

# REPORT ON SOCIAL RESPONSIBILITY 2020

**DEUTZ SPAIN S.A.U**



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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.

## Ulm

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



4

## Zafra

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



7

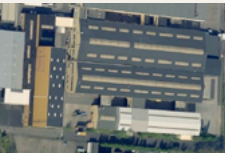
## Tianjin

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



## 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.



## Gilching Torqeedo

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



5

## Sapino Magi DEUTZ

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



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

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



## 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.



2

## Maribor

**Research and Development.**

6

## Norcross

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



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

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

## Alsdorf FUTAVIS

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



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.



## Pendergrass

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





# CHIEF EXECUTIVE OFFICER'S STATEMENT ■

We have prepared this statement following the legal requirements set out in Law 11/2018 which lays out the norms to be followed for the disclosure of non-financial information such as the standards of the Global Reporting Initiative (GRI).

2020 will be remembered by our generation as the year of the pandemic and the declaration of a sanitary state of alarm. From the first moment DEUTZ SPAIN adopted the recommendations of the World Health Organization (WHO) and the Spanish Health Authorities creating, prior to the state of alarm and together with health representatives, a crisis committee to follow the situation of the virus which, in that moment, was badly affecting Italy. At a European level the factories

of the group were closed from the 1st to the 17th of April and in Spain we were forced to introduce up to eight temporary redundancy plans to provide an adequate response to each moment of the pandemic. At the same time, we introduced new ways of working with the main objective of preventing any DEUTZ workers from becoming directly infected by the virus in our facilities. For this reason, I wish to express my gratitude for the commitment of those workers that continued to offer their services, without interruption, during these difficult moments.

This was also a year in which, and despite the numerous difficulties, we continued with our commitments to improve the Sustainable Development Objectives (SDO). The main objective of the DEUTZ group is to continue being the leader in the industrial sector in the field of innovative propulsion systems and to be groundbreakers in future mobility with zero effect on the environment. It is for this reason that Deutz adopted the E-DEUTZ strategy in 2017 whose main aim is to create a scalable range of hybrid products or totally electric adjusted to the specific requirements of each customer. Our objective is to reach a 5-10% of sales with systems of electrical propulsion thus contributing to the reduction of CO2 and fuel consumption by 2023-2024. The current portfolio of engines includes activation solutions and propulsion that go from the diesel to gas propulsion, hybrids or totally electric engines. These can be used in a variety of different sectors: building, agricultural, applications for movement of materials such as forklift trucks or elevating plat-

forms, railway vehicles or maritime applications for both private or commercial use.

DEUTZ SPAIN keeps its ISO 14001, ISO 9001, ISO 45001, ISO 37001, UNE19601, IATF 16949 certification and has recently been awarded the certification for energy systems management with the ISO 50001 norm.

In this period we continued innovating with the introduction of the production intelligent cell and we have also improved salary equality by 14.5%, measured with the correlation coefficient of the VADPT, the performance of workers improved 2,6% and the organizational efficiency increased from 93,0% to 95,8% with a rate of staff turnover at 0,2%.

In 2020 fifteen students finished the eighth year of Dual Professional Training in the module of superior level in 'Production Programming in Mechanized Factories'. The second year of the superior level of the professional family 'Electronic Systems and Automatism' started in the academic year 2020-2021 and is focused on maintenance professionals as well as a third course in dual professional training 'Administration and Finance' and a programme to reclassify professional training to obtain a middle level. Six of the 43 students finished in 2020 and 37 will complete the course in 2021, it is worth highlighting that the students have combined the training with their working day.

DEUTZ SPAIN has also placed at the disposition of the workers further tools to help with the work-life balance such as reductions in the working day and kindergarten services to contribute to the success of the measures.

The first equality plan has now been valid for three years. One of our defined objectives is the that of incorporating women into DEUTZ SPAIN. The recent programmers PIT, Dual Professional Training and 'High Potential' have reached an equality between men and women and it is without doubt **that this**, incorporating and promoting female talent, should be one of the main objectives of the company.



Signed,  
Eugenio Serrano Ylleras  
Chief Executive Officer<sup>1</sup>



<sup>1</sup> Named by the Board of Directors 28/01/2019



José Carlos Contreras y Nieves Peña Leco

Mayor of Zafra City Council and Councillor for Economy and Finance and Local Development



**-What do you consider to have been the main achievements or contributions that Deutz Spain has been able to make during its trajectory?**

*The long history that links ds to Zafra through a model that has proven to be sustainable with its environment.*

**-What role do you think Deutz Spain plays and should play in the future in relation to its environment?**

*To continue to be a driving force for welfare and social equality. Participating in the new models of sustainable economy demanded by the market*

**-If you had to choose one "value", which would define your appreciation of Deutz Spain, what would it be?**

*Deutz is a great Agent of Social Change.*



Deutz Spain during 2020 participated in the virtual fair of San Miguel promoted by the city council of Zafra to maintain one of the main economic engines of the city in this year of pandemic.



DEUTZ SPAIN









## DEUTZ SPAIN ■

DEUTZ SPAIN is a reference amongst companies involved in the production of motor components, specializing in mechanisms and assembly.

Its factory in Zafra is one of the most important in the region of Extremadura. It is the foremost company in terms of employees and salaries. In addition, the company has offices in both Madrid and Barcelona focused on the sales of DEUTZ products.

The main clients of DEUTZ Spain are the DEUTZ factories located in Cologne and Ulm (Germany) for whom it produces cylinder blocks, cylinder heads, connecting rods, bearing caps, and gears for the majority of the range of its engines.

**DEUTZ SPAIN belongs 100% to DEUTZ, one of the main independent producers of diesel engines.**

## MAIN FIGURES ■



## OUR HISTORY ■

- Establishment of the DIAZ DE TERÁN in Zafra (DITER).
- Establishment of production agricultural machinery.

1883  
1949

1949  
1967

- First patent of DITER engine and start of the first range of single cylinder engines produced in Spain.

1967  
1987

- MWM acquire the majority of DITER shares.

1987  
1990

- The German group KHD (Köckner Humboldt Deutz.now DEUTZ AG), takes over MWM.

1990  
2008

- Organizational growth and widening of activity.
- First in Extremadura to obtain ISO 9001.

2008  
2013

- DEUTZ puts its faith in LEAN philosophy
- First Spanish company to implement DUAL professional training
- Service Center Madrid opens

2013  
2017

- Cylinder block production begins
- Deutz Bussines School project is approved
- Service Center in Barcelona opens

2017  
2018

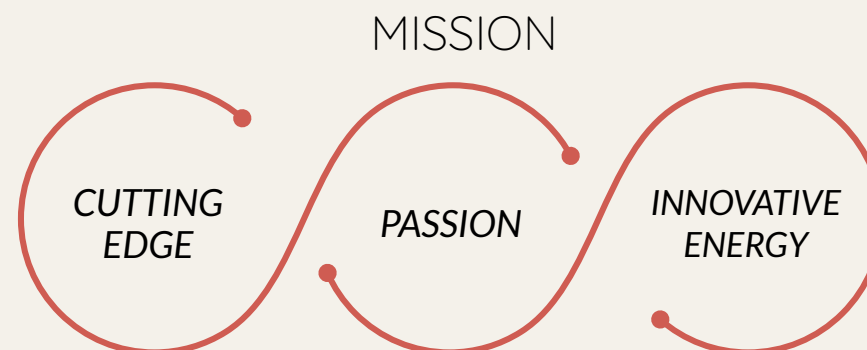
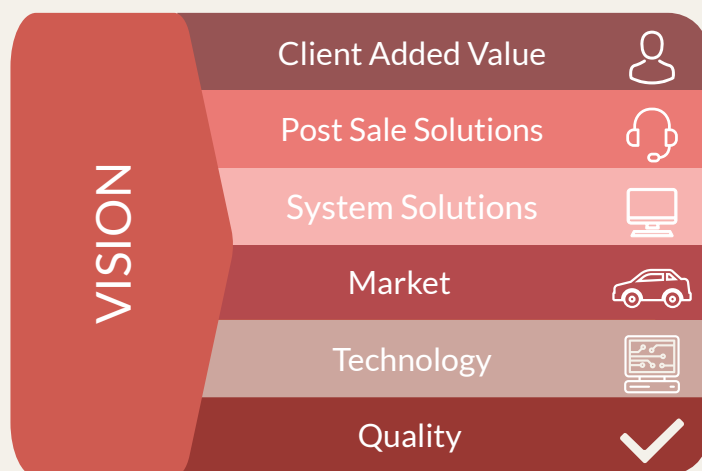
- Company obtains IATF certification for automotive sector.
- Deutz Bussines School construction begins.

2019  
2020

- Deutz Bussines School starts its activity.
- Company obtains Energy Efficiency Certificate.
- A new DEUTZ company was approved and operates in the facilities of DEUTZ SPAIN - DEUTZ GLOBAL SERVICE CENTER S.L.



## MISSION, VISION AND VALUE ■



" WE OFFER THE MOST SUCCESSFUL MOTOR SYSTEMS WORLDWIDE "

WE ARE **DRIVEN BY**  
**PASSION.**

Inspire and think beyond our daily work. Share, create and try new ways of reaching objectives. Persistence, we learn from our errors and we work to be successful.

WE MAINTAIN OUR  
**PIONEERING**  
**SPIRIT.**

We work with passion and courage, looking for and giving life to them. The idea is forward thinking and fix the tendencies in global markets. We supply technology for a sustainable future. We have created an environment for entrepreneurs to take advantage of digitization and the constant improvement of products and procedures.

WE VALUE OUR  
**KNOWLEDGE.**

The success of our organization is pushed by our experience and the continued learning that guarantees our growth. We are always testing our knowledge.

WE ARE **ONE**  
**TEAM.**

The merging of effort with employees, clients, suppliers and partners. We are all involved and we all participate. Our collaboration is made possible through trust, respect, integrity and transparency. We support each other and discuss issues in a constructive way. DEUTZ SPAIN values and respects different points of view and opinions.

WE **TAKE**  
**OWNERSHIP.**

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

" TOGETHER WE REMAIN LOYAL TO OUR VALUES "

## DEUTZ SPAIN IN 2020 ■



*Excellence in service:  
99,9%*

*Excellence in quality:  
88 PPM*

*Crankshaft produc-  
tion Industry 4.0*

*Obtaining the Energy  
Efficiency Certificate*

*Releasing of engines  
Stage V into the market*

*Excellence in cost  
management*

*Main supplier of engine  
blocks to DEUTZ AG*

*Right to the digital  
disconnection*



## STRATEGIES FOR THE FUTURE ■

### Strategic Initiatives 2021-2024

**Core Strategies**

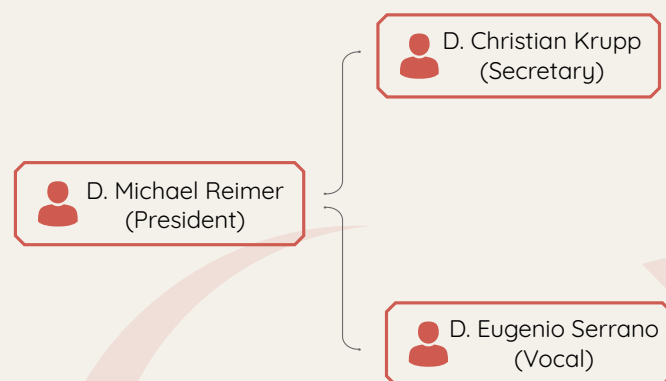
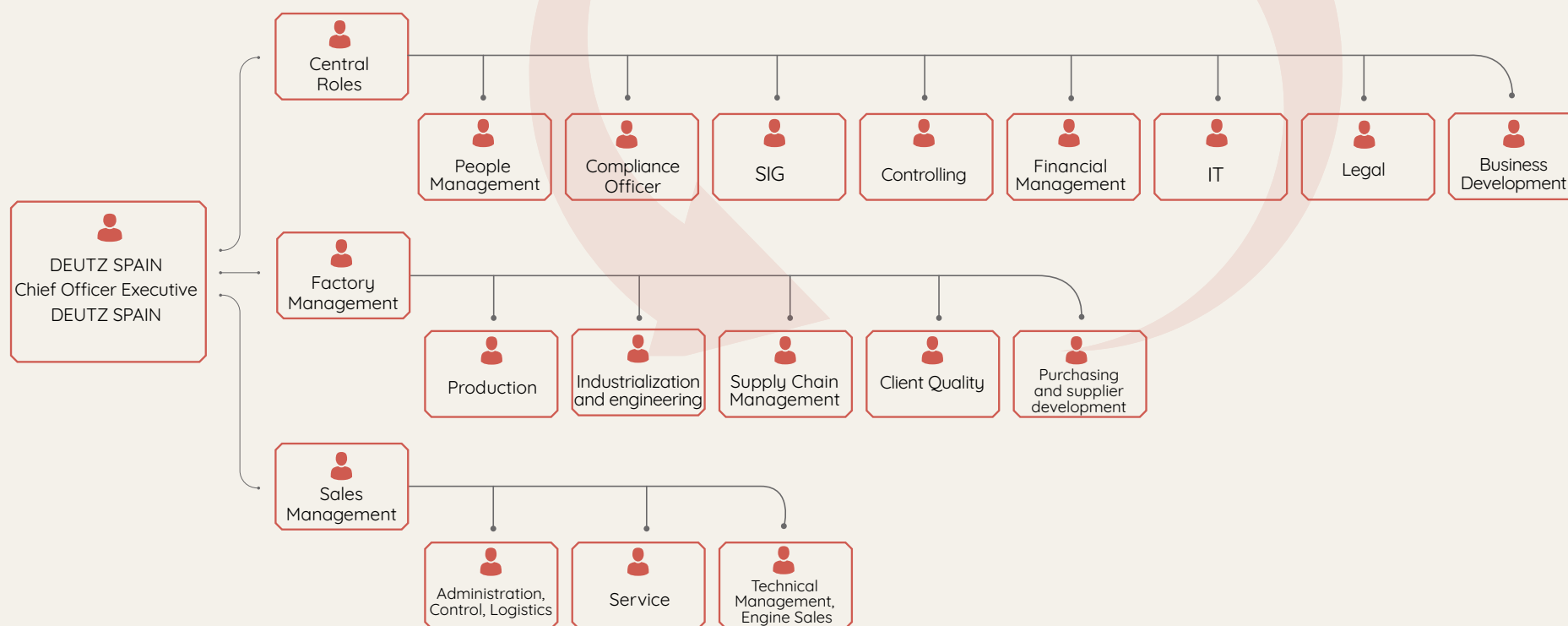
**Competitiveness**

- Supplier Alliances
- Changing logistical processes
- Competitive asset management
- Strategy 4.0
- Lean Management
- Strategy plan for staff

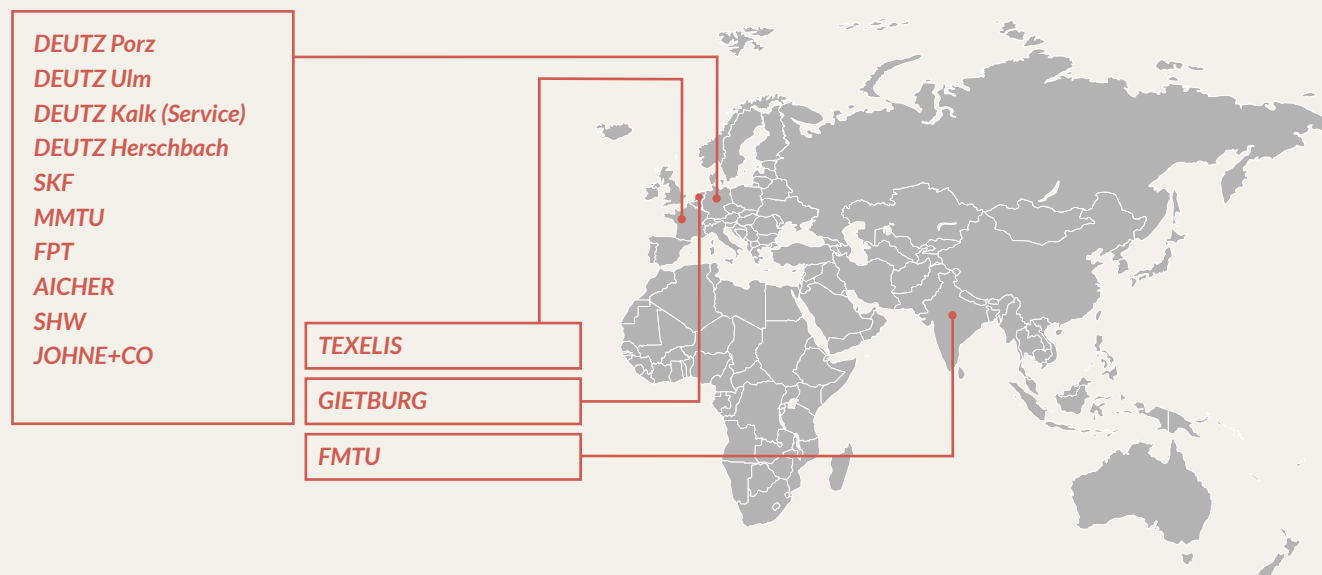
**Operational  
Excellence**

- Industrialization Excellence
- Optimization of client quality
- On-time delivery
- Reduction of Lead Time
- Flexibility and short reaction times
- Continual Production Improvement

## GOVERNING BODIE ■








*Board of Directors**Steering Committees*

## CUSTOMERS



## SUPPLY CHAIN



<b>Francia</b>  1 Providers 4.000 pieces	<b>England</b>  2 Providers 344.000 pieces	<b>China</b>  2 Providers 14.000 pieces
<b>Germany</b>  32 Providers 12.176.000 pieces	<b>Slovakia</b>  3 Providers 560.000 pieces	<b>Czech Republic</b>  1 Providers 850.000 pieces
<b>Poland</b>  1 Providers 470.000 pieces	<b>Italy</b>  2 Providers 298.000 pieces	<b>Turkey</b>  1 Providers 38.000 pieces
<b>Spain</b>  10 Providers 807.000 pieces	<b>Estados Unidos</b>  1 Providers 2.964.000 pieces	
<b>India</b>  6 Providers 1.410.000 pieces	<b>Argentina</b>  1 Providers 1.164.000 pieces	

*Iturri, supplier of EPIs, has the SA 8000 certification for its method of management and corporate responsibility.*

DEUTZ SPAIN allows its suppliers to take part in the mission, vision and values of the company and they are involved in the joint objective of improving sustainability.

The company assures that its policies of sustainability are spread and applied amongst its suppliers by way of continuous evaluation and norms of evaluation applied to all staff. The carrying out is assured through continuous observation and vigilance.

PIECES	21.098.483
PART NUMBERS	421
PROVIDERS	63
COUNTRIES	13

# CORPORATE SOCIAL RESPONSIBILITY ■

DEUTZ SPAIN understands Corporate Responsibility (RSC) as a fundamental, immovable part of the organization and of each service that it offers.

## RSC GUIDELINES

### FINANCIAL MANAGEMENT

- Guarantee financial transparency and sustainability
- Process efficiency.
- Take away unnecessary costs with the aim of improved performance.

### SOCIAL MANAGEMENT

- Improve the quality of life of its staff. Develop them professionally and improve opportunity equality.
- Improve local environments through training and employability.

### ENVIRONMENTAL MANAGEMENT

- Identify and minimize different environmental risks

DEUTZ SPAIN's commitment to sustainable development is carried out with policies that are based on the following principles

## RSC Policies DEUTZ SPAIN



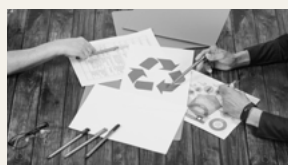
### Ethical and Responsible Management

DEUTZ SPAIN was the first company in Spain to certify its Compliance and Anti-bribery Management System in line with ISO 37001 y UNE 19601 norms. The certification was renewed in 2020 by AENOR.



### Talent Development

The development of talent is directed through the activities of the Deutz Business School Foundation and programmes designed to develop talent such as HP (High Program) o PIT. (Program, Innovation and Talent)



### Minimization of Environmental Damage

In 2020 the company implemented a system of energy management based on the international standard ISO 50.001:2011. In the three-year period 2018-2020 we have achieved an energy efficiency improvement of 12,71%.



### Responsible Supplier Management

Transparent and fair adjudication policies for services and contracts. We always base our decisions on multi-disciplined evaluations and bid specifications.



### Releasing of Accounts and Transparency

A philosophy of a continual releasing of results and forums of analysis and display such as the Centre for Competativeness and Financial Comission.

# DEUTZ SPAIN AND SDO

DEUTZ SPAIN as a sustainable company that makes the necessary contributions to the Sustainable Development Objectives set out in the 2030 calendar. Our company's sustainability strategy is aligned with the SDO and the specific objectives to which it contributes.



SDO	Objective SDO	Contribution DEUTZ SPAIN	Achievements 2020
3 SALUD Y BIENESTAR	<ul style="list-style-type: none"> <li>3.4 Promote mental health and wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>One of the principles of DEUTZ SPAIN is that of safe and healthy working conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Investment in changing rooms and preventative measures against COVID.</li> </ul>
4 EDUCACIÓN DE CALIDAD	<ul style="list-style-type: none"> <li>4.3 Assure equal access to training. This being technical or professional and including university education.</li> <li>4.4 Increase the number of young people and adults that have the necessary skills to obtain employment.</li> <li>4.5 Assure equal access to all levels of education and professional training for vulnerable sectors and the disabled.</li> </ul>	<ul style="list-style-type: none"> <li>Deutz Business School® works with educational bodies both regional and international with the aim of driving the economic development of the region.</li> </ul>	<ul style="list-style-type: none"> <li>Deutz Business School® offers education aimed at our talent and at innovation.</li> <li>New degree in Administration and Finance.</li> </ul>
8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO	<ul style="list-style-type: none"> <li>8.2 Improve Productivity by the modernization of technology and innovation.</li> <li>8.6 Reduce youth unemployment.</li> <li>8.8 Protect workplace rights and promote safety at work.</li> </ul>	<ul style="list-style-type: none"> <li>Participation of employees in improvements and innovation.</li> <li>Agreements between Deutz Business School, I.E.S and universities.</li> <li>First company in Extremadura to certify the norm ISO 45001:2018 for the management of Health and Safety at work.</li> <li>Preventive COVID measures, written protocols and possibility of teleworking.</li> </ul>	<ul style="list-style-type: none"> <li>15 measures presented by employees in 2020, 5 of which are under study.</li> <li>Encouragement of youth employment.</li> <li>Professional training and languages for young people.</li> </ul>
9 INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA	<ul style="list-style-type: none"> <li>9.2 Promoting inclusive and sustainable industrialization.</li> <li>9.4 Modernize infrastructures so that they are sustainable. Use resources with improved efficiency. Promote technologies and sustainable industrial processes.</li> </ul>	<ul style="list-style-type: none"> <li>The objective of bringing together digital transformation and sustainable production.</li> <li>Commitment to improve sustainable energy consumption by the continued improvement of facilities and processes.</li> </ul>	<ul style="list-style-type: none"> <li>Smart Factory / Industria 4.0</li> <li>Energy efficiency as a strategic objective.</li> <li>Certificate of Energy Efficiency obtained in 2020.</li> <li>Creation of a specialized area in the management of assets and energy efficiency with specific annual budgets.</li> </ul>
12 PRODUCCIÓN Y CONSUMO RESPONSABLES	<ul style="list-style-type: none"> <li>12.5 Reduce waste by prevention, reduction, recycling and reuse.</li> <li>12.6 Adopt sustainable practices and build in information about sustainability in the cycle of report presentation.</li> </ul>	<ul style="list-style-type: none"> <li>DEUTZ XCHANGE</li> <li>Third publication in 2020 of the Sustainability Statement DEUTZ SPAIN</li> </ul>	<ul style="list-style-type: none"> <li>Programme for the reconditioning of motors and pieces to promote circular economics.</li> </ul>
17 ALIANZAS PARA LOGRAR LOS OBJETIVOS	<ul style="list-style-type: none"> <li>17.17 Encourage and promote the constitution of effective alliances with public bodies, public/private organizations to take advantage of the experience and strategies to obtain resources.</li> </ul>	<ul style="list-style-type: none"> <li>Through its agreements with local organizations and interest groups, DEUTZ SPAIN has become one of the main sources of employment and training in Extremadura</li> </ul>	<ul style="list-style-type: none"> <li>Alliances with strategic suppliers.</li> </ul>



# CORPORATE COMPLIANCE AND CODE OF CONDUCT ■

## CORPORATIVE COMPLIANCE PRINCIPLES

<i>Preserve free competition</i>	<i>A safe and healthy workplace</i>	<i>No discrimination</i>
<i>Preserve business integrity</i>	<i>Protect the environment</i>	<i>Fulfill international business legislation</i>
<i>Transparent business information</i>	<i>No infringement of human rights</i>	<i>Separation of peronal and company interests.</i>
<i>Correct management of personal information</i>	<i>Principles of information minimization</i>	<i>Cooperation with the authorities</i>

The behaviour of Deutz and all its employees is governed by its Code of Conduct, which sets out the legal standards and guidelines that must be observed in their relations with business partners, public officials, society and each other.

In 2020 the code of conduct was completely revised and announced both internally and externally through our internal communication channels as well as the company website.

**DEUTZ SPAIN has a complaint channel. It is in the company website and is, therefore, open to any employee, client, supplier or any interest group, etc**

## CODE OF CONDUCT

<b>HUMAN RIGHTS</b>	<ul style="list-style-type: none"> <li>Diverse and inclusive working Human Rights environment.</li> </ul>	<b>LAUNDERING</b>	<ul style="list-style-type: none"> <li>All employees are responsible so that DEUTZ doesn't become involved in laundering and other illegal activities.</li> </ul>
<b>HEALTH AND SAFETY</b>	<ul style="list-style-type: none"> <li>Never endanger security and health.</li> </ul>	<b>CONFLICT OF INTEREST</b>	<ul style="list-style-type: none"> <li>Employees act to defend the interests of DEUTZ and protect its reputation.</li> </ul>
<b>ENVIRONMENT</b>	<ul style="list-style-type: none"> <li>Commitment to contribute to environmental balance and reduction of damage.</li> </ul>	<b>PROTECTION OF INFORMATION</b>	<ul style="list-style-type: none"> <li>Employees should use in a legal way the information about DEUTZ or any other company.</li> </ul>
<b>COMPETITIVENESS</b>	<ul style="list-style-type: none"> <li>Market economics and fair trade</li> <li>Anti-monopoly legislation.</li> </ul>	<b>OWNERSHIP</b>	<ul style="list-style-type: none"> <li>Responsibility towards the facilities and property of the company.</li> </ul>
<b>CONTROL OF BUSINESS</b>	<ul style="list-style-type: none"> <li>Observance of national and international legislation referring to business control.</li> </ul>	<b>DATA PROTECTION</b>	<ul style="list-style-type: none"> <li>DEUTZ respects the privacy and integrity of its employees, partners and other third parties.</li> </ul>
<b>BRIBERY AND CORRUPTION</b>	<ul style="list-style-type: none"> <li>Preserve the trust and integrity of DEUTZ</li> </ul>		

# STAKEHOLDER DIALOGUE ■

For DEUTZ SPAIN knowing the needs and expectations of its interest groups is essential to deploy its corporate responsibility. By communicating with the different interested parties, the company can identify the interests and opinions on its economic, environmental and social performance. The priority interest groups for **DEUTZ SPAIN** are the following:

**DEUTZ SPAIN** has several specific communication channels amongst which the *internal communication APP*, the intranet, internal magazine, social media profiles and face-to-face stand out.

## EMPLOYEES

- Staff
- Staff representatives

## AUTHORITIES

- Government authorities

## OTHER ORGANIZATIONS

- Universities and training center
- Banks
- Trade unions
- Insurance companies
- Press
- Sernauto (Spanish Association of Automotive Suppliers)
- MCA, Madrid Automotive Cluster
- AEC, Spanish Quality Association
- Chamber of Commerce
- Deutz Business School Foundation

## SUPPLIERS

- Suppliers of raw materials
- Suppliers of secondary materials
- Non-productive suppliers - secondary services to production
- Non productive suppliers - secondary services unrelated to production
- Suppliers of services with work centers in DEUTZ SPAIN

## SOCIETY

- Local communities
- Neighbourhood associations
- Local educational centers
- Local companies
- Social charities

## CLIENTS

- Clients - Deutz AG
- Other clients

400 users  
230.000 readers



In 2019, **DEUTZ SPAIN** carried out a survey with the outward appearance focused on allowing its interest groups, in which participate more than 120 people, to identify which are the most relevant issues related to corporate responsibility for the company as well as the interest groups themselves.

In this statement we are responding to all these issues and relevant aspects using the different GRI indicators that are shown in the following table:

CORE RSC	RELEVANT ASPECT	INDICADOR GRI
<b>GENERAL</b>	Ethical performance and sound management	102-16 a 102-18 102-22 a 102-28
<b>MANAGEMENT, ETHICS AND INTEGRITY</b>	Policies and codes of conduct	102-16 a 102-17
	Discussions with interest groups	102-40 102-42 a 102-43
<b>ENVIRONMENTAL ACHIEVEMENTS</b>	Reduction of energy consumption	302-1 a 302-5
	Cleaner and more efficient technologies	301-1 /302-1
<b>SOCIAL ACHIEVEMENTS</b>	<b>STAFF</b> Internal Promotion	401-1 404-2 a 404-3
	Training	404-1 a 404-2
	<b>SOCIETY</b> Encourage education and culture	404-1 a 404-2 413-1 a 413-2
	Employability	102-8 /202-2 401-1 413-1 a 413-2

## FINANCIAL MANAGEMENT ■

**DEUTZ SPAIN** has developed a sustainable financial management model as part of its business strategy. As well as maintaining profitability of its production activities it also views risks and opportunities associated with environmental and social aspects.

Financial Information (in Euros)	2018	2019	2020	
Turnover	145.666.607	134.981.512	99.310.354	↓
Operational Costs	112.415.329	105.938.901	75.522.963	↓
Staff Wages	29.095.728	25.490.280	21.097.852	↓
Staff Fringe Benefits	688.506	660.971	622.620	↓
Payments to Suppliers	86.327.485	92.139.283	106.945.720	↑
Payments to Government (taxes and rates)	166.519	114.582	129.802	↑
Community Investments	30.000	4.500	18.000	↑
Grants for Investments	1.143.230		1.528.150	
Grants for Investigation			249.847	
Investments in Infrastructure	5.944.000	12.975.00	8.664.826	↓



Esperanza Toro Vacas  
Purchasing Quality Technician (SQA)

**-What do you consider to have been the main achievements or contributions that Deutz Spain has been able to make during its trajectory?**

*To achieve high quality products thanks to the implementation of technological advances, which has allowed us to remain in the sector for so many years. Being a pioneering company in the incorporation of women in the industrial sector. In recent times the implementation of the Business School.*

**-What role do you think Deutz Spain plays and should play in the future in relation to its environment?**

*Deutz Spain has played a very important role in the creation of employment in the region, promoting the growth of the population of Zafra*

*and its region. It also encourages the training of young people, so we will have young people and more specialized companies.*

**-If you had to choose one "value", which would define your appreciation of Deutz Spain, what would it be?**

*Competitiveness, self-improvement, for being a company that has managed to survive since 1883 thanks to passion, motivation and growth.*

Purchasing Quality Technician (SQA)  
First promotion of the master.  
He is the second generation of his family to work at Deutz Spain.

In 2020 he took part in the Lean manufacturing master's course at Deutz Business School.

# 2.

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PRODUCTION QUALITY









## PRODUCTION PHILOSOPHY ■

DEUTZ SPAIN is specialized mainly in the machining and assembly of motor components. Nearly all its production is intended to form part of the engines produced in the factories of the DEUTZ group in Germany.

The extensive experience acquired in the Spanish factory in the machining and assembly of motor components has allowed it to become the leading center of competence in the production and pre-assembly of all the cylinder heads, connecting rods, gear teeth and has allowed us to become, in the last three years, the suppliers of diesel engine blocks of DEUTZ produced in their German factories.

The knowledge, experience and qualifications of its engineering and production teams allow

DEUTZ SPAIN to be able to adapt and respond quickly to the needs of its clients. Being able to produce all kinds of prototypes and series.

*Since 1949, DEUTZ SPAIN has produced engines and parts.*

**14.600 m<sup>2</sup>**  
PRODUCTION  
AREA



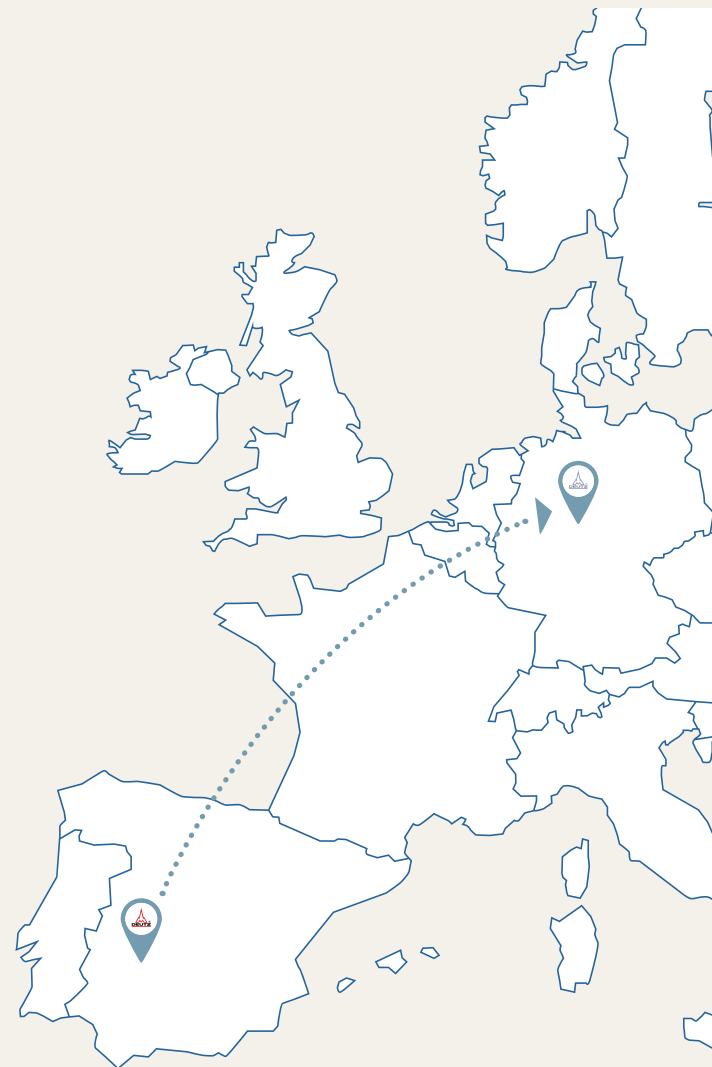
**485**  
AVERAGE NUMBER  
OF STAFF 2020



**4**  
SHIFTS



ZAFRA PRODUCTION CENTER



## PRODUCTS ■

### BLOCK ENGINES



**25.013** ud/year. Yearly capacity

**3** product groups

**3.300** m<sup>2</sup> Production area

**65** Workers

### CYLINDER HEADS



**154.467** ud/year. Yearly capacity .

**15** product groups

**6.500** m<sup>2</sup> Production area

**146** Workers

### GEARS



**361.207** ud/year. Yearly capacity .

**15** product groups

**2.200** m<sup>2</sup> Production area

**40** Workers

### CONNECTING RODS

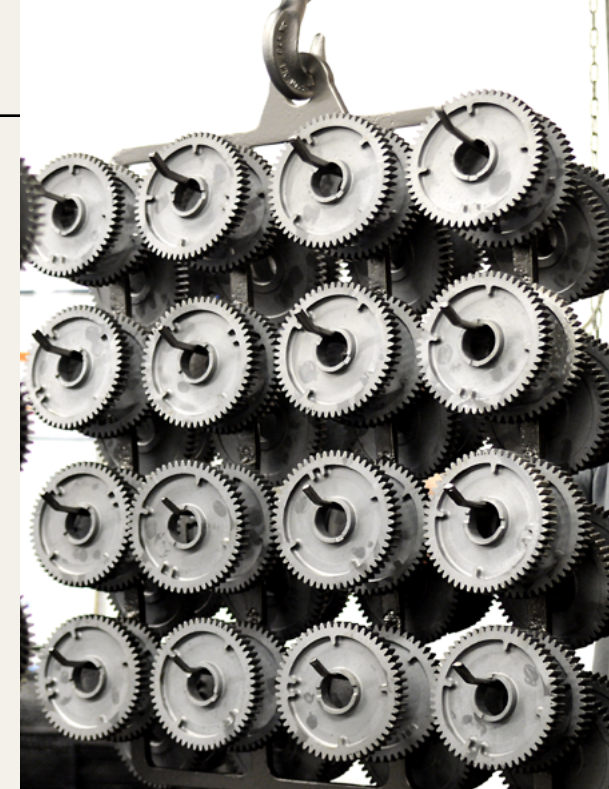


**524.362** ud/year. Yearly capacity

**13** product groups

**2.600** m<sup>2</sup> Production area

**62** Workers



## PRODUCTION SYSTEMS ■

Foundations of DEUTZ SPAIN's  
technological know - how

- **Engine and components knowledge**
- **Knowledge and standarization of production procedure**
- **Level of technology and flexibilty within the facilities**
- **Agreements with machining technology partners**

Through Simultaneous Engineering the company develops products together with clients and suppliers. The technology is adapted to the requirements, ever more demanding, of the engine components.

A decade ago **DEUTZ SPAIN** introduced its Lean Manufacturing through the Deutz **Production System (DPS)**, with the intention of guaranteeing the demands of the clients just in time. In this way minimizing production Lead Time and optimizing the chain of added value to the customer.

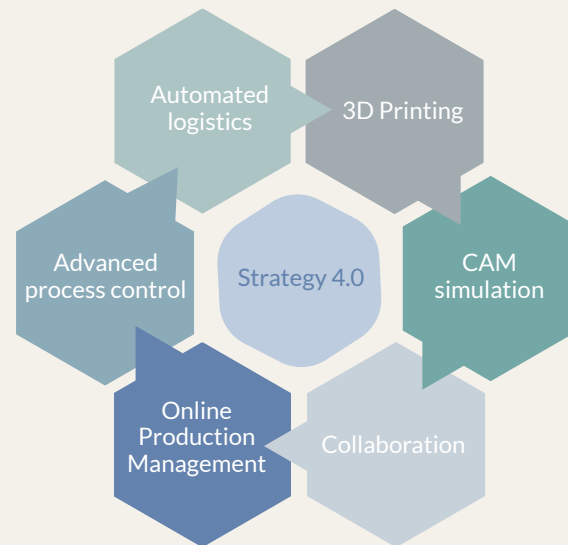


The **DEUTZ SPAIN** Production System (DPS) is based on the idea of continual improvement applied by a structure of independent production units (IPU) that are provided with the necessary resources to react quickly and self-sufficiently to alterations in objectives. The general objectives are deployed in each IPU in a way that they are aligned with each other and communicated to their workers.

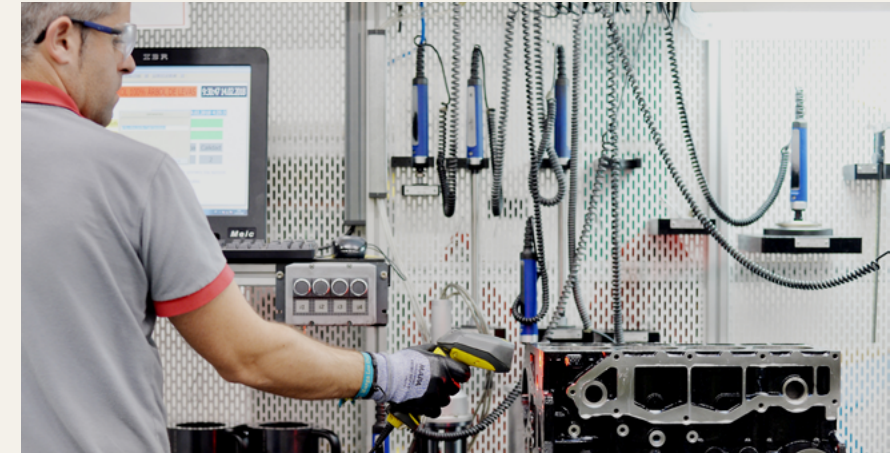
## TECHNOLOGY: INDUSTRY 4.0

The concept of the Smart Factory is already part of DEUTZ SPAIN's philosophy. Since 2015 the year in which the company introduced this 'connected industry 4.0', there have been improvements in all processes that have been introduced by real world tests. This exploration is made possible by the nature of the technology.

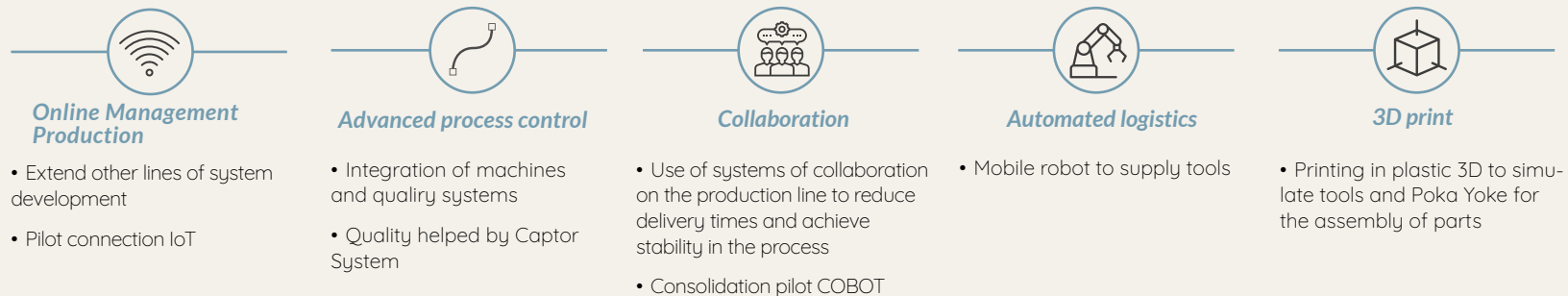
In 2019 DEUTZ SPAIN created its own 4.0 strategy based on an analysis of waste from its value chain and set out its main strategies to improve production line indicators.



*The high level of digitization of production processes allows standards, technology and people to be put together.*



### Advances Smart Factory



In 2020, the company continued advancing with the concept of Industry 4.0 or Smart Factory by developing and introducing new projects and the continuity of those started in previous years. Amongst the new developments is the SIC (Self-managing Intelligent Cells) that has placed the emphasis on connecting rod production lines, with the objective of applying I+D, AI and providing more autonomy and automation for the teams.

#### SIC Self- Managing Intelligent Cells

##### Strategic objectives:

- Research and development.
- Support an se of data through artificial intelligence
- Define an implement the model of mini-companies.

##### Project objectives:

- Cultural transformation.
- Optimise the competitiveness of connecting rod products.

## SYSTEM MANAGEMENT ■

**DEUTZ SPAIN** develops its strategies supported by its integrated systems of Quality, Environmental and Security and Safety in the Workplace management. Its guarantee is provided by the legal and ethical observance of its criminal and anti-bribery management system.



• **ISO 9001:2015**  
Quality Management System



• **IATF 16949:2016**  
Automation Sector  
Quality Management System



• **ISO 45001:2018**  
Health and Safety at  
Work Management System



• **ISO 14001:2015** Envi-  
ronmental Management System



• **ISO 37001:2016**  
Anti- bribery System of Management



• **UNE 19601:2017**  
Criminal Compliance Management System



• **ISO 50001:2018** Energy Management System

**ISO 50.001**  
*Energy Management System*



In 2020 DEUTZ SPAIN certified its Energy Management System. By its implementation of its new energy policies the company has the objective of reducing energy costs and minimizing its environmental impact. In this way it will continue advancing on its path towards sustainability.

**UNE 19601:2017**  
*Criminal Compliance*



Also in 2020 the company renewed its certification of criminal compliance system of management.

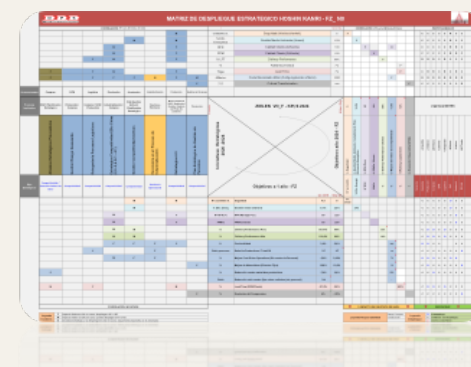
*DEUTZ SPAIN was the first Spanish company to obtain the UNE 19601:2017 certification.*

**HOSHIN KANRI**  
*Strategic Deployment 2020-2024*

In 2019, the company developed its Strategy Plan HK 2020-2024.

The original Hoshin Kanri is the tool applied to deploy company operational strategy through the cooperation of all areas in order to align short-term operations with medium-term strategic objectives.

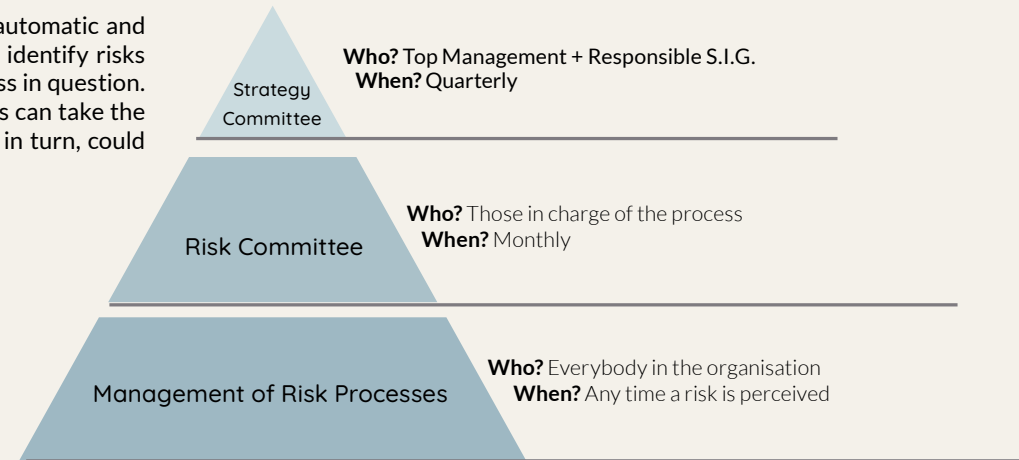
With the original HK, each SCI develops specific measures with indicators and objectives for the measures. Likewise, the company can measure the impact of each measure on the strategic objectives. The measures deployed have a clear focus on competitiveness.





## RISK MANAGEMENT ■

DEUTZ SPAIN has a model of risk management that is automatic and transverse. It allows any member of the organization to identify risks that would be analyzed by the risk manager of the process in question. Based on the manager's criteria the owner of the process can take the decision to take the issue to the Risk Committee which, in turn, could take it to the Strategy Committee.

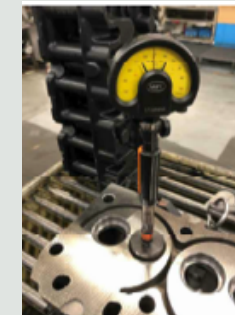


The **DEUTZ** group has a centralized system of Risk Management which is part of the management and control system of the group and is the information base for the board of vigilance of the group as well as the shareholders. Risks are communicated to the headquarters on a quarterly basis through SW or when the risk arises. The risks are evaluated according to their probability of happening (improbable, low, moderate, significant, critical, extremely critical, risk in being and financial risk) and they are classified according to what they are:

External:	Strategical:	Financial:	Compliance:	Operational:
<ul style="list-style-type: none"> <li>• Market</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>• Mergers and takeovers</li> <li>• Large projects</li> <li>• Investment</li> <li>• Strategic planning</li> <li>• Strategical objectives</li> <li>• Business context</li> </ul>	<ul style="list-style-type: none"> <li>• Accounting</li> <li>• Financing</li> <li>• Currency</li> <li>• Liquidity</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance system</li> <li>• Legislation</li> <li>• Company norms</li> <li>• Compliance non-observance</li> </ul>	<ul style="list-style-type: none"> <li>• Stock and logistics</li> <li>• I+D</li> <li>• IT /Communication</li> <li>• Law suits</li> <li>• Personal / Organization</li> <li>• Production</li> <li>• Quality</li> <li>• Environment and workplace safety</li> <li>• Commercial</li> </ul>

Likewise, DEUTZ SPAIN, as part of the manufacturing sector, develops production processes that could cause impact on its immediate surroundings or area of influence. In order to prevent any negative effects DS has developed, within its system of control management, methods to prevent or minimize these types of damages. These controls are, at the same time, certified and audited in the field of the different ISO standard implemented by the company.

*DEUTZ SPAIN implements a system of operational quality control audit through which it searches for a continual improvement in production processes in all areas and positions. From time to time these audits are carried out to evaluate the performance of workers in the control processes, use of available tools, taking of measurements etc.*



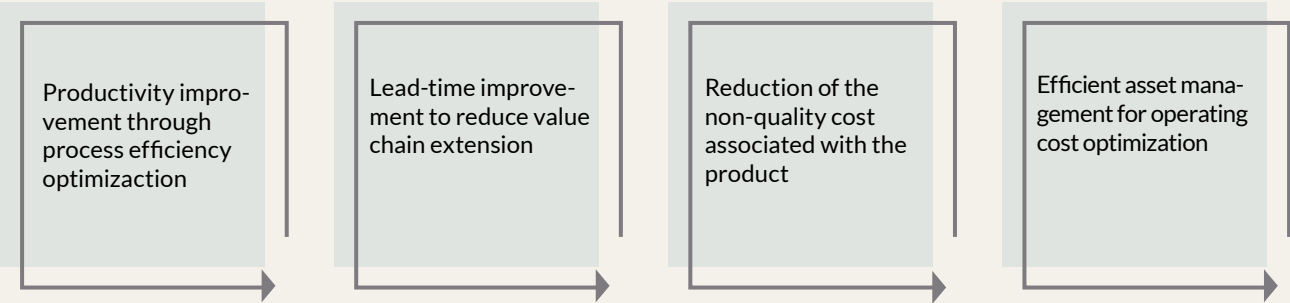


# COMPLAINT MANAGEMENT ■

DEUTZ SPAIN has a management complaint system that allows it to give quick solutions to its customers. This is done by identifying the causes of the problem and establishing steps to avoid its repetition.

COMPLAINTS MANAGEMENT SYSTEM	<b>Complaint</b>	● Complaints can be made through the website Supply On or directly by email.
	<b>Registration</b>	● We have a computerized customer complaints system called IQS, through which all complaints are analyzed and carry a series of associated and preventive measures.
	<b>Evaluation</b>	● If the complaint is repetitive an analysis is carried out by 8D that allows the cause to be identified and measures to prevent the repetition.
	<b>Corrective Measure</b>	● If it is established that DEUTZ SPAIN is responsible for the problem, the company takes measures to ensure the quality of supply in a 24-hour time period.
	<b>Communication the client</b>	● The corrective measures taken are communicated to the client.
	<b>Closure</b>	● Once all the 8D are closed and the efficiency audited, the complaint is closed and what has been learned is registered.

# PRODUCTION OBJECTIVES 2021 ■





Alba Prieto Barbo  
High Potencial Program

“-What do you consider to have been the main achievements or contributions that Deutz Spain has been able to make during its trajectory?

*The development of Industry 4.0 and the introduction of the Lean philosophy*

-What role do you think Deutz Spain plays and should play in the future in relation to its environment?

*Deutz Spain is a key player in the motor industry in Extremadura. Looking to the future, I think Deutz has a huge potential for improvement; if it continues to focus on innovation and new talent.*

-If you had to choose one "value", which would define your appreciation of Deutz Spain, what would it be?

*I would highlight the value of teamwork linked to the respect that exists in the organization, considering the contributions of all the people.*”

Since September 2020, it has been part of the High Potencial programme, a project promoted by Deutz Spain and the University of Extremadura to retain talent in the region and promote youth employment.

3.

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PEOPLE  
THE DRIVING FORCE OF DEUTZ SPAIN







## PEOPLE DEVELOPMENT AND MANAGEMENT ■

DEUTZ understands Human Resources as a strategic value that contributes to the implementation of the business strategy through the empowerment of people.

The commitments of DEUTZ SPAIN with the development and management of people are the following:

**485**  
Average number  
of staff 2020



**6,74 %**  
Women in  
staff



**25**  
New hirings  
in 2020

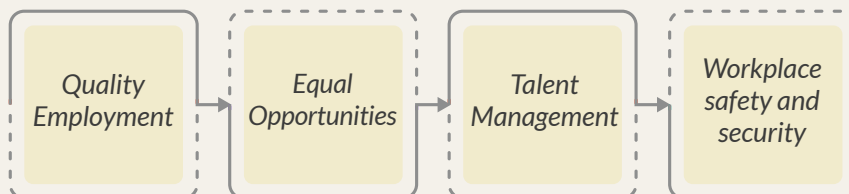


### MISSION

GUARANTEE PEOPLE MANAGEMENT USING THE PRINCIPLES OF RESPECT, COMMUNICATION, TRUST, DEVELOPMENT, SUCCESS, OBJECTIVES, DECISIONS, FEED-BACK, INNOVATION, RESPONSABILITY AND QUALITY.

### VISION

BASED ON THE VALUES AND PRINCIPLES OF DEUTZ SPAIN PEOPLE CONTRIBUTE, AS A STRATEGIC COMPANY ASSET, TO THE IMPLEMENTATION OF THE BUSINESS PLAN. WE EMPOWER OUR PEOPLE BY VALUING THEM IN ORDER TO HELP SUSTAINABILITY IN THE PROCESS OF GROWTH.



### VALUES

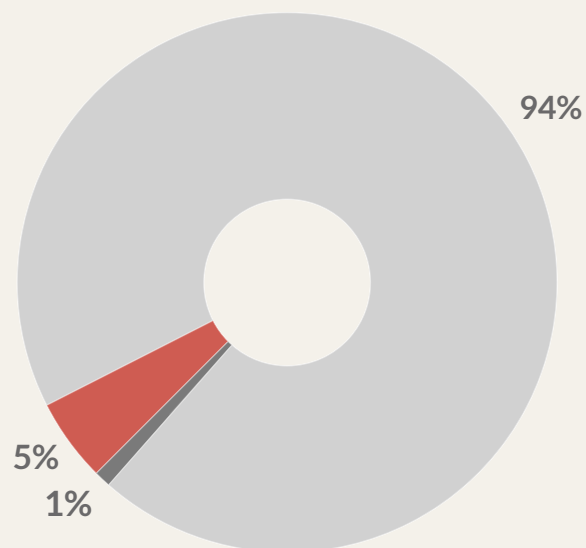
- INNOVATION
- SUCCESS
- QUALITY
- TRUST
- RESPONSABILITY
- RESPECT
- COMMUNICATION
- PERSONAL DEVELOPMENT
- OBJECTIVES
- DECISIONS



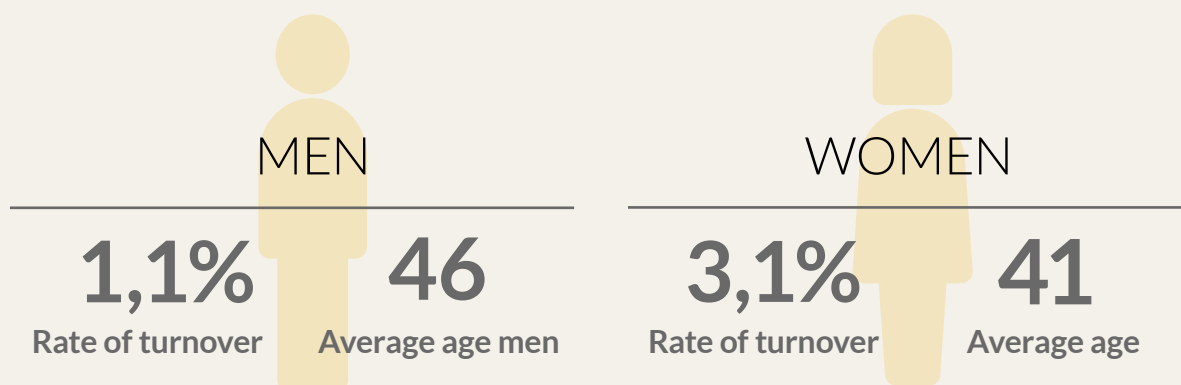
## QUALITY EMPLOYMENT ■

The main asset of DEUTZ SPAIN is its people, the real driving force of the company. For this reason, the care of their wellbeing is vital. The company develops measures aimed at improving workplace safety, developing different aspects of personal life and integration in society, the habit of active listening, equal opportunities in the treatment of men and women and the possibility to reconcile working and personal life.

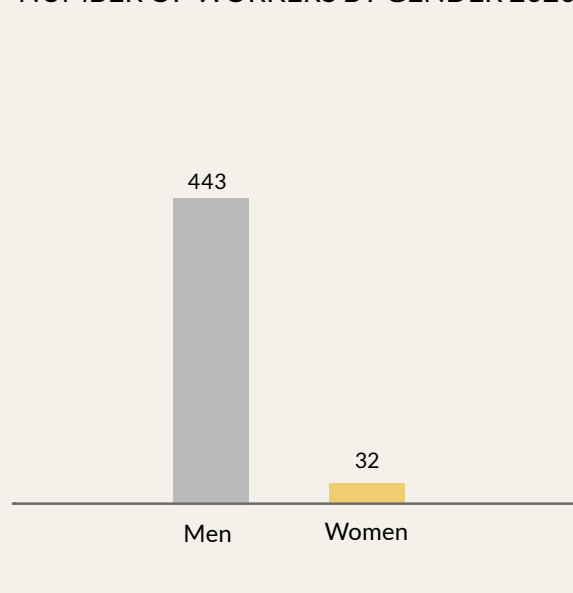
### STAFF DISTRIBUTION BY WORK CENTER



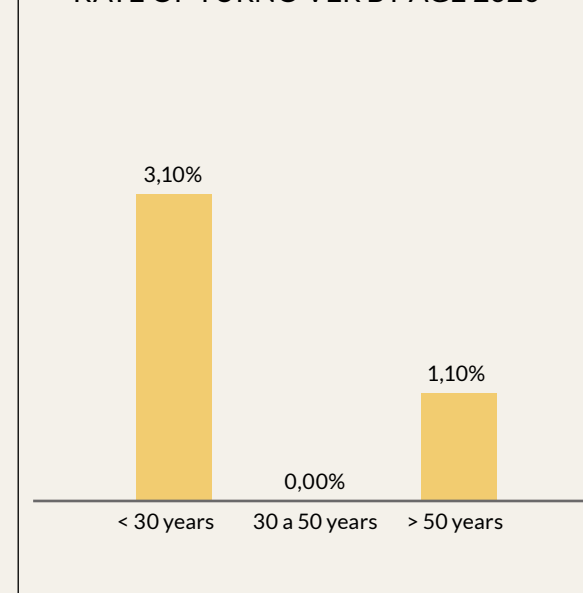
- Deutz Zafra
- Deutz Madrid
- Deutz Barcelona



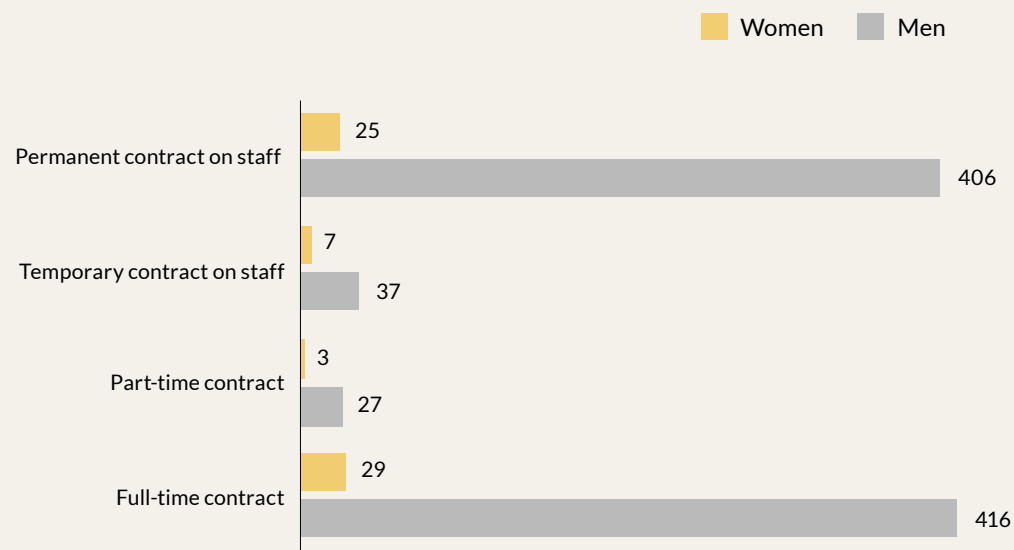
### NUMBER OF WORKERS BY GENDER 2020



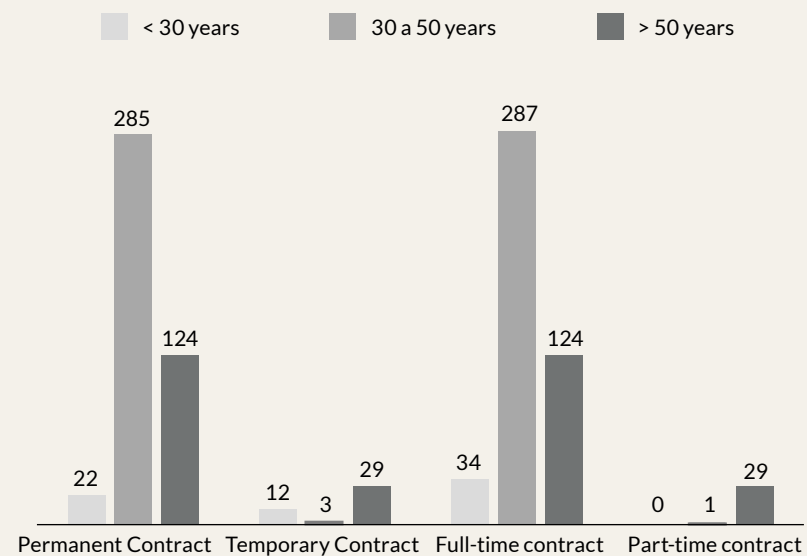
### RATE OF TURNOVER BY AGE 2020



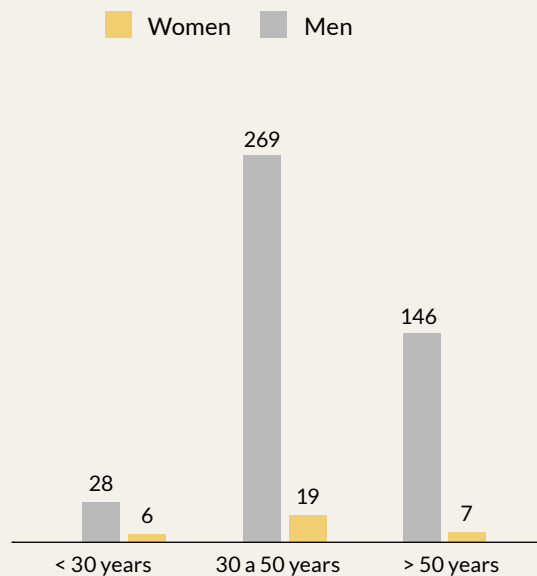
DISTRIBUTION OF STAFF ACCORDING TO KIND OF CONTRACT AND GENDER 2020



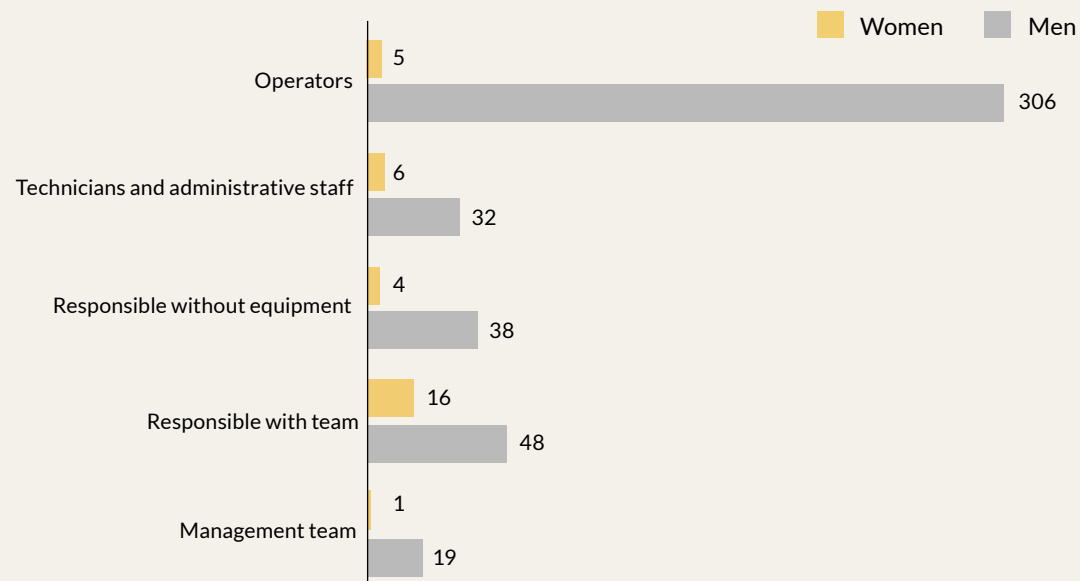
DISTRIBUTION OF STAFF BY KIND OF CONTRACT AND AGE



DISTRIBUTION OF STAFF BY AGE AND SEX 2020

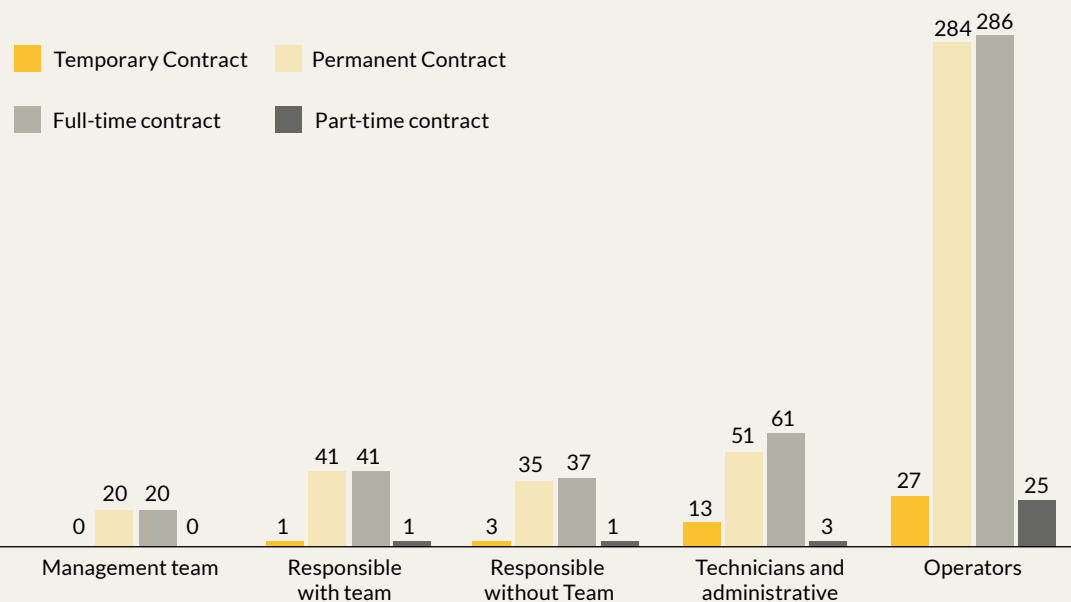


DISTRIBUTION OF STAFF BY SKILL LEVEL AND GENDER 2020

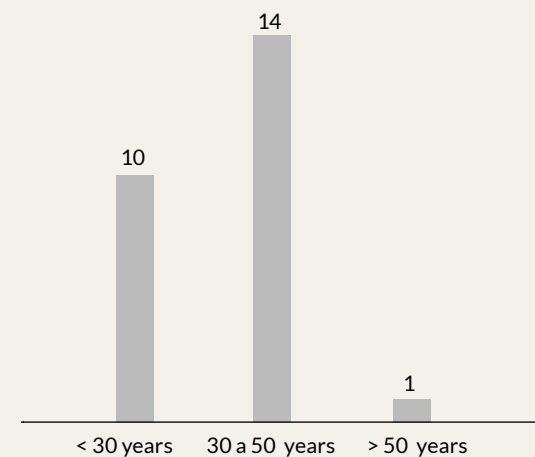




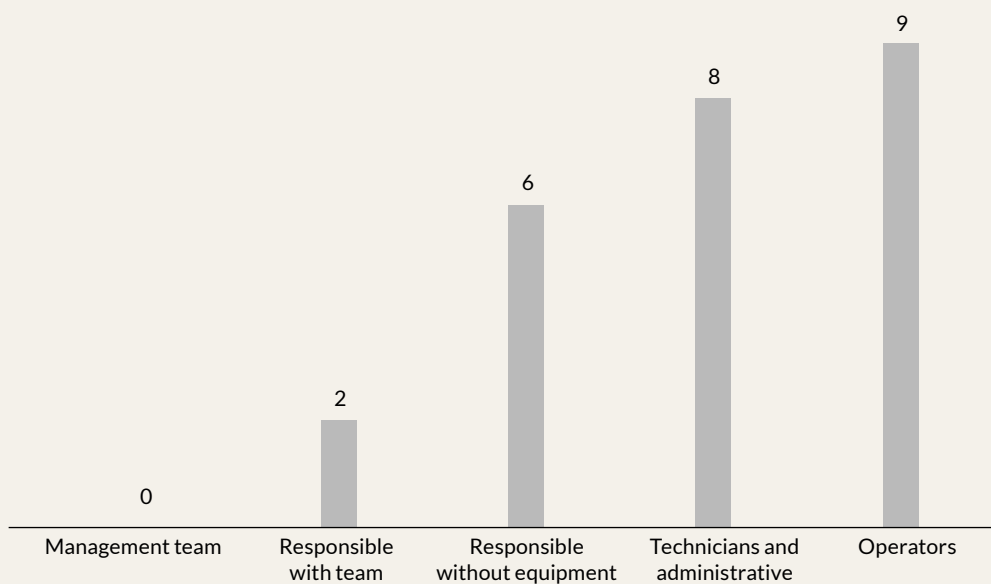
DISTRIBUTION OF STAFF BY KIND OF CONTRACT AND POSITION 2020



NEW HIRINGS BY AGE 2020



NEW HIRINGS BY SKILL LEVEL 2020



MEN

**20**  
New hirings

WOMAN

**5**  
New hirings

**25** New hirings

DEUTZ SPAIN has published its Human Resource Strategic Plan for 2021-2025 with the following lines of action:

#### STRATEGIC PLAN HUMAN RESOURCES 2021-2025

Communication

Commitment

Training

# 28

Initiatives established  
in 2020



Amongst the actions proposed for the following years are the following:

Corporate Responsibility	Motivation Policies
<ul style="list-style-type: none"> <li>• Supermarket discounts</li> <li>• Open doors day</li> <li>• School day</li> <li>• Outdoor family activities</li> <li>• Meeting point people management</li> </ul>	<ul style="list-style-type: none"> <li>• Awarding 25 years</li> <li>• Deutz Europe Cup</li> <li>• Afterwork day</li> <li>• Quit smoking programme</li> </ul>
Values and knowledge	Improve Absenteeism
<ul style="list-style-type: none"> <li>• 40th anniversary</li> <li>• Meetings on values</li> <li>• A monthly value</li> </ul>	<ul style="list-style-type: none"> <li>• Support for working disability processes</li> <li>• Bringing forward medical tests</li> <li>• Health Plan</li> <li>• Weight loss programme</li> <li>• Organizational improvements &gt;58 years</li> </ul>
Implementing policies of reconciliation	Talent Management
<ul style="list-style-type: none"> <li>• Teleworking</li> <li>• English summer camp for children</li> <li>• Flexible working hours</li> <li>• Reorganization of production model</li> <li>• Short working day</li> <li>• 10x4 (4 days 10 hours, 3 day weekend)</li> </ul>	<ul style="list-style-type: none"> <li>• Promote coaching tools</li> <li>• Employment trade fair</li> <li>• Fringe benefits</li> <li>• Talent retention programme VALUE</li> <li>• Implement career plans</li> <li>• Define replacement plans</li> </ul>
Process optimization	
<ul style="list-style-type: none"> <li>• Pay-role simplification</li> <li>• Integration Human Resources and evaluation processes</li> <li>• Improve communication channels</li> </ul>	

## COMMUNICATION

In DEUTZ SPAIN communication is a tool used to strengthen the links between the company and its staff.

The communication is two-way and DEUTZ has set up channels and mechanisms which are available to everybody linked to the company to express their opinions, proposals and suggestions.

*DEUTZ SPAIN places its faith in a model of communication built on transparency and active listening. The communication plan pursues this objective and has become the foundation of an open management model directed to people as the strategic value of the company.*

### Channels of communication



#### Magazine My DEUTZ

The magazine is published at a world-wide level for all workers of the group. DEUTZ SPAIN publishes its most important news.



#### Intranet

The Intranet is used as a two-way communication channel. At the same time the Intrazeit is available to manage pay role issues comfortably and attendance.



#### Commitment survey

Each 6 months the company presents to all its workers a commitment survey. The results are analysed with the workers, establishing action plans to improve the weak points. According to the 2020 results, the main points to improve are the management of recognition and progress.



#### Individual meetings with People Management

All workers have a yearly meeting with the People Management Department. It provides a good moment to share personal and professional issues and analyse the way the company can help in any field.



#### App DEUTZ Mobile

Workers are informed in real time about the main Deutz news that take place in DEUTZ SPAIN. Currently the App has 400 users.



#### Direct Communication

Informative sessions and meetings to identify doubts and worries and contribute solutions.

### Committees and work groups for process improvement.



## PARTICIPATION

**DEUTZ SPAIN** gives its employees the opportunity to propose improvements in the company. These proposals are then studied and could end in an economical being given by the Production Department or the People Management section.

### Opinions count

**DEUTZ SPAIN** awards prizes to workers that have proposed improvements that create yearly savings of more than 3.000 € (once implementation costs have been deducted).

101

Proposals received to date



15

Proposals received in 2020, of which 5 are being evaluated



### Results of the commitment survey

In the 8th commitment survey DEUTZ SPAIN has obtained its best results to date:

6,2

Average score, 6,9% more than the previous survey

61 %

Of the staff score, on the whole, above 5,8

Improvement in the score of the 4 strategic levers:

- Workplace needs
- Recognition and motivation
- Team working
- Growth and development

The growth and development lever obtained a score of more than 5 for the first time.

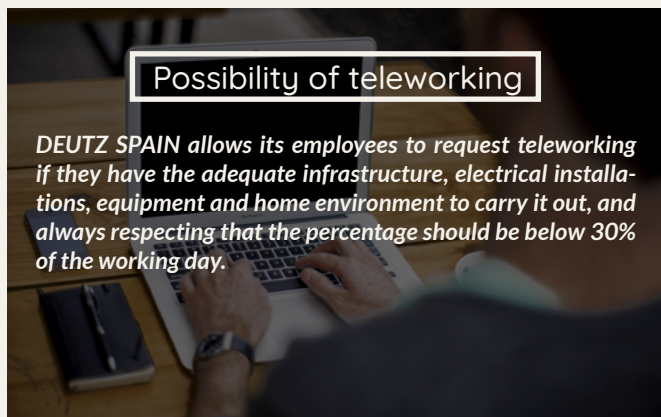
## CHANGE MANAGERS

The managers of change are a group of workers from different production areas that work with the People Management Department in drawing up, developing and improving the initiatives that the company implements on a yearly basis:



## WORK-LIFE BALANCE ■

As part of its policies of social responsibility and human resources **DEUTZ SPAIN** presents its employees with different measures aimed at improving the work-life balance of its workers.



Other work-life measures that continue in effect:

<p>Grants for the studies of children</p>	<p>Discounts in gyms for workers and family members</p>	<p>15% Discount in dental care</p>	<p>Health insurance discounts including partners and children</p>	<p>Child birth congratulations basket</p>
<p>Exchangeable birthday voucher in pastisserie</p>	<p>Christmas basket</p>	<p>Agreements with financial entities</p>	<p>Support in periods of sick leave</p>	<p>Shuttle service</p>
<p>Dry cleaning service</p>	<p>Prepaid hours</p>	<p>Extra holiday for seniority in the company</p>	<p>Family support: paid leave and rewards</p>	<p>Family visit last day before retirement</p>

## EQUAL OPPORTUNITIES

**DEUTZ SPAIN understands equal opportunities as an ethical obligation.**

People who are to join the company are selected without distinction and with objective criteria.

*Equal conditions favours the hiring of women*

### EITO GUARANTEE EQUAL OPPORTUNITIES

#### EQUALITY IN EMPLOYMENT AND RECRUITMENT

- Transparent selection processes in which qualifications, experience and technological ability are valued.
- Final candidates carry out a responsibility and emotional intelligence test to evaluate if they are aligned with the principles and values of DEUTZ SPAIN.

#### ON-GOING TRAINING

- All DEUTZ SPAIN employees have access to professional development tools.
- Following internal selection procedures laid out in 2019, the qualification level is linked to professional category to which one can access with a fixed, minimum time in the company.

#### WORK-LIFE BALANCE

- Implementing measures that allow a positive work-life balance and that favours professional development independently of sex or personal situation.

#### PAY EQUALITY

- DEUTZ SPAIN has continued to analyse salary equality in order to allow the comparison, firstly, with free markets (external equality) and, secondly, to ensure that employees with the same work and with similar evaluations are paid in a comparable way within the company (internal equality).

**4**  
positions  
taken through internal  
promotion in 2020

**23**  
salaries revised  
within the equal salaries project  
in 2020  
**15%** **15%**

In 2017, DEUTZ SPAIN introduced its plan of equal opportunities between men and women using the following criteria:

Integrate the concept of gender in collective agreements

Guarantee the equality of treatment and opportunity in employment

Maintain the policy of stable employment for workers

Promote an evaluation of job positions with objectives and not discriminatory

Guarantee the integration from the point of view of gender when carrying out training plans

Train and make aware on the topic of equal opportunities

Guarantee ways of promotion free from sex discrimination

Encourage the possibilities for women to access positions of responsibility

Improve measures of work-life balance

Guarantee an environment free of sexual harassment

Guarantee the rights of women victims of sexual harassment

Assure use of inclusive language

**DEUTZ SPAIN joined the campaign "Practise equality, Make the difference" of the Cepaim Foundation. With this initiative the company is committed to promote gender equality by active policies and measures of awareness.**



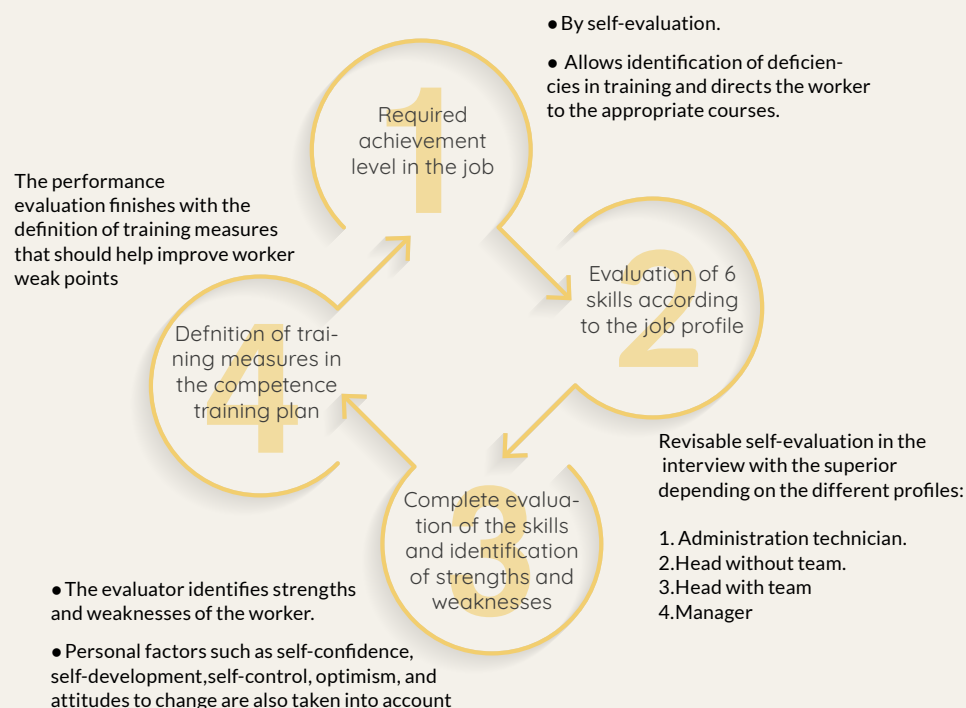


## TALENT MANAGEMENT ■

In 2020, a third skills evaluation took place with the idea of analyzing the knowledge and capacities of the workforce and identify aspects to improve. This way the company can strengthen abilities by training and development actions.

*Any worker can define his own professional development timetable. DEUTZ SPAIN places the measures at their disposal.*

### Performance evaluation



## INVESTING IN TALENT

### Qualified Workers

Due to the fact that a large part of the DEUTZ SPAIN workforce were unable to receive official training, the company offers them a second opportunity to obtain an official qualification. They are provided with all sorts of possibilities as far as timetables and work-life balance is concerned.

In the academic year 2020-2021 the cycle developed for these workers that wanted to continue with their training finishes. They have been studying in the evenings with a 3 course school day.

82

Workers obtained professional qualifications

52

Workers began the machining middle-level course

140

People have studied Dual Professional Training

70

People have been trained in Lean Manufacturing



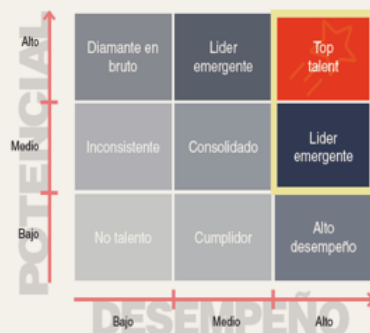
## The way to identify talent

DEUTZ SPAIN identifies workers with talent and potential for progress and an external assessment center carries out an assessment to evaluate the possibilities of performing at a higher skills level. In this way the company is able to confirm the evaluation of the manager.

High potential workers are proposed for a 3 year degree.



*The talent review will begin in 2021*



## High Potential Programme (Programme HP)

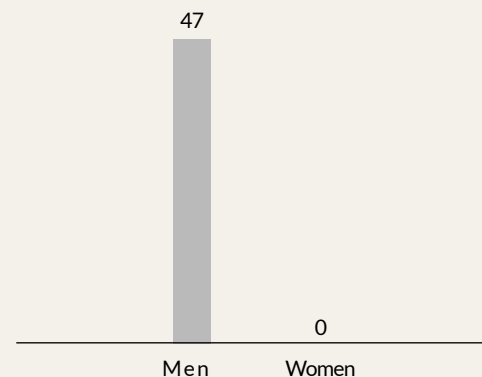
The company continued with its talent identification programme in 2020. This programme includes the selection of the 4 best academic records of students from the Engineers School in Badajoz and the 2 best academic records from students on the Dual Professional Training. The programme is a one-year rotational course with the objective of identifying the future talent of the company. Of the 6 participants in 2020 half were women.

The company began a new dual training course designed for financial management. Of the 5 participants 2 are women.

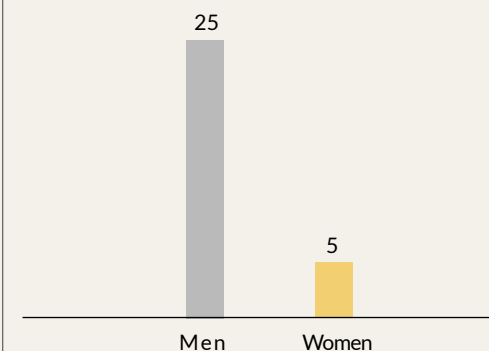
**6**  
PARTICIPANTS IN  
THE HP PROGRAMME

**50%**  
WOMEN

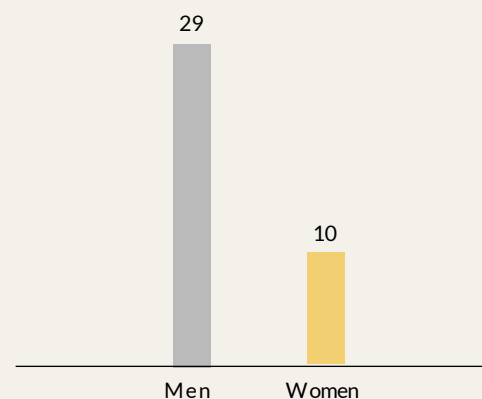
### WORKERS DOING FP



### PARTICIPANTS IN DUAL TRAINING

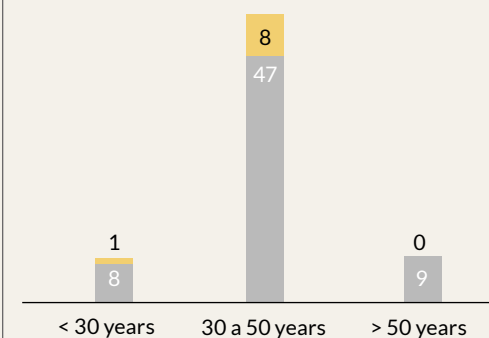


### PARTICIPANTS ENGLISH COURSES



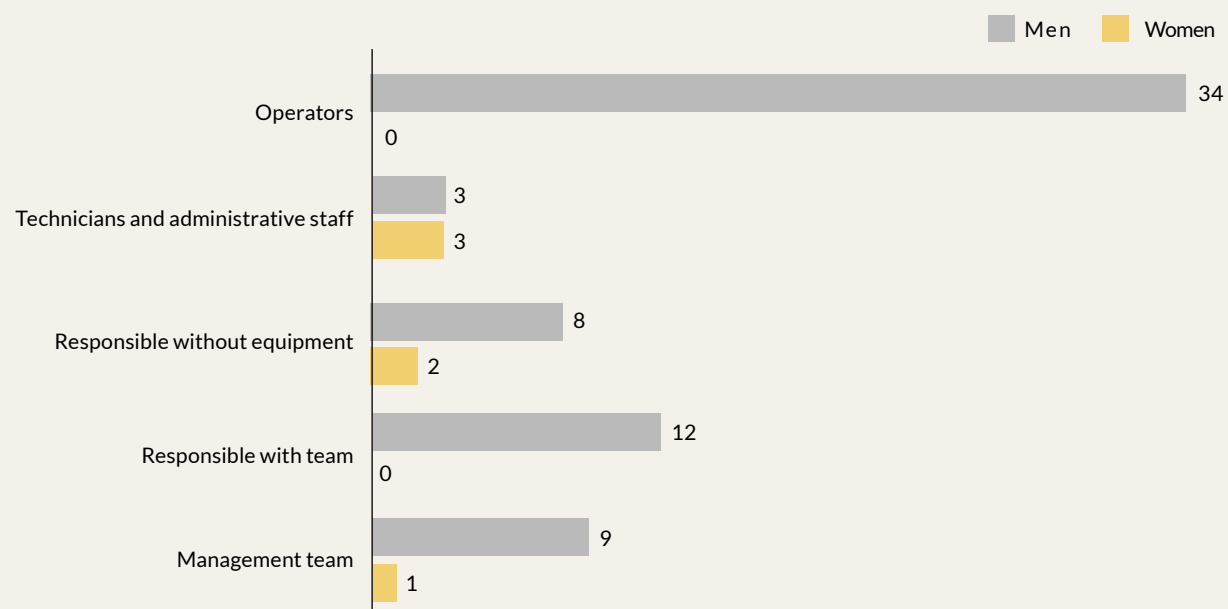
### PARTICIPANTS IN LEAN PROGRAMME BY AGE AND GENDER

Women Men

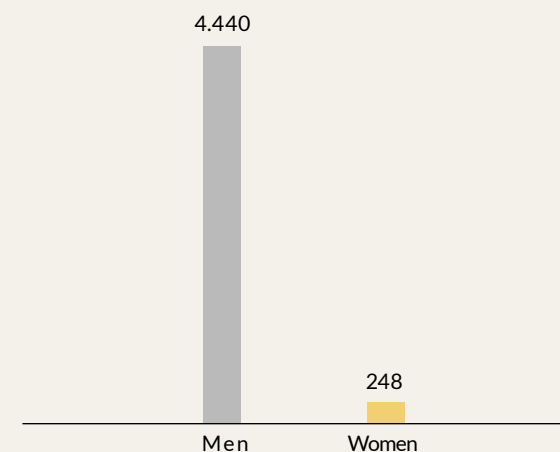




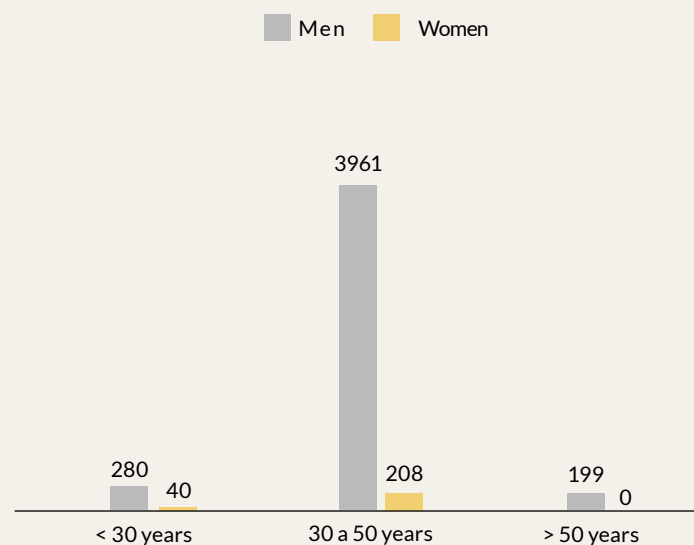
PARTICIPANTS IN LEAN PROGRAMME BY SKILL LEVEL AND GENDER



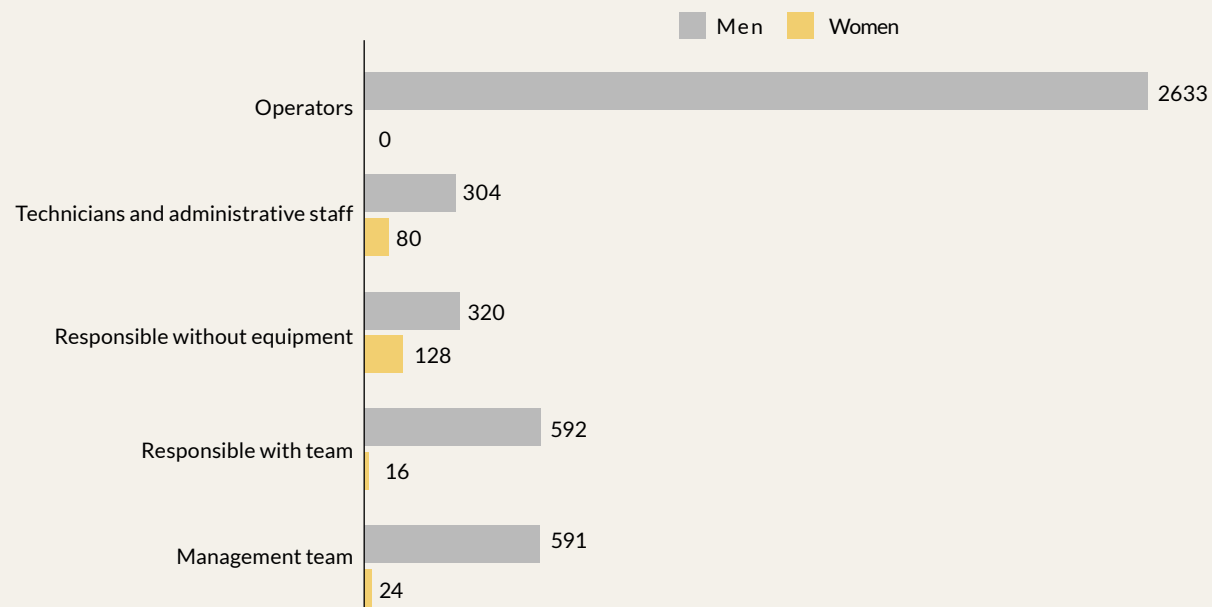
HOURS OF TRAINING BY GENDER



HOURS OF TRAINING BY AGE AND GENDER



HOURS OF TRAINING BY SKILL LEVEL AND GENDER

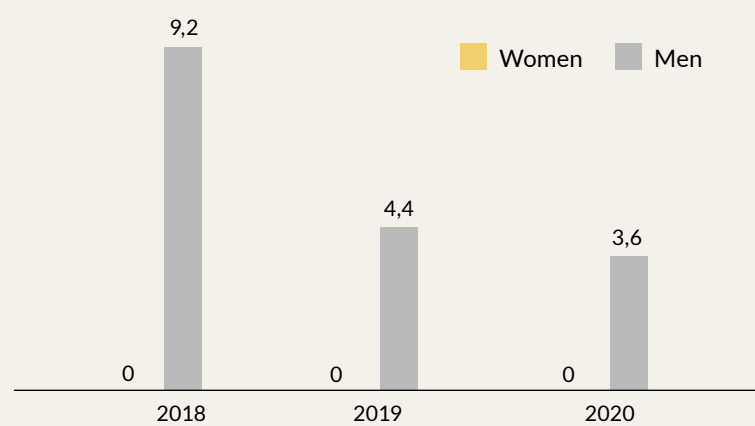


## HEALTH AND SAFETY AT WORK

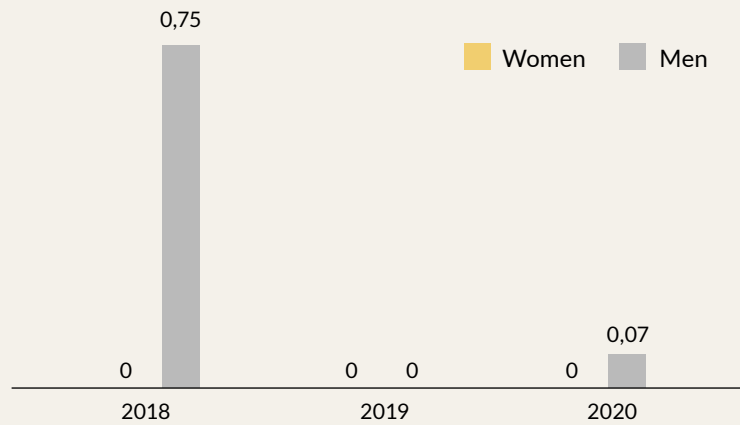
**DEUTZ SPAIN** assumes as one of its basic principles that of guaranteeing the health and safety of all of its employees. In order to reduce accident rates, degrees of seriousness and work-related illnesses the company invests important quantities of money every year in improving preventative measures. We continue to maintain the ISO 45001:2018 certification.

*DEUTZ SPAIN has the lowest accident rate in the DEUTZ group*

RATE OF ACCIDENT FREQUENCY

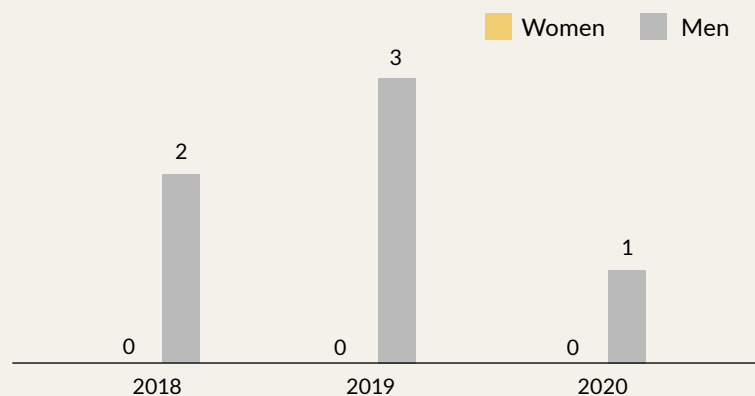


DEGREE OF ACCIDENT SERIOUSNESS

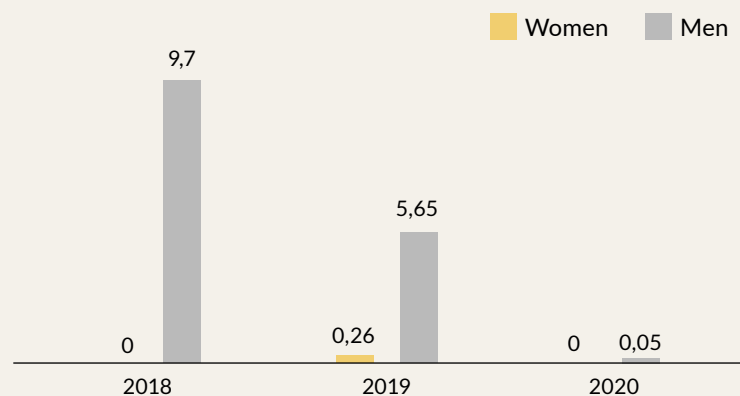


*In 2020 the company built a noise map in order to focus on starting points where it can begin to carry out technical measures to reduce factory noise levels.*

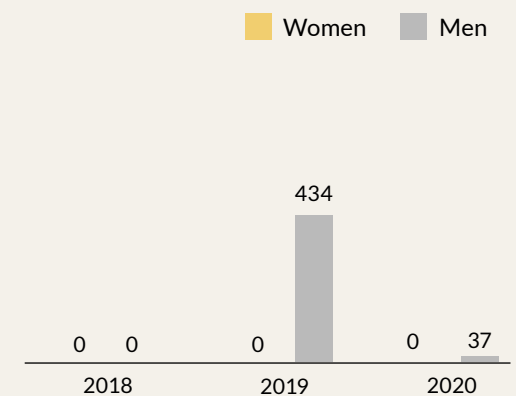
WORK-RELATED ILLNESSES



RATE OF ABSENTEEISM DUE TO ACCIDENTS



DAYS LOST DUE TO WORKPLACE ACCIDENTS

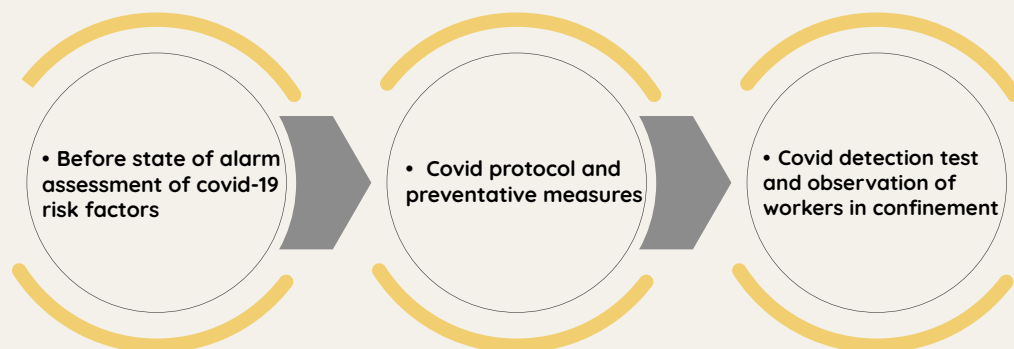


Please note that the information relating to health and safety in 2018 is not available for gender.



## MANAGEMENT OF COVID

In 2020 we faced an unprecedented situation caused by the COVID-19, the company managed the situation efficiently and with sufficient speed to protect the health and safety of its staff.



Within the policies of health protection, a behaviour protocol was introduced to deal with everything related to COVID-19.

+ than 500  
Serology tests

+ than 400  
Antigen tests

134  
Observations, only 19 positives. Zero infections in  
our facilities and only 19 contact positives.

On two occasions the company carried out large scale filter tests

+ than 500  
serology tests April  
2020

+ than 375  
serology tests January  
2021



## PREVENTIVE MEASURES ANTICOID



- Limits for rooms of general use



- Disinfectant gel for staff



- Diningroom shifts



- Water fountains are turned off and a number of places in the factory are used for bottles of water



- Identification of additional spaces that could be used



- Changing rooms are remodeled to maintain social distancing during their use



- Start of home working and telematic meetings



- Control by electronic system of capacity, temperature and mask



- Increase frequency of cleaning



- Personal electronic wallets are installed in vending machines.

Thanks to the aforementioned measures and many others and in addition to the staff adapting to the situation and protocols the company has had a very low COVID-19 rate. Only 3.8% of the workers were ill due to Covid in 2020. Highlighting that in our facilities there were zero infections. The infections that took place were due to contacts outside the facilities.

*In 2020 extensive training was given about workplace risks and Covid prevention measures*



## Improvement of facilities

Taking into account the situation, the company carried out extensive improvements of the changing rooms, applying different anti-Covid measures. Tablets were placed at the entrances to control the capacity; temperatures were taken, and it was assured that masks were being worn. With the improvement of the changing rooms the company has, in addition, improved the comfort and security of the staff.

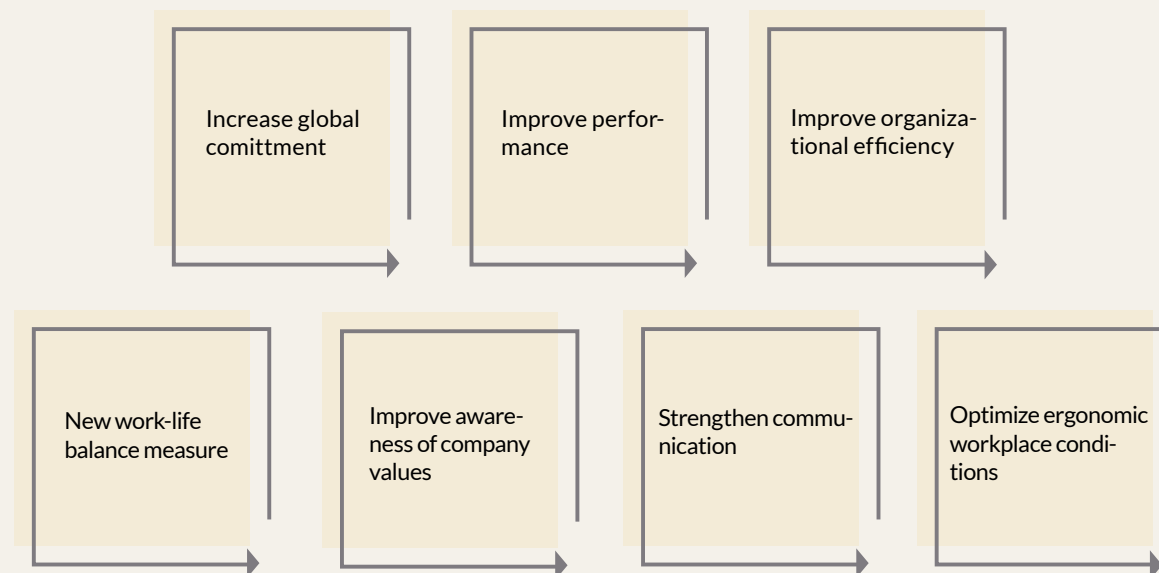


## Health and safety in teleworking

DEUTZ SPAIN assures that staff who are going to carry out their job by teleworking can do this in a safe way. This has been done with the following measures:



## OBJECTIVES FOR PEOPLE 2021





Carlos Arce  
President of the Arram Group.

**“-What do you consider to have been the main achievements or contributions that Deutz Spain has been able to make during its trajectory?**

*For me, the great achievement has undoubtedly been to significantly improve the company's competitiveness, without worsening working conditions. All of this, having carried out an important cultural change at all levels of the organisation and by focusing on key factors such as dual training, environmental performance and employee health and safety.*

**-What role do you think Deutz Spain plays and should play in the future in relation to its environment?**

*Deutz Spain has been a beacon in the industrial transformation of the region, placing people at the centre of the strategy. And it continues*

*to be so today with the creation of the Deutz Business School, to promote quality technical, competitive and executive training; with a firm commitment to continuous training and educational innovation as a means of business growth.*

**-If you had to choose one "value", which would define your appreciation of Deutz Spain, what would it be?**

*I would highlight as values of the company Deutz Spain the continuous improvement always led from the top management.*

”

In recent years, Arram Consultores has participated in the design and management of infrastructures promoted by DS with an investment value of more than €2m.

# 4.

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INNOVATION AND EFFICIENCY  
FOR THE ENVIRONMENT







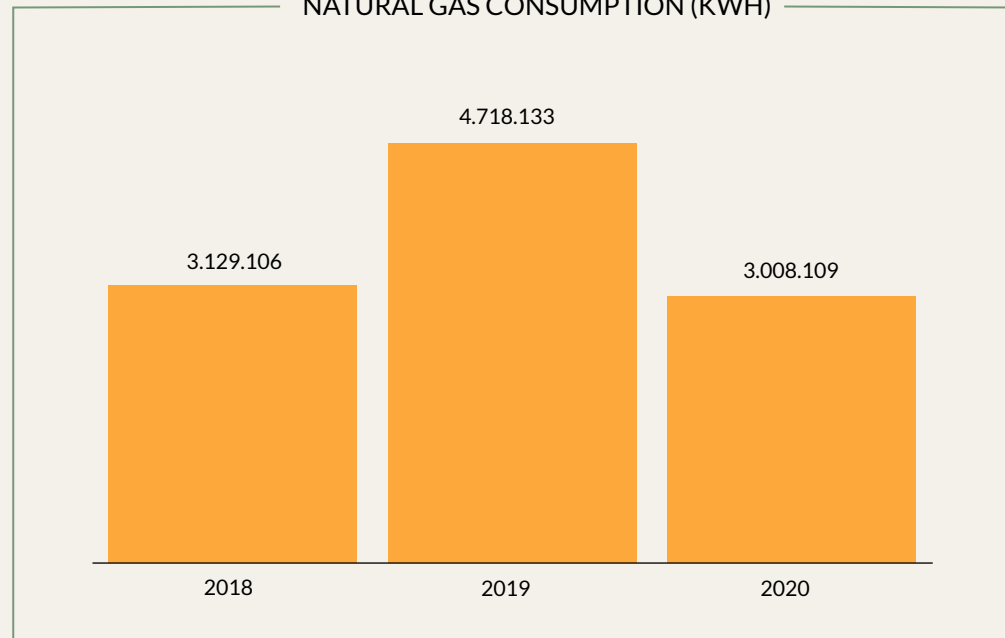
## ENERGY MANAGEMENT ■

**DEUTZ SPAIN** has introduced a global system which forms part of an environmental management system according to standard laid out in the **ISO 14001:2015** Environment Management Systems. Within the framework of business excellence and the policy of continual improvement **DEUTZ SPAIN** integrated, in 2020, the requirements of the **ISO 50001:2018** standard. This deals with energetic efficiency and is an international norm that helps to reduce consumption, minimize the carbon footprint and reduce costs by the promotion of the sustainable use of energy.

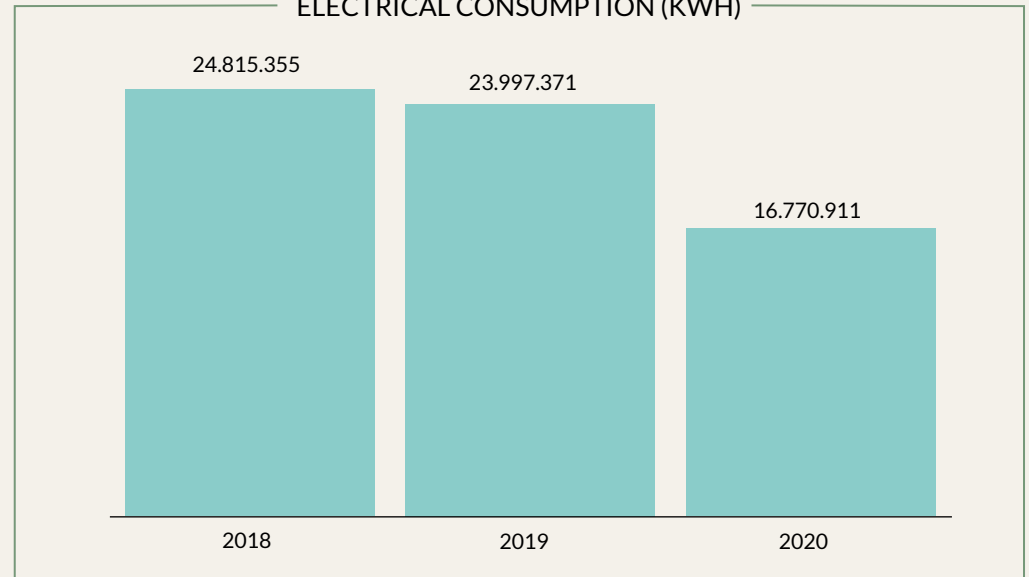
Below we describe what have been the environmental achievements of the Zafra factory in 2020. The environmental information for the technical services of Madrid and Barcelona, given their lower level of relevance, can be consulted in the annex INDEX CONTENTS LAW 11/2018 – GRI STANDARDS of this statement.

# Consumption

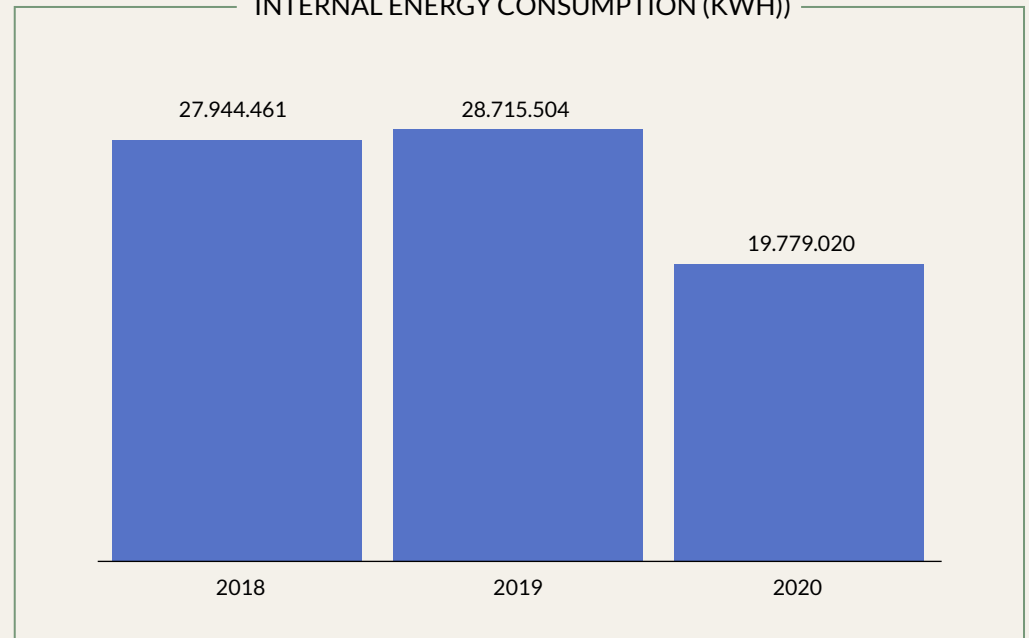
NATURAL GAS CONSUMPTION (KWH)

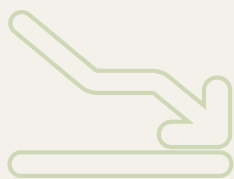


ELECTRICAL CONSUMPTION (KWH)



INTERNAL ENERGY CONSUMPTION (KWH)





**12,71%**

### Reduction in energy consumption

19,74% of electrical consumption from the factory is from renewable sources. As far as natural gas is concerned, 14,26% of the energy consumed for the restroom hot water comes from solar panels installed in our cover.

Looking towards the future and supporting the commitment of DEUTZ SPAIN with renewable energy, in December 2020 the company approved a project for the installation photovoltaic of 839,7 kWh that will be built during 2021. In 2020 the company closed its cycle of efficiency improvement that corresponds to 2017-2020, with a total saving of 12,71 %. This culminated in a new energy audit that has allowed us to define a new savings plan and energy efficiency in the time frame 2021-2024.

In addition, DEUTZ SPAIN has a best practices manual to improve energy efficiency that establishes the methods and processes necessary to improve energy performance including efficiency, use, consumption and which includes the following measures:

#### Saving and efficiency in production.

- 21 permanent analyzers of electrical networks.
- Reuse of part of the coolant (reduces the electrical consumption in the treatment plant).
- Selective turning off of lights in periods of little activity.
- All new light fittings are low consumption.

#### Saving and energy efficiency in compressed air.

- Use of variable compressors.
- Periodic detection of leaks.

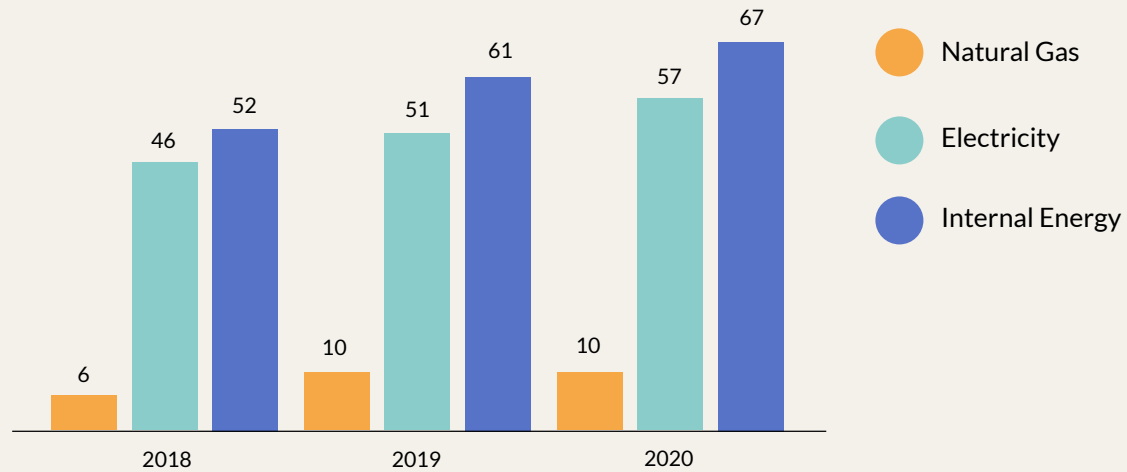
#### Savings and energy efficiency in air-conditioning.

- The company has a monitoring system to assure adequate temperature conditions.
- Natural ventilation opening windows or doors.
- Use of air-powered motorized trapdoors.
- Adiabatic refrigeration.

#### Saving and energy efficiency in compressed air.

- We improve the heat and cold losses with continual improvements in the surroundings.
- Turning off of lights for selected periods of little activity.

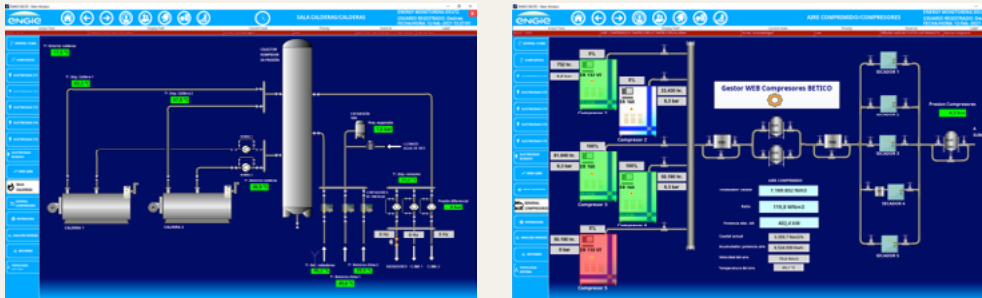
ENERGY INTENSITY (KWH/H.M.T.)



*In 2020 the machine hours worked were 296.440, 12% less than the previous period*

### New modular monitoring and control software (ENMO)

Within the improvement efficiency policies DEUTZ SPAIN has implemented a monitoring and control modular software (ENMO) that allows facility and industrial processes to be supervised. The improvement in the ease of management and operational decision taking has allowed for the optimization of the consumptions of the plant, especially in a year with stoppages and lower production levels due to the pandemic. It is necessary to highlight the managers of the compressors and boilers.



As far as the lines of improvement focused on reducing anergy consumption are concerned it is worth highlighting the following that were introduced in 2020:

- Oil recovery unit (investment made by the company responsible of FLUIDCARE). Reduction in consumption synthetic lubricants on reusing a part.
- Improvements in the surroundings of factory closure of offices and skylights in production area. Reduction in heating consumption.

In addition, the production in Deutz Spain implies the consumption of materials:

Consumption in production of the Zafra factory	Consumption	Ratio
Oil Consumption	56.852	0,192 kg/machine hours
Consumption of drilling oil	81.639	0,275 l/machine hours
Liquid nitrogen consumption	357.052	1,204 litros/machine hours
Methanol consumption	52.020	kg/t piezas cementadas
Adhesive consumption	315	0,001 gr/machine hours
Antioxidant consumption	1.120	3,778 kg/mil machine hours
Detergent consumption	9.506	0,032 kg/machine hours
Paper VCL Consumption	1.774	5,985 kg/mil machine hours
Paper consumption A3/A4	142.500	0,481 ud A4/machine hours
Steel chip Generation	568.060	1,92 kg/machine hours
Melt chip Generation	2.325.700	7,85 kg/machine hours
Aluminium swarf Generation	14.180	0,048 kg/machine hours



## ENVIRONMENTAL INVESTMENT ■

In its business ethics code are described and developed objectives and regulations reflecting the obligation to act in a responsible, ethical and legal way. This business code of conduct is implemented in all areas of the company (including the environment) and all institutions that participate (with more than 50%) in DEUTZ AG.

The commitment of DEUTZ SPAIN with sustainable development is brought about in actions among which are:



- Minimization of environmental impact.



- Development and follow-up for plans of minimization of waste and of energy efficiency.



- New modular software of monitoring and control (ENMO) that allows the supervision of facilities and industrial processes.



- An environmental responsibility insurance of up to 1.000.000 € for damages within and around the installations.



- Installation of oil recovery machine that allows the reuse of part of the lubricants.



- Improvement in areas around the factory (closure of offices and skylights in productive areas)

DEUTZ SPAIN guarantees the economic investments directed at improving environmental performance. We understand the importance of energy consumption in the industrial sector and DEUTZ SPAIN increased its investment in 2020 in managing its energy system.

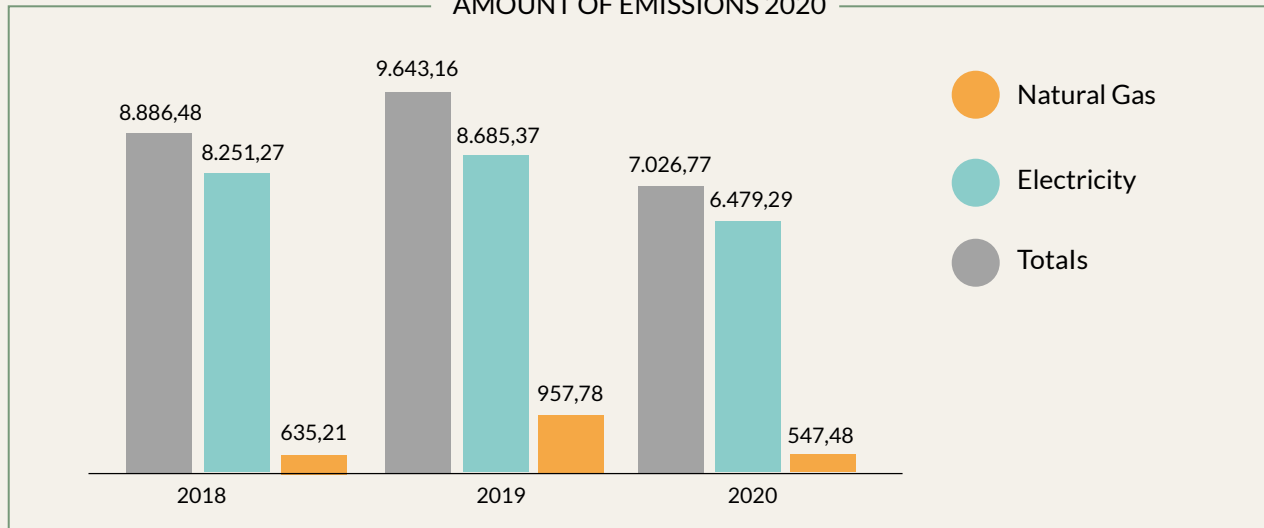
Project	Investment
Management of dangerous waste	40.904 €
Measurement of toxic emissions	7.030 €
Spillage measurements	4.635 €
Absorbent reduction	17.597 €
Energy management system	15.000 €
Human Resources	Keeping 3 specialists on the staff



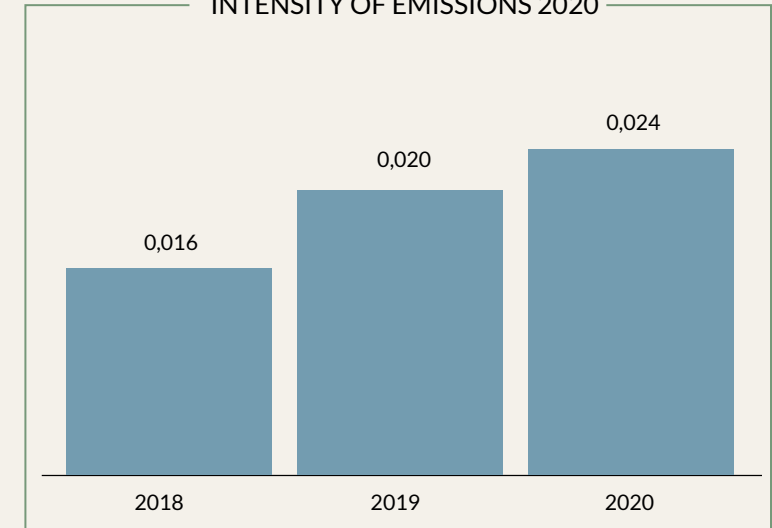
## EMISSION MANAGEMENT ■

The policies of DEUTZ SPAIN against carbon emissions of applying measures of prevention and reduction. We understand that our efforts should go into avoiding risks more than repairing them.

AMOUNT OF EMISSIONS 2020



INTENSITY OF EMISSIONS 2020



### 2020 FIGURES

Totals = 7.027 tCO<sub>2</sub>e

Electricity = 6.480 tCO<sub>2</sub>e

Natural Gas = 548 tCO<sub>2</sub>e

The emissions information given are: **Level 1 + Level 2**. The company has not calculated **Level 3**.

The emissions have been obtained using the **conversion factors** provided by the Ministry for Ecologic Transformation and Demographic Challenge.

The emission elements used were:

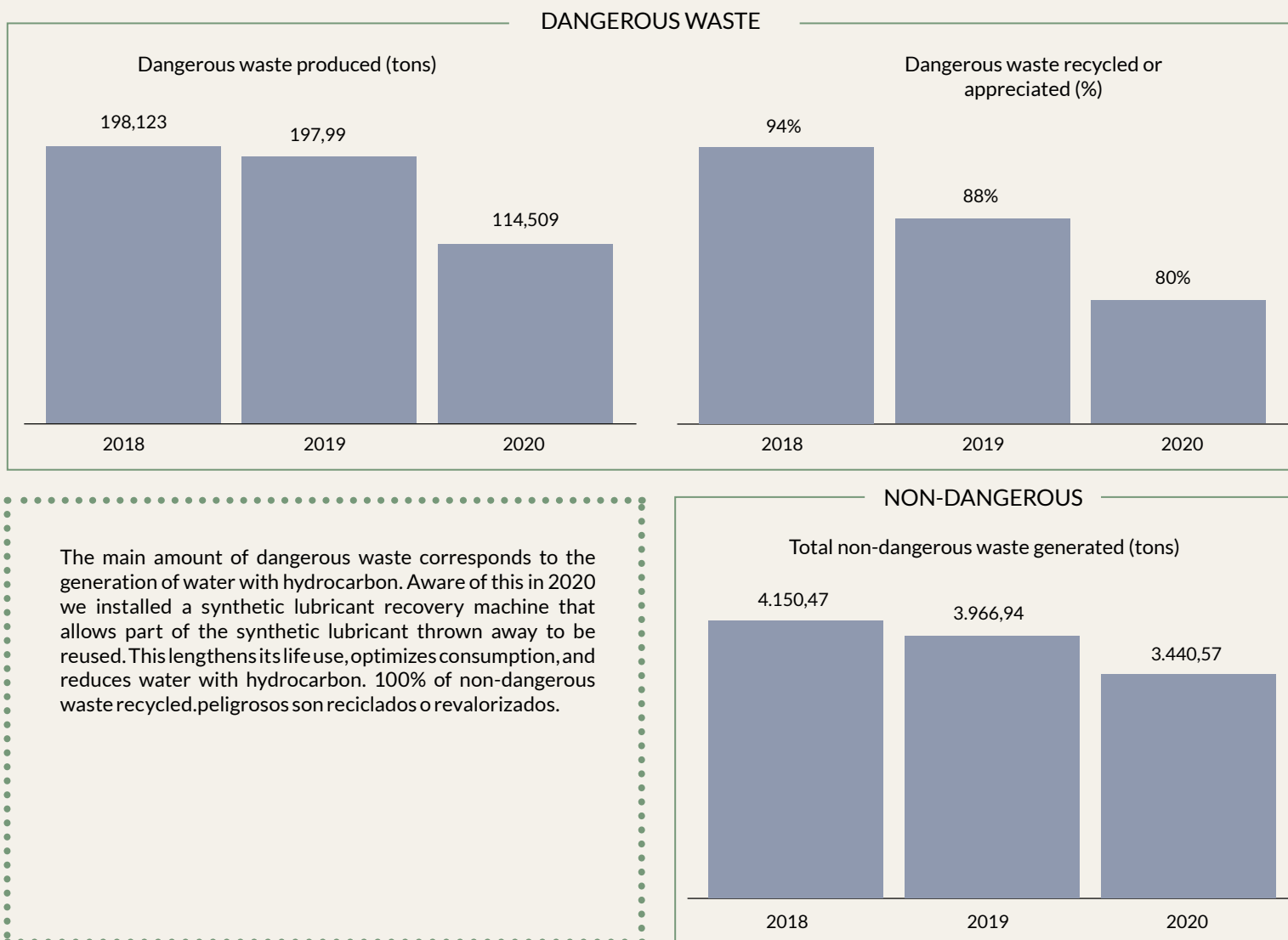
Tipo	F2018(17)	F2018(17)	F2020(19)
Natural Gas	0,203	0,203	0,182
Electricity	0,38	0,35	0,27

### DEUTZ SPAIN, continually improving

In 2020 the improvements focused on the heating process, one of our main points of CO<sub>2</sub> emissions in spite of its seasonal nature. We have installed a new 'room manager' that enables us to monitor and control in real time the working of the boilers and adapt it to the needs of the plant. In this way we avoid the emissions of CO<sub>2</sub> over the necessary minimums.

## WASTE MANAGEMENT ■

**DEUTZ SPAIN** is aware that the improvement in its classification and waste management not only depends on the means used but also that it is necessary to make an effort to raise awareness and training of all employees in the company.

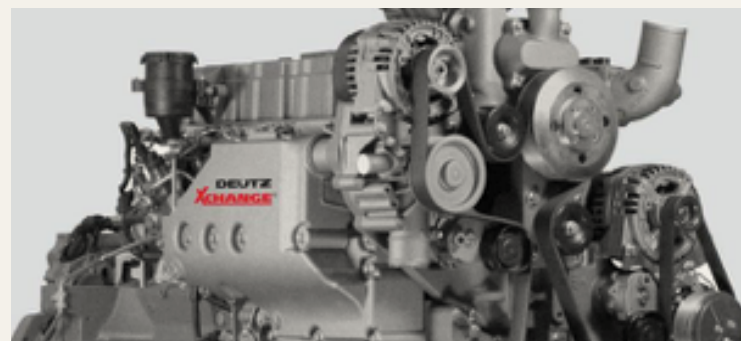


Types of dangerous waste	Amount of waste (kg)	Identification (LER)	Final treatment methods of waste
Water with hydrocarbon	30.140	130205	R13
Water with hydrocarbons	59.060	130507	R13
Contaminated absorbents	9.654	150202	D9
Aerosols	120	160504	R13
Biosanitary	6	180103	R03
Electrical and electronic devices	1.278	160213	R13
Contaminated metal containers	331	150110	R13
Contaminated plastic containers	290	150110	R13
Contaminated plastic packaging	404	150110	R4
Fluorescents	125	200121	D15
Slime with hc's	13.101	130502	D15

Types of non-dangerous waste	Amount of waste (kg)	Identification (LER)	Final treatment methods of waste
Mixtures of municipal waste	48.260,00	200301	D5
Paper and cardboard	55.810,00	200101	R13
Plastic	15.740,00	200139	R13
Molten shavings and steel	2.893.760,00	120101	R13
Aluminium	14.180,00	120101	R13
Rigid metals	320.300,00	170405	R13
Wood	44.040,00	200138	R13
Scrap metal	48.480,00	200140	R13

### DEUTZ XCHANGE: Committed to Circular Economics

Thanks to the DEUTZ XCHANGE service reconditioned motors as well as parts are marketed. The reconditioning is carried out in accordance with strictest quality norms and helps to give value to ranges of motors and parts that can be recovered.

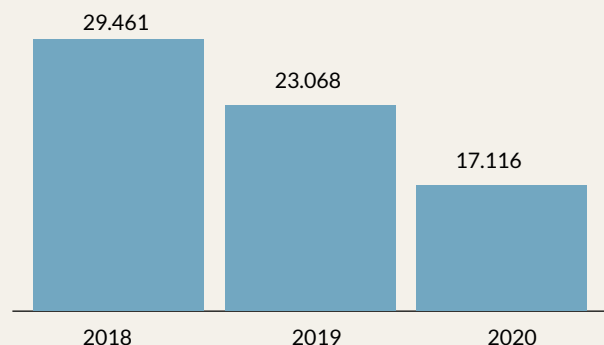


## WATER MANAGEMENT ■

Water is a scarce resource and for this reason in recent years DEUTZ SPAIN has insisted not only on reducing its consumption but also in reusing the maximum volume possible. For this reason, the company has in its facilities a treatment plant and a sludge remover.

Network water consumption: 16.378 m3  
Consumption of water from wells: 738 m3

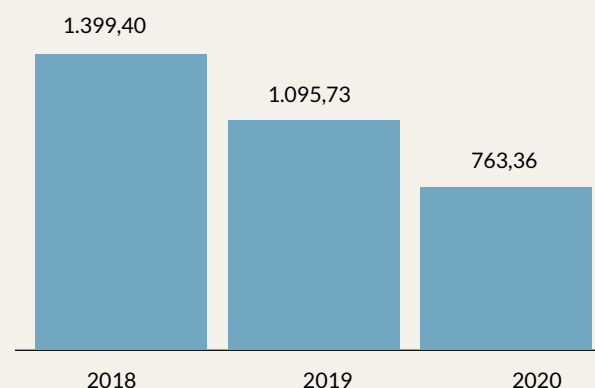
Total water consumption (m3)



26%

Reduction of water consumption with respect to 2019

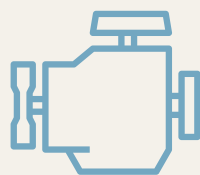
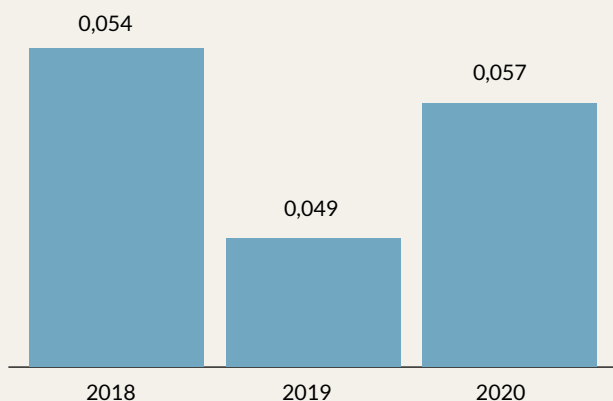
Total spillage of residual water



*Water coming from production goes through the different necessary treatment processes before being returned to the network.*

## ENVIRONMENTAL OBJECTIVES 2021 ■

Volume (m3 / h.m.t.)



Hours of machines working

2018 = 542.164 h  
2019 = 473.563 h  
2020 = 296.440 h

Energy reductions of 10% in 4 years (from 2017).

Improvements in the control and monitoring of the plant's consumption through SW.

Reduction in consumption of cutting fluids by part 2%.

Appreciation of dangerous waste.





Rosario Bru  
Director of Plena Inclusion Zafra

“**-What do you consider to have been the main achievements or contributions that Deutz Spain has been able to make during its trajectory?**

*Improving employment in our area, and with it the quality of life of all the people who in one way or another form part of this great company. Favoring the development of the industrial and business fabric, and with it the socio-economic level of our environment.*

**-What role do you think Deutz Spain plays and should play in the future in relation to its environment?**

*To continue to be the most important source of employment in Zafra, committed to the continuous training of both its workers and all the people in the surrounding area in its new business school, and opening*

*new lines of work with the latest technology in order to compete in the international market with the quality that characterizes them.*

**-If you had to choose one "value", which would define your appreciation of Deutz Spain, what would it be?**

*QUALITY in the broad sense of its meaning: both on a professional level in everything it does, and on a personal level in its commitment to the companies and people we are linked to.*

”

Plena Inclusion works for the full inclusion of people with intellectual or developmental disabilities and their families; helping them to be included in employment. It is a supplier of Deutz Spain reaching a turnover in 2020 of 30.000€.

5.

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BUILDING THE  
FUTURE





## DEVELOPMENT OF LOCAL COMMUNITY ■

**573**  
Students in the Deutz  
Business

**8**  
Courses  
Dual Training

**DEUTZ SPAIN** has set itself up as one of the main and invigorating players of the industrial and employment sectors in Extremadura. Nearly 500 families from the area live directly from employment with Deutz. DEUTZ SPAIN is the leader in Extremadura in terms of number of employees and salaries. It is also the foremost contributor to the to the Social Security\*.

The social commitments DEUTZ SPAIN revolve around the development of the local community in two ways:



DEUTZ continues with its commitment to Zafra by bringing to this city in Extremadura a new project. The company was set up in front of a notary on the 16th of December in 2020. The new project will be implemented with an initial investment of 1 million euros and will help create dozens of Jobs in the initial phase. The development of the Project will start in September 2021



\*Fuente: Companies statistics based on the Central Mercantile Register (2015)

## TRAINING AND EMPLOYABILITY ■

**DEUTZ SPAIN** has developed its business school, Deutz Business School®, with the clear objective of bringing high quality training closer to Extremadura and make Zafra the knowledge center of the region.

Deutz Business School® has become a forum where students, companies and managers can share knowledge and experiences.

### FOUNDATION DEUTZ BUSINESS SCHOOL®

The Foundation **Deutz Business School®** is a non-profit making institution inspired by DEUTZ SPAIN, whose main objective is to drive and develop Extremadura and its surroundings both economically and professionally by excellence in training and the promotion of innovation. This way we can make a positive impact in the educational, cultural and business development and as a result help youth employment in the region.



**Deutz Business School®** has more than 1.000 m2 for its facilities with the objective of providing accessibility for the new generations to a training focused on the real necessities of companies. This focus provides participants with the skills and the necessary competency to allow them to pilot the new knowledge as an instrument of professional improvement in response to the present and future demands of the labour market.

**Workshop**  
with a space of de  
290m<sup>2</sup> for practical work

**Auditorium**  
with a capacity  
for 180 people

**4**  
multipurpose  
rooms



The way in which **Deutz Business School®** drives the development of professionals in the industrial field is to offer a wide range of educational possibilities that tie up with current issues and the needs of each person.

**Deutz Business School®** has established alliances and collaborations with several different educational institutions in order to attract to this skills centre the best professionals and experts in the field of business management and the challenges of digitization. In addition, some of its programmes have the recognition of the university of Extremadura, in accordance with the requirements of the Bologna Plan.

Deutz Business School®	
Postgraduate studies	Dual Professional Training
Cambridge School	Congresses and continued training

## Iturri, new official sponsor of DEUTZ BUSINESS SCHOOL®

The joining of ITURRI with Deutz Business School® looks for collaborations in any type of official or non-official training whose contents are focused on security and protection.

ITURRI is a third-generation family business with its origin in Sevilla (Spain). It was founded in 1947 and supplies solutions in the personal and collective fields with different factories and centers in Europe, South America and north Africa as well as an I+D center called 'ITURRI Forward'.



	Deutz Spain - Deutz Business School®	Own University Masters Lean & Six Sigma
	University of Extremadura and Spanish Association of Quality (AEC)	Postgraduate Yellow Belt & Six Sigma
	Lean Management Institute	Postgraduate Expert in Professional Practitioner Lean
	I.E.S. Cristo del Rosario	Medium Level Professional Training Dual High Level Professional Training Dual Specialised Professional Training Industry 4.0.
	Cambridge English Language Assessment	Preparation for Official Cambridge Exams Conversation classes Business English In-company English Training
Otros entidades colaboradoras:		
	Asociación para el Progreso de la Dirección	Association for Management Progress
	Universal Robots (ESADE)	
	Grupo AyS	

## NEW TRAINING ACTIONS IN 2020 ■

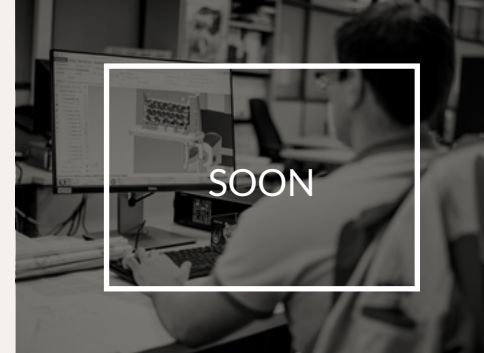


2020 was a year of growth and the launching of new training programmes in the Deutz Business School® catalogue. Thanks to the participation of experts and professionals of industrial management we have grown in the number of students trained (1.015) as well as the number of training activities held (72). Currently we have more than 60 teachers and collaborators of Deutz BS, of whom 45 work in DEUTZ SPAIN.

Among the activities offered this year we would like to highlight our alliance with the multinational Universal Robots which has allowed the school to be certified as the only authorized training of collaborative robotics in the south of Spain. At the end of 2020 the first courses in collaborative robotics were held within the framework of the "Conecta Industria" of the council of Extremadura. This landmark demanded us to overcome an exhaustive process of certification, not only in the equipment and training rooms but also the team of teachers. This consisted of 6 DEUTZ SPAIN workers who had to complete English training to be able to control the management and programming of the robots.



Likewise, and despite the limitations and doubts of this difficult year we have made a huge effort to finalize the design of the best Advanced Industry 4.0 course. Thanks to its innovative methodology so that the student faces real industrial challenges of the new intelligent and interconnected industry (Smart Factory) young people and professionals from the southeast of Spain now have a center where they can acquire these essential techniques in demand in the labour market. This course will be given by DEUTZ SPAIN teachers who will carry out tasks related to advanced industrial automation in collaboration with Sngular as the international company expert in Big Data.



### COMPUTER-ASSISTED PROGRAMMING

*Design training for management and transformation of 3D (CAD/CAM) platforms*



### CREATION OF COLLABORATIVE ENVIRONMENTS

*Use of robots of the new E-Series for intuitive programming*



### VIRTUAL REALITY APPLICATIONS

*Education and training in virtual reality through gamification*

## Transforming business culture to the LEAN philosophy

**Deutz Business School®** has continued reaping success by encouraging both professionals and businessmen to understand the benefits of lean transformation in their organizations.

In 2020 we ended the second edition of the Postgraduate Lean Black Belt Practitioner and started the third in collaboration with the University of Extremadura.

In 2020 we have trained 50 new professionals in Lean methodologies coming from 15 different companies. The projects developed by the students in LEAN methodologies have shown a saving of some 657.100 €. From the beginning more than 1 million euros has been saved for the participating companies.

In addition to these official courses we have continued to offer in-company training, "gemba" in Japanese, in the factories and industrial processes. We have trained operators, middle management, and directors in carrying out small 'Kaizen' projects. These improvement projects show the value, in all areas of the company, of the enormous value and impact of this way of working.

In Deutz Spain, through the "Wednesday Training" programme we have trained workers in lean techniques.



## Cambridge School

**Deutz Business School®** and the University of Cambridge continue their support for training. A motivating method, highly participative and focused on daily workplace situations as well as the management of high performance have allowed **Deutz Business School®** to grow notably in the number of students in this academic course, going from 88 to 123 students.

Currently, 66 DEUTZ SPAIN workers are receiving English classes, either through specific preparation to obtain official Cambridge qualifications or classes one-to-one focused on reinforcing aspects of communication, negotiation, and team management. Of these 66 students the company finances 46.



66

DEUTZ workers received English classes in 2020

## Training in Responsibility and Social Skills

The staff performance evaluation of DEUTZ SPAIN defines a significant part of the contents of the Competences Training Plan through which we aim to support different aspects of improvement. In 2020 we have worked on different aspects of business life related to the way we work together, give feedback, strengthen active listening, communicate and negotiate effectively, lead and manage teams and how to apply productive techniques in the workplace. These are some examples of the training that is focused on responding to the needs of companies in the surrounding area.

In 2020 and despite a temporary closure of the school for a number of months, due to sanitary reasons ordered by Spain's central government, there was a high participation by students and initiatives launched especially in the last three months of the year.

256 Trained Students  
(195 of DS)

14 companies formed

22 courses held

The majority of the training has been carried out face-to-face, but during the temporary closure of the facilities we offered 15 online webinars in order to continue offering training without cost to anybody interested in developing their social skills or practice their English. Priority was given to vulnerable and unemployed groups.





## GROUND- BREAKING DUAL PROFESSIONAL TRAINING ■

### Professional Training Dual: employability support

Deutz BS has been a pioneer in offering the industrial facilities of DEUTZ SPAIN in Extremadura, as an innovative module of professional training. In 2020 training was given in two specialties – programme of mechanical production for starter motor shavings and self-winding electronic systems. The company has also prepared a programme and selected the teachers for a new Cycle Dual of Financial Administration which will begin in January 2021.

Thanks to dual training the students train in the company's industrial facilities where they can acquire high level knowledge applied to industry. Proof



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

This type of training combines two aspects – the classroom and the work center. Combining theory and practice the

student reaches an optimal level of performance to carry out their work independently and efficiently in the labor market.



VT Dual, higher  
VT Dual, intermediate level  
VT specialization

*In 2020, due to the pandemic, we have continued to be in contact with students and collaborators through virtual classrooms*

*For the start of the new course we have developed a contingency plan – Continuity and Return to Activity Against COVID-19. This introduces strict cleaning and disinfecting protocols and new security measures that can be.*

*To date we have not had any Covid cases in the center and it has not been necessary to close classrooms. We can affirm that we have worked in a safe environment and with the confidence that all the necessary measures to help in stopping the expansion of the pandemic have been taken.*



### DEUTZ SPAIN and the ARUS Andalucía Racing

An immediate example of the application Dual Professional Training was the collaboration during 2020 with members of ARUS, Andalucía Racing Sevilla University team, and the 7 best academic records of the second course of mechanics dual professional training. This was carried out under the coordination of Deutz Business School and supervised by professionals of DEUTZ SPAIN. The students achieved the mechanization of essential parts, previously designed by Arus, for their assembly in their single seat racing car. This collaboration has allowed them to compete in the world's largest university car competition in which nearly 600 universities from around the world take part.



### Visit to the chair of competitiveness in San Telmo, Seville

On the 14th of October Fernando Angulo Romero and Eugenio Serrano Ylleras, representing DEUTZ SPAIN, went to San Telmo Business School as speakers in order to present the case of DEUTZ SPAIN on 'continual improvement as a competitive weapon' within the programme ADEL.

## EVENTS AND IMPORTANT VISITS ■

2020 was witness to two important events in the school under the coordination and alliance with the Association of Progress in Management (APD). The first of these was held in February 2020 and was about the work inspection plans of the social security, workplace, tax and commercial information. The second was held in October, it was titled "Financial forum: financial alternatives in Covid times".



Other organizations, personalities and companies have visited the factory, interested in knowing our strategic plan, as well as the school. This has been due to the teaching methods and the social impact of the activities taken on by Deutz Business School.



ESADE visit



Inquiba visit



Zafra's Mayor



Deutz AG

## SUPPORT FOR VULNERABLE GROUPS ■

2020 was a difficult year in terms of the pandemic and DEUTZ SPAIN is aware of the impact of the crisis on society. For this reason, the company wanted to economically support humanitarian causes based in the Zafra area: Zafra Solidaria, Cáritas y Cruz Roja, during the time of the confinement. In this way the company could continue supporting people in risk of social exclusion in the local community.



6.000€



6.000€



6.000€

### Christmas Toy Donation

This Christmas DEUTZ SPAIN donated more than 90 toys to "Zafra Solidaria" and to the "Cofradía Humildad Zafra". These toys were given to disadvantaged children in our area.

All the toys were purchased from a company in Zafra in order to contribute to the development of local commerce.



### Centers for vulnerable groups

DEUTZ SPAIN collaborates with various organizations to move towards a fairer and more inclusive model.



With a turnover exceeding **30.000€**, Plena **Inclusión Zafra**, performs assemblies and custom cuts necessary for the production process.



Collaboration with **Group Sifu** for the management of logistics and external warehouse and cleaning of the completion of the work of the DBS foundation, with a turnover of more than **185.000€**



Oscar Marín García  
Líder Aliment, S.A  
Chief Executive Officer.



**“-What do you consider to have been the main achievements or contributions that Deutz Spain has been able to make during its trajectory?**

*That an industrial company with a German parent company can survive in a rural environment outside its natural competitive ecosystem is undoubtedly one of the main achievements of Deutz Spain. Innovation, continuous improvement, training, the qualification of its managers and technicians, and being disruptive when needed, have resulted in an effective and efficient company that has managed to guarantee its future and that of its employees.*

**-What role do you think Deutz Spain plays and should play in the future in relation to its environment?**

*Deutz Spain plays a fundamental role in its immediate environment. In addition to contributing tangible values to society, mainly the gene-*

*ration of quality employment, the company acts as an integrating organization of a region by fixing the population in its territory and preventing the much-feared depopulation of the rural environment.*

**-If you had to choose one "value", which would define your appreciation of Deutz Spain, what would it be?**

*It is difficult to choose just one, but I believe that the ability to adapt to the competitive economic environment of their markets through innovation and efficiency would certainly be a unique feature to highlight.*

”

Líder aliment shares its headquarters with DS in the town of Zafra and is another important generator of employment and wealth in the town. Líder aliment is also a regular supplier of Deutz Spain.

## Scope and Coverage

This is the third year that DEUTZ SPAIN has published its Statement of Social Responsibility, in accordance with norm 11/ 18 on non-financial information and conforming with the Global Reporting Initiative Guide (GRI) in its complete form. It also follows the principles and contents defined in the GRI standards of application. Likewise, in observance with the norm 11/2018 this statement has been verified by AENOR an external and independent body.

Through this document DEUTZ SPAIN hopes to provide an operation of transparency with its interest groups and demonstrate its commitment with financial, social and environmental sustainability.

The contents of this report span the period from 1st of January to the 31st of December of 2020 and, where possible, information has been included for the years 2018 and 2019. The report covers all the activities of the company.

## Nature

The nature or relevance of the contents of this report have been determined and carried out from studies for the management committee and all the interest groups - this has been described in the section on Company Responsibility. All relevant aspects have been analyzed to identify their conformity with GRI standards. We have selected those aspects that respond to the expectations of our interest groups and the strategy of DEUTZ SPAIN. In addition, we have voluntarily responded to other GRI indicators with the idea of increasing transparency and understanding of the company's activity.

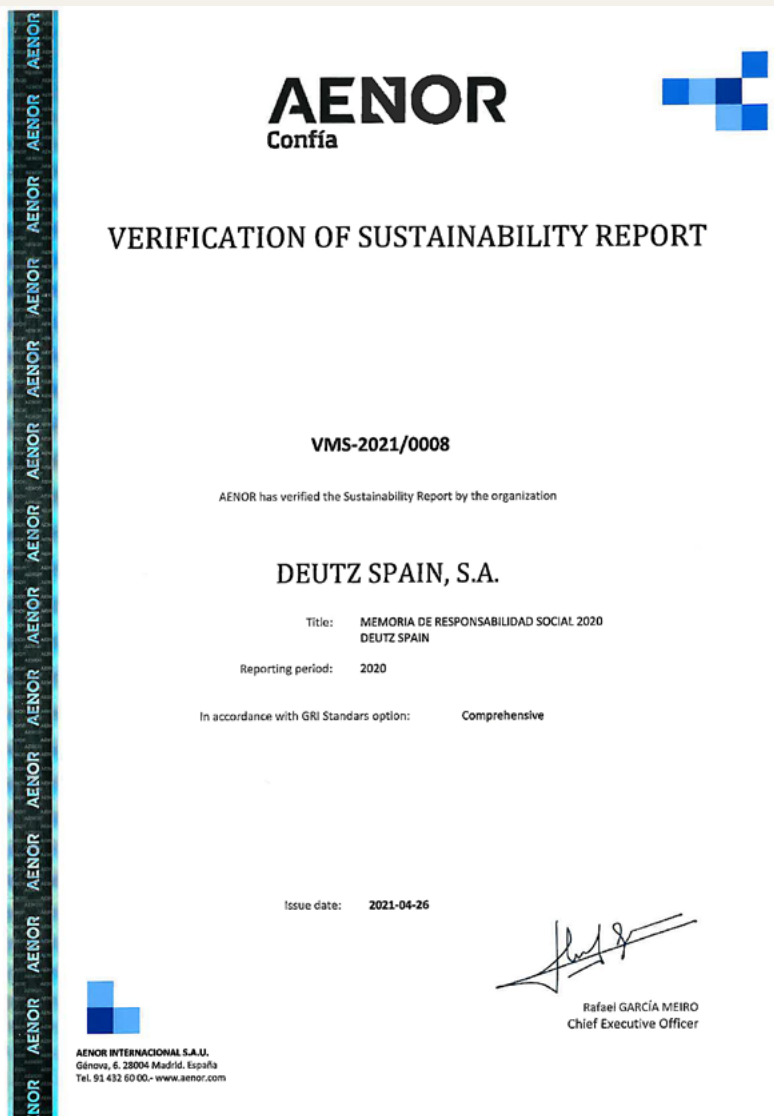
## Contact

Contact point for information and questions arising from the content and definition relative to the Annual Statement of Company Responsibility:

DEUTZ SPAIN, S.A.U

Ctra, Badajoz-Granada ZAFRA (Badajoz)

antonio.bueno@deutz.com



## SOCIAL RESPONSIBILITY REPORT 2020 DEUTZ SPAIN

DEUTZ SPAIN, S.A.U

The Board of Directors of Deutz Spain S.A.U, in meeting held today, formulates, and approves the corporate Social Responsibility Report for the year ended 31 december 2020, in compliance with current legislation.

Colonia (Alemania) 31 March 2021

  
D. Michael Johannes Reimer  
Presidente

  
D. Norbert Christian Bernhardin Krupp  
Secretario

  
D. Eugenio Serrano  
Vocal

## ANNEX: CONTENTS INDEX 11/2018 – GRI STANDARDS

Requirements Law 11/2018	Version GRI	GRI Standard	Summary of description	Comment	Página
PROFILE OF ORGANIZATION					
This will include business surroundings, its organization and structure, the markets in which it operates its objectives and strategies, and factors that could affect its future evolution.	2016	102-1	Name of organization	DEUTZ SPAIN, S.A.U.	
		102-2	Activity, brands, products and services.		10, 24-25
		102-3	Location of headquarters	Ctra, Badajoz-Granada ZAFRA (Badajoz)	10, 24
		102-4	Location of operations		10, 24
		102-5	Ownership and legal set-up		10
		102-6	Market and services (with geographical breakdown by sector and customer types)		14
		102-7	Size of organization		10, 19, 24-25, 34
Total number and distribution of employees by gender, age, country and classification professional. Number and distribution of contracts, average number of permanent and temporary by gender, age and classification professional		102-8	Information about employees and other workers		34-37
		102-9	Supply chain	Indicator 204-1	14
		102-10	Significant changes in the organization and its supply chain	Not taken place	
Detailed information about the current and foreseeable effects of the company on the environment, health and security. The processes of evaluation or environmental certification, resources dedicated to environmental risks, the principles of precaution, the quantity provisions and guarantees for environmental risks		102-11	Main focus of precaution.	Current and future impact on the environment as on health and safety of the people has been identified as stipulated by an integrated management system for quality, environment and risk prevention at the workplace at DEUTZ SPAIN.	17, 27-29, 46-49, 54-61
Associative actions or sponsorships		102-12	External Initiatives		15, 16, 42, 62, 67
Associative actions or sponsorships		102-13	Association memberships	Spanish Quality Association (AEC) MCA - Madrid Automation Cluster SERNAUTO- Spanish Association of Automation Suppliers	

STRATEGY					
Its objectives, strategies and main factors that could affect its future evolution.	2016	102-14	Declaration senior executives, responsible for decision making		5
The principle risks related to these questions linked to the activities of the group and where necessary its commercial relationships, products and service that could have negative effects in these areas. Explaining, as the group that manage the aforementioned risks the procedures used to detect and evaluate them offering a breakdown and, in particular, of the principle short, medium and long-term risks.		102-15	Principle impacts, risks and opportunities.	Deutz Spain as an industrial manufacturer develops productive processes that could impact on its surroundings. In order to prevent any negative effect DS has deployed in its operational management the controls necessary to prevent or minimize any of these impacts. These controls are, in turn, audited and supervised with the different ISO norms implemented by the company. To identify and manage operational risks and the risks associated with the processes in the process map of the company we have a Risk Committee which is coordinated by the person in charge of the SIG. They report to the manager responsible for machinery management of Deutz AG and the management of Deutz Spain. For the identified risks the company started specific controls and action plans. The most relevant risk that was managed in 2020 was that of COVID-19 when it was necessary to open different action processes. The main risks identified were: that workers became infected by COVID and that these workers would them be confined, a lack of supplies from overseas suppliers (the deadline dates for delivery were increased as this problem could generate problems of stock and stoppages in our own production as well as the client. All these risks were managed and minimized following the established protocol of risk management. Regarding the risks identified within the compliance model the main risk we got rid of, after carrying out the compliance evaluation in 2020 is that seen in article 264, 264 bis 'offences computer damage, refusal of services'.	28
ETHICS AND INTEGRITY					
	2016	102-16	Values, principles and norms of conduct		11, 15, 18
		102-17	Ways of assessment and ethical worries		11, 15, 17-18
GOVERNANCE					
	2016	102-18	Structure of governance	The workings of the governing bodies is regulated by internal regulations for the management of subsidiary companies of DEUTZ AG	13
		102-19	Delegation	The Board of Directors authorizes the Chief Executive Officer to represent the company. The Chief Executive Officer forms part of the Management Committee as manager. The internal regulations for the management of subsidiary companies of DEUTZ AG establishes the role and the responsibilities of the Management Committee and the situations in which the previous approval by DEUTZ AG and its Board of Directors is necessary. The Board of Directors is responsible for the governance of the company and the management is the responsibility of the director.	13
		102-20	Responsibility at senior level of economic, environmental and social issues.	The Chief Executive Officer is in charge of reporting from time to time to the Board of Directors about the most relevant issues regarding the workings of the company. The Board of Directors is informed on a quarterly basis and through monthly reports from the Chief Executive Officer, who in turn is informed on each issue by the different departmental directors in the management committee by periodic meetings to assess specific projects.  The Board of Directors is responsible for the strategic decisions that deviate from the yearly plan. The directors are the ones responsible for the management.	13



	2016	102-21	Consultation of interest groups on economic, environmental and social issues.		18
		102-22	Composition of highest governing body and its committees.	The Board of Directors is the highest decision-making body of the company.	13
		102-23	President of the highest governing body.		13
		102-24	Naming and choosing of the highest governing body.	The members of the Board of Directors are chosen by shareholders. The members of the Board of Directors are chosen for their capacity and value within the company.	13
		102-25	Conflict of interests.	It is established by Company Law in Art.229 LSC; that there must be an annual statement by each director about 229. Moreover, the internal regulations for the management of subsidiary companies of DEUTZ AG regulates the possible conflict of interests that could take place in purchasing, hiring etc.	17
		102-26	Role of highest governing body in choice of aims, values and strategy.	The internal management regulations of the subsidiary companies of DEUTZ AG establishes roles and responsibilities of the management committee and in what situations the approval of the Board of Directors of DEUTZ AG is necessary. DEUTZ SPAIN is regulated by the guidelines established in the strategic of the group which shows its objectives and actions through the HK tool.	10-12, 15, 27, 28, 34,
		102-27	Collective knowledge of the highest governing body.	The members of the Board of Directors are selected for their capacity and value within the organization and represent the different areas and departments of the company (Management, Human Resources, Engineering, Production). All those selected having a wide knowledge in their speciality.	13
		102-28	Performance evaluation of the highest governing body.	The Board of Directors controls the workings of the company and as a consequence the performance of the Chief Executive Officer	
A description of the policies that the group applies with respect to the aforementioned questions. This will include the procedures applied for the identification, evaluation, prevention and lessening of risks and significant impact. The verification and control as well as the measures taken.		102-29	Identification and management of financial, environmental and social impact.	DEUTZ SPAIN has: <ul style="list-style-type: none"> <li>•An integrated policy of quality, environment, security and health.</li> <li>•Policies for the prevention of crimes and bribery.</li> <li>•Policies for social responsibility.</li> <li>•Policies for company compliance.</li> <li>•Equality plan.</li> <li>•A manual of good practices for the improvement of energy efficiency.</li> <li>•Protocol COVID-19</li> </ul> The current and future impact on the environment the health and safety of people have been identified and evaluated according to what is established in the integrated management system of quality, environment and risk prevention of DEUTZ SPAIN.	5, 11, 12, 15, 19, 29, 34, 35, 42, 43, 47, 54-61
A description of the policies that the group applies with respect to the aforementioned questions. This will include the procedures applied for the identification, evaluation, prevention and lessening of risks and significant impact. The verification and control as well as the measures taken.		102-30	Efficiency in the management of risk processes.		5, 11, 12, 15, 19, 29, 34, 35, 42, 43, 47, 54-61

Una descripción de las políticas que aplica el grupo respecto a dichas cuestiones, que incluirá los procedimientos de diligencia debida aplicados para la identificación, evaluación, prevención y atenuación de riesgos e impactos significativos y de verificación y control, incluyendo qué medidas se han adoptado.		102-31	Evaluation of financial, environmental and social issues.	Indicator 102-15			11, 13, 26, 34, 36, 40
		102-32	Role of highest governing body in the making of reports on sustainability.				19, 25, 27, 34-37, 43-47, 54-61, 66, 69-71
		102-33	Communication of critical issues.				18-19
		102-34	Nature and number of critical issues.				18-19
La remuneración media de los consejeros y directivos, incluyendo la retribución variable, dietas, indemnizaciones.		102-35	Salary policies.	Year	Salary		19
				2018	197.295,47 €		
				2019	112.273,12 €		
				2020	166.000,00 €		
		102-36	Processes to determine salary.	In 2020 23 salaries were revised.			
	102-37	Involvement of interest groups in salaries.	The owners are the ones that decide the management salary policy and it is approved by the Board of Directors. Interest groups are informed of these policies based on the transparency policies of the company.			42-44	
	102-38	Relationship between the total annual salary of the highest paid person of the company and the average salary of the staff.	Year	Ratio			
2019			2,14				
2020			2,31				
	102-39	Relationship between the percentage increase in the salary of the highest paid with the percentage increase in the average salary of the staff.	The company has increased salaries by that indicated in the agreement for all workers in an equal way.				
PARTICIPATION OF INTEREST GROUPS							
	2016	102-40	List of interest groups.				18
		102-41	Negotiation of collective agreements.	The Zafra plant has its own agreements while centers in Madrid and Barcelona are regulated by regional agreements.			
		102-42	Identification and choice of interest groups.				18

		102-43	Focus for the participation of interest groups.		18-19
		102-44	Stated key issues.		19
MATERIAL ASPECTS AND COVERAGE					
	2016	102-45	Bodies included in the consolidated financial state.	DEUTZ SPAIN, S.A.U.	
		102-46	Definition of the contents of the reports and issue coverage.		19
		102-47	List of material subjects.		19
		102-48	Re-expression of information.		
		102-49	Changes in report production.	This has not happened.	
PROFILE OF THE REPORT					
	2016	102-50	Reporting period.	2020	73
		102-51	Date of previous report.	2019	
		102-52	Reporting cycle.	Annual	

		102-53	Contact point for questions on report.		73
		102-54	Declaration of report writing in line with GRI standards.		73
		102-55	Index of GRI contents.		75
		102-56	External verification.		74
FOCUS OF MANAGEMENT					
	2016	103-1	Explanation of issue and its coverage.	The explanation of each subject is shown in each section of the statement and in a more specific way in this index.	
		103-2	Statement focus and its components.	The explanation of each subject is shown in each section of the statement and in a more specific way in this index.	
		103-3	Evaluation of focus.	The evaluation of each subject is reported in the corresponding section of the statement. In addition, it is evaluated in the external evaluation of the current statement.	
FINANCIAL PERFORMANCE					
MANAGEMENT FOCUS: FINANCIAL PERFORMANCE		Management focused on maintaining profitability of its productive activities. Considering risks and opportunities associated with environmental and social aspects. Economic growth focused on contributing positively to society by improving staff conditions, increasing employment in the area, generating positive impact in suppliers, and increasing payment of taxes.			
Profits obtained country by country and the taxes paid on those profits.		201-1	Direct and distributed financial value.		19
Important elements of the emission of gases in the greenhouse effect produced as a result of the activities of the company including the goods and services produced. The measures adopted to the climatic change and the challenges to reduce gas emissions voluntarily established in the medium and long term. The means implemented to this end.		201-2	Financial and other risks and opportunities for the activities of the company due to the climatic change.		57
Payments to the systems of savings forecasts and any other payment separated by gender.		201-3	Coverage of the obligations derived from its loan plan.	The company does not foresee savings destined to the pensions plan.	



Public subsidies received.		201-4	Loans given by government bodies.		19				
MANAGEMENT FOCUS: MARKET PRESENCE									
The average remuneration and its evolution separated by gender, age and professional classification. The salary gap and the remuneration of similar positions or the average in society.	2016	202-1	Salary ratio of standard initial category by gender against the local minimum salary.	100% of the salaries of DEUTZ SPAIN are above the SMI (minimum salary). The salaries regulated by collective agreements do not establish any type of gender either in the fixed or additional components. We show in the following tables the comparative salaries of men and women by age and category and the salary gap.					
				Average salaries 2020		Salary gap 2020			
				By gender		Women	34.201,22 €	Team manager	-*
						Men	45.500,98 €	Manager with team	9,65%
				By age range		< 30 years	21.878,14 €	Manager with no team	-0,38%
						30-50 years	42.564,00 €	Technicians and administrative staff	4,32%
						> 50 years	54.806,12 €	Operators	-
				By position		Team manager	74.758,17 €	<b>**Information not reported for reasons of confidentiality given that there was only one person of either sex in the category. Positive values in favour of men and negative in favour of women. The calculation of the gap has been carried out by comparing the salaries of both men and women.</b>	
						Manager with team	41.324,74 €		
						Manager with no team	39.292,36 €		
						Technicians and administrative staff	29.791,56 €		
Operators	Salario por convenio								
Impact of the company on local community.		202-2	Proportion of executives contracted from local community.	57% of the member of the management committee are from Extremadura.					
MANAGEMENT FOCUS: INDIRECT ECONOMIC CONSEQUENCES									
		203-1	Investment in supported infrastructure and services.		19				



The impact of the company on local development and the impact of the activity of the company in local areas and territory		203-2	Significant indirect economic impact.		66
MANAGEMENT FOCUS: PURCHASING PRACTICES					
The inclusion of purchasing policies in social questions, gender equality and the environment. Consideration of the relationships with suppliers and subcontractors and their social and environmental responsibilities with systems of supervision and audits and their results.	2016	204	Purchasing practices	See indicators 308-1, 308-2, 407-1, 408-1, 409-1, 412-3	14, 16-17
The impact of company activity in local employment and local development and the impact of company activity in local communities and territory.		204-1	Proportion of spending in local suppliers.	18,12% of the suppliers with whom we worked in 2020 are from Extremadura.	14
MANAGEMENT FOCUS: FIGHT AGAINST CORRUPTION			Managed from the focus of the observance of the code of conduct with actions that guarantee company values and establish mechanisms of normative observance (certified management of Legal and Anti-bribery Compliance).		
Measures taken to prevent corruption and bribery; measures to fight money laundering, contributions to foundations and non-profit entities.	2016	205-1	Operations that could be subject or related to corruption.		17
		205-2	Communication and training about anti-corruption policies and procedures.		17
		205-3	Confirmed cases of corruption and measures taken.	There have been no reported cases.	
MANAGEMENT FOCUS: UNFAIR COMPETITION PRACTICES					
		206-1	Legal actions related to unfair competition, monopoly practices and against free competition.	There have been no reported cases.	
ENVIRONMENTAL PERFORMANCE					
MANAGEMENT FOCUS: MATERIALS					



Consumption of raw materials and the measures adopted to improve the efficiency of their use	2016	301-1	Materials used by weight or volume.	Consumption in 2020 (kg) by work centre		MADRID	BARCELONA	54, 61
				Oil consumption		4.750	2.580	
				Detergent consumption		6	-	
				Cooling liquid consumption		509	405	
				Filter consumption		321	193	
				Consumption of absorbent paper				
				Sepiolite consumption		180	200	
				Cloth consumption				
				A4 sheets of paper consumption		350,7	62,5	
Prevention, recycling, reuse, other forms of waste recovery and disposal; actions to combat food waste.		301-2	Reused products and packaging material	Consumable goods are not used in the production process.			59-60	
MANAGEMENT FOCUS: PRODUCTS AND SERVICES								
Prevention, recycling, reuse, other forms of waste recovery and disposal; actions to combat food waste.	2016	301-3	Reused products and packaging material.	These are not re-introduced into the process.				
MANAGEMENT FOCUS: ENERGY			Management focused on reducing consumption within the organization through the use of better technologies and more efficient equipment.					
Direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energy.	2016	302-1	Energy consumption within the organization	Consumption by work center 2020		Madrid	Barcelona	54
				Electrical consumption (kWh)		121.921	12.649	
				Fuel consumption (l)		7.947	2.842	
		302-2	Energy consumption outside the organization	Information not available				
		302-3	Energy intensity.	Plant	Consumption Information(kWh)	Energy intensity (kWh/hours worked)		56
				Madrid	121.921	2,82		
				Barcelona	18.107	1,57		
Direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energy		302-4	Reduction of energy consumption.				54-55	
		302-5	Reductions in the energy requirements for products and services.				54-55	
MANAGEMENT FOCUS: WATER								
Water consumption and water supply in accordance with local limitations.	2018	303-1	Interaction with water as a shared resource.				61	

	2018	303-2	Management of impacts related to leakages.	No water source has been significantly affected.				61
		303-3	Water extraction	No water reuse or recycling.				61
		303-4	Water spillage					61
		303-5	Water consumption	Consumption by work center 2020	Madrid	Barcelona		61
				Water consumption from the network	502 m³	144 m³		
MANAGEMENT FOCUS: BIODIVERSITY								
Measures taken to preserve or restore biodiversity.	2016	304	BIODIVERSITY	Given the type of activity of the organization and the location of its facilities we have not considered it necessary to take measures for the preservation or renovation of the biodiversity apart from the measures already taken to deal with the impact on the environment. .				
		304-1	Owned, leased or managed operations centers located within or next to protected areas or areas of great value for biodiversity outside protected areas.	There are none of these				
Impacts caused by activities or operations in protected areas.		304-2	Significant impacts of activities, products and services on biodiversity.	There are none of these				
		304-3	Protected or restored habitats.	There are none of these				
		304-4	Species that appear on the IUCN Red List and national conservation lists whose habitats are in areas affected by operations.	There are none of these				
MANAGEMENT FOCUS: EMISSIONS								
The important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces; measures taken to adapt to the consequences of climate change; the reduction targets voluntarily established in the medium and long term to reduce greenhouse gas emissions and the means implemented for this purpose		305-1	Direct and indirect GHG emissions (scope 1)	Plant	Type of fuel	Combined quantity	Partial emissions (tCO2)	58
				Madrid	E5 (l)	7.946,91	17	
				Barcelona	E5 (l)	2.842,11	6	
		305-2	Indirect GHG emissions when generating energy (scope 2).	Plant	Marketer	Consumption information (kWh)	Partial emissions (tCO2)	58
				Madrid	ENDESA ENERGÍA, S.A.	121.921	33	
				Barcelona	ENGIE ESPAÑA, S.L.U.	18.107	5	
		305-3	Other indirect GEI emissions (scope 3).	Information no disponible.				



		305-4	Intensity of emissions by GEI.	Plant	Combined Quantity (l)	Emission intensity (l/ nº reparations exterior)	58
				Madrid	7.946,91	39,73	
				Barcelona	2.842,11	17,76	
		305-5	Emission reductions of GEI.	Plant	Consumption Information (kWh)	Emission intensity (kWh/hours worked)	58
				Madrid	121.921	2,82	
				Barcelona	18.107	1,57	
Measures to prevent, reduce or repair noise pollution or light pollution.				We carried out the following noise measurements in 2020:			
				Values obtained(dBA)	Established value limits RD1367/07	Results	
				48	65	Does not exceed	
				60	65	Does not exceed	
				56	65	Does not exceed	
				57	65	Does not exceed	
				58	65	Does not exceed	
				Valores obtenidos (dBA)	Valores límite establecidos por art.12 D.19-1997	Resultado	
				46,3	70	Does not exceed	
				50	70	Does not exceed	
				50,8	70	Does not exceed	
				54,6	70	Does not exceed	
				50,4	70	Does not exceed	
				In all measurements carried out there were no cases where the values exceeded the established legal limits.			
		305-6	Emissions and substances that deplete the ozone layer.	We carried out an atmospheric emissions control channeled by OCA INSPECCIÓN, CONTROL Y PREVENCIÓN, S.A.U. the 18th of November on the value Volatile Organic Compounds VOC's (measured as Organic Carbon Total, O.C.T.). In all the measurements carried out we have obtained results that do not exceed the legally established limits.			58
		305-7	Nitrogen oxides, sulphur oxides and other significant emissions to the air.	We carried out an atmospheric emissions control channeled by OCA INSPECCIÓN, CONTROL Y PREVENCIÓN, S.A.U. the 18th of November on the values CO y NOx. In all the measures carried out we have obtained results that do not exceed the legally established limits.			
MANAGEMENT FOCUS: SEWAGE AND WASTE			Management focused on reducing waste and more efficiently deal with waste generated.				
		306-1	Water discharge according to its quality and destination.				61

Prevention, recycling, reuse, other forms of waste recovery and disposal; actions to combat food waste.	2016	306-2	Waste by type and disposal method.	Waste produced by the work center in 2020 (kg)	Madrid	Barcelona	59-60
				Oil used	2200	2541	
				Oil filters	322	516	
				Pressure vessels	8	148	
				Plastic containers	260	261	
				Coolant	317	-	
				Batteries	186	98	
				Absorbents	372	836	
				Hydro-carbonated water	2520	-	
				Cleaning water	6	-	
				Antifreeze	-	614	
				Paper and cardboard	1330	241	
				Wood	1300	-	
				Scrap metal	2520	-	
						306-3	
		306-4	Transport of hazardous waste.	Dangerous waste was not transported			
		306-5	Bodies of water affected by spills or sewage	There were none			
MANAGEMENT FOCUS: REGULATORY COMPLIANCE							
	2016	307-1	Non-compliance of the environmental laws or regulations.	There were no breaches of the law.			
MANAGEMENT FOCUS: ENVIRONMENTAL EVALUATION OF SUPPLIERS							
Include in the purchasing policy considerations of gender equality and the environment and in relation with suppliers and subcontractors their social and environmental responsibility, and constantly monitoring and supervising systems in place and their results.	2016	308-1	New suppliers that have put in place filters of evaluation and selection in accordance with environmental criteria.	100%			
Include in the purchasing policy considerations of gender equality and the environment and in relation with suppliers and subcontractors their social and environmental responsibility, and constantly monitoring and supervising systems in place and their results.		308-2	Negative environmental impact in the supply chain and measures taken.	The possible impact produced from the supply chain are minimized by the application of clauses, requirements and even supervision of or audits on the suppliers. Specifically, DEUTZ SPAIN only acquires raw materials identified as conflict free minerals that include environmental requirements in the evaluation of its suppliers. The suppliers of raw materials of DS undergo audits of standardization and/ or follow-up during the year. In the awarding of contracts and services DS values those aspects related to energy efficiency, RSC and compliance norms. Each year we promote along with the supplier the supply of electrical energy coming from renewable sources which is information they provide in their bills. In 2020 we worked to fix an objective for this year that would allow the percentage of energy coming from renewable sources would increase by 6.5%.			15, 17, 27-28
SOCIAL PERFORMANCE							
MANAGEMENT FOCUS: EMPLOYMENT		Management is focused on the generation of employment in the community, retention and attraction of talent, as well as personal development and improved commitment.					





Time management at work, total number of employees (distribution by gender, age, country and professional qualification), total number and nature of employment contract modalities, annual average of permanent contracts, temporary, full and part-time contracts by gender, age and professional classification, average wages and their evolution, disaggregated by gender, age and professional classification or equal value; wage gap, the remuneration for equal or comparable jobs in society , the average remuneration of directors and managers, including variable remuneration, allowances, compensation, payments to long-term savings systems and any other perception disaggregated by gender, implementation of labor disconnect policies or concerning employees with disabilities.	2016	401	EMPLOYMENT	The organization of the shifts varied about production. The conditions of the shifts were regulated by the collective agreement as outlined in point 5, articles 32 to 37.						24-25, 34-45
Number of dismissals by gender, age and professional classification.		401-1	New work contracts and fluctuation of personnel.	Number of dismissals 2020						34-37
				By gender		By age		By category		
				Men	5	<30 years	0	Management team	0	
				Women	1	30-50 years	4	Responsible with team	1	
						>50 years	2	Responsible with no team	1	
								Technicians and administrative	3	
						Operators	1			
Measures aimed at synchronising work and personal life, especially for parents.		401-2	Social loans for employees	Grants to the value of 100.012 € were awarded.						41-45
		401-3	Parenting leave.	All the workers of Deutz Spain that had the right to parental leave took advantage of it:						
	2020									
	Number of men who have been entitled to paternity leave				31					
Number of men who have taken paternity leave.				31						
			Number of women who have been entitled to maternity leave				2			
			Number of women who have taken maternity leave				2			
			Deutz Spain is working to encourage the work-life balance of its employees to this end we recommend managers that while workers are on holiday that another member of staff in their department should be named to cover the work. This covering person can then act as the employee to whom questions can be asked and emails sent.							
MANAGEMENT FOCUS: RELATIONS BETWEEN MANAGEMENT AND WORKFORCE										
Continuous social dialogue, included procedures to inform and consult with employees and negotiate with them.	2016	402	LABOR RELATIONS							40
		402-1	Minimum notice period for change in operations.	15 days						
MANAGEMENT FOCUS: HEALTH AND SAFETY			Management considers the focus on health and safety of its workers as prime objective for all corners of its business.							

Health and safety conditions at work	2018	403	Health and safety at work.					46-49
		403-1	Management system for health and safety at work.					27, 46-49
		403-2	Identification of dangers. Evaluation of risks and accident investigation.	Number of work related accidents with sick leave				46-49
					2018	2019	2020	
				Women	0	0	0	
				Men	0	4	2	
				Number of work related accidents with sick leave				
					2018	2019	2020	
				Women	0	0	0	
				Men	0	434	37	
		403-3	Workplace health services.	No risk of activity-related diseases has been identified; however the organization makes available to employees measures of health improvement.				46-49
		403-4	Worker participation, consultation and communication on health and safety at work.	The workers' representatives (Safety and Health Committee and Prevention Delegates) are informed of any aspect that affects the work conditions of the workforce.				
		403-5	Worker training on health and safety at work.					46-49
		403-6	Encouraging worker health.					46-49
		403-7	Prevention and mitigation of health and safety issues on workers directly linked to commercial relationship.					46-49
		403-8	Workers covered by a health and safety management system at work.	100%				
		403-9	Work-related injuries					46-48
		403-10	Work pains and illnesses.					46-48
MANAGEMENT FOCUS: DEVELOPMENT AND TRAINING								
Policies implemented in the training field.		404	PERSONAL TRAINING AND DEVELOPMENT					
Number of hours of training by professional category.		404-1	Average hours of training per employee a year.					43-45
		404-2	Programs to improve the skills of employees and programs to help trans					43-45



		404-3	Percentage of employees receiving periodical performance and development evaluations.	100%	43-44
MANAGEMENT FOCUS: DIVERSITY AND EQUAL OPPORTUNITIES					
Measures taken to promote equal treatment and opportunities between women and men; equality plans, measures adopted to promote employment, protocols against sexual harassment, integration and the universal accessibility of people with disabilities. Policies against all kinds of discrimination and, where appropriate, diversity management.		405	DIVERSITY		42
Diversity policy applied in relation to the board of directors, management and specialized committees that are constituted within it, regarding issues such as age, gender, disability or the training and professional experience of its members ; including its objectives, the measures adopted, the way in which they have been applied, in particular, the procedures to try to include in the board of directors a number of women that allow achieving a balanced presence of women and men and the results in the period for the presentation of reports, as well as the measures that, where appropriate, the appointments committee would have agreed on regarding these issues.		405-1	Diversity in governing bodies and employees.	There are currently no women on the Management Committee.	34-37
They must report whether information was provided to shareholders on the criteria and objectives of diversity on the occasion of the election or renewal of the members of the board of directors, of management and of the specialized committees constituted within it.					34-37

Average wages and their evolution, disaggregated by sex, age and professional classification or equal value; wage gap, remuneration for equal or average jobs in society.		405-2	Ratio of base salary and remuneration of women versus men	See indicator 202-1	
MANAGEMENT FOCUS: NO DISCRIMINATION					
Application of human rights due diligence procedures; prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and repair possible abuses committed; complaints for cases of violation of human rights; promoting and complying with the provisions of the fundamental conventions of the International Labor Organization related to respect for freedom of association and the right to collective bargaining; elimination of discrimination in employment and occupation; the elimination of forced or compulsory labor; the effective abolition of child labor. Equality: measures taken to promote equal treatment and opportunities between women and men; equality plans (Chapter III of the Organic Law 3/2007, of March 22, for the effective equality of women and men), measures adopted to promote employment, protocols against sexual and sexual harassment, integration and the universal accessibility of people with disabilities; the policy against all kinds of discrimination and, where appropriate, diversity management.		406-1	Cases of discrimination and corrective measure to counter them	There were no cases of this nature.	
Global access for the handicapped				All the facilities of DEUTZ SPAIN provide access to people with disabilities.	
Handicapped employees				<p>Deutz Spain has recognized the declaration of exceptionality of 2% of disabled workers in companies with more than 50 workers, when using alternative measures as established in the order of 23/10/2008 (DOE n°209 of 29/10/2008) where it establishes in Article 9.3 that companies that have opted for the application of alternative measures must submit an annual report to the Extremadura Public Employment Service containing a detailed description of compliance with the planned alternative measure. The company Deutz Spain opted for the measure of art 3.d, and the alternative measures that were used was the hiring with 2 CEE (Special Employment Centers), along with the hiring of 6 disabled people.</p> <p>The company has adapted entrances for handicapped with limited mobility. The reception area has been adapted for the handicapped.</p> <p style="text-align: right;"><b>2020</b></p>	
Number of handicapped workers					5
MANAGEMENT FOCUS: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					



Application of human rights due diligence procedures; prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and repair possible abuses committed; complaints for cases of violation of human rights; promoting and complying with the provisions of the fundamental conventions of the International Labor Organization related to respect for freedom of association and the right to collective bargaining; elimination of discrimination in employment and occupation; the elimination of forced or compulsory labor; the effective abolition of child labor. Organization of social dialogue, including procedures for informing and consulting staff and negotiating with them.		407	FREEDOM OF ASSOCIATION	Acquisition of conflict-free minerals. For the rest of the operations, due to their type and location of suppliers, it is not considered that there is a risk of violation of human rights.	
		407-1	Operations and suppliers whose right to freedom of association and collective bargaining could be at risk	None	
MANAGEMENT FOCUS: CHILD LABOR					
Application of human rights due diligence procedures; prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and repair possible abuses committed; complaints for cases of violation of human rights; promoting and complying with the provisions of the fundamental conventions of the International Labor Organization related to respect for freedom of association and the right to collective bargaining; elimination of discrimination in employment and occupation; the elimination of forced or compulsory labor; the effective abolition of child labor.		408	CHILD LABOR	Acquisition of conflict-free minerals. For the rest of the operations, due to their type and location of suppliers, it is not considered that there is a risk of violation of human rights.	
		408-1	Operations and suppliers with significant risk of cases of child labor	Acquisition of conflict-free minerals. For the rest of the operations, due to their type and location of suppliers, it is not considered that there is a risk of violation of human rights.	
MANAGEMENT FOCUS: FORCED LABOR					



Application of human rights due diligence procedures; prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and repair possible abuses committed; complaints for cases of violation of human rights; promoting and complying with the provisions of the fundamental conventions of the International Labor Organization related to respect for freedom of association and the right to collective bargaining; elimination of discrimination in employment and occupation; the elimination of forced or compulsory labor; the effective abolition of child labor.		409	FORCED LABOR	Acquisition of conflict-free minerals. For the rest of the operations, due to their type and location of suppliers, it is not considered that there is a risk of violation of human rights.	
		409-1	Operations and suppliers with significant risk of cases of forced or bonded labor.	Acquisition of conflict-free minerals. For the rest of the operations, due to their type and location of suppliers, it is not considered that there is a risk of violation of human rights.	
MANAGEMENT FOCUS: SAFETY MEASURES					
		410-1	Safety personnel charged with the supervision of human rights violations.	No se dispone de personal de seguridad.	
MANAGEMENT FOCUS: RIGHTS OF INDIGENOUS PEOPLE					
		411-1	Cases of violation of the rights of indigenous people	No cases of violation have taken place.	
MANAGEMENT FOCUS: EVALUATION					
Application of human rights due diligence procedures; prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and repair possible abuses committed; complaints for cases of violation of human rights; promoting and complying with the provisions of the fundamental conventions of the International Labor Organization related to respect for freedom of association and the right to collective bargaining; elimination of discrimination in employment and occupation; the elimination of forced or compulsory labor; the effective abolition of child labor.		412	HUMAN RIGHTS	Acquisition of conflict-free minerals. For the rest of the operations, due to their type and location of suppliers, it is not considered that there is a risk of violation of human rights.	
		412-1	Operations submitted for revision and evaluation of an impact on human rights	Acquisition of conflict-free minerals. For the rest of the operations, due to their type and location of suppliers, it is not considered that there is a risk of violation of human rights.	



MANAGEMENT FOCUS: INVESTMENT					
		412-2	Training of employees in policies and procedures concerning human rights.	It has not been deemed necessary to schedule such training.	
The inclusion in the purchasing policy of social, gender equality and environmental issues; consideration in relations with suppliers and subcontractors of their social and environmental responsibility; supervision and auditing systems and their results.	2016	412-3	Significant investment agreements and contracts with clauses on human rights or subject to human rights assessment.	Acquisition of conflict-free minerals. For the rest of the operations, due to their type and location of suppliers, it is not considered that there is a risk of violation of human rights. On awarding contracts and services Deutz Spain values aspects related to energy efficiency, RSC and norms of compliance.	
MANAGEMENT FOCUS: LOCAL COMMUNITIES			Management focused on improving the local community through economic growth and job creation.		
The impact of society's activity on employment and local development; the impact of society's activity on local populations and on the territory; the relations maintained with the actors of the local communities and the modalities of dialogue with them.		413	LOCAL COMMUNITIES		6, 62, 66, 71
The relations maintained with the actors of the local communities and the modalities of dialogue with these	2016	413-1	Operations with participation of the local community, impact evaluations and development programs.		6, 62, 66, 71
The impact of society's activity on employment and local development; the impact of society's activity on local populations and on the territory; the relations maintained with the actors of the local communities and the modalities of dialogue with them.	2016	413-2	Operations with significant negative impact – real or potential – on the local communities.	No negative impacts have been identified.	6, 62, 66, 71
MANAGEMENT FOCUS: EVALUATION OF SUPPLIERS IN THE FIELD OF HUMAN RIGHTS, LABOR PRACTICES AND SOCIAL IMPACT					
The inclusion in the purchasing policy of social, gender equality and environmental issues; consideration in relations with suppliers and subcontractors of their social and environmental responsibility; supervision and auditing systems and their result		414-1	New suppliers that have passed selection filters according to social criteria	100% See indicator 412-1	
The inclusion in the purchasing policy of social, gender equality and environmental issues; consideration in relations with suppliers and subcontractors of their social and environmental responsibility; supervision and auditing systems and their results.	2016	414-2	Negative social impact on the supply chain and measures against it	See indicator 412-1	
MANAGEMENT FOCUS: PUBLIC POLICY					
		415-1	Contributions to political parties or political representatives	None	

MANAGEMENT FOCUS: CUSTOMER HEALTH AND SAFETY					
Measures towards the health and safety of customers	2016	416	CUSTOMER HEALTH AND SAFETY		
		416-1	Evaluation of impact on health and safety in the category products and services	DEUTZ SPAIN complies with the established requirements, legal, regulatory and that of its clients, with regard to the safety characteristics applicable to the products that IT makes. DEUTZ SPAIN has a system of quality based on IATF norms where everything produced that could have an influence in the safety of the end user remains under specific control. All chemical products used in the processes and that could be associated with the final product are controlled by the European REACH norm.	
Complaint systems, received complaints and their resolution.		416-2	Cases of non-compliance related to the impacts on health and safety of the categories of products and service	No non-compliance of this nature.	
MANAGEMENT FOCUS: LABELING OF PRODUCTS AND SERVICES					
	2016	417-1	Requirements for the information on labels and etiquettes for products and services.	DEUTZ SPAIN complies with the established requirements both legal as well as normative of their clients with respect to the information and labelling of the products it produces.	
Complaints system, complaints received and their resolution		417-2	Cases of non-compliance in relation to information and labeling on products and services	No non-compliance of this nature	
		417-3	Cases of non-compliance in relation to communication and marketing	No non-compliance of this nature	
MANAGEMENT FOCUS: CUSTOMER PRIVACY					
Complaints system, complaints received and their resolution.		418-1	Fundamental complaints in relation to violations of customer privacy or loss of customer data.	No non-compliance of this nature	
MANAGEMENT FOCUS: REGULATORY COMPLIANCE					
Application of human rights due diligence procedures; prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and repair possible abuses committed; complaints for cases of violation of human rights; promoting and complying with the provisions of the fundamental conventions of the International Labor Organization related to respect for freedom of association and the right to collective bargaining; elimination of discrimination in employment and occupation; the elimination of forced or compulsory labor; the effective abolition of child labor.	2016	419-1	Non-compliance with laws or regulations in the social and economic fields.	None	
The GRI indicators related to the relevant topics or aspects have been identified in red.					



**The engine company.**



