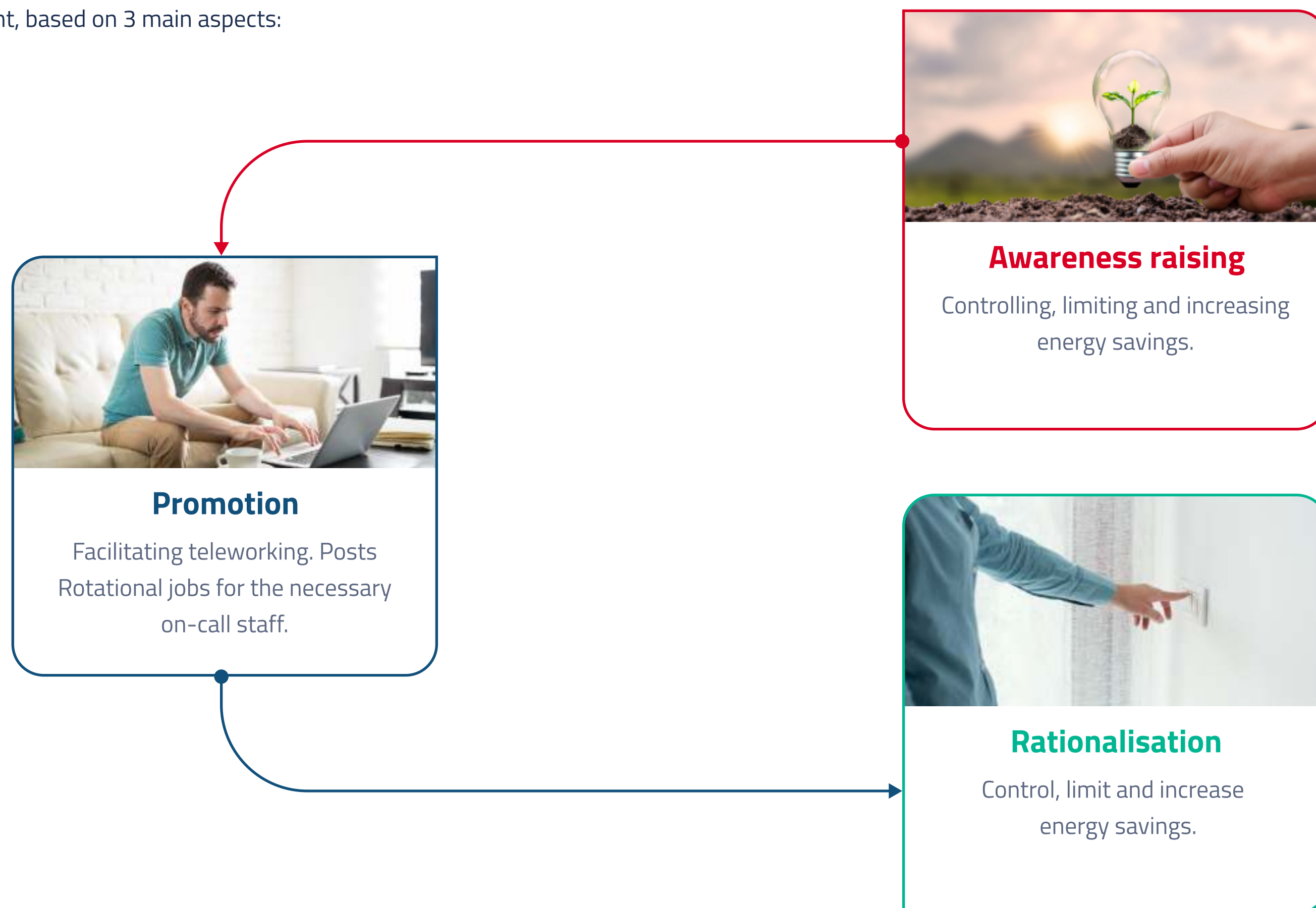
At ISTOBAL we calculate our direct and indirect carbon footprint at an organisational level based on the international **GHG protocol** standard for measuring Scope 1 and 2 emissions. This includes direct and indirect emissions of CO2, as well as other greenhouse gases such as CH4, N2O and refrigerant gases.

The calculation performed by ISTOBAL is done with the calculator recommended by the Spanish Ministry of Ecological Transition and the Demographic Challenge, which is available on its official website for download and use by any interested person or company.

<https://www.miteco.gob.es/es/cambio-climatico/temas/mitigacion-politicas-y-medidas-calculadoras.html>



Compared to the baseline year (2021), we initiated various actions and commitments to ensure a trend towards reducing GHG emissions and therefore reducing the carbon footprint, based on 3 main aspects:



With these actions we have achieved reductions in fixed emissions of up to 16%.

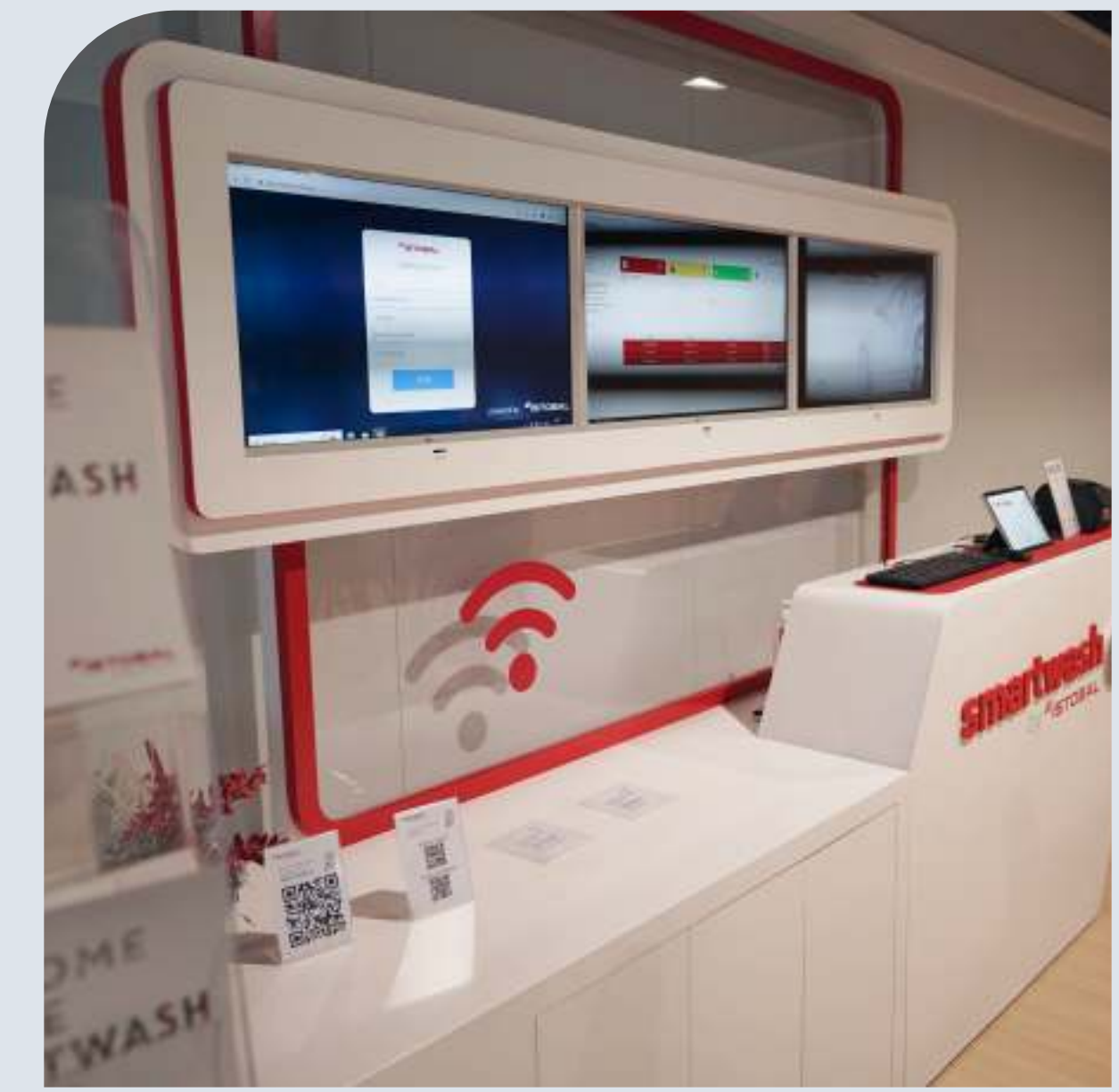
ISTOBAL Carbon Footprint Calculations

Scope 1: Direct emissions	2021 new criterion	2022	% Variation
Fixed Installations	1.091,00	911,81	-16,42
TAS Vehicles in IES	883,85	846,97	-4,17
Fugitive (AA)	17,42	12,50	-28,22
Total Scope 1	1.992,27	1.771,28	-11,09

Scope 2: Indirect emissions	2021 new criterion	2022	% Variation
Electricity consumption	894,01	796,13	-10,95
Total Scope 1	894,01	796,13	-10,95

	2021 new criterion	2022	% Variation
Total (Range 1 + Range 2)	2.886,28	2.567,41	-11,05

Units expressed in CO2eq (tons CO2 equivalent).



In addition, we develop and market solutions focused on reducing our carbon footprint, such as our connectivity system **Smartwash by ISTOBAL**, whose purpose is to improve the monitoring and increase control at the wash facility, reducing the need to mobilize fleet vehicles to carry out maintenance work or to anticipate the parts replacement in advance, thus avoiding the trips necessary for assistance.

Environmental impact in supply chain

The environmental impact of our products and services and of all the processes of our organisation is one of the main concerns of our company. In the development of our activities, we have a special sensitivity to the respect of the environment, promoting continuous **improvement in our practices and involving workers in the development** of our environmental policies.

We have in place rigorous processes in order to **minimize pollution and, in general, any environmental impact** of our organisation in a coordinated manner. Our quest for continuous improvement drives us to implement and boost more ambitious environmental initiatives than those imposed by the authorities, as environmental protection is a standard for our organisation.

The starting point of our system has been to obtain the **ISO 14001 environmental management certificate**, as well as audits by external consultants and internal maintenance of the system by qualified professionals, with the aim of **assessing environmental impacts**.

In mid-2022, we carried out a thorough review of all internal import processes, in order to provide them with **control and automation tools** to improve demand forecasting, standardizing references and thus ensuring an optimisation in their transport and in the generation of packaging waste, achieving a much more efficient transport of material.

Another important point achieved by ISTOBAL in this matter has been to **increase delivery ratios and reliability**, which translates into a better service to our customers and fewer material movements.



Several fundamental principles are implemented to ensure a sustainable supply network, which are listed below:

1 - Risk Management:

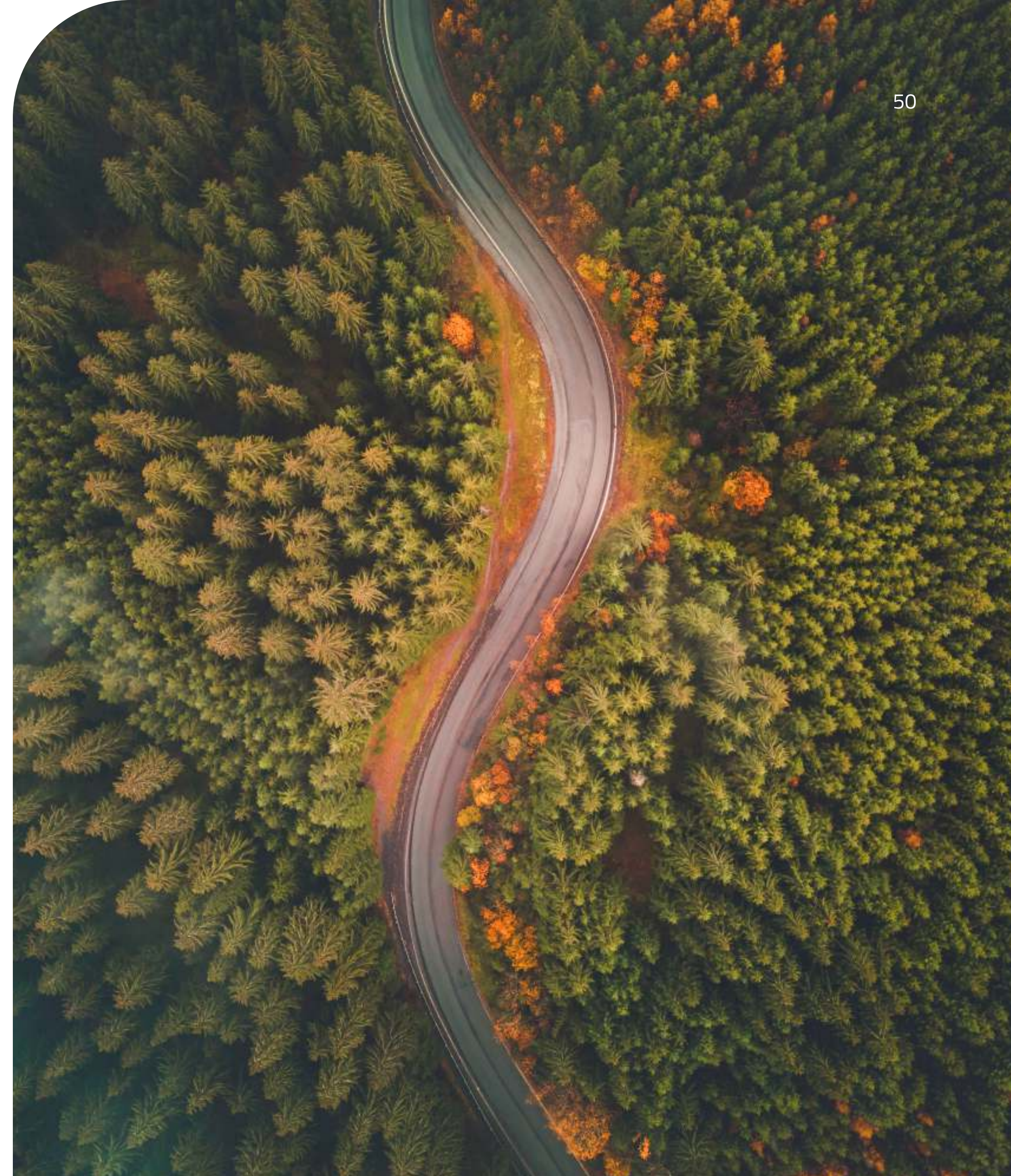
Developing a **flexible system of supply processes** to respond quickly and efficiently to changing situations with the least possible impact on time and transport. Ensuring the environmental and economic sustainability of our operations and those of our customers.

With important inventory control actions in both our manufacturing and commercial subsidiaries, helping to improve not only delivery times at the end point, but also minimizing the number of visits to the installation with the consequent **reduction of CO2 emissions and the risks associated** with the company's image and that of our customers.

2 - Improved cubing efficiency:

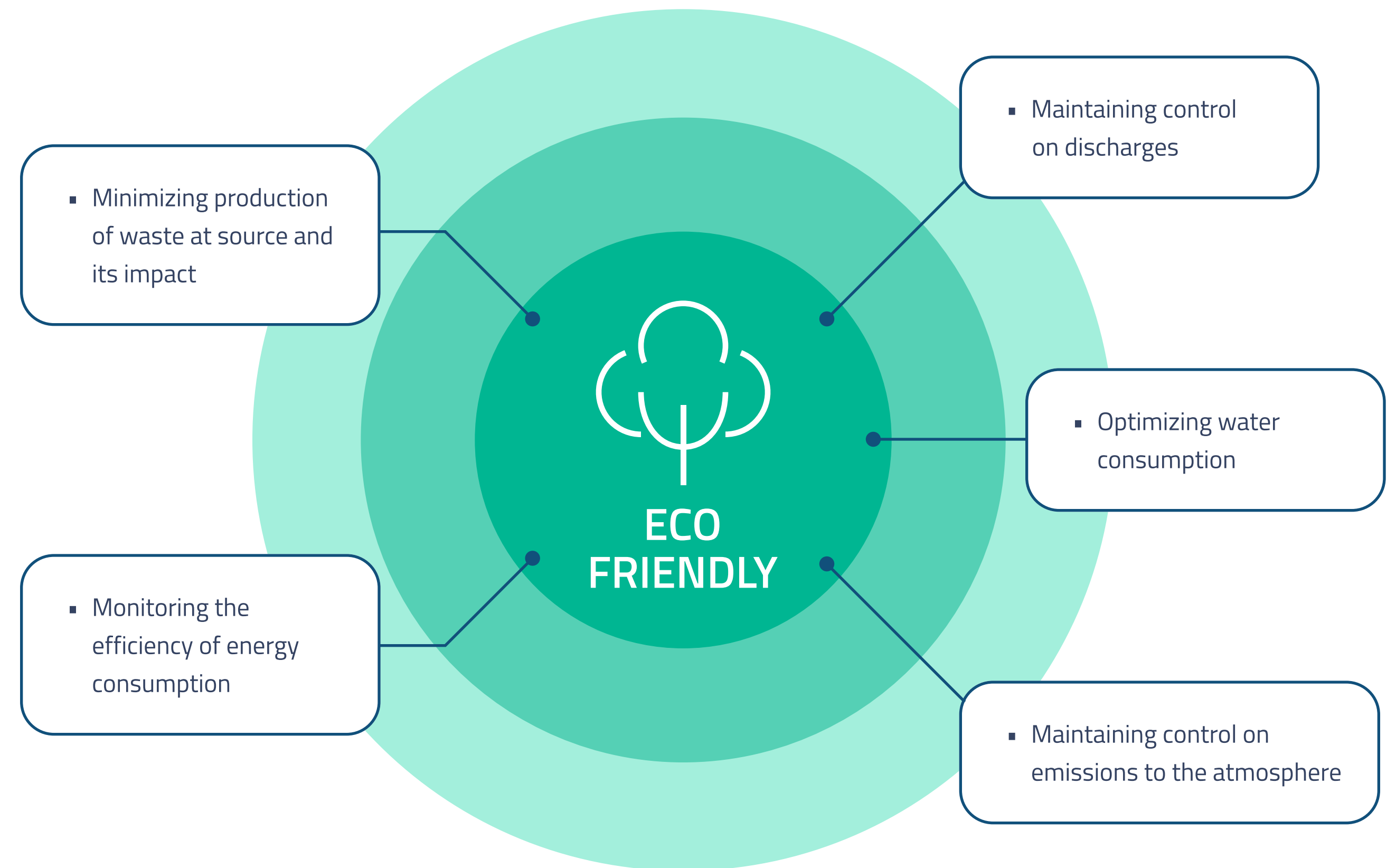
In 2022 we initiated a collaboration with SW partners for the design of ad-hoc cubing software, with the main objective of minimizing the transit volume of maritime containers while optimizing the cargo management and helping our clients to reduce the carbon footprint of their activities and to improve the economic performance of their activities.

In addition, **we intend since to disseminate our environmental** protection policy to all the people, organisations and companies that partner and collaborate with us, in order to promote the extension and progress of these principles of awareness in correct environmental management, both inside and outside our organisation.



Basic principles of our environmental performance

- To encourage and promote at all levels of the organisation an internal culture of continuous improvement, training, involving and empowering staff, through information, consultation and participation of all members of the organisation. This means the planning and implementation of preventive activities, establishing specific objectives and reviewing them, as well as ensuring the availability of the necessary resources for the fulfilment of these objectives.
- To offer our clients integral solutions for the treatment and reuse of the water used in their washing equipment.
- To maintain a process review system, aiming to minimise our environmental impacts and prevent pollution.



Within **the scope of our ISO 14001 environmental management system**, we regularly identify and assess the most significant environmental aspects. In the 2022 assessment, the main environmental risks arising from these aspects were:

- Atmospheric pollution due to emissions from treatment baths and painting of parts of our equipment
- Atmospheric pollution by extraction from our paint booth (Spanish Manufacturing plant) in single-colour painting.
- Contamination of soils and aquifers, by contaminated cardboard or paint filters
- Contamination of soils and aquifers by spent degreasing baths

During 2022, we focused on achieving the following goals.

- Reduction of the Kr/Kp ratio in the Consumable products marketed by ISTOBAL Manufacturing by **3%** ✗ 2,03 NOT REACHED
- **5%** reduction in cardboard consumption ✗ 4,10 NOT REACHED
- **2%** reduction in electricity consumption ✓ 3,2 REACHED
- **1.5% reduction in CO2 emissions** ✓ 11% REACHED

At operational level, in 2022, we expanded actions to reduce packaging waste from our consumable products with a particular focus on chemicals, reductions in packaging cardboard consumption, electricity packaging, cardboard consumption, electricity consumption in our main facilities and CO2 emission reductions in our technical service vehicles in Spain, the latter including actions with impact on other including actions with an impact on other European distribution subsidiaries.

Energy Efficiency

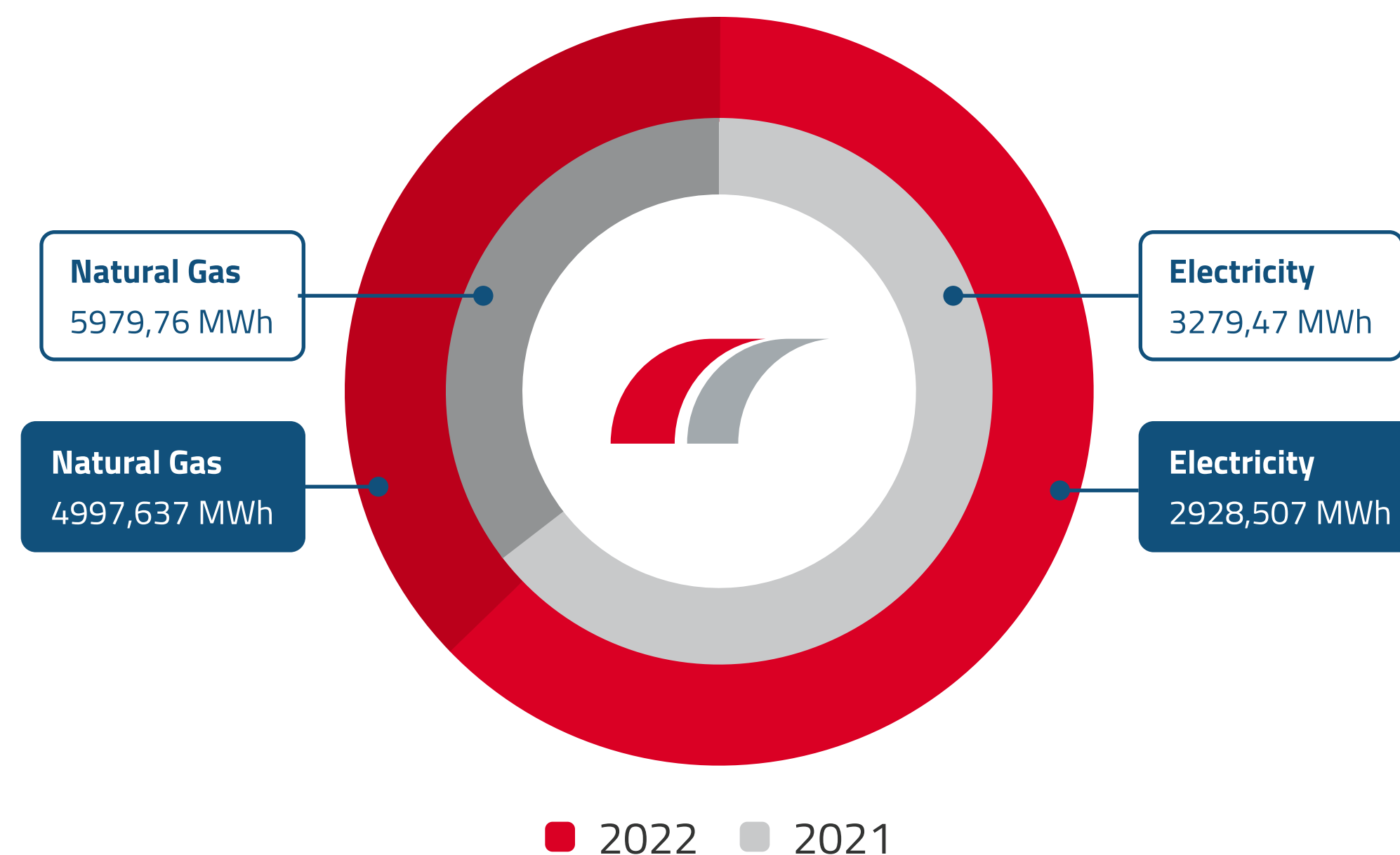
Our main primary energy sources are natural gas and electricity. We do not produce primary energy.

Direct and indirect energy consumption by primary source for the 2022 financial year were as follows:

	2022	2021
Natural Gas	4.997,637 Mwh	5.979,76 MWh
Electricity	2.928,507 Mwh	3.279,47 MWh

In 2022, more than 42% of the electricity at our facilities in Spain was supplied from renewable energy sources (36% in 2021).

Direct and indirect energy consumption



The substantial reduction seen is due to a number of actions initiated during 2021, whose continuous improvement action plan is still in motion to ensure the implementation of BAT in the market with the aim of achieving **net zero emissions by 2050**.

The environmental impact of our energy consumption is **1,439 tons of CO2** (1,690 in 2021) equivalent, with a total of 832 tons of natural gas (1003 in 2021) in **Scope 1 and 606 tons of electricity consumption** (687 in 2021) in Scope 2.

For natural gas consumption, several actions have been implemented such as optimisation of racks, cleaning processes and new TPMs (Total Production Maintenance) to reduce breakdowns, which has led to a decrease in natural gas consumption throughout ISTOBAL Manufacturing Spain, which continued through 2023.



Waste Management

At ISTOBAL we have a Waste Area (Eco-Park) where the company's waste is managed, segregating the waste generated on a daily basis, through authorized managers by the local Administration. In addition, we have the corresponding registrations and permits for the Quantities and types of waste generated by our activity.

The wastes with the highest production are scrap, wood, inert materials, paper and cardboard, expired detergents, spent baths from the surface treatment of metals and washing water from the decanters of the machines.

The total amount of waste generated during the financial year 2022 and 2021, by typology and pollutant, were as follows:



Non-hazardous	2022 (Tn)	2021 (Tn)
Mixed scrap	201,08	156,68
Wood	59,80	129,91
Inert waste	121,00	129,5
Papel y cartón	62,24	65,62
Paper and cardboard	18,93	21,16
RNP Paint Powder	14,69	10,29
Zinc Ash	6,96	5,79
Aluminium scrap	3,07	5,63
Zinc bushes	7,16	3,16
Stainless steel scrap	3,79	2,46
other	1,36	2,18
Total	500,07	532,38

Dangerous	2022 (Tn)	2021 (Tn)
Expired detergents	12,44	79,46
Degreasing baths exhausted	29,07	43,15
Contaminated absorbents and rags	0,79	-
Bathrooms pickled out of stock	-	19,93
Washing water	37,83	28,45
Fluxing baths	0,27	18,37
Pasty paints and varnishes	7,33	9,97
Sewage sludge	6,78	5,39
Plastic packaging cont	2,53	2,56
Contaminated cardboard	1,66	2,41
Metal packaging cont	1,53	2,40
Used oil	0,46	-
Other	0,89	2,33
Total	101,57	214,42

Water Management

Our water consumption is divided between well water consumption and mains water consumption, with our current water catchment being much lower than the authorized annual volume.

Currently, we do not recycle or reuse water except for the testing of our equipment in the prototyping area.

In 2022, 9,926 m3 of well water (15,275 m3 in 2021) and 2,990 m3 of mains water (3,960 m3 in 2021) were withdrawn respectively. The change in water consumption was mainly due to the modification of the fluxing pond in 2021.

We also have a **wastewater treatment plant**, ensuring that discharges into the public sewage system are within the parameters set out in the current regulations, carrying out at least 4 analyses a year to ensure compliance.

	2022	2021
Well water extraction	9.926 m3	15,275 m3
Mains water extraction	2.990 m3	3.960 m3



Digitalization and Energy Efficiency

Environmental sustainability is one of the main aspects of our logistics and transport. At ISTOBAL we are committed to measures to **reduce greenhouse gas emissions, improve energy efficiency and reduce the environmental impact of logistics** operations and on cargo transportation, storage and inventory management.

Some of our actions focus on identifying fuel-efficient actions or reducing the number of packages delivered in a single trip to reduce greenhouse gas emissions or managing local suppliers and communities.

Digitalisation and energy efficiency are key pillars in our strategy to address today's challenges, **optimise operations, reduce costs and mitigate environmental impact.**

Logistics, digitization and complete traceability of our processes involve the **implementation of automated systems to track inventories, routes and delivery processes.** These solutions help us streamline warehouse management, improve delivery accuracy, and reduce resource waste.

In the field of transportation, we focus on:



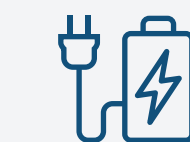
- The adoption of more sustainable vehicles.



- The use of alternative fuels.



- Route optimization.



- Research into technologies that reduce carbon emissions.

The combination of digitalisation and energy efficiency not only brings operational and economic benefits, but also contributes significantly to the reduction of the carbon footprint. This approach not only aligns with current sustainability trends, but also offers us competitive advantages in adapting to a constantly changing environment. Our aligned goals in this area are as follows:

1 - Cost reduction and efficiency improvement:

At ISTOBAL we are implementing GPS route tracking with the aim of measuring and identifying the best routes for each destination and executing those with the lowest fuel consumption.

One of the aspects that we take into account when contracting transport companies is to understand the activities that they promote to maintain a fleet as sustainable as possible. These include the existence of preventive maintenance plans aimed at controlling and minimizing emissions, the use of less polluting fuels and the implementation of "ecodriving" training for their drivers.

2 - Implementation of a sustainable transport fleets at ISTOBAL

Another of the points under development is the optimisation of our internal transport fleet. We analyse different variables to optimize our sustainable performance to the maximum, checking their situation and circumstances and studying the average consumption per vehicle, how many years it has been on the road, the type of vehicle and fuel, average monthly consumption, among other factors.

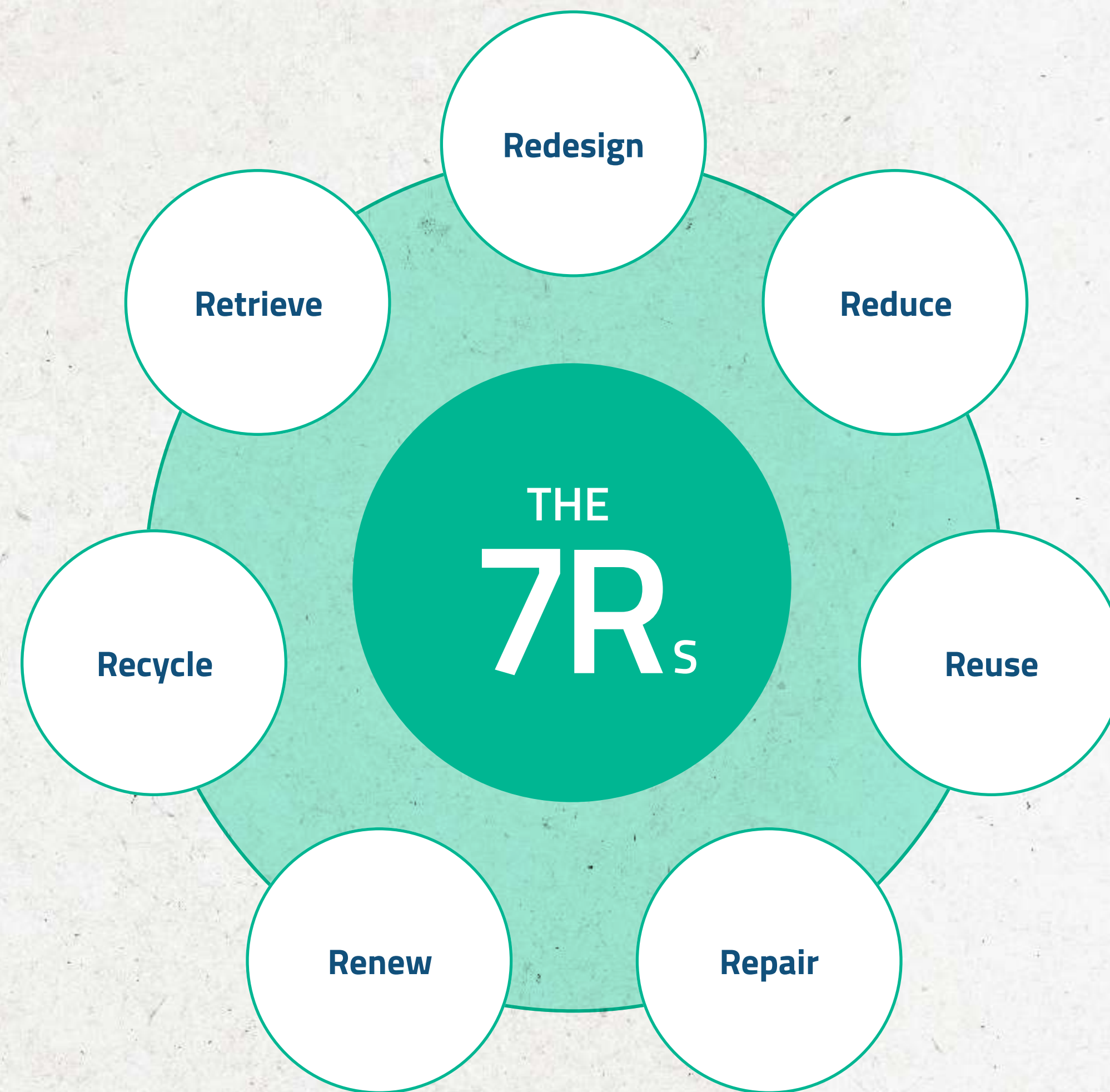
The aim, as in external transport, is to manage the distribution of vehicles and routes according to the consumption of each vehicle and to implement the best practices identified.



Sustainable packaging

The approach to sustainable packaging to preserve the environment is specifically focused on the problem of packaging waste generated throughout our value chain. This approach is based on the principles of the circular economy, focusing on redesign, reduce, reuse, repair, renew, recycle and recover materials and raw materials, commonly known as the "7Rs".

At ISTOBAL the use of sustainable packaging not only extends the shelf life of our products, but also adds **value and follows the demand of our customers** in our main markets. We understand that one of the most significant environmental challenges globally is pollution from plastic waste, commonly present in packaging, and developing product lines to minimise this is one of our priorities.



Zero chemical products range

Our **Zero product range** reduces environmental impact at all stages of the product while maintaining our high-quality standards. All the packaging is produced from more than 30% recycled plastic and 100% recyclable plastic. In addition, the outside and inside of the bottle is made of virgin plastic, which avoids potential transfers between the chemical and the plastic (ZERO reactions) and maintains the excellent quality standards of our product.

For ISTOBAL, eco-friendly packaging offers two important benefits: it reduces environmental impact, benefiting both the planet and society in general, and it improves the company's brand image, which can positively influence its profitability.

The primary advantages of sustainable packaging include reduced waste generation and lower CO2 emissions during manufacture compared to conventional packaging, which reduces its impact on the environment. In addition, these packs are more sustainable as they require less energy resources in their production.



Business Plan for Packaging Waste Prevention 2022-2024

In this plan we have set partial reduction targets for each of the materials and years of the plan, together with total reduction targets at the end of the plan:

Objectives of the Business Plan for Packaging Waste and Prevention 2022 - 2024

Packaging Prevention and Reduction Plan	2022		2023		2024		CLOSING	
	Target	Reached	Target	Reached	Target	Reached	Reduction Target	Reduction achieved
	Kr / Kp	Kr / Kp	Kr / Kp	Kr / Kp	Kr / Kp	Kr / Kp	Kr / Kp	Kr / Kp
Wood	0,031731	0,03087	0,031571	-	0,031412	-	-0,50%	-3,21%
Cardboard	0,007408	0,00697	0,007356	-	0,007311	-	-0,70%	-6,54%
Plastic	0,026048	0,02537	0,025517	-	0,024985	-	-2,00%	-4,53%
Total	0,06382	0,06322	0,06171	-	0,059667	-	-3,20%	-4,12%

In the evolution of the data in the table above, similar trends can be observed for the three materials, due to the different measures implemented for their reduction:

PLASTIC

A **2% reduction** in the environmental target of the Kr/Kp ratio was obtained in the consumable products marketed by IMS during 2022 mainly due to the launch of the new Xtract 2.0 (concentrate dispenser) in the domestic market (pre-series launch March 2022).

Additionally, there was an increase in sales of chemical product packaged in 25-litre carafes replacing 10- and 20-litre containers, which has a positive impact on the Kr/Kp calculation.

WOOD

The following measures were consolidated during 2022:

- **Replacement of high turnover wooden crates** with chipboard crates.
- Implementation by IdL of a **reduction in the heights of the blocks** used as pallet/box bases to adjust them to the height of the forklift trucks. Thanks to this, a reduction of approximately 1 to 3 cm was achieved in some references.

CARDBOARD

A **4.10% reduction** in the environmental target defined for 2022 "IMS 01/22 MA-Consumption of cardboard packaging" was obtained thanks to the implementation of the following actions:

- **Standardisation of the use of cardboard boxes** for spare parts orders, optimising the space of use.
- **Substitution of cardboard boxes** for chipboard references to improve product packaging
- **Reduction in the use of cardboard separators** for internal use (consumables) by reusable separator elements.

Responsible management of chemicals

At ISTOBAL we constantly promote and reinforce our focus on quality, sustainability and safety in the formulations of our range of chemical products:

- Following **high quality standards throughout the entire manufacturing process of** our chemical products, from their conception to their launch on the market. Proof of this is our strict compliance with current regulations and ISO 9001.
- Working on the constant development of a **chemical range**, fully compatible with our equipment and materials, both during the washing process and in the maintenance of the installations. The aim is to ensure a high-quality wash, to obtain a positive user experience and to extend considerably the service life of the installation, thus increasing profitability.
- Advocating the **use of biodegradable surfactants**, as well as favouring the use of chemical raw materials whose components are registered under the REACH regulation (EC) No 1907/2006 (Registration, Evaluation, Authorisation and Restriction of Chemicals), which minimises the use of non-biodegradable, sensitising, toxic and polluting substances, as well as phosphates and perborates, among others.
- Our **chemical containers** are made of 100 % recyclable HDPE, which contributes to the circular economy in chemicals, being the most recyclable plastic that can be used today. In this way, the plastic in our carafes can be recycled and reintroduced into the chain.
- The manufacturing process of our chemical products is **certified according to ISO 14001**, which is one of the **most relevant environmental management standards worldwide**.
- ISTOBAL's chemical products are **internationally certified** for their sustainability and wash quality, and many have labels such as such as the Nordic Swan Ecolabel, the VDA quality certification of the German Association of the Automotive Industry and the Austrian ÖNORM environmental quality certificate.



All our developed car wash chemicals are sustainable, compatible with our equipment and most of them are recognised for their quality. These are some of the global certifications on our chemicals and equipment:



Nordic Swan Ecolabel

They certify that ISTOBAL Esens chemicals minimise the ecological footprint and have a minimal impact on the environment throughout their life cycle, while guaranteeing that they are effective in the wash process. It is one of the most important and demanding international certifications worldwide.



Customs Union Certificate EAC

Certifies ISTOBAL wash equipment for export to member countries of the Eurasian Customs Union.



VDA Certification

Awarded by the German Association of the Automotive Industry, this certification ensures that ISTOBAL esenso chemicals meet the quality requirements of leading German car manufacturers and their suppliers.



UL Certification

This label certifies that ISTOBAL enclosures are manufactured in accordance with the 508 á standard for marketing in the United States and Canada.



ÖNORM

The Austrian ÖNORM standard certifies the correct recycling of water and treatment of waste from washing products and guarantees that ISTOBAL esens® chemicals reduce waste generation and protect the environment.



EC Declaration of Conformity

Certifies that the manufacturer or its authorised representative declares that its products comply with mandatory EU requirements.

06 SOCIAL

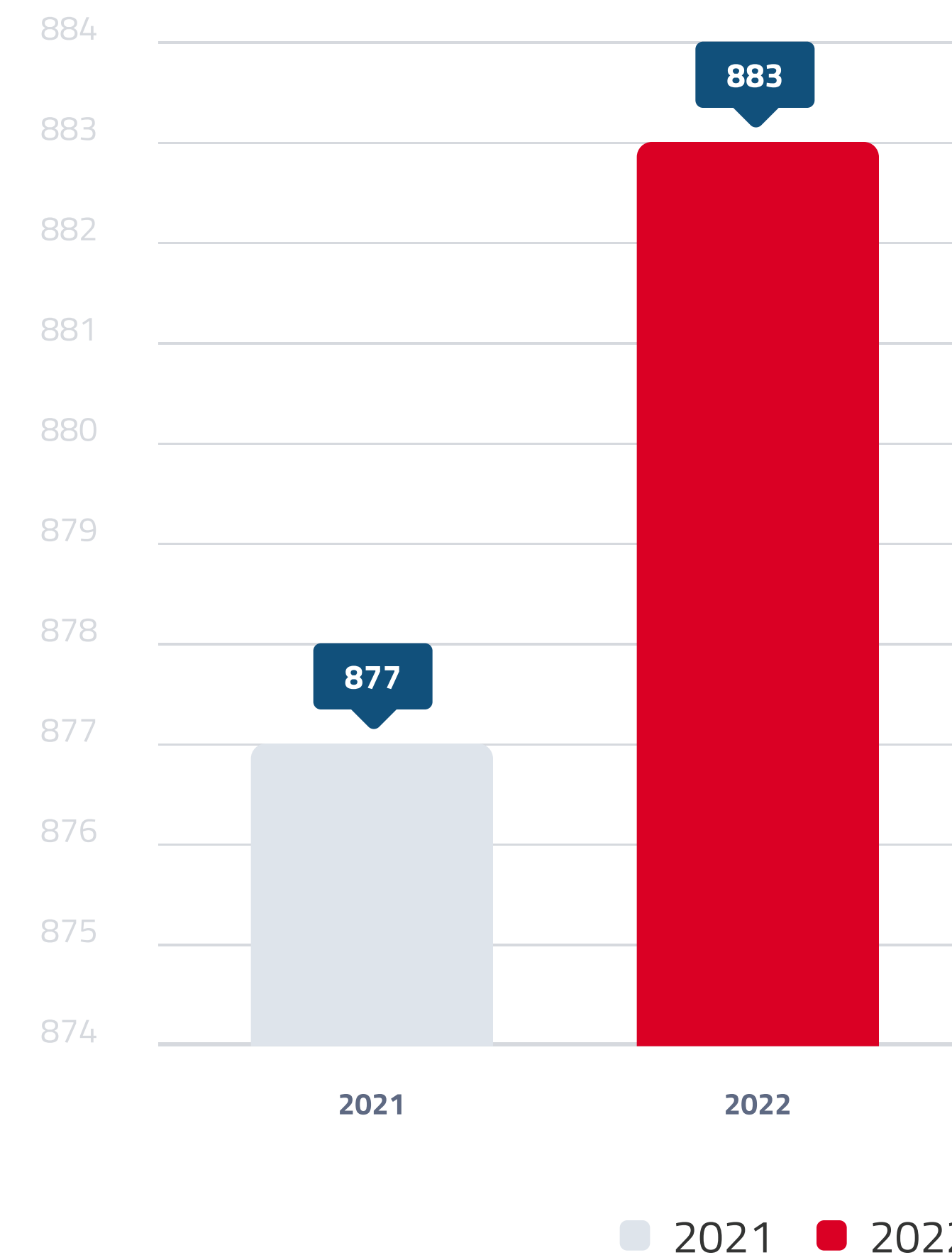
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Diversity, equity and inclusion	70
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Sustainable solutions tailored to our customers	83
Quality and safety of our products	89

Our commitment to people

We are always looking to the future, fostering curiosity, creativity and entrepreneurship through education and research, and working as a team to transform vehicles wash and care of into a more profitable business for our customers and an easier, more efficient experience for our users.

At ISTOBAL we promote the retention of talent, equality, and opportunities in the work place, continuous training and the creation of an enriching and inclusive working environment as key elements for the success and growth of our company.

Evolution of the average number of employees



ISTOBAL profile

Number of employees



2021 2022

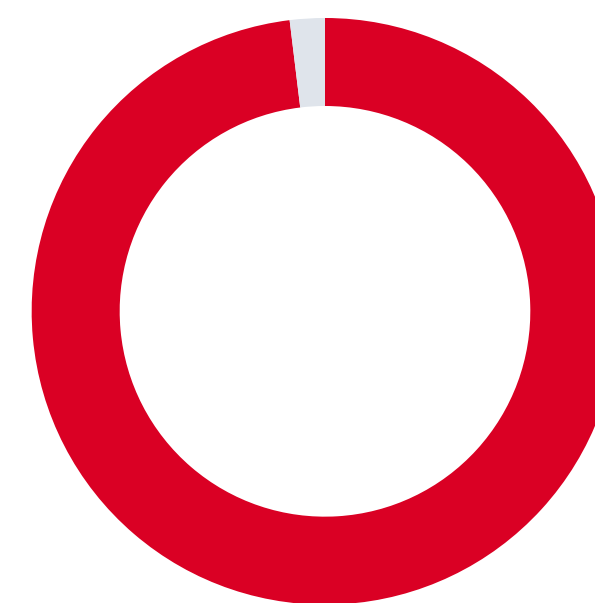
Spain	639	625
UK	58	59
EEUU	46	53
Denmark	39	48
Austria	31	30
Brazil	20	22
Sweden	17	18
China	12	10
Portugal	11	11
Italy	4	7

Distribution of staff by gender



Men 744 Women 139

Distribution of staff by type of contract



Temporary 17 Permanent 866

Distribution of staff by type of working day



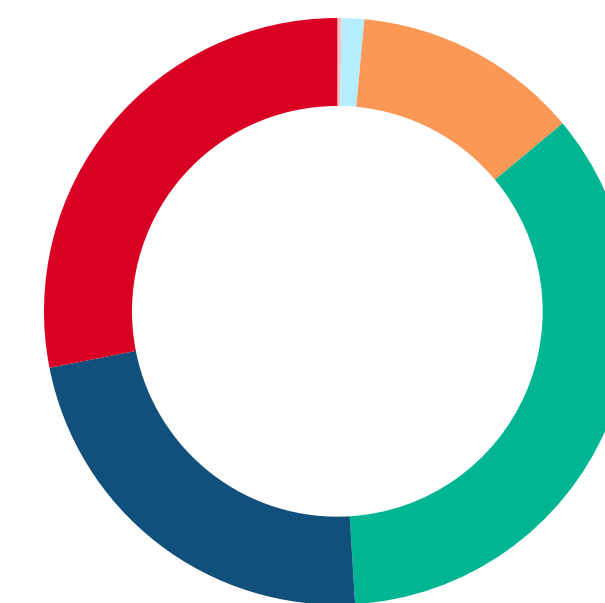
Partial 21 Complete 865

Distribution of the workforce by age



>45 376 31-45 389 18-30 118

Distribution of staff by area



Senior Management	2
Executives	11
Middle management	110
Technicians, officers and sales	310
Service technicians	202
Production operators	248

Absenteeism

The total number of employee absence hours in 2022 **was 44,517 h (38,981 h in 2021)**, with an absence rate of 3.08% (2.71% in 2021).

During 2022, all employees at the ISTOBAL Group who were able to take parental leave, 47 men (28 in 2021) and 8 women (7 in 2021), returned to their jobs at the end of their parental leave.

*The absence rate has been calculated according to the following formula: Total number of hours of Absenteeism / Number of hours worked * 100. The variation in absence hours is mainly due to the Covid- 19 effect during the first months of the 2022 financial year.*



Promoting excellence through training and development

The **training of our employees at ISTOBAL is a fundamental pillar** of our people development strategy. We recognise that the preparation and performance of our professionals represent a differential value for our organisation.

We have therefore designed training actions and programs tailored to various job roles and levels of experience, as well as numerous flexible activities to **keep our team up to date with the latest developments.**

Each year, the People area draws up a training plan that is adapted to the needs expressed by the different departments and to the guidelines of the Management. Our aim is for training to reach all employees.

During 2022, we delivered a total of 8,132 hours of training, distributed across different levels of the organisation.

Employee Level	Training hours
Senior Management and Executives	2 hours
Middle Management	1,696 hours
Technicians, officers and sales	4,666 hours
Service technicians	1,323 hours
Production operators	445 hours



The majority of our on-site courses focus on continuous specialisation and further training of staff. This includes knowledge of the latest commercial and product trends, the acquisition of new administrative and management competencies, and generally strengthening skills for the performance of various tasks and responsibilities.

Diversity, equality and inclusion

We are committed **to promoting an inclusive and equitable work environment**, where people are valued for their skills and talents, regardless of age, disability, gender, marital status, pregnancy, maternity, race, nationality, ethnicity, religion or belief.

During the years 2021 and 2022, no incidents of discrimination or harassment at work were recorded in our company.

We pay particular attention **to eliminating any form of indirect discrimination** and promoting an inclusive environment in which every person feels valued and respected, and we are committed to reporting on all decisions related to equal opportunities and to projecting an image of the company in line with this fundamental principle.

In order to translate these principles into concrete actions, we currently implement equality measures in the Group's companies, both those that are legally obliged to do so and those that are seeking to improve in this regard.

We also involve the legal representation of workers in all processes, not only in collective bargaining, as required by the Organic Law 3/2007 of 22 March for effective equality between women and men, but in all stages of development and evaluation of our equality measures and equality plans.

Equality Plan

At ISTOBAL our policy is zero tolerance for any form of harassment in the workplace.

Since 2010, ISTOBAL has implemented an Equality Plan that establishes a **solid protocol for prevention, detecting and addressing workplace bullying**. The plan foresees quarterly meetings to ensure adequate monitoring of compliance and development of the measures included in the plan.

This protocol covers key areas such as:

- **Access to employment**
- **Recruitment**
- **Equal opportunities in employment**
- **Promotion**
- **Training**
- **Remuneration**
- **Promoting the reconciliation of work and personal life**

Quality of employment

At ISTOBAL we proudly promote the quality in employment. Some examples are job stability, with a 98% rate of permanent contracts, working hours and shifts that facilitate the reconciliation of the personal and working life of our employees, salaries that improve those of the collective agreements and a high job security.



Security at all levels

Commitment to Quality, Environment and Safety at Work

In order to plan and control the various processes to fully comply with current regulations and make use of the best possible working practices, at ISTOBAL we have a [Quality, Environmental and Occupational Health and Safety Policy](#).

In 2022 we established a **Health and Safety Committee**, made up of representatives with voting rights and advisors with a representative and guiding role in decision-making in various areas, which meets quarterly to address issues related to occupational risk prevention. On the part of ISTOBAL, the representatives include Prevention Delegates, the Head of People and the Head of Production of the organisation.

Our policy is based on sound principles:

- Encouragement and promotion of a culture of continuous improvement at all levels of the organization, involving and making our personnel responsible through information, consultation and participation in preventive activities, with specific objectives and indicators for their fulfillment.
- Planning and execution of preventive activities to prevent accidents and occupational diseases.
- Compliance with applicable laws and regulations, and other requirements that ISTOBAL subscribes with its stakeholders.
- Monitoring the evolution of our quality, environmental impact and occupational health and safety systems to ensure continuous progress.

No occupational diseases were reported to ISTOBAL during the 2022 – 2021 financial years

At ISTOBAL we consider that, in order to guarantee the efficiency of our processes, the competitiveness and the continuous increase of the satisfaction and confidence of our stakeholders, the improvement of **the safety of our workers, customers and users of our equipment** and products is a permanent and priority objective of the company.

This table shows the occupational accidents, with frequency and severity that took place during both years.

Accidents at work

	2022			2021		
	Men	Women	Total	Men	Women	Total
Number of accidents	22	-	22	17	-	17
Frequency Rate*	14,67	-	14,67	11,82	-	11,82
Severity Index**	0,37	-	0,37	0,23	-	0,23

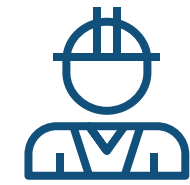
(*) Number of accidents with sick leave / Number of hours worked * 1.000.000

(**) Number of recordable accidents / Number of hours worked * 1.000.000



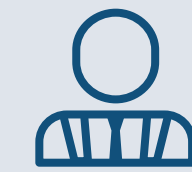
We have a strong commitment to safety and security at all levels.

Commitment to safety at all levels



Committed to our employees

Strict security measures for our operators in the processes of production, assembly and installation of equipment.



Committed to our customers

In the maintenance of the installation, **compliance with the regulations adapted to each geography** and adapting to the requirements of Global Accounts.



Committed to our users

We make the **wash experience safe and stress-free**, through numerous measures in the installation (visual information, safety profiles, emergency stops, ...)

Social commitment



Sponsorship of Sports

Commitment to sports, encouraging the spirit of self-improvement and teamwork to make the sporting dreams of young people come true.



Support for Education and Talent

Supporting technological innovation, talent, entrepreneurship and collaboration through education, creativity and research.



Commitment to the Community

Firm commitment to the development and promotion of L'Alcúdia, the town where our headquarters have been located since our beginnings.

Main contributions of ISTOBAL in 2022 and 2021

Contributions / Sponsorship

AECC	2.000€
UNIÓ ESPORTIVA L' ALCÚDIA	3.000€
COTIF Championship	15.000€
L' Alcúdia Basketball Club	1.000€
ISTOBAL Academic Programme	30.000€
Total	51.000€

In 2022, ISTOBAL contributed with €51,000 in activities related to the management of corporate social responsibility.

Sponsorship of Sports

At ISTOBAL, we have developed a sponsorship and partnership policy that reflects our core corporate values: curiosity and creativity, customer focus, inclusiveness and diversity, cooperation and safety.

Some contributions made in 2022 were:

- We supported sport through **the international football tournament COTIF Promesas**. A championship that has been held in L'Alcúdia for more than 30 years and has become a national and international benchmark for promising young footballers. This commitment has led us to sponsor this championship for 12 consecutive years in all its categories, providing it with infrastructures and resources for the development of future professionals.
- We supported other **official football teams in L'Alcúdia** as part of our social commitment to the community and our promotion of the values of self-improvement and teamwork that sport instils, such as CLUB BASQUET L'ALCUDIA and UNIÓ ESPORTIVA L'ALCUDIA.
- We signed a collaboration agreement with the local council of L'Alcúdia. This agreement promoted the creation of **a new 8-a-side football pitch in the Els Arcs sports city**, a COTIF initiative with an investment of more than 48,000 euros by ISTOBAL.



Supporting Education and Talent

We actively contribute through our participation in educational programmes of various entities, including:

- Valencia Chamber of Commerce.
- Official College of Industrial Engineers of the Valencian Community (Spain).
- EDEM Business School (Valencia, Spain).
- Polytechnic University of Valencia, with the support of the ISTOBAL Academic Programme of Open Innovation.

The **UPV-ISTOBAL Academic Programme of Open Innovation** is a space for the exchange of training experiences, with which we promote our model of open innovation and promote our desire to act as a facilitator of innovation **in collaboration with the Polytechnic University of Valencia**.

The main goals of this initiative are to support innovation actions in digitalisation, user experience and sustainability, as well as to promote the talent of UPV students through activities in a high-value learning ecosystem.

The collaboration between the UPV and ISTOBAL helps to promote ideation, research and development of projects applicable to a highly digital and disruptive niche sector, whose challenges are part of the focus of the students who participate in it. The application of Machine Learning and Artificial Intelligence technologies in product development, internal processes and industrial plant management are some of the tools made available to students by this innovative and pioneering initiative in its sector.

The UPV-ISTOBAL collaboration has a multimodal and multidisciplinary learning approach offering various possibilities for students to join and live the ISTOBAL experience. UPV students can participate individually or through the Spontaneous Generation (SG) groups, whose mission is to promote the acquisition of transversal competences through extracurricular activities, scholarships and courses at ISTOBAL.



The Academic Programme of Open Innovation is a forum for collaboration and continuous dialogue between the UPV and ISTOBAL, strongly committed to young talent and focused on relevant solutions for the vehicle wash and care industry.

Partnerships

Our various collaborations with associations, technological institutes and entities related to our business activity strengthen our commitment to innovation, quality and excellence in our sector, allowing us to grow and learn from the experience of other leading institutions around the world.

AIDIMME	Technological Institute for Metalworking, Furniture, Wood, Packaging and Related Industries.
AERCE	Spanish Association of Purchasing, Contracting and Procurement Professionals.
AJEV	Valencian Association of Young Entrepreneurs.
AMETIC	Association for the promotion of the use of digital technologies.
AVIA	Valencian Association of the Automotive Industry.
ADL	Association for the Development of Logistics.
CEEES	Spanish Confederation of Service Station Entrepreneurs.
AEVECAR	Spanish Association of Fuel Retailers.
ATFRIE	Spanish Association of Employers of Directed Temperature Transport.
Valencia Chamber of Commerce.	Local Chamber of Commerce
CEEI	European Business and Innovation Centre of Valencia.
CMM	Mediterranean Marketing Club.
EUited Vehicle Cleaning	European Association of Vehicle Cleaning Equipment.
CPONET	Centre for the support of technological innovation.
CMT	University Institute of Thermal Engines of the Polytechnic University of Valencia.



IEEE	Institute of Electrical and Electronic Engineers
ai2 Institute	Institute University Institute of Automatics and Industrial Informatics of the UPV.
IDF	Institute of Design and Manufacture of the UPV.
IFSF	International Forecourt Standards Forum.
ITI	Technological Institute of Computer Science of the UPV.
IMQ TECNOCREA	Testing Lab for all types of electrical and electronic products.
ITE	Energy Technology Institute.
UPV-ISTOBAL	At the Polytechnic University of Valencia (UPV).
FEMEVAL	Valencian Metallurgical Business Federation.
FMRE <small>Leading Brands of Spain Forum.</small>	Public-private alliance that brings together more than a hundred leading brands in their respective sectors.

Community Engagement

Our company has a strong commitment to working closely with the communities where we operate, contributing voluntarily to their progress and quality of life.

Our approach

We seek to be an active and engaged agent in the communities where we operate, particularly those in which we are an integral part, by supporting programmes, groups and events that foster positive actions and principles for collective well-being.

Our goals

- Understanding and meeting the expectations of our stakeholders
- Optimizing our socially responsible investment to align with our mission, vision and values
- Encourage participation in voluntary activities and raise social awareness among our employees, partners and their families.
- Improve the social responsibility standards and practices of our suppliers and contractors.
- Collaborate with associations and entities that seek to promote the common good, strengthen civic values and achieve business objectives that respect the community.
- Communicate internally and externally, our commitments, objectives and responsible actions derived from this plan.
- Consider minorities and groups with special needs in our actions and communications.



During 2022, we supported the Asociación Española Contra el Cáncer (Spanish Association Against Cancer), demonstrating our commitment to social and health causes.

Prizes and awards

In recent years, ISTOBAL has been honoured with various awards and recognitions that highlight our commitment to innovation, internationalisation and sustainability. Some of the most outstanding awards include:



Premio FEMEVAL Innovation Award (2023)

Awarded for the launch of the Ozone Jet Wash.

Levante-EMV and Banc Sabadell Business and Sustainability Award (2021)

Recognizing our dedication to business sustainability.

Valencia Chamber of Commerce Award 2018 for Excellence in Business Model Management

Celebrating our exceptional management model.

Repsol Safety Award (2018)

In recognition of our commitment to safety.

Economy 3 Award in Business Leadership (2017)

For our contribution to the economic and social growth of the Valencian Community (Spain).

Motortec Automechanika Innovation Gallery Award (2017)

Recognising our innovation with the Virtual Assistant for automotive wash programme selection.

Nordic Swan Ecolabel (2016)

For the sustainability and efficiency of our chemical products ISTOBAL Esens.

FEMEVAL Award for international projection (2016)

Celebrating our commitment to internationalisation.

ÖNORM and VDA certifications for chemical products


Highlighting the quality of our chemicals range.

Human rights

At ISTOBAL we firmly believe that it is our responsibility to ensure a fair, safe and respectful working environment for all our employees. Through concrete actions, we have made important commitments in line with regulatory developments in this area. These commitments are the foundation of our culture and are reflected in our **Code of Ethics**.

Our goals

- **I.** No to Child Labour
- **II.** No Forced Labour
- **III.** Safe and Healthy Work Environment
- **IV.** The Right to Organise
- **V.** No Discrimination
- **VI.** No Corporal Punishment or Abuse
- **VII.** Working Time and Overtime
- **VIII.** Fair Wage and Legal Compliance
- **IX.** Supervision of Social and Labour Regulations



During the years 2021 and 2022, we have not identified risks in the area of human rights, nor have we received any complaints related to this issue.

Tailored sustainable solutions for our customers

ISTOBAL offers comprehensive vehicle wash and care solutions that are flexible and fully adapted to the needs of **different professional industries, related to the of automotive, transport and mobility sectors.**

We work in close collaboration with renown national and international oil companies, car dealers and garages, transport companies, supermarkets and department stores, logistics and transport, railway projects, car dealers, car rental companies, waste management, professional car washes and other entities that manage fleets of all types of vehicles.

For all of them, we have focused in recent years on **driving a generation of global, sustainable and comprehensive solutions** and services with the aim of **increasing business profitability.**



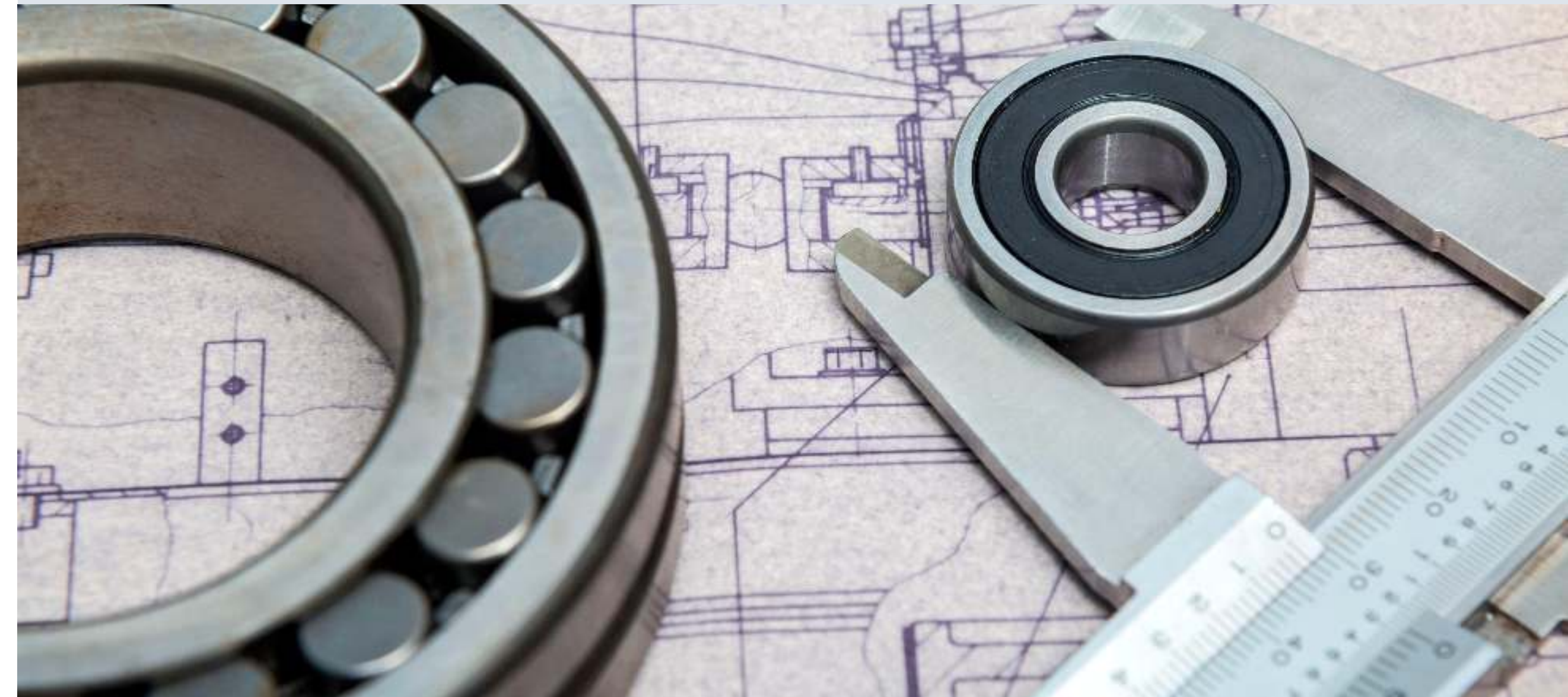
Following the main trends and demands in the vehicle wash and care sector, we are making sustainability one of our priorities, thus we have become pioneers in the development of integrated solutions that prioritise environmentally friendly technologies.

We reinforce our strong **commitment to ecology in the car wash sector** in order to reduce the consumption of such a limited resource as water, in accordance with the Sustainable Development Goals identified in the United Nations Agenda for 2030. All of this, without losing sight of the specific casuistry of our industry, which demands a high degree of end-user satisfaction with a good vehicle finish and simplicity in the operation of the car wash equipment.

Being aware of the impact we can have on our environment, we understand that we have **to consume less and better**, especially knowing the effect of our products and processes on the planet, in an industry where we work with elements such as **water, energy and chemicals**.

Our R&D+i department is constantly developing new products:

- New systems and solutions for the efficiency in the consumption of car wash equipment.
- Water treatment and recycling systems.
- Environmentally friendly chemicals.
- Innovative sustainable packaging for your products.



Some examples of these customised solutions for our customers with a focus on environmental protection would be:

New efficiency systems in automatic wash equipment and pressure jet wash solutions 1/2



In latest generation rollovers, reduction in **water consumption by up to 40%** compared to previous models thanks to:

- New brush materials with lower absorption.
- Better distribution of the hydraulic circuit.



In pressure jet wash, reduction in water consumption with low pressure and low flow operation in certain programmes, without affecting the effectiveness and quality of the wash.

One example is our ISTOBAL J'WASH4 jet wash, which is a commitment to innovation in order to take care of the planet and continue to make vehicle washing facilities as profitable as possible. It is the most efficient, reliable, sustainable and compact in its category, achieving:

- **35% water savings.**
- **+30% energy savings.**
- **10% chemical savings.**
- **20% energy savings compared to previous models.**

New efficiency systems in automatic wash equipment and pressure jet wash solutions 2/2



Alternative systems to boiler use in jet wash such as the **new Ozone Jet Wash**, an ozone-in-water system that reduces operating costs in pressure jet wash through equipment that is more environmentally friendly, efficient and cost-effective than hot water boilers. With this new development, we provide an alternative to hot water boilers in jet wash that generate significant operating and maintenance costs, as well as high CO2 emissions.



In **industrial wash solutions**, the new ISTOBAL HW^{COMP}AK rollover reduces power consumption by up to 21% thanks to optimised frequency converters and optimised hose and nozzle design.



The **connectivity of our equipment with Smartwash by ISTOBAL** enables greater control of consumption in washing installations and remotely adjusts consumption and maintenance of the installation.

Water treatment and recycling systems



Integral solutions for **water treatment** that recycle, save and decontaminate water in car washes, marking the future of washing facilities and ensuring their viability.



The **biological recycler 4R2D2**, is the first biological purification and recycling equipment, with ultrafiltration system with which we recycle up to 100% of the water in each wash in its most advanced version and achieving zero water spillage in the washing of vehicles.



We have class I **sludge and hydrocarbon separators** with which we achieve a reduction of suspended solids and the retention of 94% of the presence of hydrocarbons in the treated water, thus retaining the traces coming from the fuel and engines of the vehicles.

Environmentally friendly chemicals



The ISTOBAL esens® **range of chemical products** currently includes around a hundred innovative products for washing all types of vehicles, covering all stages of the wash cycle. The entire range uses raw materials that meet today's highest environmental requirements and are recognised for their high quality and sustainability. Many of them have outstanding certifications in quality and sustainability, such as Nordic Swan Ecolabel, ÖNORM and VDA.

In addition, the ISTOBAL Xtract line of super concentrated chemicals reduces the generation of plastic waste in its packaging, thanks to its smaller size, contributing to the reduction of CO2 emissions.

Quality and safety in our products

In order to offer global, comprehensive and sustainable services, we have configured a business model with an operational structure that ensures the key capabilities necessary to **guarantee the best customer service**. Some of these competences are proximity, immediacy in response and simplicity in procedures and operations.

Tradition leads us to preserve the Group's historical legacy and to achieve not only the objectives we set ourselves, but to do so with excellence, standing out in terms of quality and innovation and being jointly responsible for the development of the society in general in which we conduct our activity.

Various companies of the Group including ISTOBAL S.A., ISTOBAL España S.L.U. and ISTOBAL Manufacturing Spain S.L., are ISO 9001 and ISO 14001 certified.

Certifications governing our operations



ISO 9001:2015

The **ISO 9001:2015 certification**, linked to the design, development, manufacture, marketing and after-sales service of our vehicle washing and water treatment equipment and their consumables, aims to contribute to the sustainable growth model of our company in the field of the culture of excellence and the procedures related to quality management, being the same and the satisfaction of our customers the priority objective.



ISO 14001:2015

In addition, our **ISO 14001:2015 certified environmental management system** helps ISTOBAL to identify, prioritise and manage environmental risks as part of its normal business practices.

The customer is at the heart of our commitment to quality

At ISTOBAL, we have an operational procedure to manage **incidents and complaints** from our customers, related to products, services or equipment. When a complaint is received, if it is considered applicable, it is registered in our Microsoft Dynamics (AX) system for immediate follow-up.

Our department analyses and verifies the information, conducts internal consultations to determine the causes and find an appropriate solution. Once resolved, the issuing department is notified, and if necessary, the resolution is communicated to the relevant customer. All complaints received in writing (mail, post, etc.) are also handled in this way.

Following the study of these by the departments involved, and depending on their importance or repetition, **corrective actions** can be taken. Monthly analyses of incidents are carried out to detect trends and opportunities for improvement.

The volume of complaints received from customers and admitted for processing by ISTOBAL has decreased over the last two years by 30 %, with a total volume of 1,013 complaints (equivalent to 6.3 complaints per million euros invoiced). It should be added that, of these 1,013 incidents, only 9.2% have been accepted with ISTOBAL responsibility, representing an incidence ratio of 3.12 per million euro invoiced.

ISTOBAL **has no recorded fines or penalties for non-compliance** with regulations related to consumer health and safety issues that could be significant.

Customer satisfaction ratings received for the complaints service in FY2022 were satisfactory (3.21/4.00), with an increase from FY2021 (2.64/4.00).

07 ANNEX

About the report

This is the **ISTOBAL Group's first sustainability report**, which will be updated on an annual basis. The organisational scope of this report includes, in most instances, all the countries in which the ISTOBAL Group has operations, covering both the delegations (commercial and logistics) and the central offices in Spain.

The report refers to ISTOBAL's **fiscal year 2022**, which began on 1 January 2022 and ended on 31 December 2022. Its preparation has been carried out with the direct participation of key people from the different management areas of the company, who have contributed with information related to the various aspects included in the report.

This is the result of a team effort, also considering the opinion of ISTOBAL's main stakeholders.

In addition, the guidelines established by international sustainability standards have been taken into account in the preparation of this report. It is important to note that this report has been prepared in accordance with the **GRI (Global Reporting Initiative)** standards, thus ensuring consistency and quality in our sustainability reporting.

Index of general and specific GRI contents

GRI Standard	Description	Response/comments	Page
GRI 1: Fundamentals			
1	Declaration of use	ISTOBAL GROUP has presented the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022, using the GRI Standards as a reference. [GRI 2-3].	
GRI 2: General contents			
The organisation and its reporting practices			
2-1	Details of the organisation	Istobal S.A. Avda. Conde del Serrallo, 10. 46250 L'Alcúdia (Valencia), Spain	
2-3	Reporting period, frequency and contact point	Financial year 2022: 1 January 2022 to 31 December 2022. Contact for enquiries: istobal@istobal.com	
2-4	Updating of information	Any information with a temporal or organisational scope other than 2022 is appropriately indicated and accompanied by a statement.	
Activities and workers			
2-6	Activities, value chain and other		P. 9-19.
2-7	Employees		Pp. 64, 65, 66, 67 and 68.
Governance			
2-9	Governance structure and composition		Pp. 23, 24, and 25
2-10	Appointment and selection of the highest governance		

GRI Standard	Description	Response/comments	Page
Governance			
2-12	Top government's role in overseeing impact management		Pp. 23, 24, and 25
2-11	President of the highest government	Antonio Martínez	
2-14	The role of the highest governance body in sustainability reporting	Commissioning for approval of the final document.	
2-16	Communication of critical concerns	No critical concerns have been identified in 2022.	
2-19	Remuneration policies	Detailed information in the 2022 EINF.	
2-20	Processes for determining remuneration	Detailed information in the 2022 EINF.	
2-21	Total annual compensation ratio	Detailed information in the 2022 EINF.	
Strategy, policy and practice			
2-22	Sustainable Development Strategy Statement		Pp. 28, 29 and 30.
2-23	Commitments and policies		Pp. 28 - 88.
2-24	Mainstreaming commitments and policies		Pp. 31, 32, 33, 34 and 35.
2-28	Membership of associations		Page 79

GRI Standard	Description	Response/comments	Page
Stakeholder engagement			
2-29	Approach to Stakeholder Engagement		Pp. 35, 36 and 37.
GRI 3: Material issues			
3-1	Process of determining the material issues		Pages 37, 38 and 39.
3-2	List of material topics		Page 40
Generating added value in the sector			
3-3	Management of material issues		Pages 12, 13, 14, 15, 16, 17, 18, 19 and 20.
Development of sustainable products and services			
3-3	Management of material issues		Pages 79, 80 and 81
Risk management			
3-3	Management of material issues		Page 27
Customer satisfaction and safety			
3-3	Management of material issues		Pp. 83, 84, 85, 86, 87, 88.
Economic performance and profitability of the business model			
3-3	Management of material issues		P.

GRI Standard	Description	Response/comments	Page
Ethics and transparency			
3-3	Management of material issues		Pages 20 and 21
Good governance and responsible leadership			
3-3	Management of material issues		P. 20, 21, 22, 23, 24 and 25.
Legal and regulatory compliance			
3-3	Management of material issues		P. 20 and 21.
Digitalisation and cybersecurity			
3-3	Management of material issues		P. 20 and 21.
Responsible marketing			
3-3	Management of material issues		P. 20 and 21.
Responsible value chain management			
3-3	Management of material issues		Pp. 51, 52, and 53.
GRI 403: Health and Safety at Work			
403-1	Occupational health and safety management system		Pp. 72-73.
403-9	Injuries due to accidents at work		Page 73

GRI Standard	Description	Response/comments	Page
GRI 3: Material issues			
Professional development and work-life balance			
3-3	Management of material issues		Page 69
Local commitment			
3-3	Management of material issues		P. 74, 75, 76, 77, 78, 79 and 80.
Quality of employment			
3-3	Management of material issues		Pp. 64, 65, 66, 67 and 72.
GRI 205: Emissions			
Activity-related emissions			
305-1	Direct GHG emissions (Scope 1)		Pp. 48, 49, 50, 51
305-2	Direct GHG emissions from energy generation (Scope 2)		Pp. 48, 49, 50, 51
305-3	Other direct GHG emissions (Scope 3)		Pp. 48, 49, 50, 51
GRI 303: Water and effluents			
Water management			
303-5	Water consumption		Page 58

GRI Standard	Description	Response/comments	Page
GRI 306: Waste			
Waste management			
306-2	Management of significant waste-related impacts		Page 57
306-3	Waste generated		Page 57
GRI 302: Energy			
Energy saving and efficiency			
302-1	Energy consumption within the organisation		Page. 54, 55, 56
302-4	Reduction of energy consumption		Page. 54, 55, 56
GRI 3: Material issues			
Efficient transport and logistics			
3-3	Management of material issues		Page. 58 and 59
Environmental impact of product packaging			
3-3	Management of material issues		Page. 59, 60, 61, and 61
301-2	Recycled inputs		Pages 59, 60, 61, and 62
Responsible management of chemicals			
3-3	Management of material issues		Page. 63 and 64.



SUSTAINABILITY REPORT 2022

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