

DEUTZ SPAIN S.A.U



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SUSTAINABILITY REPORT 2023

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# MANUFACTURE & RESEARCH DEVELOPMENT SITES



DEUTZ AG LOCATIONS

1

**HEADQUARTER Köln-Porz**

**Floor area:** ca. 276.000 m<sup>2</sup>

**Production:** Assembly Plant for BR 2.2–7.8 engines Manufacturing crankshafts, camshafts.



**Research and Development:** Combustion engines & E\_DEUTZ.

**Deutz Service:** Customer service , Trainings Center.

**Sequencecenter:** Sequencing & picking parts for assemblies.

**Köln-Kalk**

**Floor area:** ca. 61.000 m<sup>2</sup>

**Production:** Manufacturing crankcase BR 4-8L.



**Deutz Service:** Global Logistic Center for spare parts.

**Herschbach**

**Floor area:** ca. 53.000 m<sup>2</sup>

**Production:** Manufacturing & preassemblies for modules e.g.PTO, mass balancers, EGR, rocker arms and service parts.



**Alsdorf FUTAVIS**

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



**Ulm**

**Floor** ca. 74.000 m<sup>2</sup>

**Production:** Assembly of air-cooled engines 91x & V BR 2011 / BR 12-16L /Manufacturing of crankcases, crankshafts, gears /Xchange Engines and parts.



**Gilching Torqeedo**

**Floor area:** ca. 6.000 m<sup>2</sup>

**Production/ Research and Development:** Out- and inboard marine E-engines Batteries modulesHybrid-drives.



4

**Zafra**

**Floor area:** ca. 74.000 m<sup>2</sup>

**Production:** Manufacturing of crankcases, gears, connecting rods, cylinder heads, bearing caps.



5

**Sapino Magi DEUTZ**

**Floor area:** ca. 3.500 m<sup>2</sup>

**Production:** Gen-Set assemblies.



6

**Norcross**

**Floor area:** ca. 12.500m<sup>2</sup>

Sales & Service  
Headquarter of DEUTZ Corp. America.



**Pendergrass**

**Floor area:** ca. 11.000 m<sup>2</sup>

**Production:** Xchange Engines Value add assembly of Power Packs.



7

**Tianjin**

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



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

**Start:** 2021/2022

**Production:** Assembly BR 5.7, D5-D13.



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

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

2

**Maribor**

Research and Development.

3

**Lomagna DEUTZ Italy**

**Floor area:** ca. 33.000 m<sup>2</sup>

**Employees:** ca. 60 Sales & Service

**Production:** Value add assembly of Power Packs.



## MESSAGE FROM THE GENERAL MANAGER

This year, once more, we publish our sustainability report in accordance with the requirements of Law 11/2018 on the disclosure of non-financial information, as well as the Global Reporting Initiative (GRI) standards.

The year 2023 has been one of consolidation for many of the initiatives and projects we have been working on in recent years.

From an energy standpoint, 2023 has been the first year in Deutz Spain's history where all its processes have consumed electricity that is **100% renewable**. This has been made possible thanks to the renewable energy supply agreement (GDO) signed with Iberdrola for the year 2023-2024 and the regular operation of our rooftop photovoltaic plant where we have achieved **an average self-consumption of 5.8% and even peaks of 8.2% in some months**.

But if there is a milestone worth noting as historic in the sustainability field during 2023, it is undoubtedly the **materialization of the project to launch a pilot plant for hydrogen production and use at our Zafra location** within the scope of Dual + and the Powering Progress strategy. The consolidation of this initiative has been possible thanks to the closure of collaboration agreements with the partners we have been working with over the past two years (Ariema, Alternativa Energética de Murcia, and Fundecyt) and Deutz's strong commitment to hydrogen technology development. For us, it represents a great challenge and highlights some of the principles that have guided our management in recent years: innovation, technology, partnerships, green...

Deutz's strategic involvement in measures to mitigate climate change and its goal of achieving carbon footprint neutrality by 2050 has also materialized in other actions and projects, such as the implementation in 2023 of **14 electric car charging** stations with Wallbox technology at the Zafra production plant and the deployment of an electric van in our commercial division in Madrid.

In 2023, we conducted our **first carbon footprint certification** using 2022 data **in accordance with the GHG Protocol**. This assessment estimated our activity's emissions at **7,480.15 tCO<sub>2</sub>e**. For the **2023 data**, we anticipate **an 80% reduction** in these certification results.

Communication has always been the key element we have identified in the principles that should govern relations between the people who make up Deutz



and our partners and clients. Therefore, over the past year, we have engaged in intense dialogue among all our stakeholders through activities such as **commitment surveys, updating our materiality study, and workshops held under the Powering the Team and our Leadership values (5T)**. From all these dialogues and meetings, ideas, concerns, and emotions have emerged that we will undoubtedly turn into realities over the coming years to help us advance along the transformation and evolution path we have set for ourselves.


In the transformation we aim to achieve, diversity and equality will be essential pillars supporting our corporate values. We were the first company in Extremadura to sign the I Equality Plan, and in 2023, we reaffirmed our commitment by signing the **II Equality Plan**, where once again we will implement active gender equality policies at all levels. Clear examples of this are the various **equality workshops** and training sessions held during 2023, as well as the participation of individuals from our organization in the **INDEUTZ team**, which will promote **active inclusion** measures at all Group locations.

We want all these initiatives and new leadership styles to also lead us to maximum levels of responsibility and trust with all participants in the value chain that constitutes our activity. Therefore, during 2023, we implemented **new supplier relationship policies, including a new code of conduct and due diligence throughout the supply chain.** These and other measures have led us to receive the **AERCE association's award** for the "best Purchasing strategy" in 2023, which is based on four fundamental axes: cost improvement, risk management, supplier support, and sustainability principles.

On the other end of that value chain, 2023 has also been an intense year of collaboration with our customers, where, for example, we continued to work very actively within the framework of the collaboration agreement signed with **John-Deere** for the development of Deutz 3.9 and JD-4 engines as part of the Eagles project, delivering the **first component prototypes.**

As a final reflection, I reaffirm the work of the Deutz Business School Foundation as a fundamental project of Deutz in corporate social responsibility, where once again we have trained hundreds of young people and professionals in various fields of knowledge and skills required by the current job market, and where we have also contributed to Deutz's **talent management** policies through programs such as "**People with Team,**" which was developed and delivered at its facilities during October.



  
Signed  
Fernando Angulo Romero  
General Manager

**1**  
**DEUTZ SPAIN**





# 1

## DEUTZ SPAIN

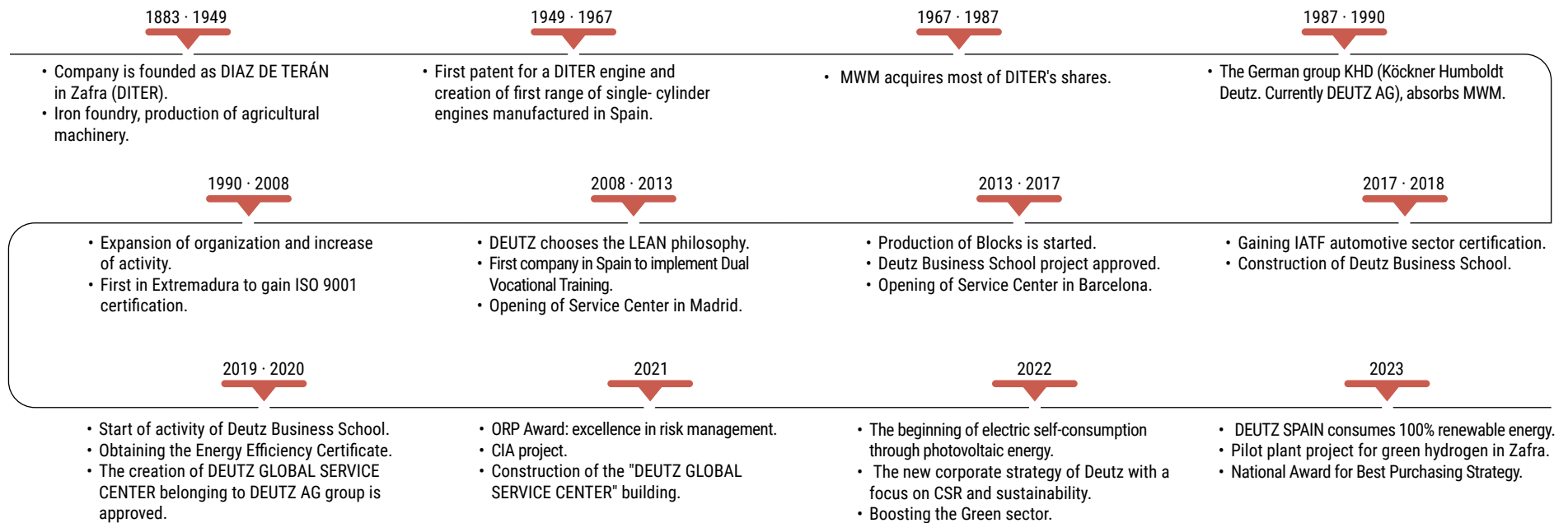
**DEUTZ Spain** is a reference company in the manufacturing of engine components, specialized in the machining and assembly of such.

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

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

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

## OUR HISTORY



# GOVERNING BODIES



## BOARD OF DIRECTORS



### CHAIRMAN

Reimer, Michael Johannes

### MEMBERS



Neu, Oliver



Thales, Maia

## MANAGEMENT



### GENERAL MANAGER

Fernando Angulo



**COMMERCIAL  
ESPAÑA / PORTUGAL**  
Isidoro de la Flor



**FINANCE &  
CONTROLLING**  
José Luis Puebla



**HR**  
José M. Tirado



**COMPLIANCE S.I.G.  
AND STRATEGY**  
Antonio Bueno



**ZAFRA PLANT  
OPERATIONS**  
Alejandro Castilla

# 1

## THE 5TS: CREATED BY PEOPLE, FOR PEOPLE



**TENACITY.** Tenacity is being committed, passionate, and determined to achieve goals and get things done. It is about approaching obstacles and challenges with openness and acceptance, and not giving up. It is also knowing how to adapt in the event that circumstances change.

**TEAM.** Team is knowing that we can accomplish more together than separately and contributing our part to achieve goals. We must support other team members, have fun together, and also know how to celebrate successes and overcome difficulties together.

**TRUST.** Trust is a critical factor for success – especially in transformation – as it reduces complexity. We want to work with people we trust, and we need to start our relationship with a full glass of trust. To build trust, do what you say you will do and align expectations. We should give people space to work and see mistakes as opportunities.

**TRUTH.** Truth is based on facts, not opinions. It means openness, giving our opinion respectfully, and providing constructive feedback to each other, regardless of your hierarchy or role. We need open and flexible mindsets to help us find the best solutions.

**TRANSPARENCY.** Transparency is about sharing knowledge, building healthy relationships, and resolving conflicts. It is essential to share relevant and accurate information at the right time and in the right format. We should be transparent about our intentions, feelings, decisions, and motives, and live transparency in a bidirectional way.

# OUR STRATEGY



## MISSION

Successfully enabling our customers' transformation

Achieving carbon neutrality by 2050

In turn, these main lines are deployed through the "Powering Progress" program, based on four fundamental key areas for the organization's transformation and improvement. Potential, Priorities, Performance, and Passion constitute the strategic axes that, in turn, unfold into specific objectives upon which action plans will be developed over the next years.

### ESTRATEGIA DUAL+

NOS ASEGURAMOS DE QUE EL MUNDO SIGA EN MOVIMIENTO, HOY Y MAÑANA

**RENDIMIENTO**   **ESTANDARIZACIÓN**   **ADQUISICIONES**

**PARA MANTENER EL MUNDO EN MOVIMIENTO NECESITAMOS EL MOTOR DE COMBUSTIÓN**

- El negocio clásico como base del crecimiento  
Seguiremos produciendo los mejores y más limpios motores en el futuro.
- Más de 200.000 motores al año  
Para lograrlo, estamos mejorando nuestra red de producción y estandarizando la cartera de productos.
- Asociaciones y adquisiciones  
Mientras otros abandonan el mercado, nosotros seguimos creciendo. Un ejemplo es nuestra cooperación con Daimler Truck.

**ECOSISTEMAS**   **ENFOQUE TECNOLÓGICO**   **ORIENTADO AL MERCADO**

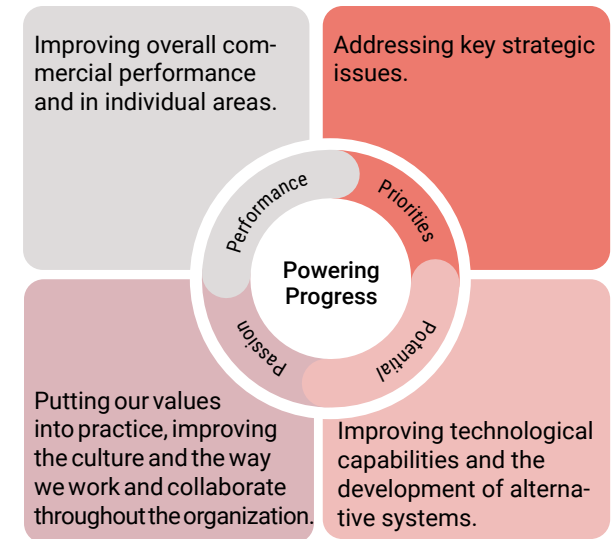
**JUNTO CON NUESTROS CLIENTES, ESTAMOS TRABAJANDO EN UNA CARTERA DE PRODUCTOS NEUTROS PARA EL CLIMA.**

- Neutralidad climática en 2050  
Lo conseguiremos mediante el desarrollo del motor de combustión interna y el desarrollo de alternativas.
- Sin prohibiciones para pensar  
Nos desarrollamos abiertamente en términos de tecnología y en ecosistemas interconectados.
- Más orientados al mercado  
Desarrollamos productos que tienen demanda en el mercado. Para ello, necesitamos inversiones específicas y también otras formas de organización.

**RENTABLE**   **EN TODO EL MUNDO**   **ADQUISICIONES**


**SEGUIMOS AMPLIANDO NUESTRO RENTABLE NEGOCIO DE SERVICIOS**

- Motores DEUTZ duraderos**  
Por eso tenemos un gran potencial en el negocio de los servicios, tanto clásicos como ecológicos.
- Expansión mundial**  
No sólo mantenemos en funcionamiento los motores DEUTZ, sino que también prestamos servicio a los motores de la competencia.
- Fuerte crecimiento**  
Aumentaremos las ventas en el negocio de servicios hasta superar los 600 millones de euros en los próximos años.




# 1

## STRATEGIC PERFORMANCE

<b>PERFORMANCE</b> 	Pricing Excellence	1.TZ increase in commercial area
	Service Growth	2.Organic Service growth
		3.First M&A Analysis
	Global Acquisition	4.Back-up Zafra-China 2023
	Production	5.CC 3,6L automation - Phase 1
		6.Specific Foundry Workgroup
Global Process Alignment	7.Optimizing the process map of all work centers	

<b>PRIORITIES</b> 	Strategic Agenda	Hoshin Kanri Objectives & Monitorization (1/month)
	Business Portfolio, New BIZ	-----
	Chinese Strategy	-----
	Digital Development	16.Smart Factory CC 3.6L
	Organizational Effectiveness	17. Optimization phase 1 Deutz Global Service Center & phase 2 Approval.

<b>PASSION</b> 	Living our Values	8.Equality Plan (renovation) 9.Commitment Survey
	Sustainability Strategy	10.Closing photovoltaic agreement 11.Development ODS Plan 2030
	Leadership & Development Culture	12.Pilot Project Deutz Business School
	Company & Employer Branding	13.Team empowerment workshops - Madrid, Zafra and Barcelona
	Good Community Citizen	14.TOP 10 - RSC 15.Consolidation DBS (+10%/year)

<b>POTENTIAL</b> 	Optimization Classic DEUTZ	18.-Sop 5,2L. 19. PT,s 3,9L (Deutz & JD)
	E-DEUTZ	-----
	H2, Gas	20. - Market Research
	Refuels	-----

# KEY ECONOMIC DATA



**DEUTZ Spain** has developed a sustainable economic management model as part of its business strategy, through which, in addition to maintaining the economic profitability of its productive activities, it considers the risks and opportunities associated with environmental and social aspects.

Economic Data (in Euros)	2021	2022	2023
Revenue	134.750.341	164.804.711	163.173.534
Operational Costs	103.981.203	130.246.326	131.164.018
Employee salaries	25.775.450	28.018.741	29.865.336
Employee benefits	683.438	930.978	940.800
Supplier payments	88.054.026	110.724.474	110.067.425
Government Payments	105.515	144.243	108.673
Community Donations	7.575	7.200	7.175
Infrastructure Investments	5.058.010	4.761.569	8.673.598





## CRISTINA SÁNCHEZ MARTÍN

Collection Management Department

A

s a member of the Deutz Spain Equality Committee, what concepts related to diversity and equal opportunities do you consider to be the most relevant to work on in the future?

*It is important to focus on people and their development within the company structure; for this reason, it will be important to focus on different types of training, which will allow both men and women to have the same possibilities of growth.*

*I believe it is important that we become familiar with terms such as inclusion and diversity; only with this will we be able to move towards equal opportunities regardless of gender.*

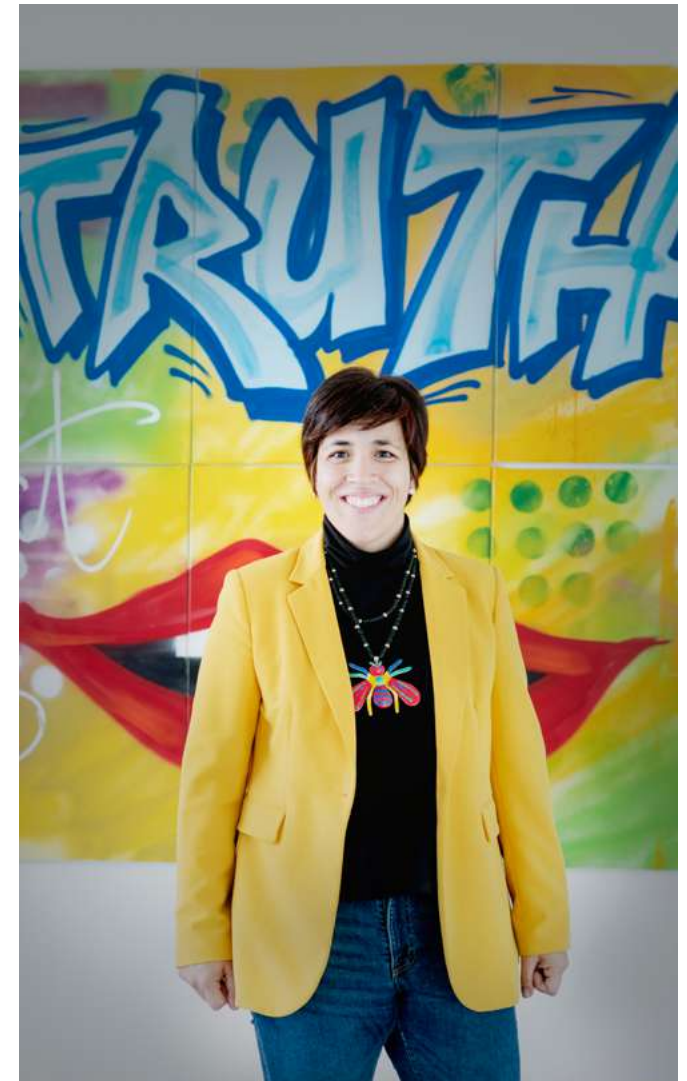
In relation to the new transformation policies that DEUTZ is deploying and from your experience participating in some of the conferences that have been held in the commercial area of San Fernando in Madrid, how do you assess the involvement of the organization in them?

*In the last few months we have been working on the 5Ts with different workshops in Zafra and Madrid; people are at the center of all of them.*

*Now we have to see how to implement all of them efficiently in our day-to-day work. In the extent that we are able to implement and comply with them, we will make our organization an optimal place to work and a place where we can feel fulfilled both personally and professionally.*

What corporate values do you think the DEUTZ brand best transmits?

*Deutz is strongly committed to making the values that make up the 5Ts (Tenacity, Team, Transparency, Tenacity and Truth) known; I would highlight Tenacity and Team; if we stand firm, strong, with conviction and constancy (Tenacity), working together to contribute and add (Team) it will be easier to achieve the common objectives.*



2

**TAKING  
RESPONSIBILITY**



PURCHASING • LOGISTIC • QUALITY • IT



## SUPPLY CHAIN

### Global Supply

Raw Material and Component Suppliers

<b>Spain</b>  16 Suppliers 1.190.000 piezas	<b>Mexico</b>  1 Suppliers 2.000 piezas
<b>France</b>  1 Suppliers 3.000 piezas	<b>Slovakia</b>  3 Suppliers 960.000 piezas
<b>Germany</b>  35 Suppliers 14.680.000 piezas	<b>Italy</b>  3 Suppliers 340.000 piezas
<b>Poland</b>  1 Suppliers 410.000 piezas	<b>China</b>  7 Suppliers 340.000 piezas
<b>Turkey</b>  1 Suppliers 25.000 piezas	<b>England</b>  2 Suppliers 544.000 piezas
<b>Argentina</b>  1 Suppliers 1.580.000 piezas	<b>Czech Republic</b>  1 Suppliers 1.160.000 piezas
<b>India</b>  7 Suppliers 1.420.000 piezas	<b>USA</b>  4 Suppliers 3.700.000 piezas

PIECES	26.300.000
REFERENCES	550
SUPPLIERS	84
COUNTRIES	14



**DEUTZ Spain** analyzes the supply chain from a risk prevention and management perspective, **DEUTZ Spain** minimizes potential impacts by applying clauses, requirements, and even on-site supervision and/or audits to its suppliers. Specifically, **DEUTZ Spain** only acquires raw materials identified as conflict-free minerals and includes environmental requirements in the evaluation of its suppliers.

In the awarding of contracts and services, **DEUTZ Spain** assesses aspects related to environmental management, energy efficiency, Corporate Social Responsibility, and Compliance. In 2023, **DEUTZ**

**Spain** has integrated the "Supplier Code of Conduct" into its processes, applicable to all subsidiaries of the Group. This code defines the requirements that our suppliers must apply and respect in their business processes.



### Social Responsibility

•Respect for fundamental human rights, prohibition of child labor, exclusion of forced labor, fair working conditions, working hours, and compensation, equality of work and prohibition of discrimination, freedom of expression, freedom of association and collective bargaining, safety and health at work, preservation of natural resources.

### Ecological Responsibility

•Sustainable use of raw materials, natural resources, and renewable energy sources, waste and hazardous substances, water resources and management of industrial wastewater, emissions reduction, responsible sourcing and conflict minerals.

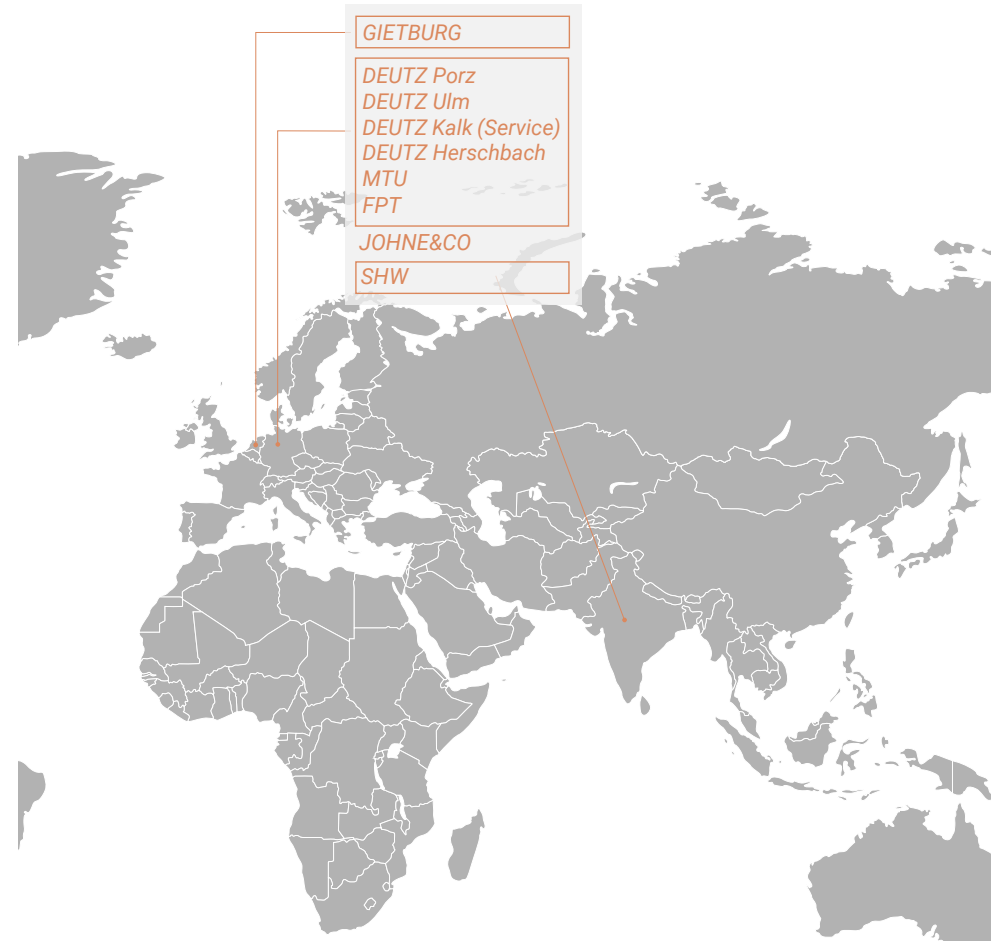
### Commercial Ethics

•Fair competition, combating corruption and bribery, avoiding conflicts of interest, protection of intellectual property, confidentiality and data protection, money laundering, and accounting.

Awards from AERCE (Spanish Association of Purchasing, Contracting, and Procurement Professionals), in which DEUTZ Spain received the award for "Best Purchasing Strategy" in 2023. These awards nationally recognize best practices in Purchasing across 10 categories. The strategy category rewards the definition of a purchasing strategy that integrates seamlessly into the company's strategy, thereby contributing to its success.



The purchasing strategy presented by DEUTZ Spain is based on the leadership principles of the DEUTZ Group, the model of the 5Ts (truth, transparency, trust, tenacity & team), which it first uses to define its vision, mission, and purchasing policies. Through the strategic axes of cost improvement, risk management, supplier development, and sustainability, along with its objectives and indicators, it reconnects with the global purchasing strategic axes at the DEUTZ Group level.



**99,1%**  
Target customer service rate 2023



**99,4%**  
Achieved customer service rate in 2023

# 2

## CORPORATE SOCIAL RESPONSIBILITY

DEUTZ Spain interprets Environmental, Social, and Governance (ESG) Responsibility as an integral and essential part of the organization itself and of each of the services it provides.

DEUTZ Spain's commitment to sustainable development is materialized in a Policy based on the following principles:

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

### DEUTZ SPAIN's ESG Policy



Considering our corporate philosophy, we have identified the relevant sustainability topics for DEUTZ Spain as part of a strategic process and through the completion of a materiality study. The process followed was as follows:

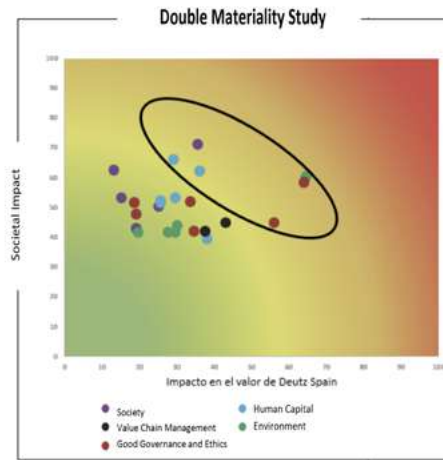


The first step serves to obtain an initial identification of sustainability topics or issues important to DEUTZ Spain. The second step involves carrying out an identification and evaluation of the impacts associated with these topics, both from outside to inside and from inside to outside. The third and fourth steps involve assessing the importance of the impacts according to the criteria established by each of the two materiality perspectives. These four steps have allowed DEUTZ Spain to prioritize its sustainability issues based on the mentioned impacts, ultimately developing a catalog of material topics to act upon and report on in the sustainability domain.

# DIALOGUE WITH STAKEHOLDERS



After analyzing the sustainability context of DEUTZ SPAIN a tentative initial catalog of 24 material topics has been obtained. These were analyzed by the senior management and sustainability team, resulting in a definitive initial catalog of 6 material topics, all aligned with sectoral trends and DEUTZ SPAIN's strategic objectives. This initial catalog was reviewed by the organization's top leader and ultimately approved by DEUTZ SPAIN's Management Committee. The material topics resulting from the double materiality process are:

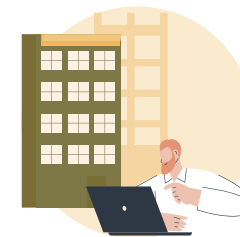


DEUTZ SPAIN's priority stakeholders are the following:

## EMPLOYEES OF DEUTZ SPAIN



## PUBLIC ADMINISTRATION



## OTHER ORGANIZATIONS



## SUPPLIERS



## SOCIETY



## CUSTOMERS



For DEUTZ SPAIN, understanding the needs and expectations of its stakeholders is fundamental to deploying its business strategy. Through communication with different stakeholder groups, the organization identifies their interests and opinions on its economic, environmental, and social performance.

In 2023, DEUTZ SPAIN conducted its double materiality study, giving voice to its priority stakeholders with the aim of identifying the most relevant corporate social responsibility issues for both the organization and its stakeholders.







<b>Responsible and Sustainable Products and Services (Green DEUTZ)</b> To develop products, processes and components with no environmental impact, moving towards decarbonization and maximum use of resources.	
<b>Technology and Digitalization</b> Technology to achieve more productive processes in a friendly, healthy and ergonomic work environment.	
<b>Human Rights and Responsible Supply Chain Management</b> The responsibility of our processes and products from an ethical and sustainable point of view must be extended to our entire value chain, from suppliers to customers.	
<b>Human Capital: Equality</b> Equality as a basic principle, both in terms of treatment and opportunities and at all levels: gender, cultural, beliefs, etc.	
<b>Training and Development</b> Training and professional development as a pillar in the creation, attraction and retention of talent.	
<b>Communication</b> Continuous, transparent and bidirectional communication.	

# 2





## CONTRIBUTION TO THE SDGs

Being aware of the importance of the Sustainable Development Goals (SDGs) outlined in the 2030 Agenda for the social, economic, and environmental impact of businesses, DEUTZ SPAIN's ESG strategy directly contributes to these goals through concrete actions framed within the targets defined for each of the selected SDGs.

*In the framework of the sustainability strategy, DEUTZ has prioritized 8 Sustainable Development Goals*

SDGs	TARGET SDGs	DEUTZ SPAIN	Performance 2023
	3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.	One of the principles of DEUTZ SPAIN is safe and healthy work.	Flu vaccination campaigns. Health campaign for people over 50 years of age. Measurement of tumor indicators. Health agreements: dental clinic, medical insurance, gym, day care centers.
	5.1 End all forms of discrimination against all women and girls everywhere.	DEUTZ Spain has renewed its equality plan through which actions are deployed to ensure gender equality.	Signing of the II Equality Plan. Women's workshops held. Training and awareness-raising courses on equality for managers. Diagnosis of pay equity.
	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.		
	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.	DEUTZ Spain has defined a sustainability plan.	Full operation of the photovoltaic plant phase I. Purchase of energy with GDO (guarantee of 100% renewable origin). 100% electric work vehicle in the commercial area. Installation of electric car chargers.
	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors.	Process automation for productivity improvement and ergonomic risk reduction	Automation of Block 3.6 production line.
	8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.	Deutz Business School agreements.	Promotion of youth employment. Vocational and language training for young people. Extension of HP program to the financial area. Extension of Dual training to the financial area.
	8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	Protecting labor rights and promoting a safe and secure working environment Occupational health and safety management system	Recertification of ISO 45001 occupational health and safety standard.Satisfactory legal audit of the prevention service.

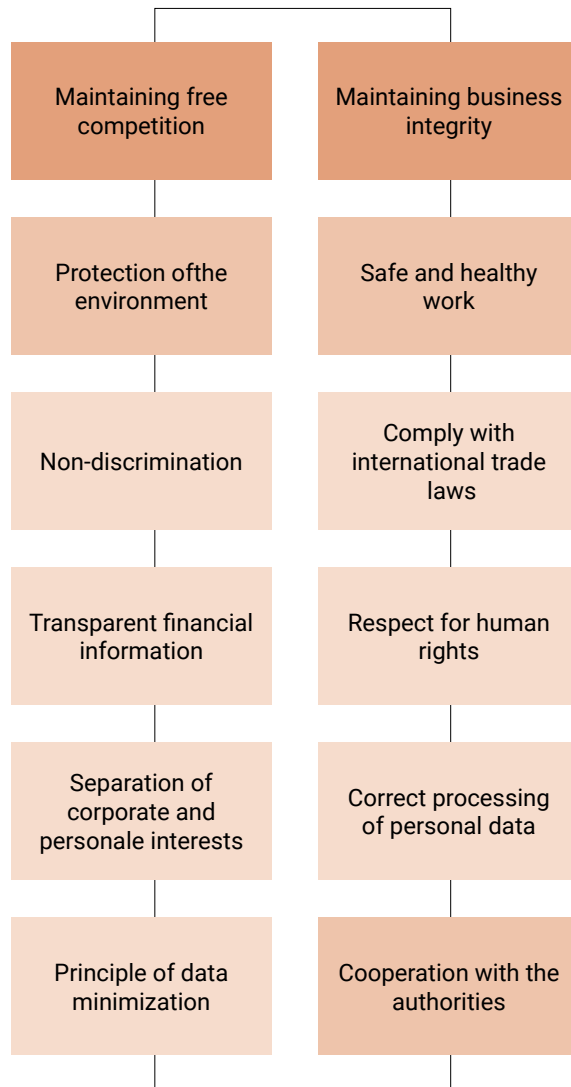


SDGs	TARGET SDGs	DEUTZ SPAIN	Performance 2023
	9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.	Objective to have digital transformation and production industry come together in a sustainable way.	Extension of the Smart factory concept in block manufacturing.
	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	Commitment to optimize energy consumption in a sustainable manner through continuous improvement of facilities and processes.	Savings in energy consumption thanks to efficient energy management.
	12.2 By 2030, achieve the sustainable management and efficient use of natural resources.	Reduction in the use of fluorescent tubes due to improvements in the use of natural light.	Sustainable management and efficient use of natural resources Efficiency in consumption.
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	Contribution to the circular economy through waste recovery.	100% of the hazardous waste generated is recycled or revalued.
	12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	In 2023, publication of the sixth DEUTZ SPAIN Sustainability Report, according to GRI and law 11/18.	
	13.2 Integrate climate change measures into national policies, strategies and planning.	Integrating climate action into policy and strategy	GHG emissions reduction plan. Carbon Footprint Measurement. GREEN DEUTZ strategic line. Green hydrogen production plant project
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	Information and training for employees	Awareness campaigns on responsible consumption.
	16.5 Substantially reduce corruption and bribery in all their forms.	Control and monitoring of legal compliance, crime prevention and ethical behavior of the organization.	Audit Compliance management system with no non-compliances by 2023.

# 2

## CORPORATE COMPLIANCE AND CODE OF CONDUCT

### CORPORATE COMPLIANCE PRINCIPLES



DEUTZ’s Code of Conduct sets out the legal regulations and guidelines that must be observed by the organization and all its employees internally and in their relations with other organizations, public administrations, and society in general.

CODE OF CONDUCT	
<b>HUMAN RIGHTS</b>	Diverse and inclusive HUMAN RIGHTS work environment.
<b>HEALTH AND SAFETY</b>	Never compromise on Health and Safety commitments.
<b>ENVIRONMENT</b>	Commitment to contribute to environmental balance and impact reduction.
<b>COMPETITIVENESS</b>	Market economy and fair trade competition. Antitrust legislation.
<b>TRADE CONTROL</b>	Compliance with national and international legislation of trade control.
<b>CORRUPTION AND BRIBERY</b>	Preserving the trust and integrity of DEUTZ.
<b>MONEY LAUNDERING</b>	Responsibility of all employees that DEUTZ is not used for laundering or other illegal purposes.
<b>CONFLICTS OF INTEREST</b>	Employees act in the interests of DEUTZ and protect its name.
<b>INFORMATION PROTECTION</b>	Employees must not illegally use inside information about DEUTZ or any other company.
<b>PROPERTY</b>	Responsibility for the company's facilities and property.
<b>DATA PROTECTION</b>	DEUTZ respects the privacy and integrity of its employees, partners and other third parties.

During 2023, DEUTZ SPAIN has adapted its whistleblowing channel to the new Law 2/2023, of February 20, regulating the protection of individuals reporting legal infringements and combating corruption, providing guarantees of confidentiality, best practices for monitoring, investigating, and protecting the whistleblower.



# HUMAN RIGHTS AND DUE DILIGENCE



Human rights are basic international standards that aim to ensure the dignity and equality of all individuals. They are universal, inalienable, and indivisible rights, and every individual has the right to enjoy them. DEUTZ SPAIN maintains its Human Rights code applicable to both the individuals within the organization, as well as to clients, suppliers, and other stakeholders. The objective pursued with this code is to ensure that human rights are always upheld without exception, both in relation to the company's own operations and professional relationships, as well as in the indirect impact of its activities.

## Due Diligence in the Supply Chain

In December 2023, the Group launched a statement of principles regarding due diligence throughout the supply chain. This statement, in addition to complying with the European directive, outlines our expectations of our employees and suppliers regarding human rights and the environment. Considering compliance with these expectations is an essential part of our internal and external interactions, which will help ensure the long-term success of our business.

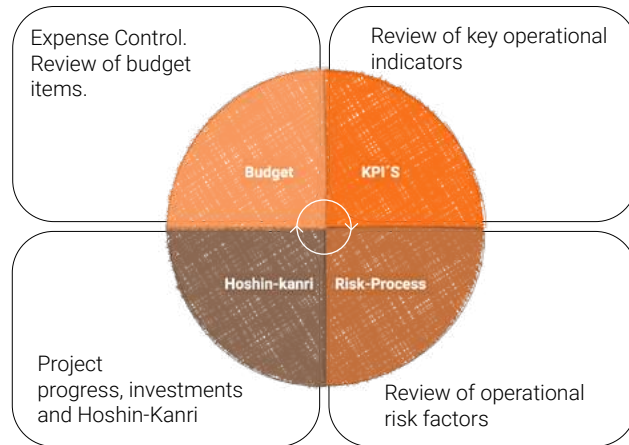
At all times, we expect all Deutz employees to comply with applicable laws and regulations, as well as internationally recognized human rights and environmental protection standards. We also expect the same from our suppliers and other business partners.



# 2

## RISK AND OPPORTUNITY MANAGEMENT

Through the risk and opportunity management process, DEUTZ SPAIN identifies risks and opportunities at any level of the organization that impact its processes. Process owners are responsible for reviewing with their teams the surveillance factors defined for each process, along with key operational indicators, improvement actions, budgetary control, and the organizational context at the time.



Those risks that, once evaluated, have an elevated level of criticality impacting operations are escalated to the operational risk committee, the highest management body for these risks. In this committee, preventive and/or mitigating actions for the risk are agreed upon, and key owners of operational processes participate.

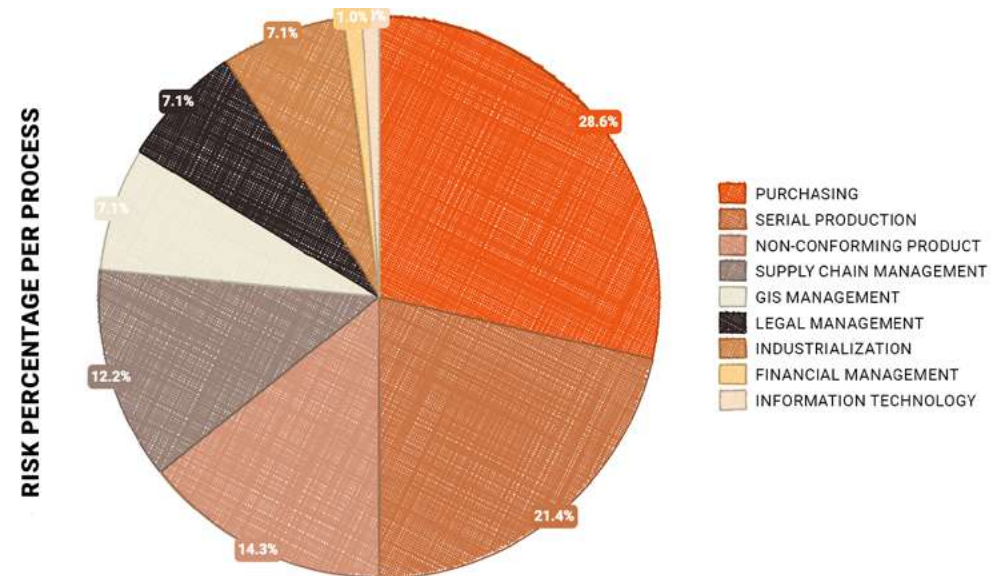
Additionally, decisions for escalation to the Group are made in this operational risk committee, either because if the risk materializes, it may impact them, or because support is needed to prevent it.

Following the principle of continuous improvement, DEUTZ has evolved the new process by creating the economic risks committee. In this committee, decisions are made regarding potential risks and/or opportunities with economic impact on the organization that could materialize. The committee consists of financial experts from the company, as

well as owners of various operational processes.

The objective of this committee is to define policies to be applied to risks or opportunities with a high economic impact so that the impact on the organization's income statement is minimized. These policies can be of three types: provision policies, customer charge policies, or income statement reduction policies.

The main economic risks managed during 2023 have been related to increases in prices from productive suppliers. The primary opportunity has been the management of electricity costs.



# MANAGEMENT SYSTEM



**DEUTZ Spain** develops its strategies by relying on its integrated management system for Quality, Environment, Energy, and Occupational Health and Safety, with its legal and ethical compliance ensured by its compliance management system for criminal and anti-bribery purposes.



ISO 9001:2015  
Quality Management Systems.



Carbon Footprint  
GHG Protocol.



ISO 14001:2015  
Environmental management systems.



ISO 45001:2018  
Occupational Health and Safety Management Systems.



ISO 37001:2016  
Anti-bribery management systems.



ISO 50001:2018  
Energy management systems.



UNE 19601:2015  
Criminal compliance management systems.



GRI verification of the Sustainability Report.

# COMPLAINT MANAGEMENT

DEUTZ Spain has a complaint management system that enables it to provide a quick solution to its customers and, by identifying the root cause, establish actions to prevent its recurrence.

## Complaint

Complaints can be received through the Supply On portal or direct email

## Register

We have a customer complaint management IT system called IQS. Through this system, all complaints are analyzed, and a series of corrective and preventive measures are implemented accordingly

## Analysis

In the event of repetitive complaints, an analysis is conducted using the 8D methodology to identify the root cause and implement corrective measures to prevent the recurrence of the problem

## Corrective measures

If DEUTZ SPAIN is identified as responsible for the problem, immediate measures are taken to ensure the quality of the supply within a 24-hour timeframe

## Customer communication

The corrective measures defined are communicated to the customer

## Closing

Once all actions of the 8D process are closed and their effectiveness audited, it will be considered closed, and the lessons learned will be documented

# 2

## CUSTOMER SATISFACTION

In 2023, customer satisfaction surveys were conducted for the commercial area of DEUTZ SPAIN. The surveys are launched in different areas: engines, service, and service provision at Service Center Madrid and Service Center Barcelona. The objective of these surveys is to identify areas for improvement regarding service and product, measuring both customer satisfaction and the importance that the following topics have for the customer:

### PLANNING AND EXECUTION

- Response time for our offers and/or quotes
- Delivery time for orders / service provision
- Efficiency in resolving incidents

### PRODUCT

- Product range satisfaction
- Quality of our products
- Packaging and protection of products

### POST-SALES CUSTOMER SERVICE

- Efficiency in Incident Resolu
- Response Agility
- Resolution time

### STAFF

- Needs detection
- Telephone/Email Support

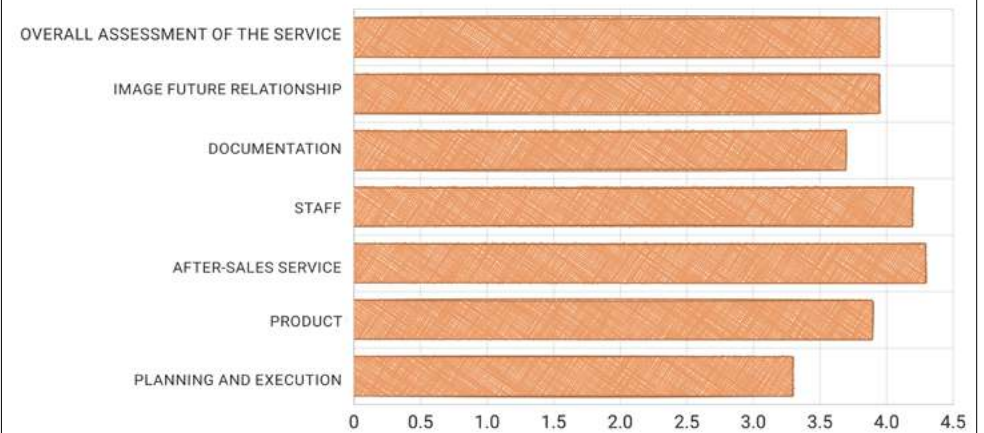
### DOCUMENTATION

- Clarity of Provided Documentation

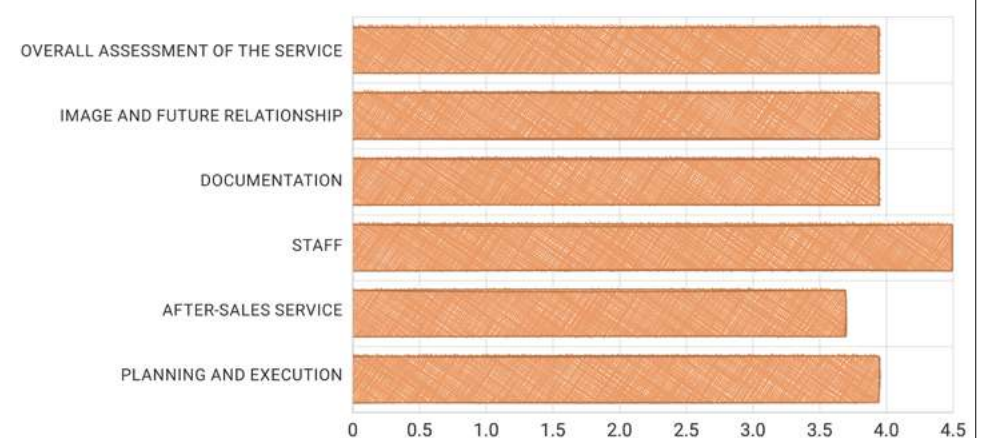
### IMAGE AND FUTURE RELATIONSHIP

- Service evolution
- Recommendation of services and products DEUTZ

**RESULTS OF CUSTOMER SATISFACTION SURVEY IN THE MOTOR AREA 2023**



**RESULTS OF THE CUSTOMER SATISFACTION SURVEY SERVICE CENTER MADRID 2023**

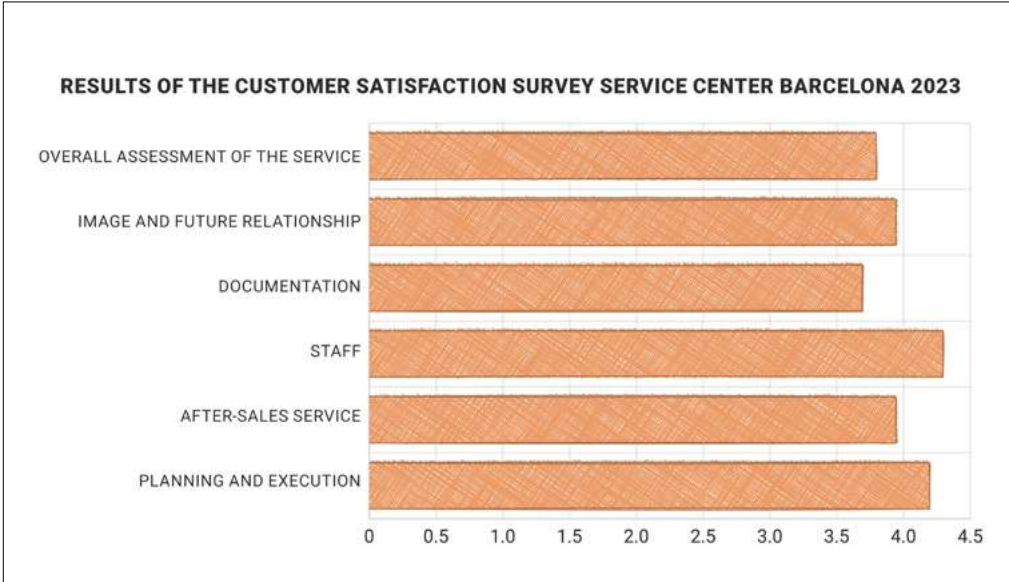




In April 2023, John Deere audited the quality management system of DEUTZ's production plant in Zafra and achieved an excellent result of 77.4%, with 0 non-conformities, in this quality evaluation. Considering that compliance is valued at 75%, achieving a score higher than this is considered "WORLD CLASS". DEUTZ achieved this score in some areas of the audit.

John Deere also highlighted the following strengths in DEUTZ Spain:

- Focus on personnel training: DEUTZ Business School, DUAL training program, and High. Potential program.
- ISOTools as management software centralizing the quality management system.
- Lean Manufacturing culture
- Parts traceability system.
- Flexibility of machining lines.





## ESTEFANÍA LUIS

### Business School Foundation

**F**rom your experience in the third sector, how do you think DEUTZ approaches its social responsibility issues?

*Before addressing the question, I think it is pertinent to clarify that for me it is fundamental to “work with purpose”. In other words, I need to believe strongly in what I do and know that my day-to-day work contributes in some way to improving the social reality around me. I have a clear and unequivocal social vocation and I feel that it is not something I could choose to do otherwise.*

*Having said that, I think the Deutz Group makes its position on social responsibility quite clear by creating its own foundation whose mission is to promote the development of Extremadura through training, knowledge and innovation. Furthermore, the fact that the Foundation is located in Zafra and not in any other headquarters or country where the Group carries out its main activity, also gives us clues about the strong bond that Deutz has with Extremadura and invites us to think that its CSR policy is a real long-term commitment to the territory, more focused on the real impact of its initiatives for the improvement of the region, rather than on branding or “corporate image” issues.*

In this sense, what do you think will be the major challenges for the Deutz Business School Foundation in the coming years?

*Like all foundations, we have a clear mission and fulfilling it is already a permanent challenge with which we live with and will continue to live with. Working for the development of Extremadura makes a lot of sense, but, in order to get closer to this goal, we must work very closely connected to the field.*

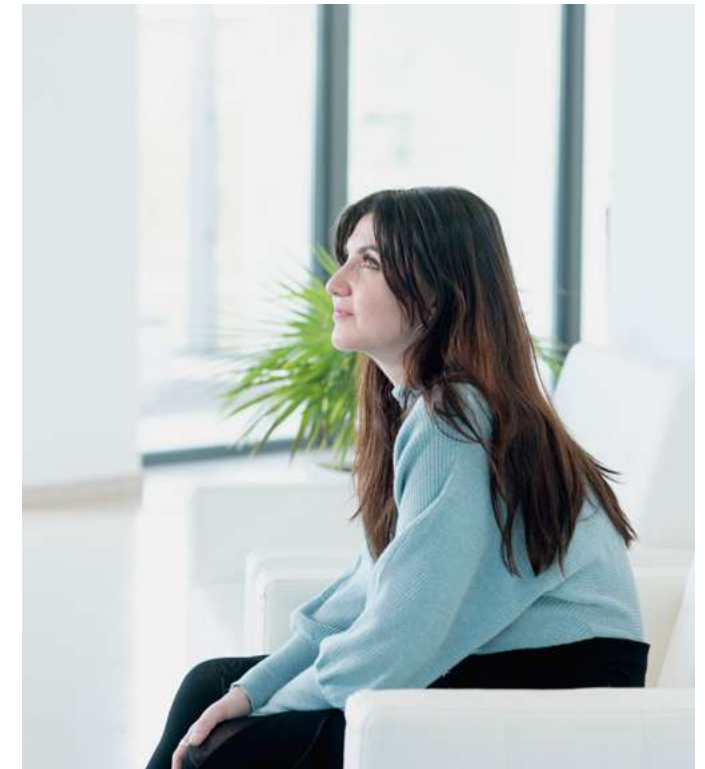
*In this sense, I believe that including impact assessments in our development strategy would be essential in order to have the necessary information that will allow us to make an accurate assessment of the real impact of our activity on people and the territory.*

*On the other hand, we need to launch in a more forceful, eNective and eNicient way, the message that the Deutz Business School Foundation is an open, transparent space, connected to people, organizations and companies in the territory and linked to the concerns and needs of the society in Extremadura. We must bring our activity closer to different groups and agents, look at other realities and work actively with other social causes and with the most vulnerable profiles, without losing sight of our objective and the mission that we have.*

*It is important that we find the right support and the way to ensure that our work really serves “something” and, above all, someone.*

Since you joined the Deutz Business School Foundation team, how do you assess the initiatives implemented by DEUTZ in the field of equality and diversity?

*In these two months, I have witnessed several initiatives that have shown me that CSR is much more than “a nice document” for this company. Establishing methodologies that help align our activities with the SDGs, getting to know the needs of our stakeholders or preparing this report are some examples that make me value very positively not only the specific initiatives, but also the general positioning of the Deutz Group with regards to CSR policies.*



3

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**SUSTAINABLE  
MANAGEMENT OF THE  
ORGANIZATION**



PUNTO DE  
ENCUENTRO



DEUTZ  
ENERGY






# 3


## SUSTAINABLE MANAGEMENT OF THE ORGANIZATION


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


The high qualification of its engineering and production teams enables it to adapt and respond quickly to the needs of its customers, being able to manufacture all kinds of prototypes and series.

### OUR PERFORMANCE IN 2023

	<b>ENGINE BLOCKS</b>	▲ 4% compared to 2022
65.586	units/year. Annual Capacity	
6	Product families.	
3.578	m <sup>2</sup> Current production surface.	
92	Workers	

	<b>CYLINDER HEADS</b>	▼ 6% compared to 2022
218.011	units/year. Annual Capacity	
14	Product families.	
6.705	m <sup>2</sup> Current production surface.	
156	Workers	

	<b>GEARS</b>	▼ 6% compared to 2022
605.802	units/year. Annual Capacity	
10	Product families.	
2.233	m <sup>2</sup> Current production surface.	
53	Workers	

	<b>CONNECTING RODS</b>	▼ 8% compared to 2022
751.147	units/year. Annual Capacity	
12	Product families.	
2.371	m <sup>2</sup> Current production surface.	
44	Workers	



## OPERATIONS IN ZAFRA

Throughout 2023, the production plant in Zafra has worked on various projects with the aim of achieving the established goals for the year. Among them, the following stand out:

<b>SAFETY</b>	<ul style="list-style-type: none"> <li>• Preventive measures to improve accident rates.</li> <li>• Continuation of healthy habits promotion program (specifically for workers over 55 years old).</li> </ul>
<b>QUALITY</b>	<ul style="list-style-type: none"> <li>• Improvement of casting quality.</li> <li>• Reduce supplier influence on external quality rate - active supplier management.</li> <li>• Workgroups for monitoring and optimizing quality values in foundries.</li> </ul>
<b>DELIVERIES</b>	<ul style="list-style-type: none"> <li>• Capacity assurance.</li> <li>• Support as backup for 5C for China.</li> <li>• Increased integration of Zafra into the Global SC concept (reduction of overall processing time through better synchronization of raw materials / manufacturing / assembly)</li> </ul>
<b>COST</b>	<ul style="list-style-type: none"> <li>• Increase productivity.</li> <li>• Savings in energy costs.</li> </ul>
<b>PEOPLE</b>	<ul style="list-style-type: none"> <li>• Establishment of leadership culture as part of the POWERING PROGRESS program.</li> <li>• Improvement of autonomy in work teams.</li> </ul>

In 2023, the next phase of the autonomous production equipment project has been completed. This project represents another step towards operational excellence through more advanced production management. The four pillars on which it is based are:



In relation to the DEUTZ SPAIN leadership model, the transformation of the supervisor role has been completed by integrating indicator management and continuous improvement into the value maps they lead. Training actions and necessary support have been deployed for the implementation of the new role. For the next phase planned in 2024, progress will be made in deploying a team leadership model through team leaders and the necessary transfer of technical tasks to autonomous teams.

Regarding the team-based organization, value maps have been defined to work under the concept of autonomous teams led by a team leader (approximately 80% of the total), distinguishing them from those working as autonomous operators directly led by a supervisor.

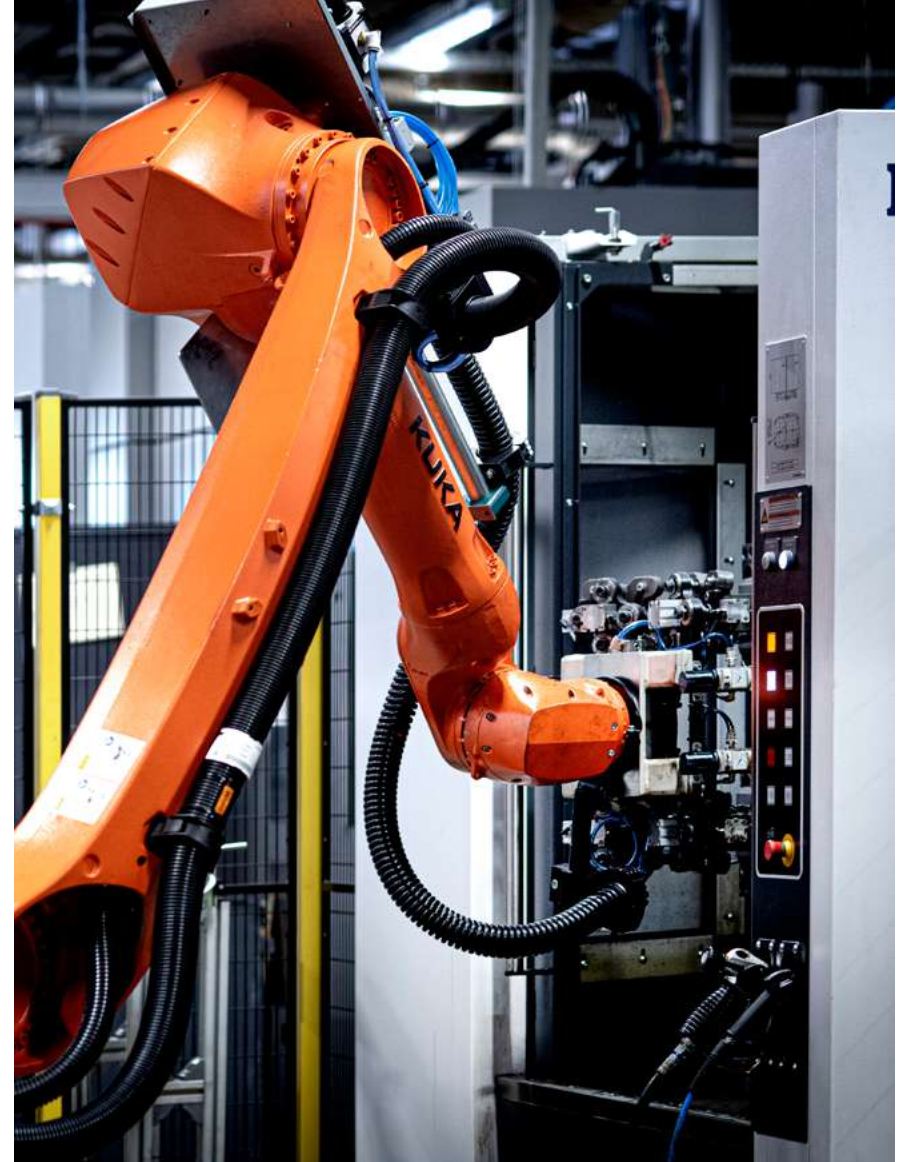
In relation to the production system, the maturity level of the management routine carried out in each production line was increased. Extending this routine to this level allows for basic indicator management with operators and deploying a system of improvement proposal management with them.

Finally, the drive for cultural transformation came hand in hand with the greater maturity of the new production system routines, both operational and communication-specific. As a result of this drive, the engagement survey result in 2023 improved compared to the last survey conducted in the production environment.

## • DEUTZ CLASSIC

### New stage in the development of the engine DEUTZ- John Deere

During the year 2023, prototypes of blocks, cylinder heads, connecting rods, and gears intended for the next phase of development of the 3.9 engine have been designed, developed, and manufactured. This engine is being jointly developed by DEUTZ and John Deere. This new stage of development has allowed validating the technical concepts necessary to design an efficient and robust production, which is expected to start in 2025. Deutz Spain has supplied components to both the development and testing teams of DEUTZ AG (Germany) and John Deere (United States). The integration and direct and constant exchange with the different international teams within simultaneous engineering are allowing for an efficient and sustainable development of the engine.





## • GREEN DEUTZ

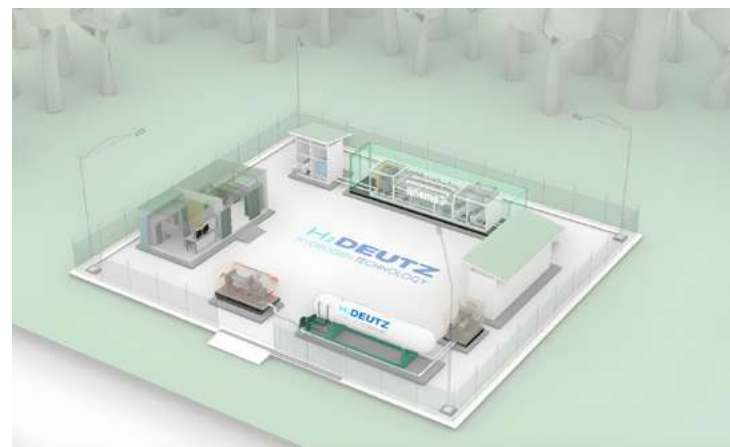
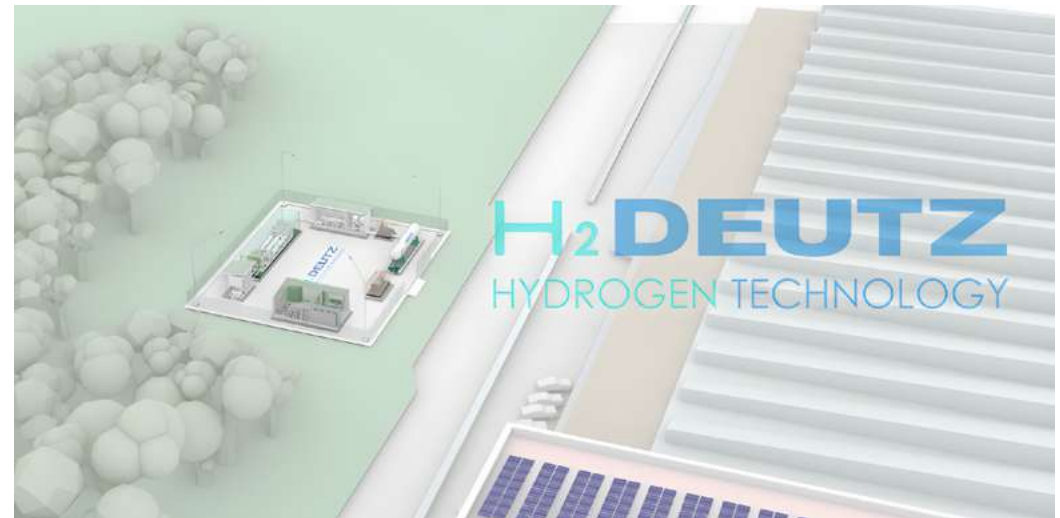
The decarbonization of the planet by 2050 is one of the most ambitious goals set by Spain and Germany, among many other countries. In the case of Spain, this decarbonization involves the use of renewable energies, which are intermittent, diffuse, and not storable. Until now, the need for storage relied exclusively on electric batteries. However, these are no longer the only available option. Hydrogen has ceased to be a utopia and is emerging as a very valid option as an energy vector for the future.

This year, DEUTZ AG begins serial production of its first hydrogen engine, the TCG 7.8 H<sub>2</sub>, and DEUTZ SPAIN didn't want to miss the opportunity to take advantage of Spain's abundance of solar energy to promote the use of this technology.

Thus, DEUTZ SPAIN, in its strategy of decarbonizing its production plant, will promote the design and construction of a pilot plant that transforms surplus solar energy into hydrogen through electrolysis, stores said hydrogen under pressure, for later use in a generator powered by a combustion engine DEUTZ TCG 7.8 H<sub>2</sub>, whose generated electrical energy will be injected back into DEUTZ SPAIN's electrical grid.

It will be the first pilot plant in Spain covering the entire hydrogen value chain and including a hydrogen combustion engine, the first of DEUTZ AG operating in Spain. The plant will be installed by the end of 2024, with initial commissioning and testing taking place in the first quarter of 2025.

This is the first project in the GREEN segment materializing in DEUTZ SPAIN, and there is still a long way to go, but we hope it will be the first of many projects to come.



“

## ÁLVARO SUÁREZ-GUANES

Grupo INPREX

**D**uring the last few years, the Inprex Group has promoted dissemination and awareness days on social responsibility issues. How do you value the contribution of DEUTZ to them?

*For Inprex this contribution is fundamental. The facilities that have been made available to us not only allow us to develop the activities in a more attractive way, but the human resources services they provide, complements the organization and the presentations.*

*In short, DBS is an essential partner for the success of the conference.*

In this sense, what do you consider should be the challenges of the next years for companies in Extremadura in this field?

*That more companies become aware of the importance of CSR, that they continue to be part of the development of the regional observatory ORSE and to*

*focus on issues that are specific to the Autonomous Community, for example, the environmental area.*

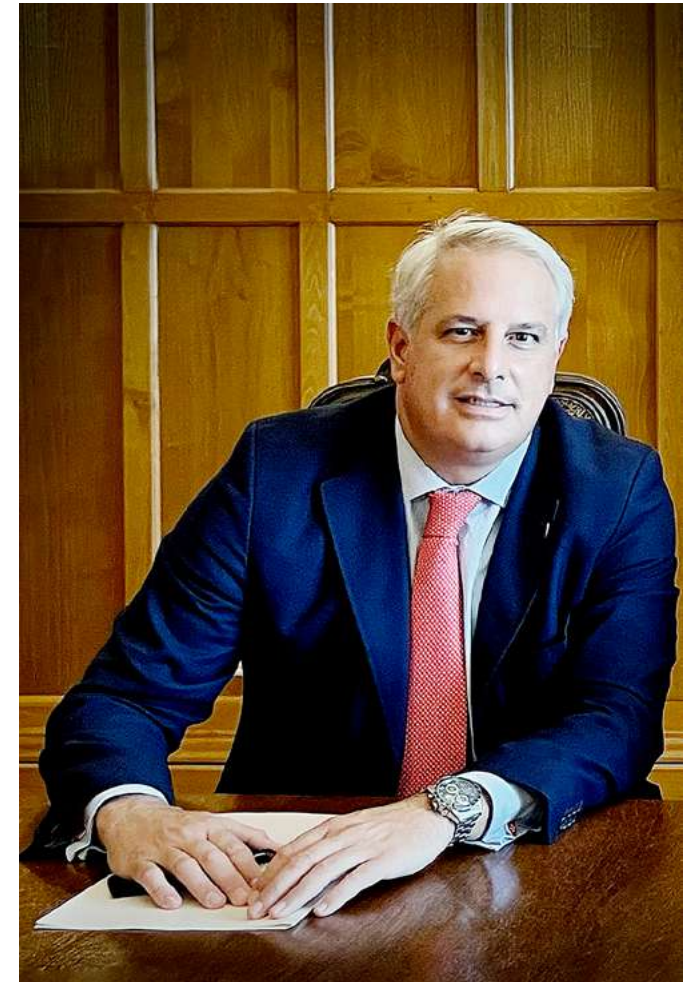
As a DEUTZ collaborator, what aspects do you consider to be most relevant in order to maintain a sustainable and reliable relationship over time between the customer and supplier?

*In order to do this, we should establish and focus on common elements of services provided in order to build loyalty within the commercial relationship, and above all, for the reputation of both companies and their brands.*

The Inprex Group is a company specialized in occupational risk prevention, what health promotion initiatives do you think should be a priority for organizations today?

*All those that are carried out at the proposal of the External, Own or Joint Prevention Services are important, but it is true that the Inprex Group has started a few years ago to concretize through concrete actions, dissemination, training, workshops, colloquiums, ... to further value the labor quality of the workers in their last years of work before they retire.*

Institutional Advisor  
from INPREX Group



4

**DIVERSITY · EQUALITY**

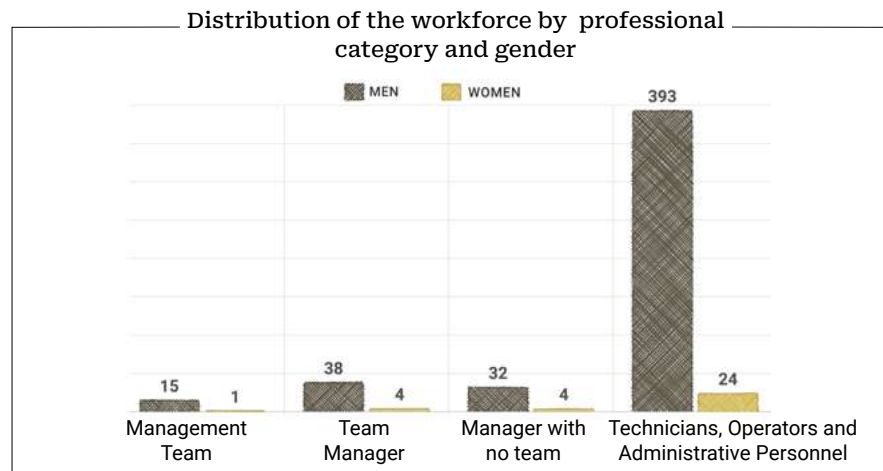
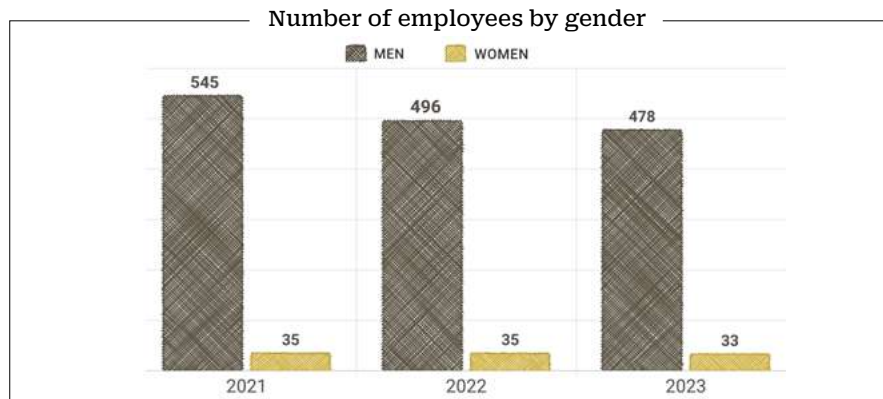


# 4

## DEVELOPMENT AND PEOPLE MANAGEMENT



People are the main asset of DEUTZ SPAIN, so improving the professional development and qualification of its workers is a priority for the organization. With this objective in mind, policies and measures are established and deployed aimed at improving workplace safety, equal opportunities and treatment for all women and men, personal development, active listening, and worklife balance.



### DEUTZ SPAIN'S PEOPLE IN 2023

**563,16**  
AVERAGE WORKFORCE

**6,5%**  
WOMEN IN THE WORKFORCE

**53**  
NEW RECRUITS

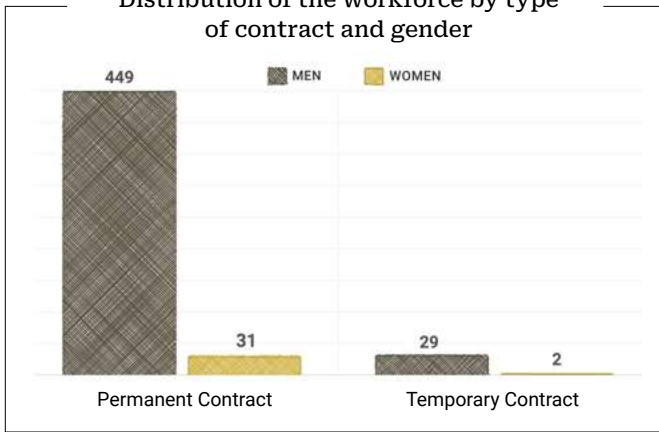
### Commitment, training, and communication

Commitment, training, and communication are the pillars on which people management is based. Thanks to them, DEUTZ SPAIN has a team that allows us to look to the future with the confidence of being able to face the great challenges that arise.

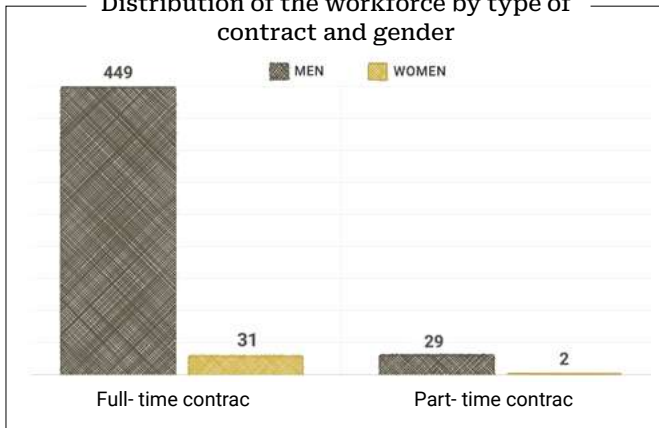




Distribution of the workforce by type of contract and gender



Distribution of the workforce by type of contract and gender



**6,2%**

**TURNOVER OF MEN**

**49**

**MEN HIRED IN 2023**

**44**

**AVERAGE YEARS OF AGE MEN**

**93,9%**

**PERMANENT CONTRACTS**

**95,8%**

**FULL-TIME CONTRACT MEN**



**3,0%**

**TURNOVER OF WOMEN**

**4**

**WOMEN HIRED IN 2023**

**42**

**AVERAGE YEARS OF AGE WOMEN**

**93,9%**

**PERMANENT CONTRACTS**

**96,9%**

**FULL-TIME CONTRACT WOMEN**

**60%**

**WORKERS WITH MORETHAN 10 YEARS OF SENIORITY IN THE COMPANY**

# 4

## COMMITMENT

Mutual commitment is the foundation of the relationship between DEUTZ Spain and the people who work in the organization. Evidence of this is the stability of the workforce, with 60% of workers having more than 10 years of seniority, and the results of the engagement surveys conducted in 2023 with a participation rate of 59.8% and the following results:

The commitment survey consists of 6 strategic levers:

- Job Needs
- Recognition and Motivation
- Teamwork
- Growth and Development
- Transparency
- Equality, Diversity, and Inclusion

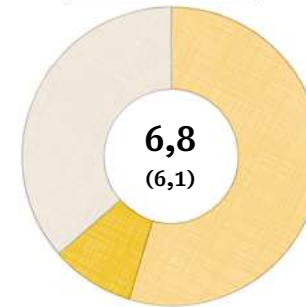
The results of the commitment survey have improved in each of the strategic lines of people management at DEUTZ Spain.



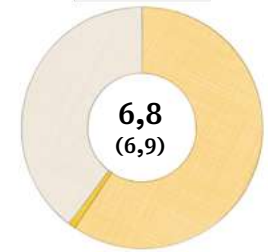
### GLOBAL COMMITMENT

**53**  
NEW RECRUITS  
IN 2023

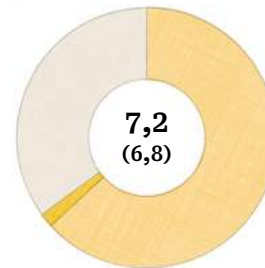
Permanent staff



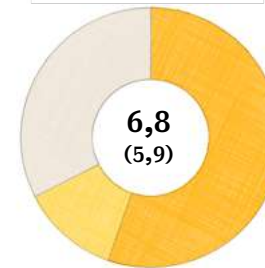
Temporary staff



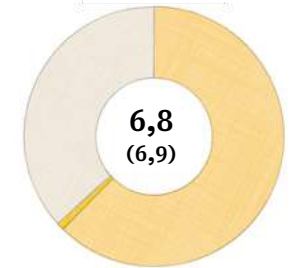
Job requirements



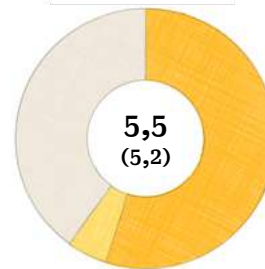
Recognition and Motivation



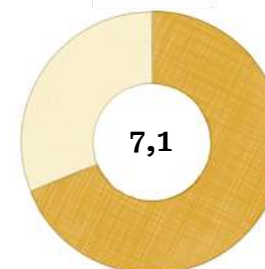
Teamwork



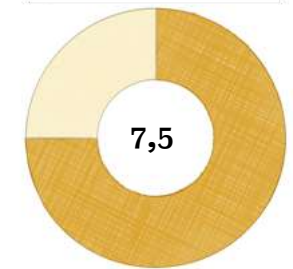
Growth and Development



Transparency



Equality, Diversity and Inclusion





During 2024, workshops will be conducted within the entire DEUTZ SPAIN organization with the aim of involving employees in the definition of the strategic plan, where they will agree upon and prioritize initiatives to be deployed. Once the strategic plan is defined, it will be disseminated to the entire workforce.

## **WORK-LIFE BALANCE**

Discounted rates for kindergarten and elementary schools.

Measurement of tumor indicators in medical examinations.

Discount on dental treatments.

Improvements in public transport.


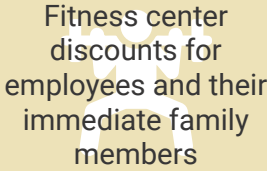

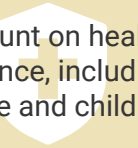
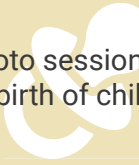

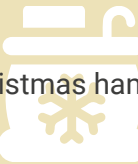


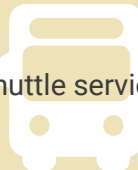
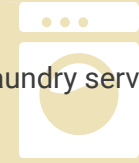

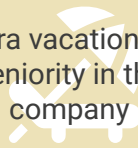
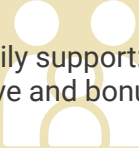
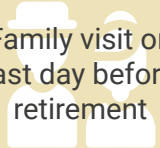
Seniors over 58 years of age exempt from night shift.

Extension of employee service hours.

\*If there are health reasons for the worker or his/her immediate family members.

More than **100.000 €**  
invested in study grants for the children  
of employees in 2023.






These new measures have come to reinforce other existing work-life balance measures:

 Scholarship for children	 Fitness center discounts for employees and their immediate family members	 15% Discount on dental treatments
 Discount on health insurance, including spouse and children	 Photo session for the birth of children	 Promotion of women's sport
 Christmas hamper	 Agreements with financial institutions	 Support in the processes of occupational disability
 Shuttle service	 Laundry service	 Bank Hours
 Extra vacation for seniority in the company	 Family support: paid leave and bonuses	 Family visit on last day before retirement

# 4

## EQUAL OPPORTUNITIES

Equal opportunities are a reality at DEUTZ SPAIN and are part of its business ethics. People who are going to join a job position are selected without any distinction, based on objective and transparent criteria. And with the aim of increasing the female presence in its workforce, under equal conditions, the recruitment of women is favored.

Pillars to guarantee equal opportunities		<b>Equality in access to employment and hiring</b> <ul style="list-style-type: none"> <li>• Specific training on diversity and equal opportunities principles in access to and promotion of employment aimed at the selection and promotion team.</li> <li>• Review of inclusive language in communications regarding selection.</li> <li>• Enhancing balanced representation between men and women in the organization, particularly in positions where they are underrepresented.</li> </ul>
		<b>Continuous training and promotion</b> <ul style="list-style-type: none"> <li>• Integration of permanent equality training within the company's Annual Training Plan.</li> <li>• Promoting the training of women. Developing training policies that enable the training of female workers to access positions where they are underrepresented.</li> <li>• Training the Monitoring Committee in the concept, benefits, methodology, evaluation, and best practices of Equality Plans.</li> </ul>
		<b>Equality in compensation and work-life balance</b> <ul style="list-style-type: none"> <li>• Review of the compensation structure to ensure that there are no gender biases in the allocation of supplements.</li> <li>• Study the implementation and regulation of telecommuting as a reconciliation measure for positions that allow it.</li> <li>• Inform and raise awareness among the workforce about the rights and reconciliation measures available, as well as how to request them</li> <li>• Awareness campaigns on respecting responsibilities between men and women.</li> </ul>
		<b>Occupational health and prevention against harassment</b> <ul style="list-style-type: none"> <li>• Expansion of the scope of the protocol for prevention and intervention against sexual harassment and harassment based on gender at DEUTZ Spain to all workplaces.</li> <li>• Awareness-raising about the issue and dissemination of information about the protocol.</li> </ul>
		<b>Comunicación</b> <ul style="list-style-type: none"> <li>• Conduct a audit of sexist language in internal and external documentation for the correction of any aspect related to sexist language.</li> <li>• Review of inclusive language in the collective agreement.</li> </ul>



Additionally, DEUTZ SPAIN has a protocol for prevention and intervention against sexual harassment and harassment based on gender.

## EQUALITY PLAN

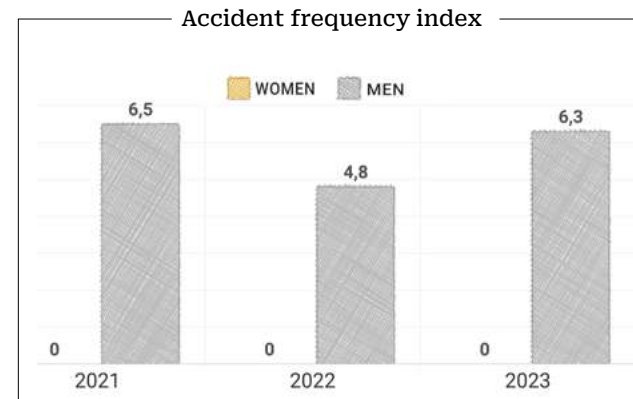
In 2023, the equality diagnosis was completed, and from this diagnosis emerged the new Equality Plan, which has already been approved and registered. This Plan has been developed by the Equality Negotiating Commission established in 2021, consisting of 7 members of the Works Council and 7 members of the organization, representing all DEUTZ SPAIN workplaces: Zafra, Madrid, and Barcelona, as well as the majority unions.

The general principles governing the II Equality Plan are as follows:

- **Transversality:** integrates the principle of equality into the company in a cross-cutting manner.
- **Inclusive:** aimed at the entire workforce, women, and men.
- **Negotiated:** considers participation through dialogue and cooperation of the parties as one of its basic principles: Company Management and the entire workforce.
- **Systematic:** the goal is achieved through the fulfillment of systematic objectives and procedures.
- **Flexibility:** tailored to the needs and possibilities.
- **Temporality:** ends when real equality between women and men is achieved.
- **Alignment with the Sustainable Development Goals (SDGs).**

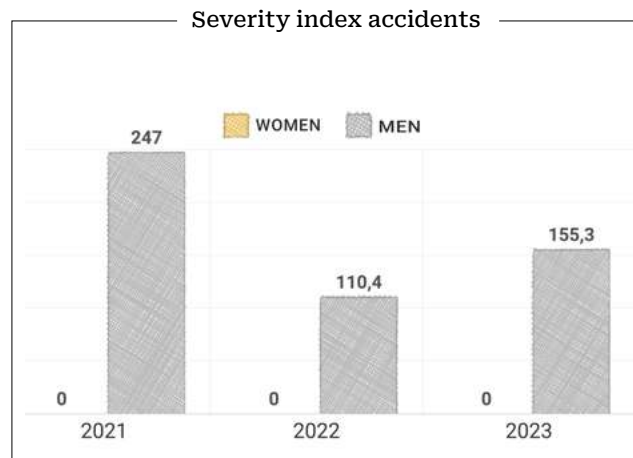


DEUTZ SPAIN assumes as one of its fundamental principles to guarantee the safety and wellbeing of all its employees.



Note-worthy in 2023:

- The flu vaccination campaign.
- Active breaks: warm-ups and stretching at the workplace to prevent musculoskeletal injuries.



Occupational Health and Safety (OHS) training:

- Initial or refresher Occupational Health and Safety (OHS) training course:
- Training sessions: 77
  - Participating workers: 313
- Specialized OHS training courses:
- Training sessions: 20
  - Participating workers: 136

# 4

## TALENT MANAGEMENT

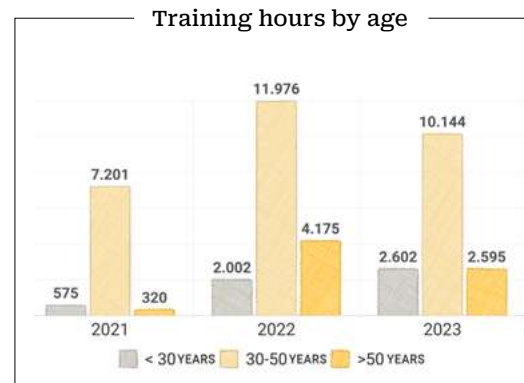
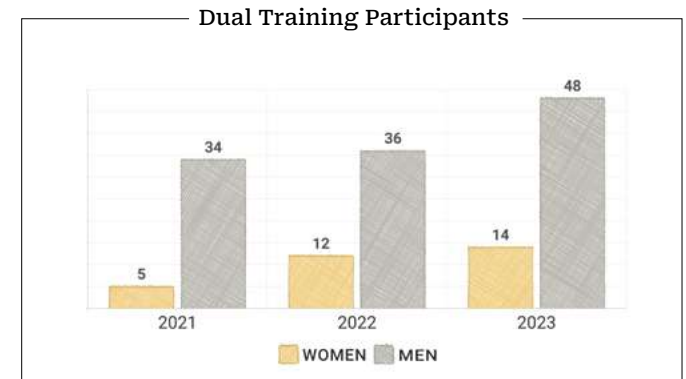
### TRAINING

DEUTZ SPAIN has strongly invested in training, especially in Dual Vocational Training, of which it was a pioneer. In 2023, more than 15,000 hours were taught, with a 54% increase in training hours for women.

Among the courses offered, those related to LEAN-methodologies and English stand out, both essential for the development of individuals within the organization.

Also in 2023, there was a 30% increase in the number of students under 30 years old, indicating a clear commitment to the organization's young talent.

Regarding the Dual Vocational Training program, through which young people can study and intern at DEUTZ SPAIN's facilities, the number of participants continues to increase year after year. In 2023, the number reached 62, a 29% increase compared to 2022.



More than **15.000** hours of training  
In 2023

**27** hours training /worker  
In 2023

▲ **54 %** hours training for women  
regarding 2022



**14** Female students from FP DUAL  
In 2023

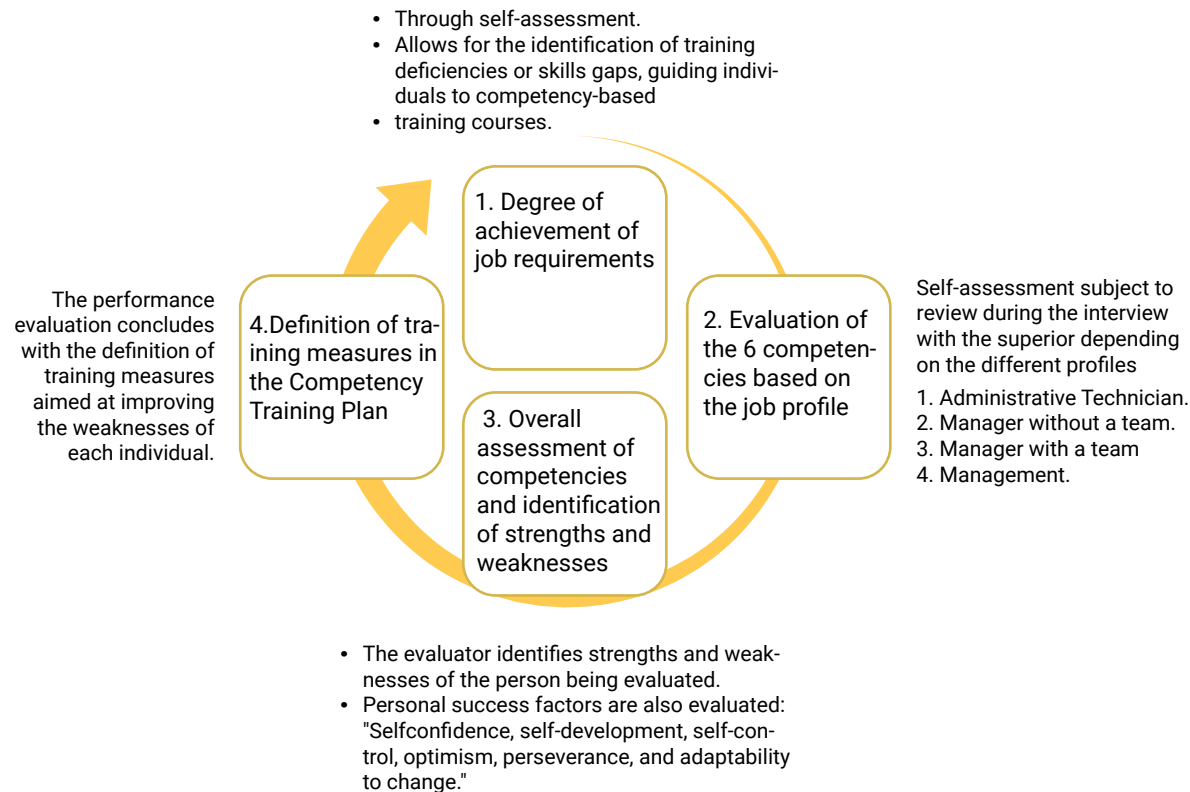


## PERFORMANCE EVALUATION

In DEUTZ SPAIN we highly value the contribution and professional development of our employees. We consider performance evaluation as a key process for personnel growth.

In the system deployed in 2023, we not only assess the performance of employees but also identify development needs as well as professional aspirations.

*The goal of performance evaluation is for all workers to feel supported in their professional development in DEUTZ*



# 4

## COMMUNICATION

DEUTZ SPAIN advocates for a communication model built on transparency and active listening. The communication plan pursues this objective by becoming a basic pillar, an open management model oriented towards people as a strategic value of the company. For this reason, in 2023, communication actions have been enhanced and increased as a measure to improve commitment and recognition to the workforce.



### Communication Channels



#### **Personal meeting with People Management**

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



#### **Intranet**

Used as a bidirectional communication channel.



#### **App DEUTZ Mobile**

Real-time information on the main news events happening in DEUTZ SPAIN.



#### **Commitment Survey**

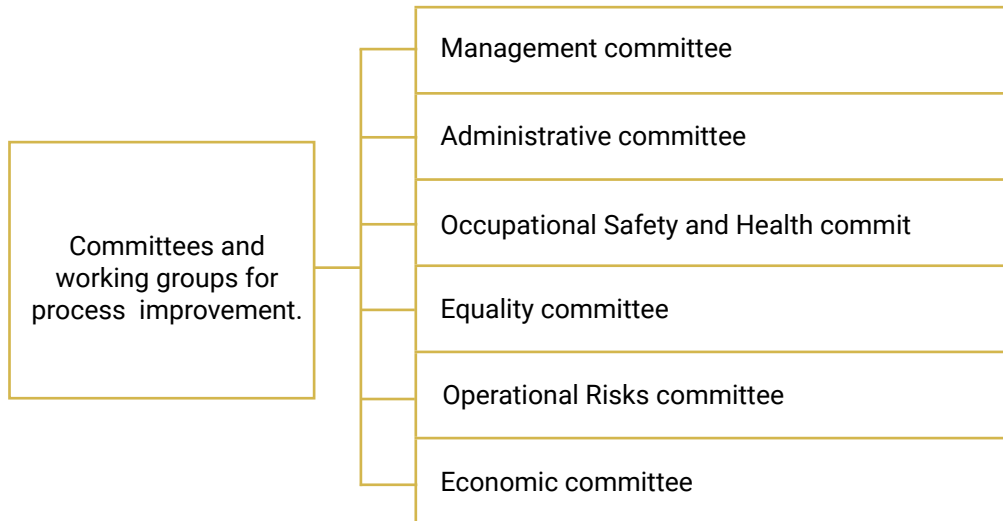
Based on this survey, action plans are established to improve the most prominent weak points.



#### **Direct Communication**

Information sessions and meetings.





## OBJECTIVES 2024

Deployment of the Second Equality Plan

Closing of the New Collective Agreement

Deployment of 5T Values

Power Talent DEUTZ

## PARTICIPATION

DEUTZ SPAIN promotes employee participation in the incorporation of improvements in their own work and in the organization as a whole. Workers make proposals that are studied and may end up being recognized by the Production and People Management departments.

**265**  
Proposals received  
in 2023.

**89**  
Implemented  
proposals



“

## INMACULADA PIMIENTA RAMÍREZ

D

EUTZ Spain is a socially committed company, that's why it makes different donations throughout the year. Do you think it should carry out any other donation or activity different from the ones it has already done?

*For us, all the donations that reach us are extremely important, since they are the only support that we have to be able to help our brothers and sisters in need. As we all know, more and more people are in need ... our help goes beyond giving food. We pay rent, electricity bills that come to us with a cut on notice, we pay for medication from the chemist, books and all the necessary and basic things that one needs in a house. Therefore, we would really appreciate receiving more than just one donation annually, although saying that, we are extremely grateful for any donations we receive.*

What corporate values do you think the DEUTZ brand best transmits?

*The people that we have worked alongside transmit closeness, listening skills, humanity and awareness of the existence of poverty.*

What role do you think DEUTZ plays in a social environment like the one in Extremadura?

*Their role is very important as many families depend on these companies to be able to sustain their current home life.*



5



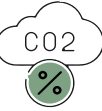



**ENVIRONMENTAL  
PERFORMANCE**



# 5

## ENVIRONMENTAL PERFORMANCE

	Minimization of environmental impacts.
	Development and monitoring of Waste Minimization and Energy Efficiency Plans.
	Greenhouse Gas Emissions Reduction Plan.
	Environmental liability insurance of up to €1,000,000 for damages within and outside the facilities.

DEUTZ SPAIN's commitment to sustainable development is manifested in tangible actions, including:

Completion of PHASE I photovoltaic plant in Zafrá for self-consumption

Chargers for electric cars  
60.000 €

Replacement of lighting fixtures  
57.984 €

Renting electric van Service Center Madrid  
11.647 €



Renting the zero-emission van provides the following advantages:

- Reduction of emissions and consumption of fossil fuels.
- Improvement of corporate image.
- Free access to zero-emission zones.
- 400 KM autonomy.

*We take our responsibility towards future generations and the environment very seriously.*

Improvement projects in the facilities of DEUTZ Spain:

**Expansion and improvement of locker room insulation.**

In 2023, the renovation work of the employees' locker rooms was carried out, where, in addition to expanding the surface area by 70 square meters, a significant improvement in thermal insulation was achieved. This improvement is based on replacing conventional windows with double-insulated windows and installing a ventilated facade over the old facade.



**Improvement of the building's wall insulation.**

Removal of glazed areas to improve insulation of the floor.



Next, we describe the environmental performance of the Zafrá production plant in the year 2023. The environmental information of the technical services in Madrid and Barcelona, given their lesser relevance, can be consulted in the Annex CONTENTS INDEX LAW 11/2018 - GRI STANDARDS of this report.

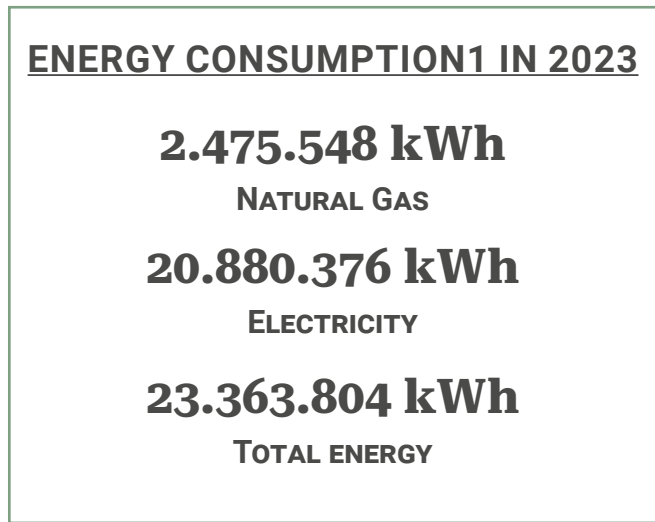
The most significant projects and investments undertaken in 2023 have been the following:

<b>Waste Management</b> 129.825 €	<b>Emissions and discharge measurements</b> 1.805 €
<b>Energy and Environmental Management</b> 8.590 €	<b>Dedicated Staff</b> 3 especialistas

# ENERGY



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



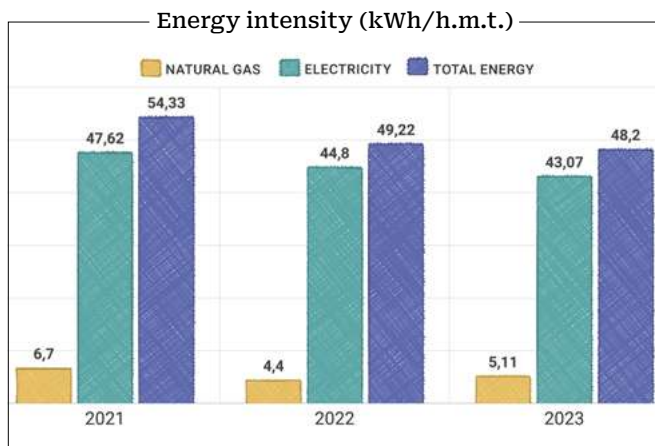
**-2 %**  
REDUCTION IN ENERGY  
INTENSITY COMPARED  
TO 2022

**CONSUMIMOS ENERGÍA  
100% VERDE**  
EN TODOS NUESTROS PROCESOS

Compromiso de DEUTZ SPAIN con la sostenibilidad

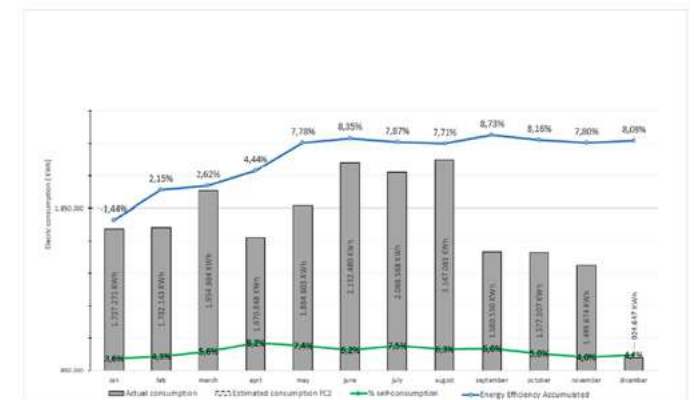
OBJETIVOS DE DESARROLLO SOSTENIBLE

7 ENERGY ACCORDS 100% RENEWABLE



We are aware that renewable and CO2-neutral energies are the future of companies, therefore DEUTZ SPAIN has been consuming 100% renewable electricity since 2023, either obtained through self-consumption with energy generated from installed solar panels or purchased with a renewable origin guarantee (ROG).

Además, en 2024 ya se ha iniciado el proyecto FASE II de autoconsumo por aprovechamiento de energía solar que se espera pueda suministrar hasta un 30% de la energía eléctrica demandada por la planta de Zafra.



<sup>1</sup> The energy consumption of the Zafra plant.

Oils.

Cutting fluids.

Liquid Nitrogen.

Methanol.

Adhesives.

Antioxidants.

Detergents.

VCI Paper.

A3/A4- type paper.

▼ **8,5 %**

**REDUCTION IN LIQUID NITROGEN CONSUMPTION  
PER MACHINE HOURS COMPARED TO 2022.**

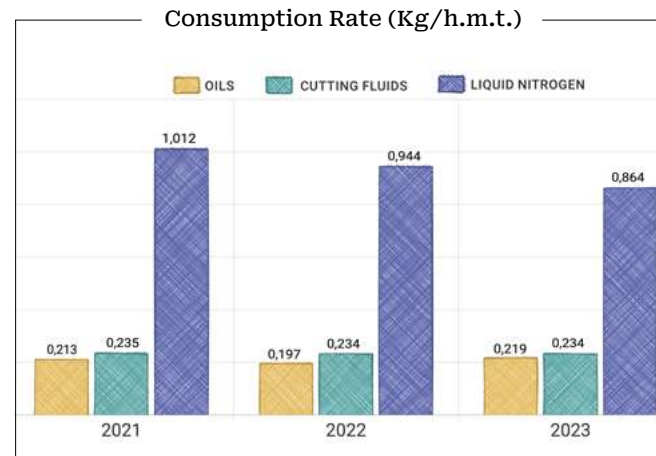
### LESS PAPER, BETTER MANAGEMENT

During 2023, the reduction in paper consumption has continued thanks to the progressive digitization of processes, which has been ongoing for several years, thereby reducing associated bureaucracy.

The main materials consumed in the production plant of Zafra are oils, cutting fluids, and liquid nitrogen. In addition to this, paper consumption is included, which is a product not directly involved in the production process but necessary for support activities.

The company's integrated management system tracks these products with the aim of controlling and minimizing their consumption.

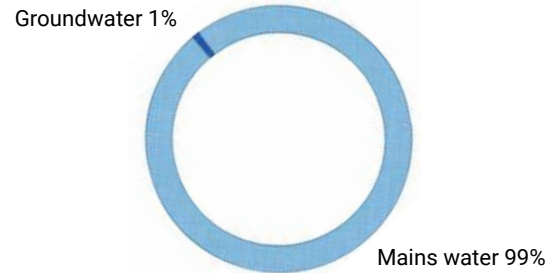
Thanks to the implemented measures, reductions in some raw materials have been achieved.



# WATER



WATER CONSUMPTION BY SOURCE (m3)



Through the implementation of new technologies, the organization aims to reduce water consumption through its reuse. Therefore, DEUTZ SPAIN has established waterto-water cooling technology as a standard for its production processes through cooling towers. This is an environmentally friendly technology, as 95% of the water used in a tower is reused, and the energy required for operation is lower than that of air-cooled equipment.<sup>2</sup>

## WATER CONSUMPTION IN 2023

**26.143 m<sup>3</sup>**

**MAINS WATER**

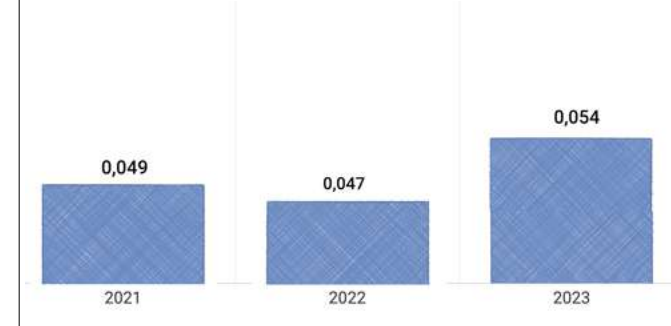
**204 m<sup>3</sup>**

**GROUNDWATER**

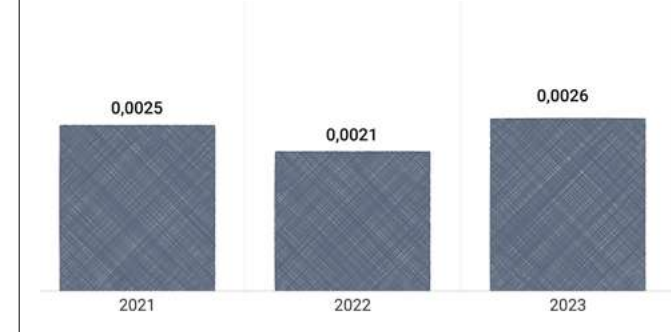
**26.347 m<sup>3</sup>**

*The water from production goes through the necessary treatment mechanisms before being returned to the network.*

Intensity in total water consumption (m3/h.m.t.)



Total wastewater discharge (m3/h.m.t.)



<sup>2</sup> Data corresponding to the Zafra plant.



# 5

## EMISSIONS

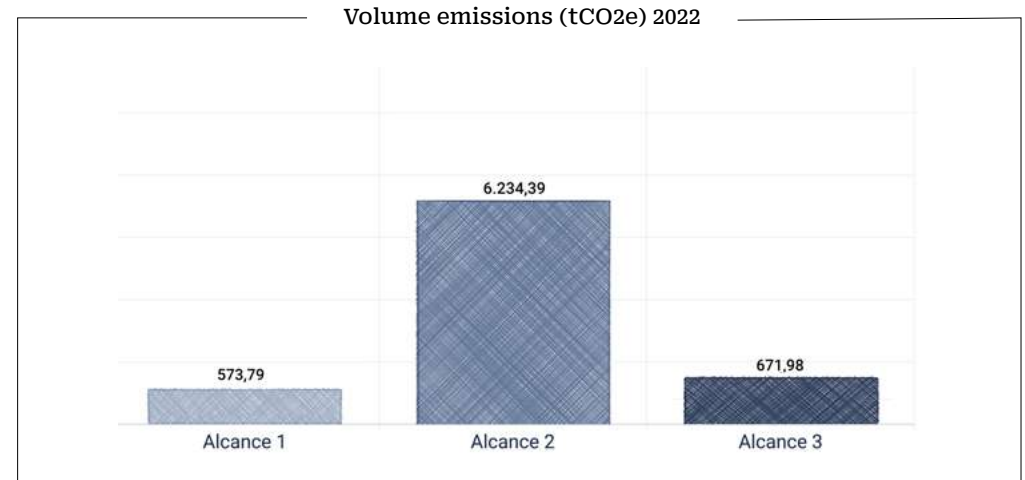
DEUTZ SPAIN's policy regarding carbon emissions is to implement measures for prevention and reduction, understanding that efforts should primarily focus on avoiding emissions at the source rather than remedying them.



Thanks to the implementation of energy efficiency measures that have reduced electricity consumption and the procurement of energy with a renewable origin guarantee in 2023, the complete elimination of Scope 2 emissions has been achieved at the Zafra workplace.

In 2023, DEUTZ SPAIN calculated and verified its carbon footprint for the first time. Therefore, with the aim of publishing the verified emissions data, this sustainability report includes emissions data for the year 2022, the data for 2023 will be published in the next report.

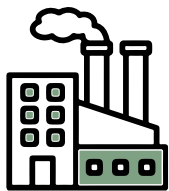
Furthermore, as this is the first year of calculation and verification, the evolution of emissions compared to previous years is not reflected since the calculation method has changed.



Along with the calculation of the carbon footprint, an emissions minimization plan has been established, which includes specific actions aimed at reducing over 90% of Scope 1 and 2 emissions, more than 8,300 tCO<sub>2</sub>, by 2025.

Among the most relevant actions included are the following:

- Replacement of cold generation machines with a water-cooled chiller.
- Installation of photovoltaic plants.
- Replacement of skylights to take advantage of natural light and improve insulation.
- Installation of an intelligent lighting system.
- Replacement of lighting with LED lights.
- Procurement of electricity with Renewable Energy Guarantees of Origin.



*In 2023, DEUTZ SPAIN verified the carbon footprint of all its activities for the year 2022 under the GHG Protocol standard.*

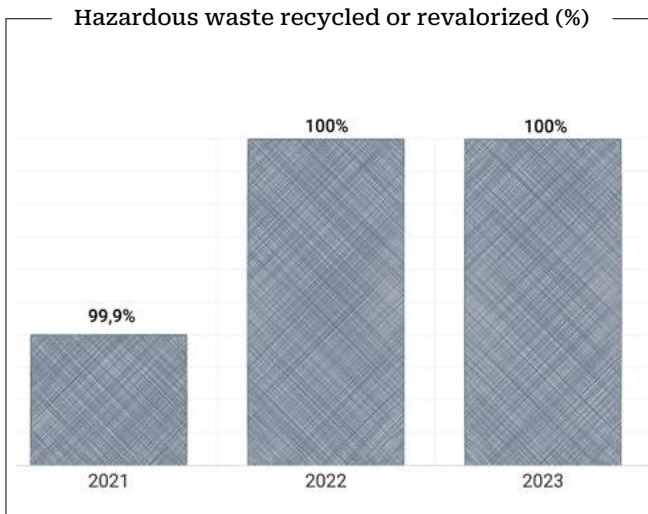
Volume Total emissions (tCO<sub>2</sub>e) 2022



Intensity emissions (tCO<sub>2</sub>e) 2022

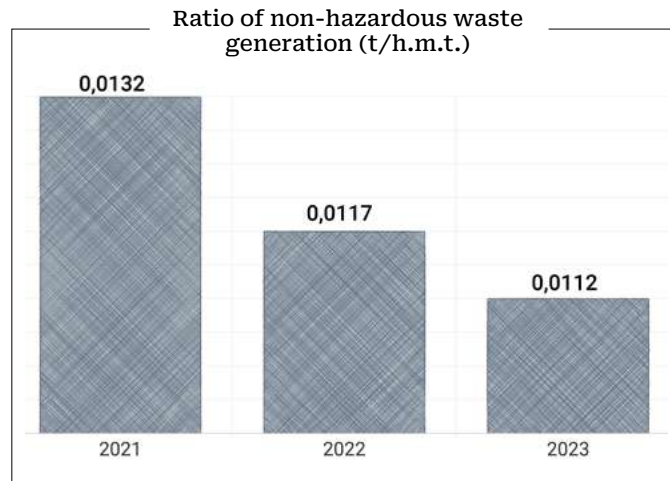


# WASTE



100% of the hazardous waste generated by DEUTZ SPAIN is recycled or revalorized, an achievement reached through the application of the best technologies, awareness-raising, and training for all personnel in the organization.

In 2023, an improvement project regarding waste management has been implemented. A new outdoor chemical storage warehouse has been installed. The warehouse consists of cabinets with capacity for 9 containers or 18 drums. Each cabinet has its leak containment system.

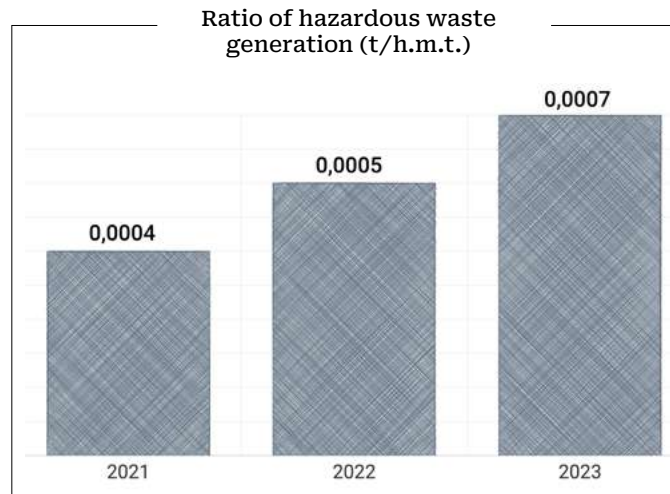


**WASTE GENERATION IN 2023**

**332,6 t**  
HAZARDOUS WASTE

**5.452,5 t**  
NON-HAZARDOUS WASTE

**100%**  
HAZARDOUS WASTE RECYCLED  
OR REVALORIZED





## DESIREE BRAGADO

# W

hat environmental aspect have you been most involved in and what do you think has led you to it?

*Mostly in the energy management of the plant. The war in Ukraine was a wake up call that made us realize that we were not prepared. Energy became a strategic resource for the company.*

*A multidisciplinary team was set up specifically to drive the energy consumption reduction plan, and we began to closely monitor the energy market in order to define a long-term electricity and gas purchasing strategy.*

*Even so, there is still much to be done. In the end, improvements are a sum of actions to which we can all contribute. If we raise our awareness, we can make a small change. It may not seem like much, but the sum of those small changes can make a big difference to the planet.*

How did the position of “green manager” in the company come about?

*The concept of “green” business management has become relevant to society in recent years, and for Deutz Spain the incorporation of hydrogen technology into the business of Deutz AG was a before and after. We realized that we could not tackle a project with this technology integrated among other day-*

*to-day functions. A few months ago we thought to ourselves: if this is what we want, we have to go for it. Thus, the position of “green manager” was created to promote the company's green projects.*

What activity has made you proud in this respect?

*The day we got approval for the project to build the hydrogen pilot plant in Zafra.*

*I remember Dr. Petra Maier's reply at the end of the project presentation: There is no discussion about whether it is going to be done. But we want to have it this year. At that moment, after many months of work, I thought: we are going to do it. Here, in Zafra. And it was a great relief and a great responsibility. For me, for Deutz Spain, for all of us.*



6



**DEVELOPING THE  
LOCAL COMMUNITY**



DEUTZ BUSINESS SCHOOL®



# 6

## TRAINING AND EMPLOYABILITY

DEUTZ SPAIN's commitment to the local community is deployed along two main axes: training and employability, and assistance to vulnerable groups.

The nearly 1,100 students and the numerous visits received by the Deutz Business School throughout 2023 are evidence that Extremadura, and specifically Zafra, is becoming a reference center for technical training and business development. This fact directly impacts the economic and social development of the region.

### TRAINING AND EMPLOYABILITY

### HELPING VULNERABLE GROUPS

#### Deutz Business School

**Deutz Business School®** Foundation represents an independent and non-profit institution, driven by the **DEUTZ GROUP**. Its fundamental mission is to promote the economic and professional progress of Extremadura and its surroundings through a high-quality technical, competency-based, and management training offer. The commitment involves launching training programs that promote innovation, addressing the current demands of the business sector, and facilitating the integration of new professional profiles required by the market.



**EDUCATIONAL INNOVATION**



**CONTINUOUS LEARNING**



**OPPORTUNITY FOR YOUNG PEOPLE**



During its first five years of existence, the Deutz Business School Foundation has aimed to align all its activities with the Corporate Social Responsibility principles and policies that prevail throughout the Deutz Group, in order to generate a positive impact on its collaborators, students, clients, the environmental surroundings, and the society of Extremadura as a whole.

To achieve its objectives and fulfill the foundational purposes that motivated its creation, Deutz Business School is constantly innovating and undertaking new ventures. Its ongoing contact with the region through its Advisory Council facilitates the identification of the needs and challenges faced by companies in Extremadura, in order to offer tailored solutions in the form of highquality training programs. These programs cover a wide range of topics, including industrial processes and lean manufacturing, leadership and team management, advanced finance, language and international immersion, and key competencies for managerial and intermediate positions.

#### DEUTZ BUSINESS SCHOOL IN 2023

**1.054**

STUDENTS

**135**

TRAINING ACTIONS

**13**

EDITIONS DUAL VOCATIONAL TRAINING



In the fiscal year 2023, the highest numbers to date have been recorded regarding the number of training programs launched, with a significant highlight on in-company actions, both in English and Spanish, aimed at large and small companies from various sectors in areas such as team management, Lean, finance, and other key competencies.

Throughout 2023, a total of 135 training activities have been carried out, representing an increase of 187.5% compared to the previous year. Additionally, 1054 enrollments were formalized, of which 68% came from regional companies that have chosen to invest in their employees' training.

To implement these 135 initiatives, the participation of more than 70 national and international experts was secured, contributing to an NPS score of 9.47 out of 10 for the Deutz Business School Foundation.

**DEVELOPING AN EFFECTIVE BUSINESS CULTURE: A JOURNEY TOWARDS THE LEAN PHILOSOPHY**



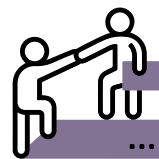
Deutz Business School® is proud to have successfully concluded the fifth edition of the **Lean Black Belt Practitioner Postgraduate** program in June 2023, in collaboration with the University of Extremadura and the Lean Management Institute. This program has become a benchmark postgraduate training course throughout the region of Extremadura.

Additionally, during the months of April and May, the Lean In Company Program was conducted in English: **Lean Management Training**, aimed at 12

middle managers of Deutz AG. These participants attended sessions on Introduction to Lean, Simulations, Time and Value Management, A3, Kaizen, as well as visits to industrial plants in Portugal and Spain. These activities, led by the Lean Management Institute and Deutz Business School, allowed them to appreciate the impact and advantages of this work philosophy in their organization.



**SCHOOL OF LEADERS: COMPREHENSIVE TRAINING FOR MIDDLE MANAGERS**



The **Leadership Development Program for Middle Managers**, conceived as a training initiative derived from the companies that make up the DEUTZ BS Advisory Council, offers a comprehensive vision and specific tools aimed at strengthening leadership skills at intermediate levels of the corporate hierarchy. This program, designed with a highly practical approach, aims to train middle managers for the direct application

of knowledge and practices in their work environment, based on their own areas of development.

The program consists of 10 in-person sessions, each lasting 5 hours, and 4 individual online coaching sessions of approximately 1 hour each. Throughout these sessions, participants are guided to meticulously work on their Leadership Agenda, designed to facilitate the effective transfer of knowledge to their respective organizations. Additionally, they receive constant support from coaches and mentors through telematic means to consolidate their learning and practically apply the skills acquired.

This program not only provides tools to lead teams effectively but also promotes the personal and professional growth of middle managers, preparing them to tackle leadership challenges in the current work environment. In 2023, more than thirty-five people have been trained in this discipline.



## **STRENGTHENING COMMITMENT: THE PATH OF DUAL VOCATIONAL TRAINING AT THE DEUTZ GROUP**



Throughout 2023, the commitment to improving the qualifications of the region's youth has been upheld through the ongoing implementation of the Dual Vocational Training (FP Dual) program, an initiative that has been in place for 13 consecutive editions under the auspices of Deutz Spain and Deutz Business School. These medium and higher-level dual vocational training programs, developed in collaboration with the Cristo del Rosario Secondary School (IES), complement a significant educational offering aimed at enhancing talent in the Extremadura region.

These training programs allow students to acquire knowledge both in the classroom and in real work environments, through sessions taught by a teaching staff from Deutz Spain, Deutz Global Service Center, and IES Cristo del Rosario. The teaching methodology combines theory and practice in the business field to ensure comprehensive training and facilitate the launch of the participants' professional careers.

Additionally, the program offers the opportunity to undertake professional internships in Deutz Group companies, enabling students to access a job position once they have completed their studies.

It is worth noting that the Deutz Group was a pioneer in the implementation of the FP Dual modality at the national level, and the employment rate of graduates in its companies exceeds 90% in each edition.

## **PEOPLE WITH TEAM**



Within the DEUTZ Group, a training program is being proposed to develop the skills necessary to foster the entrepreneurial spirit that the company seeks in its employees to navigate the challenging times ahead.

In the pilot program "People with Team," 13 people participated: 12 from DEUTZ AG and one from DEUTZ SPAIN. DEUTZ AG Talent Managers selected the participants.

In 2023, this program was conducted at Deutz Business School and at the Innovation Center.

## **INTERNATIONAL PROGRAM IN MANAGEMENT SKILLS – PIEM**



A group of 13 executive leaders has participated in this executive education program. With notable success, it has provided a series of masterclasses in key areas such as Finance, Digital Transformation, Creativity and Innovation, Human Resources Management, Leadership, and Communication, among other relevant disciplines.

This training program stands out for its uniqueness at the national level. Spanning 120 hours, it offers a detailed study of case studies from leading companies, visits to prominent industrial facilities, and networking activities with CEOs and other executive professionals from various sectors.

The **International Program in Management Skills (PIEM)** focuses on enhancing the participants' trajectory in leadership roles, equipping them with the

competencies and skills necessary to lead teams towards achieving high organizational performance.



## **ADVANCED PROGRAM IN BUSINESS ADMINISTRATION AND FINANCE (ADE)**



Following the success achieved in the first edition held in 2022, the **Practitioner Program in Business Administration and Finance** is being relaunched. It is designed to complement the skills and knowledge of Deutz Global Service Center and Deutz Spain teams for full integration into an international business environment, proving to be highly effective.

This training, lasting 6 months with a total of 103 teaching hours, has been implemented in all three existing teaching modalities (in-person, online, and





hybrid). This adaptation to new teaching modalities has facilitated the participation of the attendees in the sessions, promoting a balance between their personal and professional lives.

### LANGUAGE ACADEMY



The Deutz Business School **Language Academy** represents an exciting initiative that provides students with the linguistic tools necessary to successfully tackle any professional and personal challenge they may encounter.

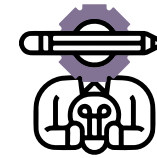
In this academy, **German and English classes** are taught in a highly dynamic manner, tailored to the individual goals of each participant for personal or professional objectives.

The department has implemented new training initiatives with notable success. Among them, the **English Language Immersion** stands out, carried out over a weekend in the town of Llerena (Badajoz), in which a dozen students from companies located in the Extremadura region participated. Through the application of role-playing games, simulations, conversations, and debates, participants have managed to increase their fluency in the language and have improved their skills to interact both with clients and with members of their teams. This initiative attracted the attention of various media outlets, who highlighted Deutz Business School as a benchmark in the field of language training.



Tabitha Newman, new coordinator of the language department at Fundación DEUTZ Business School.

### DEUTZBS WORKS ON ANCHORING YOUNG TALENT IN EXTREMADURA



In response to the growing concern among Extremadura's companies about the 'brain drain' our region has been experiencing for years, the Deutz Business School Foundation, along with several companies from its Advisory Council, is working on the launch of awards aimed at rooting the youngest talent in Extremadura. To advance this goal, advised by the consulting firm Valmond, the creative development of the idea began in 2023, which will be implemented throughout the year 2024.

### COLLABORATIONS DEUTZ BUSINESS SCHOOL FOUNDATION 2023

Collaborating Educational and Business Entities	DEUTZ Spain
	AEC
	ILM
	IES Cristo del Rosario
	Cambridge English Language Assessment
Other Educational Institutions	Association for the Progress of Management (APD)
	Universal Robots
	Grupo AyS
Business Entities	AAlumni Association San José Villafranca
	Association Entrepreneurs of Zafra
	Extremadura Association of Family Businesses
	Energy Cluster of Extremadura

## HIGHLIGHTED EVENTS AND VISITS

### • **The First EME Challenges Encounter of 2023 in Deutz Business School**

The Government of Extremadura selected Deutz Business School as the venue for the First EME Challenges Encounter, an initiative aimed at 25 Extremadura businesswomen who faced challenges related to digitization in their companies.

The main objective of this encounter was to address how digitization impacts the management and operation of businesses, as well as to identify and propose practical solutions to improve the digital maturity of the participating companies.

During the event, businesswomen and self-employed individuals received guidance from a group of experts in digitization to understand the context of the digital environment in which they operate.

### • **Business Update 2023: Labor, Fiscal, and Commercial News alongside Corporate Criminal Liability**

In mid-February 2023, an event organized by APD (Association for the Progress of Management) and Deutz Business School took place, with the collaboration of the legal firm Garrigues and presentations from its leading experts. This event focused on providing a comprehensive update on the relevant legislative and judicial developments for the year 2023 in various business areas.

The event provided a valuable opportunity for business and legal professionals to stay up to date with regulatory and judicial changes impacting their daily operations and corporate management.

### • **TALENT: The Most Strategic Asset for the Future of Companies" (APD)**

With the aim of addressing the importance of including talent management as part of the strategy that will define success in the future of companies, on November 28th, we celebrated a conference in collaboration with APD, aimed at HR managers and technical staff from companies in Extremadura.

Juan Carlos Cubeiro, an expert in management, leadership, and talent transformation, and Pilar LLácer, a Top Voice on LinkedIn and Director of Culture, People, and Talent Engagement at LLYC Europe, shared their knowledge and extensive experience in managing and retaining talent with the more than 80 professionals who attended representing different companies from the region.

## HELPING VULNERABLE GROUPS



DEUTZ SPAIN is aware that being a leader in the business community of Zafra also makes it a fundamental lever for the solidarity initiatives developed in the community. For this reason, year after year, it lends its support to several humanitarian organizations in Zafra.

Additionally, the organization collaborates with various entities to advance towards a fairer and more inclusive model.

*In 2023, we have donated over €7,000 to various organizations.*



With an annual turnover of nearly €40,000, the Plena Inclusión Zafra center carries out customized assembly and cutting necessary for the production process.



Through the hiring of GRUPO SIFU, a Special Employment Center responsible for internal logistics, external warehouse management, and facility cleaning, DEUTZ SPAIN facilitates the integration of people with disabilities into the workforce.



# ABOUT THIS REPORT

## Coverage and scope

For the sixth consecutive year, DEUTZ SPAIN is publishing its Corporate Social Responsibility report in accordance with Spanish Law 11/18 on non-financial information and in compliance with GRI Standards for the period from January 1, 2023, to December 31, 2023. Furthermore, in compliance with Law 11/2018, this report has been verified by an external and independent entity (AENOR).

With this report, DEUTZ SPAIN, in an exercise of transparency with its stakeholders, accounts for its commitments in terms of sustainability under an economic, social, and environmental approach.

The contents of this report refer to data from January 1 to December 31, 2023, and, where possible, information for the years 2021 and 2022 has been included, covering all activities of the organization.

## Materiality

The materiality or relevance of the contents of this report has been determined based on the study ca-

ried out on the Management Committee and all the Stakeholder Groups, as described in the Corporate Responsibility section. Each relevant material aspect has been analyzed to identify its correspondence with the GRI Standards, selecting those that meet with stakeholder expectations and the DEUTZ SPAIN strategy. In addition, other GRI indicators have been responded to voluntarily, with the aim of increasing transparency and understanding of the company's activities.

## Contacto

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

DEUTZ SPAIN, S.A.U

Ctra, Badajoz-Granada ZAFRA (Badajoz)

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# ANNEX I: QUANTITATIVE INFORMATION



## ENVIRONMENT

### RAW MATERIALS CONSUMPTION

Production consumption at the Zafra plant	Consumption 2021	Ratio	Consumption 2022	Ratio	Consumption 2023	Ratio
Oil Consumption	96.227 KG	0,213 kg/h machine	100.043 KG	0,197 kg/h machine	1106.242 KG	0,219 kg/h machine
Cutting fluids Consumption	106.518 L	0,235 l/h machine	118.825 KG	0,234 l/h machine	113.311 KG	0,234 l/h machine
Liquid Nitrogen Consumption	458.264 L	1,012 l/h machine	480.000 L	0,944 l/h machine	418.679 L	0,864 l/h machine
Adhesive Consumption	442.095 GR	0,977 ml/h machine	498.000 GR	0,979 ml/h machine	46.000 GR	0,949 ml/h machine
Antioxidant Consumption	3.665 KG	8,096 kg/thousand h machine	1.990 KG	3,912 kg/thousand h machine	2.165 KG	0,004 kg/thousand h machine
Detergent Consumption	12.614 KG	0,028 kg/h machine	13.535 KG	0,027 kg/h machine	9.985 KG	0,021 kg/h machine
VCI Paper Consumption	1.776 KG	3,930 kg/ thousand h machine	1.712 KG	3,366 kg/ thousand h machine	2.304 KG	4,753 kg/ thousand h machine
A3/A4-type Paper Consumption	135.500 UD	0,299 u A4/h machine	122.500 UD	0,241 u A4/h machine	51.500 UD	0,106 u A4/h machine
Steel Chip Generation	5.205.740 KG	11,5 kg/h machine	4.997.440 KG	9,825 kg/h machine	4.705.570 KG	9,707 kg/h machine
Cast-Iron Chip Generation						
Aluminum Chip Generation	2.210 KG	0,005 kg/h machine	25.100 KG	0,049 kg/h machine	25.440 KG	0,052 kg/h machine

Consumption (in kg) per work center	MADRID			BARCELONA		
	2021	2022	2023	2021	2022	2023
Oil Consumption	3.300	1.020	1.166	2.492	1.330	1.294
Refrigerant Consumption	515	550	504	600	615	318
Filter Consumption	311	156	205	234	181	131

### COMBUSTIBLE CONSUMPTION AND EMISSIONS

Centre	Type of Combustible	Volume (l)		
		2021	2022	2023
Zafra	Diesel Fuel C	-	7.920	7.880
Madrid	E5 (l)	16.726	13.487	19.950
Barcelona	E5 (l)	4.000	6.494	8.938

Factores emisión MITECO: E5=2,244

### ENERGY CONSUMPTION

Centre	Electricity Consumption (kWh)		
	2021	2022	2023
Zafra	21.556.605	22.788.336	20.880.376
Madrid	116.341	133.502	128.072
Barcelona	20.921	25.600	28.863

Centre	Natural Gas Consumption (kWh)		
	2021	2022	2023
Zafra	3.037.589	2.236.452	2.475.548

Centre	Total Energy Consumption (kWh)		
	2021	2022	2023
Zafra	24.594.194	25.024.788	23.355.924

<b>Madrid</b>	116.341	133.502	128.072
<b>Barcelona</b>	20.921	25.600	28.863

### ENERGY INTENSITY

Centre	Energy intensity - combustible (kWh/n° repairs)			Energy intensity - electricity (kWh/hours worked)		
	2021	2022	2023	2021	2022	2023
<b>Madrid</b>	739,54	359,88	408,94	65,21	2,84	2,89
<b>Barcelona</b>	220,62	209,93	196,38	11,73	1,94	2,08

Conversion factors: 1 liter of diesel fuel = 10.7 kWh

### EMISSIONS

All the centers	Total Scope 1 (tCO2) Direct emissions GHG	Total Scope 2 (tCO2) Indirect emissions GHG	Total Scope 3 (tCO2) Other indirect GHG emissions
		<b>573,79</b>	<b>6.234,39</b>
Scope 1: Direct GHG emissions	Fixed combustion installations - generator sets		1,09
	Fixed combustion installations - boilers		401,59
	Vehicles (cars and vans)		59,68
	Fugitive emissions from HVAC/refrigeration equipment		111,42
	Fugitive emissions from firefighting equipment		0,02
Scope 2: Indirect emissions GHG	Associated with the consumption of purchased electricity		6.234,39
Scope 3: Other indirect GHG emissions	Waste transport		338,51
	Waste management		333,47

### WATER

Water consumption (m3)	Mains water			Groundwater			Total consumption		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
<b>Zafra</b>	21.156	22.724	26.143	883	1.028	1.028	22.039	23.752	26.347
<b>Madrid</b>	458	300	56	-	-	-	458	300	56



Barcelona	79	300	110	-	-	-	79	300	110
Wastewater discharge (m3)	2021			2022			2023		
Zafra	1.004,91			1.079,39			1.242,00		
<b>WASTE</b>									
Type of hazardous waste generated in Zafra	Quantity of waste (kg)			Identification (LER)	Final waste treatment method				
	2021	2022	2022						
Non-chlorinated mineral oils	45.000			130205	R13				
Water with hydrocarbon	73.500	140.780	140.720	130507	R13				
Contaminated absorbents	30.916	57.992	41.828	150202	R13				
Gases in pressure vessels	11.433	270	227	160504	R13				
Bio-sanitary waste	6			180103	R13				
Electrical and electronic equipment	356	1.963	1.171	160213	R13				
Contaminated metal packaging	455	860	732	150110	R4				
Contaminated plastic packaging	785	1.740	362	150110	R4				
Fluorescent tubes	220	58	0	200121	D15				
Sludge with hc's	34.393	66.716	147.559	130502	R13				
Non-hazardous waste type generated in Zafra	Quantity of waste(kg)			Identification (LER)	Final waste treatment method				
	2021	2022	2023						
Paper and cardboard	74.942	93.460	69.690	200101	R13				
Plastics	20.160	23.300	21.360	200139	R13				
Cast-iron and steel chips	5.205.740	4.997.440	4.705.570	120101	R13				
Aluminum	2.210	25.100	25.440	120101	R13				
Ferrous metals Iron and Steel	13.588.660	658.890	556.560	170405	R13				
Wood	-	139.110	56.660	200138	R13				
Plating	-	18.780	17.220	200140	R13				

Waste generated per center (t)	Madrid				Barcelona			
	2021	2022	2023	Destination	2021	2022	2023	Destination
Used oil	2,900	1,720	1,7	R13	1,711	1,491	1,896	R1303
Oil filters	0,288	0,369	0,055	R13	0,221	0,216	0,262	R1302
Pressure vessels	0,015	0,040	0,029	R13	0,014	0,033	0,082	R1303
Plastic packaging	0,260	0,364	0,076	R13	0,397	0,248	0,354	R1303
Refrigerators	0,342	0,042	0,03		0,779	1,055	0,3	R1303
Batteries	0,124	0,289	0	R13	0,161	-	-	R1303
Absorbents	0,419	0,114	0,146	R13	0,588	0,77	0,668	R1303
Water hydrocarbons	3,300	1,920	1,2	R13	-	-	-	
Absorbents and filtration materials	-	0,0896	0,121	R13	-	-	-	
Washing water	-	-	-	-	1,291	1,128	1,604	R1303
Other solvents and mixtures	-	-	-	-	0,027	1,039	0,105	R1303
Oily water from separators	-	-	-	-	-	-	3,28	R1303
Paper and cardboard	2,601	1,475	1,9	R13	0,3	0,7	1,050	R13
Wood	0,0305	0,24	1,08	R13	-	-	-	-
Scrap	-	4,38	7,46	R13	2,12	3,24	2,85	R13
Toner	-	0,015	0	R13	-	-	-	-
Municipal waste mix	-	-	-	-	-	3,6	4,2	R13
Other solvents	-	-	-	-	-	0,06	0,127	-

## PEOPLE

### STAFF DISTRIBUTION BY GENDER

Types of contracts		2021		2022		2023	
		Men	Women	Men	Women	Men	Women
By age	<30 years	75	7	35	4	22	3
	30-50 years	332	24	315	26	306	25
	>50 years	138	4	146	5	150	5

By category	Management team	18	1	17	1	15	1
	Team manager	42	3	38	3	38	4
	Manager with no team	32	4	27	4	32	4
	Technicians and administrative personnel	57	11	414	27	393	24
	Operators	396	16				

**CONTRACT TYPOLOGY**

Type of contract		2021		2022		2023	
By gender		Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
	Men	422	123	430	66	449	29
	Women	29	6	29	6	31	2

By age	<30 years	29	29	15	15	16	9
	30-50 years	314	314	319	319	329	2
	>50 years	108	108	125	125	135	20

By category	Management team	19	0	18	0	16	0
	Team manager	44	1	41	0	41	1
	Manager with no team	35	1	31	0	35	1
	Technicians and administrative personnel	53	15	369	72	388	29
	Operators	300	112				

Contracts by contract type		2021		2022		2023	
By gender		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
	Men	513	32	471	25	458	20
	Women	33	2	34	1	32	1

By age	<30 years	82	0	39	0	25	0
	30-50 years	354	2	340	1	330	1
	>50 years	110	32	126	25	135	20

By category	Management team	19	0	18	0	16	0
	Team manager	43	2	40	1	40	2
	Manager with no team	34	2	31	0	36	0
	Technicians and administrative personnel	62	6	416	25	398	19
	Operators	388	24				

### NEW HIRES

N° new hires		2021		2022		2023	
By gender							
	Men	49		54		49	
	Women	10		8		4	
By age							
	<30 years	11		26		18	
	30-50 years	44		33		32	
	>50 years	4		3		3	

By category	Management team	1	1	0
	Team manager	4	1	4
	Manager with no team	1	3	6
	Technicians and administrative personnel	15	57	43
	Operators	38		

### TURNOVER

Turnover Rate		2021		2022		2023	
By gender	Men	2,50%		5,00%		6,20%	
	Women	5,70%		5,70%		3,00%	
By age							
	<30 years	0,86%		1,80%		1,50%	
	30-50 years	0,34%		0,70%		1,70%	
	>50 years	1,55%		2,40%		2,50%	

Voluntary turnover		1,00%	2,60%	3,70%
<b>LAYOFFS</b>				
N° layoffs		2021	2022	2023
By gender	Men	5	3	2
	Women	2	0	0
By age	<30 years	1	0	7
	30-50 years	4	3	10
	>50 years	2	0	0
By category	Management team	0	0	0
	Team manager	0	0	1
	Manager with no team	0	0	0
	Technicians and administrative personnel	4	3	16
	Operators	3	-	-
<b>REMUNERATIONS</b>				
Average salary		2021	2022	2023
By gender	Men	42.862,85 €	46.117,28 €	50.367,31 €
	Women	31.819,24 €	36.970,56 €	39.229,19 €
By age	<30 years	21.432,98 €	28.359,09 €	31.826,92 €
	30-50 years	40.563,81 €	41.416,76 €	43.304,03 €
	>50 years	54.218,56 €	55.088,89 €	63.041,72 €
By category	Management team	66.412,22 €	71.330,57 €	72.519,74 €
	Team manager	41.492,24 €	47.883,93 €	49.109,55 €
	Manager with no team	40.543,26 €	40.560,88 €	41.465,47 €
	Technicians and administrative personnel	28.204,83 €	34.759,51 €	33.141,56 €
	Operators	Collective agreement salary		

### WAGE GAP

	Wage gap 2021	Wage gap 2022	Wage gap 2023
Management team	29,23%	27,29%	1,66%
Team manager	16,19%	20,00%	20,97%
Manager with no team	9,49%	7,10%	2,19%
Technicians and administrative personnel	1,93%	-0,53%	25,20%
Operators	-		

Positive values in favor of men and negative values in favor of women.  
The gap calculation has been made by comparing the medians of salaries between men and women.

### ABSENTEEISM

Absenteeism hours	Zafra	Madrid	Barcelona
2021	84.906	2.324,65	293
2022	87.300	1.049,00	96
2023	88.528	566	473

### PARENTAL LEAVES

	2021	2022	2023
Number of men who have been entitled to paternity leave	26	24	25
Number of men who have been entitled to paternity leave	26	24	25
Number of women who have been entitled to maternity leave	3	0	4
Number of women who have been entitled to maternity leave	3	0	4

### ACCIDENT RATE

Reportable occupational accidents <sup>4</sup>	2021	2022	2023
Nº accidents Women	0	0	0
Nº accidents' Men	5	0	5
Rate of injuries from reportable accidents	5	4	6,3
Occupational accidents with significant consequences			
Nº accidents Women	0	0	0
Nº accidents Men	0	0	0

	<b>Rate of injuries from accidents with significant consequences</b>	0	0	0
<b>Nº of days lost due to occupational accidents</b>				
	<b>Women</b>	0	0	0
	<b>Men</b>	190	92	124
<b>Nº f occupational accidents with days lost</b>				
	<b>Women</b>	0	0	0
	<b>Men</b>	5	4	5
<b>Accident frequency rate</b>				
	<b>Women</b>	0	0	0
	<b>Hombres</b>	6,5	4,8	6,3
<b>Accident Severity Rate:</b>				
	<b>Women</b>	0	0	0
	<b>Men</b>	247	110,4	155,3
<b>Occupational illnesses:</b>				
	<b>Women</b>	0	0	0
	<b>Men</b>	1	6	3
<b>Fatalities due to occupational accidents:</b>				
	<b>Women</b>	0	0	0
	<b>Men</b>	0	0	0

<sup>4</sup> Reportable occupational accidents are those that occur in connection with the tasks performed, even if they are different from the usual ones, when the time off for the worker's recovery is more than 3 days and traumatic injuries occur.

### HOURS WORKED

Hours worked	Zafra	Madrid	Barcelona
2021	769.289	43.507	11.267
2022	833.151	43.311	13.128
2023	798.488	44.379	13.865

# Annex II: Response to requirements of the Spanish Law 11/18

Contents of the Spanish Law 11/2018		Response within the report	
<b>BUSINESS MODEL</b>	<b>Description of the business model of the Group</b>	A brief description of the Group's business model, including its business environment, organization and structure, the markets in which it operates, its goals and strategies, and the main factors and trends that may affect its future evolution.	DEUTZ Spain
	<b>Policies</b>	Policies applied by the Group, including procedures for due diligence applied to identification, assessment, prevention, and mitigation of significant risks and impacts, as well as verification and control, along with the measures adopted.	Taking Responsibility People, the engine of DEUTZ SPAIN Innovation and efficiency for the environment
<b>INFORMATION ABOUT ENVIRONMENTAL MATTERS</b>	<b>Main Risks</b>	The main risks related to these issues linked to the Group's activities, including, when relevant and proportionate, its business relationships, products, or services that may have negative effects in these areas, and how the Group manages such risks, explaining the procedures used to detect and assess them in accordance with national, European, or international frameworks of reference for each issue. Information on the impacts detected should be included, providing a breakdown of them, particularly on the main short, medium, and long-term risks.	Risk Management Innovation and efficiency for the environment
	<b>General</b>	Current and foreseeable effects of the company's activities on the environment and, where applicable, on health and safety.	Occupational health and safety Innovation and efficiency for the environment
		Environmental assessment or certification procedures.	Management Systems / Energy
		Resources allocated to the prevention of environmental risks	Environmental management
		Application of the precautionary principle.	Innovation and efficiency for the environment Occupational health and safety
		Provisions and guarantees for environmental risks.	Environmental management
	<b>Contamination</b>	Measures to prevent, reduce, or mitigate carbon emissions that severely impact the environment, considering any specific form of atmospheric pollution related to an activity, including noise and light pollution	Environmental management Energy /Emissions /Annex I
	<b>Circular economy and waste prevention and management</b>	Measures for waste prevention, recycling, reuse, other forms of recovery, and disposal. Actions to combat food waste.	Waste / Environmental management Environmental objectives /Annex I
	<b>Sustainable use of resources</b>	Water consumption and water supply in accordance with local constraints.	Water /Annex I
		Raw material consumption and measures taken to improve its efficiency of use.	Raw Materials / Annex I
Energy: direct and indirect consumption; measures taken to improve energy efficiency; use of renewable energy.		Energy / Annex I	



	<b>Climate Change</b>	Greenhouse gas emissions.	Emissions / Annex I			
		The measures taken to adapt to the consequences of climate change.	Environmental management / Energy / Emissions			
		Voluntarily established medium and long-term reduction targets for reducing GHG emissions and means implemented for this purpose.	Energy / Emissions/ Environmental objectives			
	<b>Protection of biodiversity</b>	Impacts caused by activities or operations in protected areas.	Given the type of activity of the organization and the location of its facilities, it has not been deemed necessary to take measures for the preservation or restoration of biodiversity, apart from the measures for reducing environmental impacts already implemented.			
Impacts caused by activities or operations in protected areas.						
<b>INFORMATION ABOUT SOCIAL AND PERSONNEL ISSUES</b>	<b>Policies</b>	Policies applied by the Group, including procedures for due diligence applied to identification, assessment, prevention, and mitigation of significant risks and impacts, and verification and control, as well as the measures that have been adopted.	People, the engine of DEUTZ SPAIN Building the Future			
	<b>Main Risks</b>	The main risks related to these issues linked to the Group's activities, including, when relevant and proportionate, its business relationships, products, or services that may have negative effects in these areas, and how the Group manages such risks, explaining the procedures used to detect and assess them in accordance with national, European, or international frameworks of reference for each issue. Information on the impacts detected should be included, providing a breakdown of them, particularly on the main short, medium, and long-term risks.	People, the engine of DEUTZ SPAIN			
	<b>Employment</b>	Total number and distribution of employees by gender, age, country, and professional classification.	Development and management of people Annex I			
		Total number and distribution of types of employment contracts.	Development and management of people Annex I			
		Annual average of permanent, temporary, and part-time contracts by gender, age, and professional classification.	Development and management of people Annex I			
		Number of layoffs by gender, age, and professional classification.	Development and management of people Annex I			
		Average remuneration and its evolution disaggregated by gender, age, and professional classification or equal value.	Development and management of people Annex I			
		Wage gap.	Development and management of people Annex I			
		Remuneration of equal positions or the company's average remuneration.	Development and management of people Annex I			
		The average remuneration of directors and executives, including variable remuneration, allowances, severance pay, contributions to long-term savings plans, and any other benefits, disaggregated by gender.	Development and management of people Annex I			
		Implementation of measures for work disconnection.	Development and management of people Annex I			
Employees with disabilities.		<b>2021</b>	<b>2022</b>	<b>2023</b>		
	<b>4</b>	<b>3</b>	<b>3</b>			
	DEUTZ SPAIN has a recognized declaration of using alternative measures.					




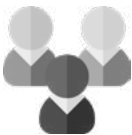
<b>INFORMATION ABOUT SOCIAL AND PERSONNEL ISSUES</b>	<b>Work organization</b>	Organization of working time.	Taking Responsibility
		Nº of absenteeism hours	Annex I
		Measures aimed at facilitating work-life balance and promoting the shared responsibility of both parents in its enjoyment.	Commitment
	<b>Health and Safety</b>	Health and safety conditions at work.	Occupational Safety and Health / Annex I
		Work accidents (frequency and severity) disaggregated by gender.	Occupational Safety and Health / Annex I
		Organization of social dialogue, including procedures for informing and consulting staff and negotiating with them.	Anexo I
	<b>Social Relations</b>	Organización del diálogo social, incluidos los procedimientos para informar y consultar al personal y negociar con este.	Communication GRI 2-30
		Percentage of employees covered by collective agreements by country.	GRI 2-30
		Assessment of collective agreements, particularly in the field of health and safety at work.	All employees are covered by the collective agreement. A Works Committee is established at the workplace in Zafra, and a union delegate is appointed at the Madrid and Barcelona locations for dialogue, information, and consultation with the workers. The following Negotiating and Social Dialogue Committees exist: <ul style="list-style-type: none"> <li>• Shift and roster Committee</li> <li>• Social Fund, Scholarships, Training, and Hiring Committee</li> <li>• Gender Equality Committee</li> <li>• Occupational Health Committee</li> <li>• Flexibility or Time Bank Committee</li> <li>• Collective Agreement Interpretation Committee</li> <li>• Payroll Committee</li> </ul> During the year 2021, a new Collective Agreement was negotiated for the Zafra Workplace, affecting 90% of the DEUTZ SPAIN workforce, with a validity period of three years until 31/12/2023.
	<b>Training</b>	Policies implemented in the field of training.	Talent Management / Training and Employability / Annex I
		Total number of training hours by professional categories.	Annex I
	<b>Accessibility</b>	Universal accessibility for people with disabilities.	The facilities of DEUTZ SPAIN allow full accessibility for people with disabilities.
	<b>Equality</b>	Measures taken to promote equal treatment and opportunities between men and women.	Equality Plan
		Equality plans.	Equality Plan
Measures taken to promote employment.		Commitment /Talent Management /Training and Employability	

		Protocols against sexual harassment and gender-based harassment.	Commitment
		The integration and universal accessibility of people with disabilities.	DEUTZ SPAIN's alternative measures include contracting with various Special Employment Centers for intralogistics services, external warehouse management, and construction site cleaning.
		Policy against all types of discrimination and, where applicable, diversity management.	Commitment
<b>INFORMATION ON RESPECT FOR HUMAN RIGHTS</b>	<b>Policies</b>	Policies applied by the Group, including procedures for due diligence applied to identify, evaluate, prevent, and mitigate significant risks and impacts, as well as verification and control, and the measures adopted.	DEUTZ Spain Deutz Spain maintains in its integrated policy ideals and means to ensure compliance with human rights. This is ensured through due diligence processes such as those for: conflict of interest, due diligence for hiring people, or due diligence for business partners /Corporate Compliance/ Supply Chain / Human Rights
	<b>Main Risks</b>	Main risks related to these issues linked to the Group's activities include, where relevant and proportionate, its commercial relationships, products, or services that may have negative effects in these areas, and how the Group manages such risks, explaining the procedures used to detect and evaluate them in accordance with national, European, or international frameworks for each subject matter. Information on detected impacts should be included, providing a breakdown, particularly of the main risks in the short, medium, and long term.	
	<b>Human Rights</b>	Application of due diligence procedures in human rights.	
		Prevention of risks of human rights violations and, where applicable, measures to mitigate, manage, and remedy potential abuses.	
		Reports of human rights violations.	
Promotion and compliance with the provisions of the ILO's fundamental conventions related to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labor, and the effective abolition of child labor.			
	<b>Policies</b>	Policies implemented by the Group, including the due diligence procedures applied for the identification, assessment, prevention, and mitigation of significant risks and impacts, as well as verification and control measures, and the actions taken.	

<b>INFORMATION REGARDING THE FIGHT AGAINST CORRUPTION AND BRIBERY</b>	<b>Main Risks</b>	The main risks related to these issues linked to the Group's activities, including, when relevant and appropriate, its commercial relationships, products or services that may have negative effects in these areas, and how the Group manages such risks, explaining the procedures used to detect and assess them in accordance with national, European, or international frameworks of reference for each matter. Information on the impacts detected should be included, providing a breakdown of these impacts, particularly on the main risks in the short, medium, and long term.	Corporate Compliance Code of Conduct.
	<b>Corruption and Bribery</b>	Measures taken to prevent corruption and bribery.	
		Measures to combat money laundering.	
		Contributions to foundations and non-profit organizations.	Donations 2023 7.175€
<b>INFORMATION ABOUT THE COMPANY</b>	<b>Policies</b>	Group policies, including the procedures for due diligence applied for the identification, evaluation, prevention, and mitigation of significant risks and impacts, as well as verification and control measures adopted.	
	<b>Main Risks</b>	Main risks related to these issues linked to the activities of the Group, including, where relevant and proportionate, its commercial relationships, products or services that may have negative effects in these areas, and how the Group manages these risks, explaining the procedures used to detect and assess them in accordance with national, European, or international frameworks for each subject matter. Information should be provided on the impacts that have been detected, offering a breakdown of them, particularly on the main risks in the short, medium, and long term.	Developing the local community
	<b>The company's commitments to sustainable development.</b>	Impact of the company's activity on employment and local development.	Developing the local community/ Corporate Social /Responsibility Contribution to the SDGs
		The impact of the company's activity on local populations and territory.	Developing the local community
		Relationships maintained with local community stakeholders and the modalities of dialogue with them.	
	<b>Outsourcing and suppliers.</b>	Partnership or sponsorship actions.	
		Inclusion in the purchasing policy of social, gender equality, and environmental issues.	Supply Chain
Consideration in relationships with suppliers and subcontractors of their social and environmental responsibility			
Supervision and audit systems and their results.			

	<b>Consumers</b>	Measures for consumer health and safety.	<p>DEUTZ SPAIN complies with the established requirements, both legal, regulatory, and those of its clients, regarding the safety characteristics applicable to the products it manufactures. DEUTZ SPAIN has a quality system based on IATF standards where all manufactured elements that have a significant impact on the safety of the end user are subject to specific control plans. All chemicals used in the processes and that may accompany the final product are subject to European REACH regulations.</p> <p>Specifically, the products manufactured by DEUTZ SPAIN have safety standards that undergo exhaustive control. This classification of product and process safety characteristics serves for prioritization in the development of more robust control plans for them, following regulatory specifications. In any case, Safety characteristics, identified by the acronym "S," entail specific treatment that identifies them in any process document and for any role in the organization, so that anyone can see that such control is relevant for functionality under safe conditions, both in the use of the final product and in its subsequent processing phases.</p>
		Complaint systems, complaints received, and their resolution.	Complaint Management
	<b>Tax Information</b>	Profits obtained by country	Economic Management
		Taxes on profits paid	
		Public subsidies received	

# Materiality - GRI

EJE RSC		MATERIAL ASPECT		GRI INDICATOR	
	GOOD GOVERNANCE, ETHICS AND INTEGRITY	Technology and digitalization		2-29,	
		Communication		2-29	
	ENVIRONMENT	Responsible and sustainable products and services		301-1, 302-1 302-1 a 302-5 305-1, 305-2	
	SOCIAL DEVELOPMENT	HUMAN CAPITAL	Equality		
		SOCIETY	Responsible Supply Chain Management and Human Rights		2-6, 308-1, 308-2, 406-1, 407-1, 408-1, 409-1, 414-1, 414-2
			Training and Development		2-7, 202-2, 401-1, 413-1 to 413-2

# Content Index GRI

## GRI CONTENT INDEX

DEUTZ SPAIN has prepared the report in accordance with the GRI Standards for the period from January 1, 2023, to December 31, 2023.

GRI Standard	Version	Summary Description	Comments	Omission	Page
<b>GENERAL CONTENTS</b>					
<b>THE ORGANIZATION AND ITS REPORTING PRACTICES</b>					
2-1	2021	Organizational details	DEUTZ SPAIN, S.A.U.Ctra, Badajoz-Granada ZAFRA (Badajoz)		10
2-2	2021	Entities included in sustainability reporting			10-27
2-3	2021	Reporting period, frequency, and point of contact	Periodo objeto de la presente memoria: 01/01/2023 a 31/12/2023 Frecuencia publicación: anual Contacto: Ctra, Badajoz-Granada ZAFRA (Badajoz) Email: antonio.bueno@deutz.com		
2-4	2021	Updating of information	No se han producido		
2-5	2021	External verification	Esta memoria ha sido verificada por una entidad externa e independiente (AENOR).		
<b>ACTIVITIES AND EMPLOYEES</b>					
2-6	2021	Activities, value chain, and other business relationships			10, 20, 21
2-7	2021	Employees			44-45, 49-53
2-8	2021	Non-employee workers	The percentage of non-employee workers who carry out their activities in DEUTZ SPAIN is minimal, and their performance and activity are not controlled by the organization.		
<b>GOVERNANCE</b>					
2-9	2021	Governance structure and composition	The functioning of the governing bodies is regulated by the Internal Regulation for the Management of subsidiary companies of DEUTZ AG. The Board of Directors is the highest decision-making body of the company..		11
2-10	2021	Appointment and selection of the highest governing body	Members of the Board of Directors are selected by the Sole Shareholder (ownership). Members of the Management Committee are selected based on their capacity and merit, within the organization.		
2-11	2021	Chair of the highest governing body			11

<b>2-12</b>	2021	Function of the highest governing body in overseeing the sustainability report.	The Internal Regulation for the Management of subsidiary companies of DEUTZ AG establishes the functions and responsibilities of the Management Committee, and specifies the situations where prior approval from DEUTZ AG and its Board of Directors is necessary. DEUTZ SPAIN follows the guidelines set out in the group's Strategic Plan, which is deployed into objectives and actions through the HK tool.		11
<b>2-13</b>	2021	Delegation of management responsibility for impacts	The Board of Directors authorizes the General Manager to represent the Company. The General Manager, in turn, is a member of the Management Committee as Manager. The internal regulation for the management of subsidiary companies of DEUTZ AG establishes the functions and responsibilities of the Management Committee, and specifies the situations where prior approval from DEUTZ AG and its Board of Directors is necessary. The Board of Directors is responsible for the governance of the company, while management is the responsibility of the executives.		11
<b>2-14</b>	2021	The function of the highest governing body in presenting the sustainability report	The General Manager is responsible for promptly informing the Board of Directors of the most relevant issues for the company's operation. The Board of Directors is informed through quarterly meetings and monthly reports by the General Manager, who, in turn, is informed of each matter by the different department heads or directors in the Management Committee through periodic meetings and specific sessions to analyze certain projects. The Board of Directors is responsible for the strategic decisions resulting from a deviation from the approved Plan for the year; the executives are responsible for the Management.		11
<b>2-15</b>	2021	Conflicts of interest	It is established by the Capital Companies Law in Article 229 LSC; there is an annual declaration by each director regarding Article 229. Additionally, the Internal Regulation for the Management of subsidiary companies of DEUTZ AG regulates potential conflicts of interest that may arise in purchases, contracts, etc.		26
<b>2-16</b>	2021	Communication of critical concerns			22-23
<b>2-17</b>	2021	Collective knowledge of the highest governing body	The members of the Management Committee are selected based on their capacity and merit within the organization. They represent various areas and departments of the company (Management, HR, Engineering, Production), and all of them have extensive knowledge in their respective fields.		50-51
<b>2-18</b>	2021	Evaluation of the performance of the highest governing body	The Board of Directors oversees and controls the proper functioning of the organization, and consequently, the performance of its General Manager.		
<b>2-19</b>	2021	Remuneration policies	Board members receive no compensation by virtue of belonging to the board of directors		
<b>2-20</b>	2021	Process for determining remuneration	Salary review is determined according to the provisions of the relevant agreements.		
<b>2-21</b>	2021	Total annual compensation rate	20,33%		
<b>STRATEGY, POLICIES, AND PRACTICES</b>					



2-22	2021	Statement on sustainable development strategy.			5-6, 13-14
2-23	2021	Commitments and policies.			12-14, 22-25, 27-28, 44-50, 58-63, 68-71,73
2-24	2021	Incorporation of commitments and policies.			12-14, 22-25, 27-28, 44-50, 58, 68-69, 73
2-25	2021	Processes for remedying negative impacts.			26, 27-28, 29, 49, 68-69
2-26	2021	Mechanisms for seeking advice and raising concerns.			26
2-27	2021	Compliance with legislation and regulations.			26-27
2-28	2021	Membership in associations.	Asociación Española para la Calidad (AEC) (Spanish Association for Quality) MCA - Madrid Cluster de Automoción (MCA - Madrid Automotive Cluster) SERNAUTO - Asociación Española de Proveedores de Automoción (SERNAUTO - Spanish Association of Automotive Suppliers)		
<b>STAKEHOLDER ENGAGEMENT</b>					
2-29	2021	Approach to Stakeholder Engagement.			22-23
2-30	2021	Collective bargaining agreements.	The Zafra plant has its own agreement (signed during 2021 for the period 2021-2023), while the Madrid and Barcelona plants are governed by the regional metal workers' agreement. These agreements cover 100% of our employees.		
<b>MATERIAL ISSUES</b>					
3.1	2021	Process for determining material issues.			22-23
3-2	2021	List of material issues.			23-92
3-3	2021	Management of material issues.			13-14, 20-21, 23, 27-28, 48-49, 52-53, 58-63, 68-69
<b>ECONOMIC PERFORMANCE</b>					
201-1	2016	Direct economic value generated and distributed.			15
201-2	201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change.			27-28, 58
201-3		Defined benefit plan obligations and other pension plans.	The organization does not plan to save for a pension plan		
201-4		Financial assistance from government agencies.			15
<b>MARKET PRESENCE</b>					
202-1	2016	Ratio of standard entry level wage by gender compared to local minimum wage.			83-84
202-2	2016	Proportion of senior executives hired from the local community.	70,24%		

NDIRECT ECONOMIC CONSEQUENCES					
203-1	2016	Investment in infrastructure and services supported.			15
203-2	2016	Significant indirect economic impacts.	GRI Indicator 2-25		
PROCUREMENT PRACTICES					
204-1	2016	Proportion of spending on local suppliers.			15
ANTI-CORRUPTION					
205-1	2016	Communication and training on anti-corruption policies and procedures.			20, 27-28
205-2	2016	Confirmed cases of corruption and actions taken.			26-28
205-3	2016	Casos de corrupción confirmados y medidas tomadas.	None		
UNFAIR COMPETITIVE PRACTICES					
206-1	2016	Legal actions related to unfair competition, monopolistic practices and against free competition.	None		
TAXATION					
207-1	2019	Tax approach.	Not answered as it is not material.		
207-2	2019	Tax governance, control and risk management.	Not answered as it is not material.		
207-3	2019	Stakeholder engagement and management of tax concerns.	Not answered as it is not material.		
207-4	2019	Country-by-country reporting.	Not answered as it is not material.		
ENVIRONMENTAL PERFORMANCE					
MATERIALS					
301-1	2016	Materials used by weight or volume.			60, 76-79
301-2	2016	Recycled inputs used.			60, 76-79
PRODUCTS AND SERVICES					
301-3	2016	Reused products and packaging materials.			60, 76-79
ENERGY					
302-1	2016	Energy consumption within the organization.			59, 77-79
302-2	2016	Energy consumption outside the organization.	Information not available.		
302-3	2016	Energy intensity.			59, 77-79
302-4	2016	Reduction of energy consumption.			59, 77-79
302-5	2016	Reductions in energy requirements of products and services.			13, 59, 76-79

WATER					
303-1	2018	Interaction with water as a shared resource.			61, 78-79
303-2	2018	Management of impacts related to water discharges.			61, 78-79
303-3	2018	Water withdrawal by source.			61, 78-79
303-4	2018	Water discharge.			61, 78-79
303-5	2018	Recycled and reused water.			61, 78-79
BIODIVERSITY					
304-1	2016	Operations centers owned, leased or managed located within or adjacent to protected areas or areas of high biodiversity value outside protected areas.	Given the type of activity of the organization and the location of its facilities, it has not been considered necessary to take measures for the preservation or restoration of biodiversity, apart from the measures for the reduction of environmental impacts already in place.		
304-2	2016	Significant impacts of activities, products, and services on biodiversity.	None		
304-3	2016	Protected or restored habitats.	None.		
304-4	2016	Species appearing on the IUCN Red List and national conservation lists whose habitats are in areas affected by the operations.	None		
EMISSIONS					
305-1	2016	Direct and indirect GHG emissions.			62, 78-79
305-2	2016	Indirect GHG emissions when generating energy.			62, 78-79
305-3	2016	Other indirect GHG emissions (Scope 3).	Information not available.		
305-4	2016	Intensity of GHG emissions.			62, 78-79
305-5	2016	Reduction of GHG emissions.			62, 78-79
305-6	2016	Emissions of ozone-depleting substances.			62, 78-79
305-7	2016	Nitrogen oxides, sulfur oxides and other significant air emissions.			78-79
EFFLUENTS AND WASTE					
306-1	2020	Generation of waste and significant waste-related impacts.			63, 79-80
306-2	2020	Management of significant waste-related impacts.			63
306-3	2020	Generated waste.			63, 79-80
306-4	2020	Waste not destined for disposal.			63, 79-80

306-5	2020	Waste for disposal			63, 79-80
<b>ENVIRONMENTAL EVALUATION SUPPLIERS</b>					
308-1	2016	New suppliers that have passed evaluation and selection filters in accordance with environmental criteria.	100%		
308-2	2016	Negative environmental impacts in the supply chain and actions taken.	Within the purchasing policy, in the matrix for the awarding of purchases and services, the commitment of suppliers to environmental and environmental management is valued. The possible impacts derived from the supply chain are minimized through the application of clauses, requirements and even on-site supervision/audits of suppliers. Specifically, DEUTZ SPAIN only purchases raw materials identified as Conflict Free Minerals, and includes environmental requirements in the evaluation of its suppliers. Suppliers of DS raw materials are subject to approval and/or monitoring audits throughout the year. When awarding contracts and services, Deutz Spain assesses aspects related to energy efficiency, CSR and compliance standards. The supply of electricity from renewable sources is promoted annually with the supplier, and this information is included in their invoices.		20-21
<b>SOCIAL DEVELOPMENT</b>					
<b>WORK</b>					
401-1	2016	New employee hires and employee turnover.			44, 82-83
401-2	2016	Employee benefits.			47
401-3	2016	Parental leave.			84
<b>LABOR-MANAGEMENT RELATIONS</b>					
402-1	2016	Minimum notice periods for operational changes.	15 days		
<b>OCCUPATIONAL HEALTH AND SAFETY</b>					
403-1	2018	Occupational health and safety management system.			49
403-2	2018	Hazard identification, risk assessment and incident investigation.			47, 84-85
403-3	2018	Occupational health services.			49
403-4	2018	Worker involvement, consultation and communication on occupational health and safety.	The workers' representatives (Health and Safety Committee and Prevention Delegates) are informed of any aspect affecting the working conditions of the workforce.		47
403-5	2018	Training of workers on occupational health and safety.			49
403-6	2018	Promotion of workers' health.			47, 49

403-7	2018	Prevention and mitigation of impacts on the health and safety of workers directly linked to business relationships.			49
403-8	2018	Coverage of the occupational health and safety management system.	100% of employees are covered by the occupational health and safety management system.		
403-9	2018	Work-related injuries.			84-85
403-10	2018	Occupational diseases and illnesses			84-85
<b>TRAINING AND EDUCATION</b>					
404-1	2016	Average annual training hours per employee			50
404-2	2016	Programs to improve employee skills and transition assistance programs.			50,68-71
404-3	2016	Percentage of employees receiving regular performance and professional development evaluations.	100%		51
<b>DIVERSITY AND EQUAL OPPORTUNITIES</b>					
405-1	2016	Diversity in governing bodies and employees.			11
405-2	2016	Ratio of basic salary and remuneration of women versus men.			83-84
<b>NON-DISCRIMINATION</b>					
406-1	2016	Cases of discrimination and corrective actions taken.	None		
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>					
407-1	2016	Operations and suppliers whose right to freedom of association and collective bargaining may be at risk.	None		
<b>CHILD LABOR</b>					
408-1	2016	Operations and suppliers with significant risk of child labor cases.	Procurement of conflict-free minerals. For the rest of the operations, due to their typology and location of suppliers, it is not considered that there is a risk of human rights violation. In addition, Deutz Spain maintains in its integrated policy ideals and means to ensure compliance with human rights. This is ensured through due diligence processes such as: conflict of interest, due diligence for hiring people or due diligence of business partners.		
<b>FORCED LABOR</b>					
409-1	2016	Operations and suppliers with significant risk of cases of forced or compulsory labor.	Procurement of conflict-free minerals. For the rest of the operations, due to their typology and location of suppliers, it is not considered that there is a risk of human rights violation. In addition, Deutz Spain maintains in its integrated policy ideals and means to ensure compliance with human rights. This is ensured through due diligence processes such as: conflict of interest, due diligence for hiring people or due diligence of business partners.		
<b>SECURITY MEASURES</b>					
410-1	2016	Security personnel trained in human rights policies or procedures	There is no security personnel.		

**RIGHTS OF THE INDIGENOUS POPULATION**

<b>411-1</b>	2016	Cases of violations of the rights of indigenous peoples.	There have been no such cases.		
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**LOCAL COMMUNITIES**

<b>413-1</b>	2016	Operations with local community participation, impact assessments and development programs.	Procurement of conflict-free minerals. For the rest of the operations, due to their typology and location of suppliers, it is not considered that there is a risk of human rights violation. In addition, Deutz Spain maintains in its integrated policy ideals and means to ensure compliance with human rights. This is ensured through due diligence processes such as: conflict of interest, due diligence for hiring people or due diligence of business partners.		
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<b>413-2</b>	2016	Operations with significant negative impacts - actual or potential - on local communities	No negative impacts on the local community have been identified.		
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**SUPPLIER ASSESSMENT ON HUMAN RIGHTS, LABOR PRACTICES AND SOCIAL IMPACT**

<b>414-1</b>	2016	New suppliers who have passed selection filters in accordance with social criteria.	100% See indicator 412-1		
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<b>414-2</b>	2016	Negative social impacts on the supply chain and actions taken.	See indicator 412-1		
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**PUBLIC POLICY**

<b>415-1</b>	2016	Value of political contributions by country and recipient.	No se realizan.		
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**CUSTOMER HEALTH AND SAFETY**

<b>416-1</b>	2016	Assessment of health and safety impacts of product or service categories.	DEUTZ SPAIN complies with the established requirements, both legal, regulatory, and customer-related, regarding safety characteristics applicable to the products it manufactures. DEUTZ SPAIN has a quality system based on IATF standards where all manufactured elements that have a significant impact on the safety of the end user are subject to specific control plans. All chemicals used in the processes and that may accompany the final product are subject to European REACH regulations. Specifically, the products manufactured by DEUTZ SPAIN have safety dimensions that undergo exhaustive control. This classification of product and process safety characteristics serves for prioritization in the development of more robust control plans for them, following regulatory specifications. In any case, Safety characteristics, identified by the acronym "S", entail specific treatment that identifies them in any process document and for any role in the organization, so that anyone is able to see that such control is relevant for functionality under safe conditions, both in the use of the final product and in its subsequent process phases.		
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<b>416-2</b>	2016	Cases of non-compliance related to health and safety impacts of product and service categories.	There have been no breaches of this type.		
<b>PRODUCT AND SERVICE LABELING</b>					
<b>417-1</b>	2016	Requirements for product and service information and labeling.	DEUTZ SPAIN complies with the requirements established, both legal, regulatory, and customer-related, regarding the information characteristics and labeling applicable to the products it manufactures.		
<b>417-2</b>	2016	Cases of non-compliance related to product and service information and labeling	There have been no breaches of this type.		
<b>417-3</b>	2016	Cases of non-compliance related to marketing communications.	There have been no breaches of this type.		
<b>CUSTOMER PRIVACY</b>					
<b>418-1</b>	2016	Legitimate claims regarding violations of customer privacy and loss of customer data.	There have been no breaches of this type.		

