



**| ISTOBAL, S.A. and subsidiaries |**

Consolidated directors' report for the year ended 31  
December 2020

[www.istobal.com](http://www.istobal.com)

# Consolidated Non-Financial Information Statement

## 1. Introduction

Law 11/2018 (28 December) entered into force at the end of 2018 and amends the Commercial Code, the Spanish Companies Act approved by Legislative Royal Decree 1/2010 (2 July) and Law 22/2015 (20 July) on Audits, non-financial information and diversity (Law 11/2018), which replaces Royal Decree Law 18/2017 (24 November), which transposed into Spanish law Directive 2014/95/EU of the European Parliament and of the Council, with respect to the disclosure of non-financial information and information regarding diversity.

In accordance with the provisions of Law 11/2018, certain companies, including Istobal, S.A. and subsidiaries (“Istobal” or the “Group”), must prepare a non-financial information statement to be included in the consolidated directors’ report or be presented as a separate report for the same year containing the same content and meeting the established requirements. These requirements include, among other things, the information necessary to understand the development, results and the situation of the Group, the impact of its business in environmental and social terms, respect of human rights and the fight against corruption and bribery, as well as personnel matters. In this respect, it must describe any measures that have been taken to support the principle of equal treatment and opportunities between women and men, non-discrimination and the inclusion of universal accessibility measures and the disabled.

In this context, Istobal includes the consolidated non-financial information statement in the Group’s consolidated directors’ report that accompanies the consolidated financial statements for 2020.

To calculate the key indicators of non-financial results included in this consolidated non-financial information statement, we have used the GRI (Global Reporting Initiative) guidelines, among other things, as a reference, which is the international reporting standard and included in the new Article 49.6.e) of the Commercial Code enacted by Law 11/2018.

## 2. Business model

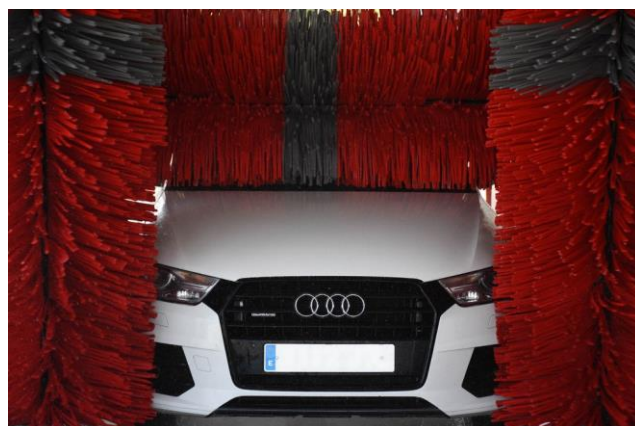
Istobal’s activity mainly consists of the manufacture, distribution and maintenance of car wash facilities both nationally and internationally, as well as the purchase and sale and operating lease of car wash machines in the national and international markets.

Istobal maintains its essence as a family company and today the third generation manages the Group.

We are the leading Spanish company in the design, manufacture and marketing of car wash solutions. We currently have a large network of distributors throughout the world, ten subsidiaries and an assembly plant in Spain, as well as three other subsidiaries that are also assembly plants in the United States, Brazil and China.

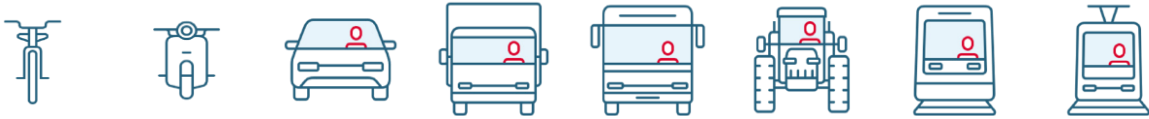
Currently, 70% of its turnover, which reached €128.5 million in the last consolidated financial year, corresponds to international sales.

Our sound strategy of internationalization has allowed us to position ourselves as one of the industry leaders at Europe level. The commitment to innovation and to offering efficient global solutions make us an international benchmark with presence in more than 75 countries around the world.



Istobal has a workforce of nearly 850 employees as well as an extensive network of distributors throughout the world that consolidates its external presence. The service orientation allows Istobal to provide comprehensive solutions that include designs by an R&D department constantly generating ideas, prototypes and patents. This ranges from the manufacturing and engineering of processes with great operational flexibility and with the latest technological achievements, to the marketing and technical assistance of the equipment, thanks to a consolidated network of trained sales representatives and specialists who are constantly updated.

We understand washing facilities to be global spaces for the integral care of all types of vehicles. Our range of products covers all exterior and interior washing needs for vehicles in the automobile, transportation and mobility sectors.



ISTOBAL evolves together with these sectors, responding to their needs with technological solutions that adapt to changes and prepare for the future.

We develop comprehensive global solutions that range from design and manufacturing to commercial and technical support. We also have our own line of chemical products, and we are even suppliers of flexible lease, maintenance, technological, marketing and after-sales services for our customers.



ISTOBAL's mission is to "provide global and complete solutions that bring great profitability to the vehicle wash and care business, using the latest technologies and oriented to offer the best customer service".

To accomplish this mission, ISTOBAL incorporates the following values into its organization:

- **Curiosity/Creativity.** Being curious means always looking beyond the company and the sector. It means being restless and having an open outlook. To be creative, you have to think outside the box.
- **Client focus.** Focusing on customer allows ISTOBAL to understand their needs, as well as to deliver, assess and evaluate all the services it offers.
- **Diversity/Inclusion.** ISTOBAL is a diverse, multi-cultural team that is able to understand the views and needs of others.
- **Cooperation.** We work together to reach agreements and deliver mutually satisfactory solutions.
- **Safety.** People are the most valuable asset in any organization, which is why guaranteeing their safety is always our utmost priority.

The application of all these values helps ISTOBAL to achieve its corporate vision. The company aims to "transform the vehicle wash and care experience, making it easy, quick, efficient and enjoyable for users, while delivering the maximum value to the customer".

# “EMBRACE OUR VALUES



### 3. Group Organization

Istobal is a corporate group led by the holding company Istobal, S.A., headquartered in l'Alcúdia and into which the rest of the companies consolidate. It is also responsible for offering centralized services to support the rest of the subsidiaries and group companies under a policy of flexibility and adaptation to the characteristics of each market.

Istobal Manufacturing Spain, S.L.U. is the manufacturing company and receives orders from all subsidiaries and distributors, it obtains supplies and receives materials and products, produces the equipment and distributes the orders.

Istobal Servicios Integrados, S.L.U., engages in the purchase of vehicle washing machines for subsequent lease to customers in Spain, which is the same activity carried out by Joywash Betriebsges m.b.H. in Austria and Istobal Rental Service, Ltd. in the United Kingdom.

Istobal has 10 subsidiaries that carry out sales and maintenance activities in their geographic areas of operation. Istobal España, S.L.U., Istobal Portugal Unipessoal, Lda., Istobal UK Limited, Istobal Handelsges m.b.H., Istobal Sverige AB, Istobal Danmark A/S, Istobal Italia, SRL, Istobal USA Corporation, Istobal do Brasil Indústria e Comércio Ltda and Istobal Vehicle Wash & Care Co. Ltd. The latter three subsidiaries also operate assembly plants.

Istobal offers its customers a wide personalized offering and adapts to the characteristics, needs and circumstances of each customer.



In order to offer this type of comprehensive service, we have needed to configure a business model with an operative structure that ensures the key capabilities necessary to guarantee the best customer service. Some of those keys are closeness with customers, the immediacy in our responses and the simplicity in operations.

Tradition makes us preserve the historical legacy of the Group and to fulfil not only with the objectives that we set, but to do so with excellence, standing out with our quality and innovation and being co-responsible in the development of the society in general in which we carry out our activity.

The ISO 9001:2015 certification, linked to the design, development, manufacturing, commercialization and after-sales service of car wash and water treatment equipment and the commercialization of its relevant consumables, aims to contribute to Istobal's sustainable growth model in the field of excellence culture and procedures related to quality management, with the satisfaction of our customers being the main objective.

Additionally, our environmental management system, certified according to ISO 14001:2015 helps Istobal to identify, prioritize and manage environmental risks as part of its usual business practices.

At the end of the 2020 financial year, the companies Istobal, S.A., Istobal España, S.L.U. and Istobal Manufacturing Spain, S.L. are both ISO 9001 and ISO 14001 certified.



## 4. Material aspects and stakeholders

Istobal consolidates its commitment to an open and continuous dialogue with its stakeholders in order to provide them with value through a pioneering open and participatory attitude in the sector. By promoting this dialogue within our business strategy, we produce improvements in the competitiveness and quality of our products and services.

The stakeholders are formed by the individuals or entities which can be significantly affected by Istobal's services and whose actions may affect the Group's ability to successfully develop its strategy and achieve its objectives.

At Istobal we have differentiated our stakeholders into two groups: internals (employees and shareholders) and externals (customers, suppliers, social actors and local communities).

In relation to external stakeholders, our practices are aimed at respecting human rights, at not acting in connivance with corruption or bribery, at allocating resources for the communities where we operate and at reducing the impact of our activity on the environment.

Within Istobal, our socially responsible behavior is demonstrated by respect of worker's rights, free collective bargaining, equal opportunities for men and women, non-discrimination based on age, ethnic background, religion or disability, and preventive health-care practices of our employees.

In this model, ethical, responsible and sustainable management is a reference framework for our team. This, together with the corporate values cited above, will allow us to adapt our organization to the changes that occur continuously in today's society.

The Board of Directors of Istobal, S.A. recognizes and assumes the importance of having a Corporate Governance system that guides the structure and functioning of its corporate bodies, in the interest of the Company and its shareholders. The Board is the highest governing body of the Company in terms of corporate responsibility and at the close of the 2020 financial year it was composed of four members, three of whom are men and one is a woman.

The Group's corporate facilities have been developed and designed with a focus on large spaces and the presence of natural light in all its areas, with special emphasis on the factory and offices. In the aforementioned context, we have been working on the implementation of advanced solutions to achieve greater energy efficiency, as well as constant evolution in preventions occupational risks.

Istobal contributes to the economic, technological and social development of its environment. The creation of wealth, employment and knowledge are the main benefits generated.

### *Risk management*

Istobal has identified the following as its main risks in the medium and long-term:

- Global economic uncertainty
- Evolution of mobility systems
- Speed of changes in new technologies
- Changes in environmental policies
- Potential new low-cost competitors

## 5. Environmental matters

The environmental impact of our products and services, and of all the processes of our organization, is one of Istobal's main concerns.

That is why, in the running of our company, we demonstrate a special sensitivity to the environment, promoting a continuous improvement in our environmental practices and involving workers in the development of our environmental policy.

The choice of the best techniques available to optimize processes and therefore the preservation of natural resources through lower consumption of raw materials and energy plays a significant role in minimizing the effects of our activity and guaranteeing sustainable development.

In the aforementioned context, we establish processes in order to minimize contamination and, in general, any environmental impact from our organization in a coordinated manner.

Continuous improvement drives us to implement environmental initiatives that are more ambitious than those imposed by governments because the protection of the environment is a standard within our organization.

Additionally, we collaborate with our customers and who works with us in the protection of the environment, putting in place mechanisms to ensure that our organization finds solutions to reduce the environmental impact of the activities linked to it as much as possible.

The starting point of our system has been to obtain the ISO 14001 certification in environmental management, as well as the realization of audits by external advisors with the aim of evaluating Istobal's environmental impacts.

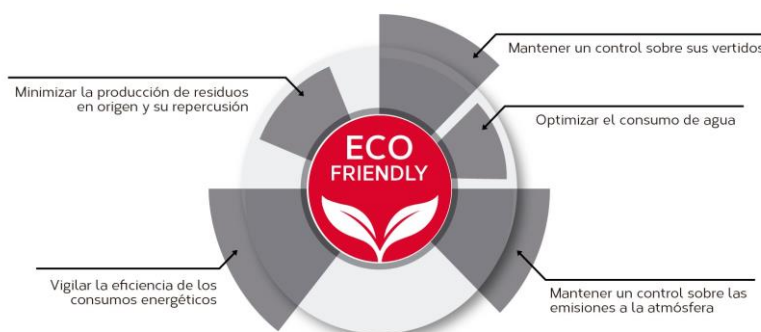
We disclose our environmental protection policy to all the people, organizations and companies that collaborate with, to promote the extension and advancement of these awareness principles for correct environmental management, both internally and externally.

In the exercise of these responsibilities and in order to develop what is established in Istobal's ideology, in 2018 we updated our environmental policy with the best practices on this matter, establishing an appropriate risk assessment related to environmental aspects in all life cycle processes and stages of the products and services, as well as the preventive measures to reduce the impacts of the aforementioned risks.

The aforementioned environmental policy aims to project to all Istobal's stakeholders its commitment to the environment and it applies to all the companies that make up the Group.

In this context, the basic principles of the environmental action followed by Istobal are as following:

- **Offer** customers integral solutions for the treatment and reuse of the water used in their wash equipment
- **Review and decrease** the environmental impacts of its products during their lifecycle.
- **Promote and encourage** an internal culture of continuous improvement by training, involving and empowering staff at all levels of the organization through information, consultations and participation of all members of the organization in 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.
- **Maintain** a system for reviewing processes in order to minimize their environmental impacts and to prevent pollution. In particular, it agrees to:
  - **Minimize** the production of waste at its source and its impact through its correct segregation and management, as well as studying alternatives that reduce the danger of the waste generated.
  - **Optimize** the consumption of water and maintain control over its discharges.
  - **Monitor** the efficiency of energy consumption.
  - **Maintain** a control over emissions to the atmosphere.



- **Comply** with applicable laws and regulations, as well as with other requirements that are concluded with stakeholders

- **Evaluate** the environmental impact so that we can ensure the maintenance and continuous improvement of management systems.

Within the scope of our environmental management system under ISO 14001, Istobal identifies and evaluates its most significant environmental aspects on a regular basis. In the evaluation on 2020 data, the main environmental risks derived from these aspects were:

- Atmospheric pollution due to the emissions from surface treatment baths and parts painting.
- Air pollution from the transport of our products.
- Soil pollution due to the production of hazardous waste.
- Noise pollution in the production plant surroundings.
- Depletion of resources due to the consumption of tap water, natural gas, electricity, diesel and packaging materials.

*Note: Only the emissions associated with the production plants in Spain are relevant.*

In the aforementioned context, the main environmental objectives of Istobal during the financial year 2020 have focused on reducing the packaging waste used for our consumable products, the consumption of wood and plastic for our products packaging, the consumption of natural gas within our production process and the consumption of diesel by our technical service vehicles in Spain.

At the operational level, in 2021 we will broaden our actions to reduce the packaging waste for our consumable products, reduce the consumption of packaging plastic, our consumption of natural gas in the production process and fuel for the technical service vehicles in Spain. The latter includes actions impacting other European distribution subsidiaries.

## **Energy**

Our main sources of primary energy are natural gas and electricity. We do not produce any primary energy. The direct and indirect consumption of energy broken down by primary sources during the 2020 fiscal year were the following:

- Natural gas: 5,811.64 Mw/h
- Electricity: 2,925.83 Mw/h

It should be noted that more than 36% of the electricity supplied in 2020 to Istobal's facilities in Spain originated from renewable energy sources. The environmental impact of our energy consumption is 1,792 tons of CO2 equivalent, of which 975 relate to natural gas and 817 to the consumption of electricity.

During the 2020 fiscal year, as required by regulation, an energy efficiency audit was carried out by outside entities. Their most relevant recommendations were aimed at optimizing the lighting and air conditioning of the facilities, as well as consumption by computer equipment. These recommendations have been reviewed with the corresponding areas, having implemented 20 out of the 30 specific proposals in 2020 and keeping track of the remaining 10 in 2021.

In the energy scope, as a relevant project during 2020 Istobal has optimized the production process in the powder painting cabin, by parameters reviews and optimizing cycles and shifts, achieving a 7.64% reduction of the natural gas consumption indicator for this facility.

We have also taken actions aimed at reducing fuel consumption in the vehicles operated by the technical service in Spain, although the limitations derived from Covid 19 have prevented the implementation of a large part of the proposed actions, and therefore the achievement of the target reduction. These pending actions, along with additional ones, have been proposed, within a new objective in 2021.

## **Emissions**

As was the case in prior years, in 2020 we performed the periodical regulatory inspections of the atmospheric emissions sources, evaluating the emission levels against to the limits established in the relevant administrative authorizations.

Due to the nature of Istobal's businesses, the associated environmental aspects, their risks and the results of their evaluation, Istobal does not have any specific objective to reduce its carbon emissions.

## Water

Our water consumption is divided between the consumption of well water and tap water, with our current capture being much lower than the authorized annual volume. We currently do not recycle or reuse water, except for prototype testing.

During the 2020 financial year, 14,723 m<sup>3</sup> of well water were extracted and 5,131 m<sup>3</sup> of tap water consumed.

## Consumption of raw materials and packaging

The main consumptions of raw materials by Istobal during 2020, by type, were as follows:

	Kilograms
Steel	1,625,100
Aluminum	262,056
Stainless steel	121,939
Solvent paints	14,398
Treatment baths	9,495

Istobal regularly submits to the public Administrations prevention measures intended to reduce the environmental impact of containers and packaging used by its products, being the Business Plan to prevent product packaging waste 2019-2021 currently in force.

Under this Plan and the objectives of our environmental management system, there is a multidisciplinary team consisting of personnel from marketing, purchasing, quality and production that continuously works on optimizing packaging through the reduction of materials, as well as replacing raw materials for recycled ones or by those that are more easily recycled, as well as the logistical optimization of our supply chain.

The result of these actions in 2020 are the reductions of 28% in the packaging plastic consumption indicator and 1.8% of packaging cardboard, both at the Spanish production plant.

## Waste

Istobal treats its waste through government authorized dealers and has the registrations and permits corresponding to the quantities and types of waste generated by its activity.

The wastes with greater productions are scrap metal, inert, wood, paper and cardboard, and depleted metal surface treatment baths. The total amount of waste generated during the 2020 financial year, considering its polluting potential, was as follows:

### Non-hazardous

	Tons/year
Mixed scrap	301.81
Inert waste	170.42
Wood	154.99
Paper and cardboard:	56.70
Paint powder	16.89
Electrical cables	11.66
Aluminium scrap	7.11
Zinc shavings	7.02
Zinc ash	5.25
Stainless steel scrap	1.97
Other	2.44
<b>Total</b>	<b>736.26</b>



## Hazardous

	Tons/year
Degreasing bath	39.48
Expired detergents	36.66
Washing facility wastewater	31.70
Scaling bath	19.70
Flux bath	10.96
Paints and varnishes	9.35
Water treatment sludge	7.86
Used lead batteries	3.12
Contaminated cardboard	2.43
Polluted metallic containers	1.94
Other	3.84
<b>Total</b>	<b>167.03</b>

### *Precautionary principle*

As far as the precautionary principle is concerned, it is not appropriate for Istobal to address this principle, since the activities we carry out do not generate impacts that could lead to serious or irreversible damage to the environment.

Even so, Istobal has an insurance policy with specific €4 million coverage for possible accidental contamination.

### *Biodiversity*

The sites owned by Istobal are not adjacent to or within protected natural spaces or areas of high biodiversity, so that significant impacts on biodiversity are not generated.

## 7. Social and personnel issues

Istobal employees are fully dedicated to and passionate about their work, and their retention in the organization and their performance are key to this.

The main risks facing Istobal in the workplace are linked to flight of talent, lack of adequate skills, employee in satisfaction and potential regulatory non-compliance. Measures at the corporate level have been designed and implemented to adequately mitigate these risks.

Istobal respects non-discrimination due to age, disability, gender, marital status, pregnancy, maternity, race, nationality, ethnic origin, religion or beliefs, with no incidents occurring during 2020.

Currently, Istobal has had an equality plan since 2010 in which the protocol for prevention, detection and action against workplace harassment is established, with zero tolerance for this type of behavior. The aforementioned protocol offers coverage for the following areas: access to employment, hiring, professional segregation, promotion, training, compensation, work-life balance, as well as prevention of harassment.



### Employment

The total number and distribution of employees by country as of 31 December 2020 is as follows:

	Number of employees
Spain	642
United Kingdom	50
USA	42
Austria	33
Denmark	33
Brazil	18
Sweden	16
Portugal	11
Italy	4
<b>Total</b>	<b>849</b>

The total number and distribution of employees by gender, age and professional classification as of 31 December 2020 is as follows:

	Number of employees					
	Male	Female	Total	18-30	31-45	>45
Senior management	3	1	4	--	--	4
Management	7	1	8	--	3	5
Middle management	86	21	107	2	49	56
Technicians, supervisors and sales	205	92	297	67	135	95
Technical service	156	--	156	13	76	67
Production specialists	264	13	277	29	145	103
<b>Total</b>	<b>721</b>	<b>128</b>	<b>849</b>	<b>111</b>	<b>408</b>	<b>330</b>

The total number and distribution of employment contract modalities, by type of contract, as of 31 December 2020, is as follows:

	Number of employees					
	Male	Female	Total	18-30	31-45	>45
Permanent	698	115	813	94	400	319
Temporary	23	13	36	17	8	11
<b>Total</b>	<b>721</b>	<b>128</b>	<b>849</b>	<b>111</b>	<b>408</b>	<b>330</b>

The total number and distribution of employment contract modalities, by professional classification, as of 31 December 2020, is as follows:

	Number of employees		
	Permanent	Temporary	Total
Senior management	4	--	4
Management	8	--	8
Middle management	106	1	107
Technicians, supervisors and sales	272	25	297
Technical service	149	7	156
Production specialists	274	3	277
<b>Total</b>	<b>813</b>	<b>36</b>	<b>849</b>

The annual average of permanent and temporary contracts, by gender, age and professional classification, during the 2020 financial year, is as follows:

	Annual average number contracts (%)					
	Male	Female	Total	18-30	31-45	>45
Permanent	81.7%	13.5%	95.2%	11.1%	46.4%	37.7%
Temporary	3.8%	1.0%	4.8%	3.0%	1.2%	0.6%
<b>Total</b>	<b>85.5%</b>	<b>14.5%</b>	<b>100.0%</b>	<b>14.1%</b>	<b>47.6%</b>	<b>38.3%</b>

	Annual average number contracts (%)		
	Permanent	Temporary	Total
Senior management	0.6%	--	0.6%
Management	1.0%	--	1.0%
Middle management	12.6%	0.1%	12.6%
Technicians, supervisors and sales	31.7%	2.2%	33.9%
Technical service	16.9%	0.5%	17.5%
Production specialists	32.4%	2.0%	34.4%
<b>Total</b>	<b>95.2%</b>	<b>4.8%</b>	<b>100.0%</b>

The annual average of full time and part time contracts, by gender, age and professional classification, during the 2020 financial year, is as follows:

	Annual average number of employees (%)					
	Male	Female	Total	18-30	31-45	>45
Full time	84.8%	14.1%	98.9%	13.9%	47.2%	37.8%
Part time	0.7%	0.4%	1.1%	0.2%	0.4%	0.5%
<b>Total</b>	<b>85.5%</b>	<b>14.5%</b>	<b>100.0%</b>	<b>14.1%</b>	<b>47.6%</b>	<b>38.3%</b>

	Annual average number of employees (%)		
	Full time	Part time	Total
Senior management	0.6%	--	0.6%
Management	1.0%	--	1.0%
Middle management	12.6%	0.1%	12.7%
Technicians, supervisors and sales	33.4%	0.5%	33.9%
Technical service	17.4%	0.0%	17.4%
Production specialists	33.9%	0.5%	34.4%
<b>Total</b>	<b>98.9%</b>	<b>1.1%</b>	<b>100.0%</b>

During 2020, the Company made Temporary Employment Regulation Files (ERTE) for ETOP causes, with scope to the companies Istobal, S.A., Istobal Manufacturing Spain, S.L.U. and Istobal España, and time frame from April to December.

The total number and distribution of the affected employees, by gender, age, and professional classification is as follows:

	Number of employees affected by ERTE					
	Male	Female	Total	18-30	31-45	>45
Middle management	12	1	13	--	3	10
Technicians, supervisors and sales	56	39	95	16	50	29
Technical service	48	--	48	3	28	17
Production specialists	240	6	246	34	131	81
<b>Total</b>	<b>356</b>	<b>46</b>	<b>402</b>	<b>53</b>	<b>212</b>	<b>137</b>

During the period of application of the ERTE, the company has supplemented the benefit of employees in ERTE up to 80% of the gross salary in salaries up to € 30,000 gross per year and up to 70% in salaries above € 30,000 gross per year. Likewise, the suspension by ERTE has not meant a reduction in the accrual of extra payments or vacations.

The annual number of dismissals by gender, age and professional classification, during the 2020 financial year, is as follows:

	Number of dismissals					
	Male	Female	Total	18-30	31-45	>45
Dismissals	71	10	81	23	28	30

	Number of dismissals
Senior management	1
Management	1
Middle management	9
Technicians, supervisors and sales	20
Technical service	9
Production specialists	41
<b>Total</b>	<b>81</b>

The rotation rate of personnel by gender, age and professional classification, during the 2020 financial year, is as follows:

	Percentage (%)					
	Male	Female	Total	18-30	31-45	>45
<b>Group</b>	4.1%	8.0%	4.7%	9.9%	3.2%	4.6%
<b>Spain</b>	3.4%	5.7%	3.8%	7.5%	3.2%	3.2%

	Percentage (%)	
	Group	Spain
Senior management	-	-
Management	-	-
Middle management	4.6%	3.8%
Technicians, supervisors and sales	7.9%	6.8%
Technical service	2.0%	2.3%
Production specialists	3.0%	1.6%
<b>Total</b>	<b>4.7%</b>	<b>3.8%</b>

The remuneration model applicable in general to Istobal's workforce is materialized through two different elements:

- **Fixed remuneration**, based on the provisions of the relevant collective agreement, which takes into account the level of responsibility, the functions performed and the career path of each employee, the principles of internal equality and the value of their role is a relevant part of the total compensation. The granting and the amount of the fixed compensation is based on predetermined objective and non-discretionary criteria.
- **Variable remuneration**, constituted by those payments or benefits additional to the fixed remuneration, which revolves on variable parameters. This retribution is generally linked to the achievement of previously established objectives.

Istobal's remuneration policy promotes equal treatment between men and women, which does not establish or encourage wage differentiation. The remuneration model rewards the level of responsibility and career path, ensuring internal equity and external competitiveness.

The average remuneration by gender, age and professional category is as follows:

	Euro
Senior management	186,956
Management	138,283
Middle management	58,536
Technicians, supervisors and sales	30,124
Technical service	35,713
Production specialists	22,875

	Euro (*)					
	18-30		31-45		>45	
	Male	Female	Male	Female	Male	Female
Middle management	13.488	30.731	45.526	46.600	71.924	54.315
Technicians, supervisors and sales	21.455	19.128	31.496	24.950	42.853	21.924
Technical service	35.150	-	34.338	-	37.323	-
Production specialists	18.616	15.237	22.037	21.344	25.905	27.539

(\*) "The current composition of the Board of Directors and/or Executive/Senior Executives at the Company does not allow to offer the average remuneration information broken down by gender and/or age, since that presentation would allow to unequivocally deduce the specific and individual remuneration of one of its executives. There is no legal obligation to make that information public and therefore the Company must maintain it strictly private and confidential."

The salary gap by homogeneous professional categories at Istobal has been calculated taking into consideration the difference in the average salaries between women and men, expressed as a percentage of the average remuneration for men.

Given the heterogeneous distribution of employees of each sex among the various professional categories, their seniority in the organization, as well as the application of the aforementioned calculation formula, the salary gap for the whole of Istobal amounts to 13%.

At the close of the 2020 financial year, the board of directors of the Parent Company consisted of three men and one woman, having recorded an expense of €80 thousand in payments accrued by the members of the board of directors in the form of daily subsistence allowances, the aforementioned payment being equivalent on average to an amount of €20 thousand between the male directors and the female director.

The remuneration of executives and senior management during 2020 amounted to €2,179 thousand in salary payments, of which a significant percentage corresponds to fixed compensation, as well as €20 thousand for remuneration in kind and €603 in the form of daily subsistence allowances corresponding to the senior management. The average remuneration of managers and senior management amounts to €156 thousand.

The remuneration of equal or average jobs of Istobal in Spain amounts to €14,351 thousand of initial salary, the ratio between the aforementioned salary and the local minimum being 1.4.

## Work organization

The working hours and days of Istobal are determined by the Collective Agreement applicable to each situation. The office staff work a split shift from Monday to Thursday and continue on Friday by making flexible both start and finish by one hour. The technical support staff (TSS) work a split day from Monday to Friday and the factory staff work a continuous shift. Most of the staff only do the morning shift and work in the night shift is almost non-existent.

Regarding the organization of working time, and with the aim of being more productive and efficient, initiatives have been implemented such as making better use of meetings, reducing the number of meetings, adjusting the duration and the number of people invited and using more synthetic, clear and simple documentation.

Any decision to substantially modify working conditions is notified to the affected worker and his/her legal representatives at least fifteen days before the effective date.

The total number of hours of absenteeism during the financial year 2020 amounted to 38,114, which means an absenteeism rate of 2.66%.

During the 2020 financial year, all the employees of the Group who have been able to enjoy parental leave, 30 men and 4 women, have returned to their jobs once it has been completed.

## Occupational health and safety

Istobal Management, aware that any activity may have an impact on the health and safety of workers or third parties, has updated its occupational health and safety policy in 2018 in accordance with the following principles:

- **Promote and encourage**, an internal culture of continuous improvement by training, involving and empowering staff at all levels of the organization through information, consultation and participation of all members of the organization in the planning and implementation of preventive activities, establishing specific objectives and their review, as well as ensuring the availability of the necessary resources for the fulfilment of these objectives.
- **Plan and carry out** the appropriate preventive activities to avoid accidents at work and occupational diseases.



- **Comply** with the applicable laws and regulations, as well as with other requirements that Istobal concludes with stakeholders.
- **Evaluate** the evolution of occupational health and safety so that we can ensure the maintenance and continuous improvement of their management systems.
- Istobal workers have the right to **active participation** in matters related to the prevention of risks at work, for which the representative channels legally established in the regulation on prevention of occupational risks will be available.

The health and safety committee at Istobal Manufacturing Spain, S.L.U., consisting of 6 employees in 2020, has quarterly meetings with the unions to discuss, among others, aspects related to occupational risk prevention policies, although in 2020, due to the restrictions by Covid 19, the meetings corresponding to the second and third quarters could not be held.

The number of accidents and their frequency rate and severity index in 2020, for men and women, have been:

	Male	Female	Total
Number of accidents	7	1	8
Frequency rate	5.74	4.67	5.58
Severity index	0.15	0.01	0.13

No professional illness was reported at Istobal in 2020.

## *Social relationships*

In accordance with current regulations, the working conditions and the rights of Istobal employees, such as the freedom of association and union representation, are set out in standards, and in signed arrangements and agreements, where appropriate, with the corresponding representations of the workers. Dialogue and negotiation are part of the way to address any difference or conflict in Istobal, for which there are specific consultation procedures with union representatives.

The collective agreement for the industry, technology and services of the metal industry for the province of Valencia is the reference agreement for all the group companies in Spain, with the exception of the car wash operators that the company Istobal Integrated Services has in Alzira to which the collective agreement of garages, car parks, wash and greasing services and auto stations of the province of Valencia applies. Istobal currently complies with the employment legislation applicable in all countries in which it has a presence.

Whenever the corresponding elections are called, the representatives of the workers are elected every four years by personal, free, direct and secret suffrage, and are informed of the relevant changes that may occur in the work organization in the Group, in the terms provided in the legislation in force.

## *Training*

The training of employees in Istobal is a key element in our human resources strategy, since the expertise and performance of our professionals give us a differential value as an organization. Therefore, we have actions and programs adapted to each job and their different levels of experience, to which we must add numerous timely and flexible actions aimed at informing about and providing updates about the new developments that are introduced.

Most of the classroom-based courses are aimed at continuous specialization training and improvement of personnel, with the aim of knowing the commercial and product developments, learning the new administrative and management processes implemented and, in general, improving the skills for the carrying out different tasks and responsibilities.

We offer subsidized courses and other non-subsidized courses which are linked to the guidelines established by the Personnel area. All of the courses taught reflect the training needs identified in the workforce and amounted to 11,927 hours during the 2020 financial year, of which 50 were for senior management and managers, 2,156 for middle-management, 5,909 for technicians, production specialists and sales, 968 for technical service and 2,844 were given to production specialists.

These 2020 figures have been lower than in previous years due to the extraordinary circumstances by the restrictions derived from Covid 19, which could not be alleviated through adaptations to virtual classroom and have forced to postpone part of the planned training actions.

Every year, a training plan is prepared by the Personnel area that is adapted to the concerns expressed by the different departments of the workforce, as well as Management guidelines. It is intended that the scope of the courses reach all employees. Special emphasis is placed by the organization on courses aimed at the integration of our employees with the organization, languages, updating of products, information systems and those that have to do with the prevention of risks and actions against emergencies.





## Accessibility

As of 31 December 2020, Istobal had 11 employees with different abilities. In the aforementioned context, Istobal supports the integration and incorporation of people with disabilities into the professional world. The distribution by gender and category of the average number of people employed by Istobal as of 31 December 2020 with a disability greater than or equal to 33% is as follows:

	Male	Female
Technicians, supervisors and sales	3	-
Production specialists	8	-
<b>Total</b>	<b>11</b>	<b>-</b>

Istobal also integrates its social commitment into its business activity. Therefore, it has collaborated with Ilunion, a company of the ONCE Group and its Foundation since 2014, in its commitment to equal opportunities and the employment of people with disabilities. Different areas and stages of the manufacturing process are subcontracted to Ilunion, contributing to the labor and social integration of 63 workers from this company

In addition, progress is being made in the accessibility of corporate and production facilities, through elevators and double winches, respectively.

## Equality

Istobal declares its commitment to the establishment and development of policies that integrate equal treatment and opportunities between women and men, without directly or indirectly discriminating on the grounds of sex, as well as in the drive and promotion of measures to maintain real equality within our organization, establishing equal opportunities between women and men as a strategic principle, in accordance with the definition of this principle established by Organic Law 3/2007, of 22 March, for effective equality between women and men.

In each and every one of the areas in which Istobal activity is carried out, from selection to promotion, to wage policy, training, working and employment conditions, occupational health, organization of working time and work-life balance, we assume the principle of equal opportunities between men and women, paying special attention to indirect discrimination.

Regarding both internal and external communication, all the decisions adopted in this regard will be reported and a company image will be projected in accordance with this principle of equal opportunities between women and men.

The principles set out will be implemented through the promotion of equality measures established for those companies of the Group that have a legal obligation or through the future implementation of a plan that involves improvements with respect to the present situation, putting in place the corresponding monitoring systems, in order to advance in achieving real equality between women and men and, by extension, in society as a whole.

To carry out this objective, there will be legal representation of workers, not only in the collective bargaining process, as established by Organic Law 3/2007 for effective equality between women and men, but in any development and evaluation process of the aforementioned equality measures or equality plan.

The current equality plan in Istobal provides for quarterly meetings or at the request of any of the parties in order to adequately monitor its compliance and development.

## **8 Human rights**

For the total compliance with the human resources regulations, we consider that there is no need for any external certification since the most relevant commitments associated with it have been assumed by Istobal in accordance with the regulatory development in the aforementioned area.

- I.* Istobal does not use or support the use of child labor.
- II.* Istobal does not use or promote the use of forced labor of employees.
- III.* Istobal establishes a safe and healthy work environment and takes the appropriate measures to prevent accidents and injuries. All the risks that could not be avoided are evaluated. Actions are planned to eliminate or reduce the identified risks. The facilities are correct with respect to the prevention of occupational risks.
- IV.* Istobal respects the right of its employees to form unions, and they can choose a union of their choice. Istobal guarantees that the staff representatives are not discriminated against and can have access to the rest of the workers in the workplace.
- V.* Istobal does not carry out or promote any type of discrimination based on race, origin, nationality, religion, disability, sex, sexual orientation, trade union participation, political orientation, ideology, employment category or age. Istobal does not permit any behavior, gestures and language that threaten the dignity or integrity of individuals.
- VI.* Istobal does not use, nor does it support corporal punishment, mental or physical coercion, or verbal abuse.
- VII.* Istobal workers have at least one day off during each seven-day working period. Overtime is paid according to agreement and is always voluntary for workers, unless it is agreed in an agreement or similar instrument.
- VIII.* The salary paid meets the legal minimum wage requirements for jobs. Istobal complies with all labor and social security obligations established in Spanish legislation.
- IX.* Istobal controls compliance with social and labor regulations and prevention of occupational risks by suppliers and subcontractors.

In line with this commitment, we have also approved our Code of Ethics, a tool that we have provided ourselves with in order to maintain the principles that have guided Istobal since its inception and that develop its values. No risks were identified in the field of human rights in 2019 nor has any complaint been received in relation to it.

## 9. Fight against corruption and bribery

Istobal's criminal prevention model is one of the bases on which the organization structures its institutional commitment to carry out all of its activities and businesses in strict compliance with current legislation at all times and in accordance with strict ethical behavior guidelines. To achieve this goal, the basic pillars of the organization's compliance system are as follows: (i) the Code of Ethics, (ii) the internal control model and (iii) the compliance function, structured through the criminal risk prevention model control body (Compliance Committee), which is responsible for supervising the operation and compliance with the prevention model.

The code of ethics establishes the guidelines for behavior that, in accordance with the Istobal principles, adjust the behavior to the internal organizational values. To this end, it establishes for all its members the duty of respect for applicable laws and regulations, in a comprehensive and transparent manner, with the prudence and professionalism that corresponds to the social impact of the activity and the trust that shareholders and customers have placed in Istobal.

In addition, to the application to all personnel (employees, associates, partners and managers) of the companies that form Istobal, the aforementioned code of ethics will be disseminated to suppliers, auditors, advisers, customers, associated companies and institutions with which Istobal collaborates.

Istobal's internal control model which is built, according to best practices, on the existence of three different levels of control, which is commonly known as a three-line defense model, is aimed at identifying, preventing and correcting risk situations inherent to carrying out its activity in the areas and places in which it deploys its business.

The compliance function of the criminal prevention model is managed by the Compliance Committee of the model, and is integrated into the second line of defense, which is entrusted by the Board of Directors with the function of encouraging and supervising, with independence and objectivity, that Istobal act with integrity, particularly in areas such as the prevention of money laundering, conduct with customers, the prevention of corruption and other aspects that may represent reputational risk for Istobal.

The function of criminal prevention has the following objectives:

- **promote** a culture of compliance within Istobal, as well as the knowledge of the rules and regulations applicable to the above matters of its members, through advisory actions, dissemination, training and awareness.
- **define and promote** the implementation and total ascription of the organization to the risk management frameworks and measures related to compliance issues.

In order to reinforce these aspects and, in particular, the independence of the control areas, the Board of Directors agreed the approval of the criminal prevention model and Istobal's compliance policy during the 2018 financial year, as well as the creation of the supervision and control body and/or Compliance Committee of the criminal prevention model, which will be directly dependent on the Board of Directors.

Among the main operational functions of Istobal's Compliance Committee are the following:

- **the review and periodic analysis** of the applicable rules and regulations.
- **the issuance, promotion or updating** of policies and procedures on the matter.
- **advice** to the organization on the interpretation of the code of ethics or compliance policies.
- **the continuous supervision** of activities with compliance risk.
- **the management** of the ethics complaints channel.
- **participation in committees** that deal with issues related to compliance issues.
- **participation in the independent review** processes on the matter.
- **the periodic report** to management (delegated Board Members) and to the corporate bodies (Board of Directors).

A fundamental mechanism for the management of the risk of Istobal conduct is its ethics complaints channel. As indicated in the criminal prevention model, the members of Istobal have the obligation not to tolerate behaviors that are separated from the aforementioned Code or any conduct in the performance of their professional functions that may harm the reputation or good name of the organization.

The Ethics Complaints channel is a means to help employees or third parties to report breaches observed or communicated by their partners, customers, suppliers or colleagues. The complaints received are processed diligently and promptly. Their verification is promoted and the measures for its resolution are encouraged. The information is analyzed in an objective, impartial and confidential manner.

Istobal's criminal prevention model is periodically subject to review processes and is configured as a dynamic and continuously evolving process, so that the experience in its application, the modifications in the activity and structure of Istobal and, in particular, in its control model, as well as the legal, economic, social and technological developments that occur, will allow its adaptation and improvement.

Among the possible crimes included in the criminal prevention model are those related to corruption and bribery, while there are a series of risks could emerge in an entity with Istobal's characteristics. Among such risks are, among others, those related to activities such as the offering, delivery and acceptance of gifts or personal benefits, promotional events, facilitation payments, donations and sponsorships, expenses, hiring of personnel, relationships with suppliers, agents, intermediaries and business partners, the processes of mergers, acquisitions and joint ventures or the accounting and registration of operations.

Despite not being an organization subject to the aforementioned regulations, the crime of money laundering has also been evaluated in the context of the criminal prevention model, with no relevant aspect being identified in relation to it.

To regulate the identification and management of these risks, Istobal has an internal regulatory body comprised of principles, policies and other internal developments, among which its code of ethics stands out in which aspects linked to conflicts of interest, fraudulent practices and deceptive promises, business and competition relationships, gifts, commission payments, donations or other benefits and other aspects are included.

Throughout 2019 the Compliance Committee prepared some additional policies to reinforce the internal body of regulations. Among them, we note the invoicing and collection policy, as well as the gift policy, both serving the purpose of mitigating the aforementioned risks.

No penalty procedures directly relating to any crime committed by Istobal or any of its employees commenced in 2020 and there have been no penalties associated with its crime prevention model.

## 10. Contribution to Society

### *Sponsorships and collaborations*

Istobal has developed a policy of sponsorships and collaborations aimed at supporting and promoting those projects and initiatives aligned with the corporate values of the organization: innovation, commitment, improvement, excellence and service orientation. The aforementioned policy maintains the following basic premises:

- **Linked** to the development and local promotion of L'Alcúdia, the town where the company's headquarters are located since it was founded
- **Committed** to the promotion of young talent, technological innovation, entrepreneurial spirit and improvement through education, research and sport
- **Collaboration** in business growth programs and international projection to contribute to the promotion of leading Spanish companies abroad.



Istobal is part of different university, training, cultural and sports initiatives and participates in well recognized institutional programs.

In collaboration with the Polytechnic University of Valencia (UPV), the Company has the Istobal Professorship for Open Innovation to promote the transmission of knowledge between the university and the company. Focused on services and technologies for vehicle wash and care, the Professorship supports research actions and contributes to developing the talent of young students through a series of activities that make up a learning ecosystem.

The company also participates in the Cre100do business transformation program of the Bankinter Innovation Foundation, the ICEX and the Circulo de Empresarios, which contributes to the promotion of innovation, competitiveness and the internationalization of Spanish companies.



Likewise, the Company also contributes to professional and university training through its participation in educational programs of various entities, such as: Valencia Chamber of Commerce, Colegio Oficial de Ingenieros Industriales de la Comunidad Valenciana, Escuela de Empresarios EDEM, International University of Valencia and Polytechnic University of Valencia.

At the local level, Istobal also supports the official L'Alcúdia soccer team as part of its social commitment to the town and its collaboration with the values of self-improvement and teamwork transmitted by sport.

Due to the impossibility of celebrating sporting events and festivities in the municipality of L'Alcúdia, other types of collaborations that had been carried out to contribute to the development of culture and tradition in the town could not be materialized.

In 2020, as a result of the health crisis caused by the Covid 19 pandemic, Istobal also allocated resources to the manufacture of protective screens and visors, PPE sanitization arches and vehicle disinfection arches that were made available to the health authorities and security and emergency bodies. Contributions were also made for the donation of sanitary material.



The main contributions made by Istobal in 2020 were:

	Sponsorships
Unió Esportiva l'Alcúdia	€ 3,000
Purchase and donation of sanitary material	€ 10,000
Istobal Chair	€ 30,000
Cre100do Foundation	€ 10,000
<b>Total</b>	<b>€ 53,000</b>

## Associations

Istobal is a member and collaborates with the forum of renowned Spanish brands (FRME), a public-private alliance composed of public administrations and more than a hundred leading brands in their respective sectors and with an outstanding presence and international projection. This collaboration helps to boost the company's internationalization, enhancing its brand and the image of its products and services abroad.

Istobal is associated with and collaborates with a large number of technological institutes, associations and entities linked to its business activity, among which are: EUnited Vehicle Cleaning (European Association of Vehicle Cleaning Equipment Manufacturers), IFSF (International Forecourt Standards Forum), ENFIT (International Association Supply Chain Safety), TEKOM (European Association for Technical Communication), AVE (Valencia Business Association), APD (Association for Management Progress), FEMEVAL (Metal Business Federation of Valencia), Instituto ai2 (University Institute on Automation and Industrial IT at the Polytechnic University of Valencia), IDF (Design and Manufacturing Institute), CMT (Thermal motors Institute of the Polytechnic University of Valencia), Instituto VRAIN (Valencian Research Institute for Artificial Intelligence), AIDIMME (Metal-mechanical, Furniture, Timber, Packaging and Similar Industry Technological Institute), ITE (Technological Institute of Energy), and ITI (IT Technological Institute of UPV)

## Awards and acknowledgements

In recent years Istobal has won several awards for innovation and other awards for its internationalization, contribution to the industrial sector and respect for the environment, including the following: Valencia Chamber of Commerce Award 2018 for Excellence in Business Management Models, Repsol Safety Award (2018), Economic Award 3 in the modality of business leadership due to its contribution to the economic and social growth of the Region of Valencia (2017), "Galería Innovación Motortec Automechanika" award for the Virtual Assistant involving the selection of vehicle washing programs (2017), the Nordic Swan Ecolabel for the sustainability and effectiveness of its chemical products ISTOBAL essens® (2016) and the FEMEVAL award for foreign projection due to its internationalization process (2016).



## Customer service

Istobal has an operating procedure that establishes the system for the receipt, support, approach towards and solution of claims and complaints that customers may present, both for a product and a service provided.

As soon as the claim is received and evaluated, if it is considered applicable, it is entered in the incident mailbox of each company. The department involved analyses the information received, verifies that the classification is correct and makes the necessary consultations to the necessary departments or functions until sufficient data is available to determine the causes and the appropriate solution to the incident.

With the closure of the incident, the application issues a notice to the issuing department, which, if deemed appropriate or necessary, will transfer the resolution of the complaint or claim to the corresponding interested party. Even in the case of not being registered, any claim received in writing (email, mail, etc.) from a customer, will be answered in the same way and the department receiving or responsible for the incident will keep record of the response.

The complaints or claims are considered as non-conformities detected by the customer. Corrective actions may arise after its study by the departments involved and depending on their importance or reiteration. Periodically, within the process, the study of the incidents received, accepted and rejected by typology will be carried out in order to determine trends and possible improvement actions.

The volume of claims received from customers and admitted to processing by Istobal during the 2020 financial year was not significant in relation to the total volume of operations and remained at levels similar to those seen in prior years. A total of 1,289 claims (less than 8.5 claim/million euro) were received and only 9.8% of the claims had yet to be finally resolved. In the aforementioned context, the satisfaction ratings received from customers in relation to the claims service during the 2020 financial year were reasonably satisfactory (2.78/4.00).

Istobal has no registered fines or penalties for breach of regulations related to health and safety aspects of consumers that could be significant.



## Suppliers

Each of the elements that come into play in our company is sought to achieve excellence in our final product, which is, after all, our introduction letter to customers. We look for these components in the best suppliers, those which, in turn, give us the best of themselves to contribute to our sustainable and responsible growth.

Without the relationship of trust and loyalty that we forged with the daily effort and work of our suppliers; we could not achieve the quality standards that we are so proud of. During the 2020 financial year, 27.7% of supplies to the Spanish manufacturing subsidiary were made by local companies: 58.5% by suppliers from the region of Valencia and 90.3% from national suppliers, considering the local suppliers and the Valencian community in the last two %, respectively.

Within our model, the approval of new suppliers and the continuous review of their quality is part of the control processes on them.

In the aforementioned context, Istobal requires the same standards that characterize us as an organization from our suppliers.

## Tax information

Istobal's consolidated profit for the 2020 financial year, after taxes, amounts to €4.86 million, and the corporation tax paid amounted to €1.06 million.

The consolidated results and corporation tax paid by zone as of 31 December 2020 were as follows:

	Thousand euro	
	Profit after taxes	Corporate income tax
Europe *	4,292	776
America **	571	289
<b>Total</b>	<b>4,863</b>	<b>1,065</b>

\* Includes the companies: Istobal, S.A., Istobal Manufacturing Spain, S.L.U., Istobal España, S.L.U., Istobal Portugal Unipessoal, Lda., Istobal UK Limited, Istobal Handelsges m.b.H., Istobal Sverige AB, Istobal Danmark A/S, Istobal Italia, SRL, Istobal Servicios Integrados, S.L.U., Joywash Betriebsges m.b.H., Istobal Rental Service, Ltd., Istobal D.O.O. Beograd, Istobal Metal Works, S.L.U. and SARL FDI +

\*\* Includes the companies: Istobal USA Corporation e Istobal do Brasil Indústria e Comércio Ltda.

In the 2020 financial year, Istobal did not receive any significant public subsidies intended to promote the development of its activity.



Content of the Non-Financial Information Statement				
Content of Law 11/2018 INF			Standard used	Page Report
<b>Business Model</b>	Description of the Group's business model	Brief description of the Group's business model, including its business environment, organization and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that could affect its future performance.	GRI 102-2 Activities, brands, products and services GRI	p. 2 to 4
			102-4 Location of operations	
GRI 102-6 Markets served				
GRI 102-15 Key impacts, risks and opportunities				
GRI 102-7 Scale of the organization				
<b>Environmental information</b>	Policies	Policies applied by the Group, including the due diligence procedures applied to the identification, assessment, prevention and attenuation of significant risks and impacts, verification and control, as well as the measures that have been adopted.	GRI103-2 The management approach and its components	p. 5 to 7
			GRI 103-3 Evaluation of the management approach	
	Main risks	Main risks relating to matters associated with the Group's activities including, when pertinent and proportionate, its business relationships, products or services that could have negative effects on those areas and how the Group manages those risks. This will include an explanation of the procedures used to detect and assess them in accordance with national, European or international benchmarks used in each case. Information regarding detected impacts must be included and broken down, particularly with respect to the main short-medium and long-term risks.	GRI 102-15 Key impacts, risks and opportunities	p. 5 to 9
			GRI 102-11 Precautionary principle or approach	
			GRI 102-15 Key impacts, risks and opportunities	
	General	Current and foreseeable effects of the Company's activities on the environment and, if appropriate, on health and safety	GRI 102-29 Identifying and managing economic, environmental and social impacts	p. 5 to 9
			GRI 102-31 Review of economic, environmental and social topics	
			GRI 102-11 Precautionary principle or approach	
General	Environmental valuation or certification procedures	GRI 102-29 Identifying and managing economic, environmental and social impacts	p. 5 to 9	
		GRI 102-30 effectiveness of risk management processes		

Content of the Non-Financial Information Statement				
Content of Law 11/2018 INF			Standard used	Page Report
<b>Environmental information</b>	General	Resources dedicated to the prevention of environmental risks	GRI 102-29 Identifying and managing economic, environmental and social impacts	See Note 18 of the accompanying notes to the consolidated financial statements
		Application of the Precautionary Principle	GRI 102-11 Precautionary principle or approach	p. 9
		Provisions and guarantees for environmental risks	GRI 307-1 Non-compliance with environmental laws and regulations (Annual Accounts)	p. 9
	Pollution	Measures to prevent, reduce or repair carbon emissions that seriously affect the environment; taking into account any specific atmospheric pollution from a business, including noise and light contamination.	GRI 103-2 Management approach (with a view to GRI 302 and 305) GRI 302-4 Reduction of energy consumption GRI 302-5 Reductions in energy requirements of products and services GRI 305-5 Reduction of GHG emissions	p. 5 to 9
	Circular economy and waste prevention and management	Measures to prevent, recycle, reuse and other ways to recover and eliminate wastes.	GRI 103-2 Management approach (with a view to GRI 306)	p. 8
	Sustainable use of resources	Water consumption and water supply in accordance with local limitations	GRI 303-1 Water withdrawal by source GRI 303-2 Water sources significantly affected by withdrawal of water GRI 303-3 Water recycled and reused	p. 8
		Consumption of raw materials and measures adopted to improve the efficiency of their use	GRI 103-2 Management approach (with a view to GRI 300) GRI 301-3 Reclaimed products and their packaging materials	p. 8
		Energy: Direct and indirect consumption, Measures taken to improve energy efficiency, Use of renewable energies	GRI 102-2 Management approach (with a view to GRI 302 Energy) GRI 302-1 Energy consumption within the organization (energy from renewable and non-renewable sources)	p. 7

Content of the Non-Financial Information Statement				
Content of Law 11/2018 INF			Standard used	Page Report
<b>Environmental information</b>	Sustainable use of resources	Energy: Direct and indirect consumption, Measures taken to improve energy efficiency, Use of renewable energies	GRI 302-2 Energy consumption outside of the organization GRI 302-3 Energy intensity GRI 302-4 Reduction of energy consumption GRI 302-5 Reductions in energy requirements of products and services	p. 7
	Climate Change	Emissions of Greenhouse Gases	GRI 305-1 GHG emissions (scope 1) GRI 305-2 Energy indirect (Scope 2) GHG admissions GRI 305-4 GHG emissions intensity	p. 7
		The measures adopted to adapt to the consequences of Climate Change	GRI 102-15 Key impacts, risks and opportunities GRI 103-2 Management approach (with a view to GRI 300) GRI 305-5 Reduction of GHG emissions	p. 5 to 9
		Reduction goals established voluntarily for the medium and long-term to reduce GHG emissions and the measures implemented in this respect	GRI 103-2 Management approach (with a view to GRI 305-5 Reduction of GHG emissions)	Although Istobal does not establish quantitative targets to reduce emissions since they are not significant, its environmental efforts are focused on significantly improving the actions mentioned in this NFIS year after year.
	Protection of biodiversity	Measures taken to preserve or restore biodiversity; impacts caused by actions or operations in protected areas.	Not included in GRI	p. 9
<b>Social and employee information</b>	Policies	Policies applied by the Group, including the due diligence procedures applied to the identification, assessment, prevention and attenuation of significant risks and impacts, verification and control, as well as the measures that have been adopted.	GRI103-2 The management approach and its components GRI 103-3 Evaluation of the management approach GRI 102-35 Remuneration policies	p. 10 to 17

**Content of the Non-Financial Information Statement**

Content of Law 11/2018 INF			Standard used	Page Report
<b>Social and employee information</b>	Main risks	Main risks relating to matters associated with the Group's activities including, when pertinent and proportionate, its business relationships, products or services that could have negative effects on those areas and how the Group manages those risks. This will include an explanation of the procedures used to detect and assess them in accordance with national, European or international benchmarks used in each case. Information regarding detected impacts must be included and broken down, particularly with respect to the main short-medium and long-term risks.	GRI 102-15 Key impacts, risks and opportunities	p. 10
	Employment	Total number and distribution of employees by gender, age country and professional classification	GRI 102-7 Scale of the organization GRI 102-8 Information on employees and other workers  GRI 405-1. b) Employees per employee category in each of the following categories, gender and age group	p. 10 and 11
		Total number and distribution of employment contract types	GRI 102-8 Information on employees and other workers	p. 11 and 12
		Annual average of indefinite, temporary and part-time contracts by gender, age and professional classification	Not included in GRI: shows the total number of employees by contract type (indefinite/temporary and full-time/part-time) by gender and region, but not the average by age and professional calculation (recalculation under 102-8).	p. 11 and 12
		Number of dismissals by gender, age and professional classification	GRI 401-1.b) Total number and employee turnover during the reporting period by age group, gender and region (only relating to dismissals)  Not included in GRI: Number of dismissals by professional classification	p. 13
		Average compensation and its development disaggregated by gender, age and professional classification or equal value	The average remuneration by gender, age and professional classification and its development must be reported (compared with the past year). This calculation must take into account all cash items and in-kind remuneration, which means that it must take into account the benefits referred to by GRI 401-2.	p. 14

**Content of the Non-Financial Information Statement**

Content of Law 11/2018 INF		Standard used	Page Report	
<b>Social and employee information</b>	Employment	Salary Gap	*OECD: A gender salary gap is defined as a difference between the average income for males and females compared to the average income for males	p. 14
		Remuneration for equal or average job posts at the Company	GRI 202-1 Ratios of standard entry-level wage by gender compared to local minimum wage (this indicator is used since the measurement that is used for professional careers may be affected by several factors when defining compensation for each employee).	p. 14
		The average remuneration for directors and executives, including variable remuneration, per diems, indemnities, long-term retirement savings systems and any other item disaggregated by gender.	GRI 102-35 Remuneration policies GRI 102-36 Process for determining remuneration (for the management approach) GRI 201-3 Defined benefit plan obligations and other retirement plans Not included in GRI: Information disaggregated by gender.	14.
		Implementation of measures to disconnect from work	Not included in GRI	Although Istobal does not have a work disconnection policy, it does have an irrevocable commitment to respect the working day of employees and encourage family conciliation.
		Disabled employees	GRI 405-1. b) Employees per employee category in each of the following diversity categories (iii. Vulnerable groups).	p. 17
	Organization of work	Organization of working time	GRI 102-8. c) Total number of employees by employment type (full-time and part-time), by gender.  The type of rest and pause periods during the working day not included in GRI	p. 12 and 15

Content of the Non-Financial Information Statement				
Content of Law 11/2018 INF			Standard used	Page Report
Social and employee information	Organization of work	Number of absenteeism hours	GRI 403-2 Types of injury and rates of injury occupational diseases, lost days and absenteeism and number of work-related deaths (section a)	p. 15
		Measures to facilitate the enjoyment of reconciliation and to encourage the co-responsible exercising of those measures by both parents	GRI 401-3 Parental leave Not included in GRI: management approach for other conciliation measures	p. 15
	Health and safety	Occupational health and safety conditions	GRI 103-2 Management approach (with a view to GRI 403 Health and Safety)	p. 15 and 16
		Occupational accidents (frequency and seriousness) disaggregated by gender	GRI 403-2 Types of injury and rates of injury occupational diseases, lost days and absenteeism and number of work-related deaths (section a)  GRI 403-3 Workers with high incidence or high risk of diseases related to their occupation	p. 16  No job post with high risk has been identified given the activities carried out by Istobal.
		Occupational diseases (frequency and seriousness) disaggregated by gender	GRI 403-2 Types of injury and rates of injury occupational diseases, lost days and absenteeism and number of work-related deaths (section a)  GRI 403-3 Workers with high incidence or high risk of diseases related to their occupation	p. 16  No job post with high risk has been identified given the activities carried out by Istobal.
	Social Relations	Organization of social dialogue, including procedures to inform and consult personnel and negotiate with them	GRI 102-43 Approach to stakeholder engagement (relating to trade unions and collective bargaining)  GRI 403-1 Workers representation in formal joint management-worker health and safety committees	p. 15
		Percentage of employees covered by collective bargaining agreements by country	GRI 102-41 Collective bargaining agreements  Not included in GRI: breakdown by country	p. 15 and 16
		Analysis of collective bargaining agreements, particularly with respect to occupational health and safety	GRI 403-1 Workers representation in formal joint management-worker health and safety committees	p. 15 and 16

Content of the Non-Financial Information Statement				
Content of Law 11/2018 INF			Standard used	Page Report
Social and employee information	Social Relations	Analysis of collective bargaining agreements, particularly with respect to occupational health and safety	GRI 403-4 Health and safety topics covered in formal agreements with employees' legal representatives	p. 15 and 16
	Training	Training policies implemented	GRI 103-2 Management approach (with a view to GRI 404 Training and education) GRI 404-2 Programs for upgrading employee skills and programs	p. 16
		Total number of training hours by professional category	GRI 404-1 Average hours of training per year per employee Not included in GRI: total training hours	p. 16
	Accessibility	Universal accessibility by disabled persons.	GRI 103-2 Management approach (with a view to GRI 405 Diversity and equal opportunity and GRI 406 Non-discrimination)	p. 17
	Equality	Measures adopted to promote equality of treatment and opportunities between men and women	GRI 103-2 Management approach (with a view to GRI 405 Diversity and equal opportunity)	p. 17
		Equality Plans	GRI 103-2 Management approach (with a view to GRI 405 Diversity and equal opportunity and GRI 406 Non-discrimination)	p. 17
		Measures adopted to promote jobs	GRI 103-2 Management approach (with a view to GRI 401 Employment) GRI 404-2 Programs for upgrading employee skills and transition assistance programs	p. 10 to 17
		Protocols against sexual and gender harassment	GRI 103-2 Management approach (with a view to GRI 405 Diversity and equal opportunity and GRI 406 Non-discrimination)	p. 10 to 17
		Integration and universal accessibility by disabled persons.	GRI 103-2 Management approach (with a view to GRI 405 Diversity and equal opportunity and GRI 406 Non-discrimination)	p. 17
		Policy against all types of discrimination and, where appropriate, diversity management	GRI 103-2 Management approach (with a view to GRI 405 Diversity and equal opportunity and GRI 406 Non-discrimination) GRI 406-1 Incidents of discrimination and corrective actions taken	p. 10 to 17

Content of the Non-Financial Information Statement				
Content of Law 11/2018 INF			Standard used	Page Report
<b>Human rights information</b>	Policies	Policies applied by the Group, including the due diligence procedures applied to the identification, assessment, prevention and attenuation of significant risks and impacts, verification and control, as well as the measures that have been adopted.	GRI103-2 The management approach and its components GRI 103-3 Evaluation of the management approach GRI 412-2 Employee training on human rights policies or procedures	p. 18
	Human Rights	Application of duty procedures regarding human rights	GRI 103-2 Management approach (with a view to GRI 412 Human Rights Assessment)	p. 18
		Prevention of the risk of violating human rights and, where appropriate, measures to mitigate, manage and repair possible abuses	GRI 103-2 Management approach (with a view to GRI 412 Human Rights Assessment) GRI 412-1 Operations that have been subject to human rights reviews or impact assessments	p. 18
		Complaints for cases of human rights violations	GRI 102-17 Mechanisms for advice and concerns about ethics (complaints received and resolutions)	p. 18 No complaints of this type were filed with Istobal in 2019.
			GRI 103-2 Management approach (with a view to GRI 412 Human Rights Assessment) GRI 411-1 Rights of indigenous peoples GRI 419-1 Non-compliance with laws and regulations in the social and economic area	
Promotion and compliance with the ILO convention provisions relating to respect for the freedom of association and the right to collective bargaining, the elimination of workplace and job discrimination, the elimination of forced or mandatory work and the effective abolition of child labor.	GRI 103-2 Management approach (with a view to GRI 406 Non-discrimination, 407 Freedom of association and collective bargaining, 408 Child labor; 409 Forced or mandatory work and 412 Human Rights Assessment)	p. 18		
<b>Anti-corruption and anti-bribery information</b>	Policies	Policies applied by the Group, including the due diligence procedures applied to the identification, assessment, prevention and attenuation of significant risks and impacts, verification and control, as well as the measures that have been adopted.	GRI103-2 The management approach and its components GRI 103-3 Evaluation of the management approach GRI 205-2 Communication and training about anti-corruption policies and procedures	p. 19 and 20



Content of the Non-Financial Information Statement				
Content of Law 11/2018 INF			Standard used	Page Report
<b>Anti-corruption and anti-bribery information</b>	Main risks	Main risks relating to matters associated with the Group's activities including, when pertinent and proportionate, its business relationships, products or services that could have negative effects on those areas and how the Group manages those risks. This will include an explanation of the procedures used to detect and assess them in accordance with national, European or international benchmarks used in each case. Information regarding detected impacts must be included and broken down, particularly with respect to the main short-medium and long-term risks.	GRI 102-15 Key impacts, risks and opportunities  GRI 102-30 effectiveness of risk management processes	p. 19 and 20
	Corruption and bribery	Measures adopted to prevent corruption and bribery	GRI 103-2 Management approach (with a view to GRI 205 Anti-corruption) - If the entity presents 205-2, this indicator also covers this legal requirement	p. 19 and 20
		Measures to fight against money laundering	GRI 103-2 Management approach (with a view to GRI 205 Anti-corruption)	p. 19 and 20
		Contributions to non-profit foundations and entities	GRI 103-2 Management approach (with a view to GRI 205 Anti-corruption)	p. 19 and 20
<b>Company information</b>	Policies	Policies applied by the Group, including the due diligence procedures applied to the identification, assessment, prevention and attenuation of significant risks and impacts, verification and control, as well as the measures that have been adopted.	GRI103-2 The management approach and its components  GRI 103-3 Evaluation of the management approach	p. 21
	Main risks	Main risks relating to matters associated with the Group's activities including, when pertinent and proportionate, its business relationships, products or services that could have negative effects on those areas and how the Group manages those risks. This will include an explanation of the procedures used to detect and assess them in accordance with national, European or international benchmarks used in each case. Information regarding detected impacts must be included and broken down, particularly with respect to the main short-medium and long-term risks.	GRI 102-15 Key impacts, risks and opportunities	p. 21 and 22
		Impact of the Company's activities on local employment and development	GRI 203-2 Significant indirect economic impacts  GRI 413-1 Operations with local community engagement, impact assessments and development programs	p. 21 and 22

Content of the Non-Financial Information Statement				
Content of Law 11/2018 INF			Standard used	Page Report
Company information	Main risks	Impact of the Company's activities on local populations and the territory	GRI 203-2 Significant indirect economic impacts	p. 21 and 22
			GRI 413-1 Operations with local community engagement, impact assessments and development programs	
		Relationships maintained with local community actors and the methods for dialoguing with them	GRI 102-43 Approach to stakeholder engagement (relating to the community) GRI 413-1 Operations with local community engagement, impact assessments and development programs	p. 21 and 22
		Association and sponsorship actions	GRI 102-12 External initiatives	p. 21 and 22
	Subcontracting and suppliers	Inclusion in the purchasing policy of social, gender equality and environmental matters	GRI 103-3 Management approach (with a view to GRI 308 and GRI 414)	p. 24
		Consideration within relationships with suppliers and subcontractors of their social and environmental responsibility	GRI 102-9 Supply chain GRI 103-3 Management approach (with a view to GRI 308 and GRI 414) GRI 414-1 New suppliers that were screened using social criteria GRI 414-2 Negative social impacts in the supply chain and actions taken	p. 24
			Systems for supervision and audits and their results	GRI 414-2 Negative social impacts in the value chain and actions taken
	Consumers	Measures for the health and safety of consumers	GRI 103-2 Management approach (with a view to GRI 416 Customer Health and Safety) GRI 416-1 Assessment of the health and safety impacts of product and service categories GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services GRI 417-1 Requirements for product and service information and labeling	p. 23 Istobal has not received any significant fines or penalties for failing to comply with safety and health regulations.
			Systems for complaints, complaints received and their resolution	GRI 102-17 Mechanisms for advice and concerns about ethics (complaints received and resolutions) GRI 103-2 Management approach (with a view to GRI 416 Customer Health and Safety)

Content of the Non-Financial Information Statement				
Content of Law 11/2018 INF			Standard used	Page Report
<b>Company information</b>	Consumers	Systems for complaints, complaints received and their resolution	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data.	p. 23
	Tax information	Profits obtained by country	Not included in GRI: Verified together with the Tax Information	p. 24
		Corporate income tax paid	Not included in GRI: Verified together with the Tax Information	p. 24
		Official subsidies received	GRI 201-4 Financial assistance received from government	p. 24

## Appendix: comparative information 2019

In order to provide comparative information, the data for 2019 is set out below.

### 1. Waste

Hazardous wastes generated in 2019

	Tons/year
Degreasing bath	33.67
Washing facility wastewater	32.10
Scaling bath	21.15
Paints and varnishes	11.82
Flux bath	10.97
Expired detergents	5.65
Polluted metallic containers	2.98
Contaminated cardboard	2.47
Used lead batteries	2.17
Water treatment sludge	1.10
Other	2.44
<b>Total</b>	<b>126.52</b>

Non-hazardous wastes generated in 2019

	Tons/year
Mixed scrap	383.92
Inert waste	196.24
Wood	175.10
Paper and cardboard:	66.04
Paint powder	22.13
Zinc ash	13.80
Electrical cables	10.32
Zinc shavings	8.26
Aluminium scrap	6.79
Stainless steel scrap	5.42
Other	0.89
<b>Total</b>	<b>888.90</b>

### 2. Employment

Total number and distribution of employees by country at 31 December 2019:

	Number of employees
Spain	671
United Kingdom	70
Austria	34
Denmark	33
EEUU	33
Brazil	19
Sweden	17
Portugal	8
Italy	4
<b>Total</b>	<b>889</b>

Total number and distribution of employees by gender, age and professional classification at 31 December 2019:

	Number of employees					
	Male	Female	Total	18-30	31-45	>45
Senior management	4	1	5	--	2	3
Management	9	--	9	--	2	7
Middle management	88	20	108	2	55	51
Technicians, supervisors and sales	206	97	303	85	129	89
Technical service	174	--	174	21	72	81
Production specialists	278	12	290	51	160	79
<b>Total</b>	<b>759</b>	<b>130</b>	<b>889</b>	<b>159</b>	<b>420</b>	<b>310</b>

Total number and distribution of employment contract types, by type of contract at 31 December 2019:

	Number of employees					
	Male	Female	Total	18-30	31-45	>45
Permanent	674	114	788	100	384	304
Temporary	85	16	101	59	36	6
<b>Total</b>	<b>759</b>	<b>130</b>	<b>889</b>	<b>159</b>	<b>420</b>	<b>310</b>

Total number and distribution of employment contract types, by professional classification at 31 December 2019:

	Number of employees		
	Permanent	Temporary	Total
Senior management	5	--	5
Management	9	--	9
Middle management	108	--	108
Technicians, supervisors and sales	267	36	303
Technical service	167	7	174
Production specialists	232	58	290
<b>Total</b>	<b>788</b>	<b>101</b>	<b>889</b>

Annual average of indefinite and temporary contracts in 2019, by gender, age and professional classification:

	Annual average number contracts (%)					
	Male	Female	Total	18-30	31-45	>45
Permanent	80.0%	13.3%	93.3%	10.8%	46.4%	36.1%
Temporary	5.3%	1.4%	6.7%	3.7%	2.2%	0.8%
<b>Total</b>	<b>85.3%</b>	<b>14.7%</b>	<b>100.0%</b>	<b>14.5%</b>	<b>48.6%</b>	<b>36.9%</b>

	Annual average number contracts (%)		
	Permanent	Temporary	Total
Senior management	0.6%	--	0.6%
Management	1.0%	--	1.0%
Middle management	12.5%	0.1%	12.6%
Technicians, supervisors and sales	30.9%	3.2%	34.1%
Technical service	18.7%	0.6%	19.3%
Production specialists	29.6%	2.8%	32.4%
<b>Total</b>	<b>93.3%</b>	<b>6.7%</b>	<b>100.0%</b>

Annual average of dismissals in 2019, by gender, age and professional classification:

	Number of dismissals					
	Male	Female	Total	18-30	31-45	>45
Dismissals	61	16	77	14	36	27

	Number of dismissals
Management	1
Middle management	6
Technicians, supervisors and sales	21
Technical service	10
Production specialists	39
<b>Total</b>	<b>77</b>

Rotation rate of personnel in 2019, by gender, age and professional classification:

	Percentage (%)					
	Male	Female	Total	18-30	31-45	>45
<b>Group</b>	5.9%	3.1%	5.5%	11.0%	4.9%	4.0%
<b>Spain</b>	4.3%	2.0%	3.9%	8.9%	4.1%	1.4%

	Percentage (%)	
	Group	Spain
Senior management	-	-
Management	-	-
Middle management	2.7%	3.6%
Technicians, supervisors and sales	5.0%	4.8%
Technical service	6.5%	1.1%
Production specialists	6.7%	4.3%
<b>Total</b>	<b>5.5%</b>	<b>3.9%</b>

Average compensation by gender, age and professional category in 2019:

	Euro (*)					
	18-30		31-45		>45	
	Male	Female	Male	Female	Male	Female
Middle management	17,418	32,310	47,243	46,814	62,651	55,858
Technicians, supervisors and sales	18,985	17,554	30,575	26,265	44,924	30,489
Technical service	22,238	-	33,018	-	36,351	-
Production specialists	10,393	24,514	20,248	14,141	25,891	20,518

(\*) "The current composition of the Board of Directors and/or Executive/Senior Executives at the Company does not allow to offer the average remuneration information broken down by gender and/or age, since that presentation would allow to unequivocally deduce the specific and individual remuneration of one of its executives. There is no legal obligation to make that information public and therefore the Company must maintain it strictly private and confidential."

### 3. Organization of work

Annual average of full time and part time contracts in 2018, by gender, age and professional classification:

	Annual average number of employees (%)					
	Male	Female	Total	18-30	31-45	>45
Full time	84.9%	14.0%	98.9%	14.4%	48.2%	36.3%
Part time	0.4%	0.7%	1.1%	0.1%	0.4%	0.6%
<b>Total</b>	<b>85.3%</b>	<b>14.7%</b>	<b>100.0%</b>	<b>14.5%</b>	<b>48.6%</b>	<b>36.9%</b>

	Annual average number of employees (%)		
	Full time	Part time	Total
Senior management	0.6%	0.0%	0.6%
Management	1.0%	0.0%	1.0%
Middle management	12.3%	0.3%	12.6%
Technicians, supervisors and sales	33.5%	0.6%	34.1%
Technical service	19.3%	0.0%	19.3%
Production specialists	32.2%	0.2%	32.4%
<b>Total</b>	<b>98.9%</b>	<b>1.1%</b>	<b>100.0%</b>

### 4. Accessibility

Distribution by gender and category of the average number employees at Istobal at 31 December 2019 that had a disability equal to or exceeding 33%:

	Male	Female
Technicians, supervisors and sales	1	-
Technical service	1	-
Production specialists	8	-
<b>Total</b>	<b>10</b>	<b>-</b>

## 5. Tax information

Consolidated profit and corporate income tax paid by zone at 31 December 2019:

	Thousand euro	
	Profit after taxes	Corporate income tax
Europe *	7,268	2,356
America **	759	191
<b>Total</b>	<b>8,027</b>	<b>2,547</b>

\* Includes the companies: Istobal, S.A., Istobal Manufacturing Spain, S.L.U., Istobal España, S.L.U., Istobal Portugal Unipessoal, Lda., Istobal UK Limited, Istobal Handelsges m.b.H., Istobal Sverige AB, Istobal Danmark A/S, Istobal Italia, SRL, Istobal Servicios Integrados, S.L.U., Joywash Betriebsges m.b.H., Istobal Rental Service, Ltd., Istobal D.O.O. Beograd, Istobal Metal Works, S.L.U. and SARL FDI +

\*\* Includes the companies: Istobal USA Corporation e Istobal do Brasil Indústria e Comércio Ltda.





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## **Istobal, S.A and subsidiaries**

Independent Verification Report  
State of non-financial information  
31 December 2020

### A free translation from the original in Spanish

***This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.***

## Independent verification report

To the shareholders of Istobal, S.A.

Pursuant to Article 49 of the Code of Commerce, we have verified, under a limited assurance scope, the accompanying State of non-financial information (“NFIS”) for the year ended 31 December 2020 of Istobal, S.A. and subsidiaries (hereinafter “the Group”) which forms part of the Group’s consolidated management report.

The content of the consolidated management report includes additional information to that required by the current mercantile legislation related to non-financial information reporting which has not been covered by our verification work. In this respect, our work has been restricted solely to verifying the information identified in Annex I: “Non-financial information report”.

### Responsibility of the Board of Directors

The preparation of the NFIS included in the Group's consolidated management report and the content thereof are the responsibility of the Board of Directors of Istobal, S.A. The NFIS has been drawn up in accordance with the provisions of current mercantile legislation and with the Sustainability Reporting Standards of the Global Reporting Initiative (“GRI Standards”) in line with the details provided for each matter in the tables: Annex I: “Table specifying the requirements as per Law 11/2018 and GRI indicators”.

This responsibility also includes the design, implementation and maintenance of the internal control considered necessary to allow the NFIS to be free of any immaterial misstatement due to fraud or error.

The directors of Istobal, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS is obtained.

### Our independence and quality control

We have complied with the independence requirements and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (“IESBA”) which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies the International Standard on Quality Control 1 (ISQC 1) and therefore has in place a global quality control system, which includes documented policies and procedures related to compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

The engagement team has been formed by professionals specialising in non-financial information reviews and specifically in information on economic, social and environmental performance.

### Our responsibility

Our responsibility is to express our conclusions in an independent limited verification report based on the work carried out in relation solely to fiscal year 2020. The data relating to previous years were not subject to current mercantile legislation. Our work has been carried out in accordance with the requirements laid down in the current International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Guidelines for verification engagements on non-financial statements issued by the Spanish Institute of Auditors (“Instituto de Censores Jurados de Cuentas de España”).

In a limited assurance engagement, the procedures performed vary in terms of their nature and timing of execution, and are less extensive than those carried out in a reasonable assurance engagement. Accordingly, the assurance obtained is substantially lower.

Our work has consisted of posing questions to Management and several Istobal, S.A. units that were involved in the preparation of the NFIS, in the review of the processes for compiling and validating the information presented in the NFIS, and in the application of certain analytical procedures and review sampling tests, as described below:

- Meetings with the Group personnel to ascertain the business model, policies and management approaches applied, the main risks related to these matters and to obtain the information required for the external review.
- Analysis of the scope, relevance and integrity of the contents included in the NFIS for 2020, based on the materiality analysis carried by the Group and described in section 4.1. “Materiality assessment” of the consolidated management report, considering the content required under current mercantile legislation.
- Analysis of the procedures used to compile and validate the information presented in NFIS for 2020.
- Review of information concerning risks, policies and management approaches applied in relation to material issues presented in the NFIS for 2020.
- Verification, through sample testing, of the information relating to the content of the NFIS for 2020 and its adequate compilation using data supplied by the Group’s sources of information.
- Obtainment of a management representation letter from the Directors and Management.

### Conclusions

Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Istobal, S.A. NFIS, for the year ended 31 December 2020 has not been prepared, in all its significant aspects, in accordance with the provisions of current mercantile legislation and the Sustainability Reporting Standards of the Global Reporting Initiative (“GRI Standards”) in accordance with the details provided for each matter in tables: Annex I: “Table specifying the requirements as per Law 11/2018 and GRI indicators”.

### Use and distribution

This report has been drawn up in response to the requirement laid down in current Spanish mercantile legislation and therefore might not be suitable for other purposes or jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

Originally signed in Spanish by

Sandra Deltell Díaz

13 de mayo de 2021