



SUSTAINABILITY REPORT 2021

DEUTZ SPAIN S.A.U



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DEUTZ SPAIN

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DEUTZ AG LOCATIONS

MANUFACTURE & RESEARCH DEVELOPMENT SITES



1

HEADQUARTER Köln-Porz

Floor area: ca. 276.000 m²
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 m²
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 m²
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 m²
Production: Manufacturing crankcase BR 4-8L.
Deutz Service: Global Logistic Center for spare parts.



Gilching Torqeedo

Floor Area: ca. 6.000 m²
Production/ Research and Development: Out- and inboard marine E-engines Batteries modules Hybrid-drives.



5

Sapino Magi DEUTZ

Floor area: ca. 3.500 m²
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 m²
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 m²
Sales & Service
 Headquarter of DEUTZ Corp. America.



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

Production: Assembly BR D5-D13.

3

Alsdorf FUTAVIS

Research and Development: Battery management systems.



Lomagna DEUTZ Italy

Floor area: ca. 33.000 m²
Employees: ca. 60
Sales & Service
Production: Value add assembly of Power Packs.



Pendergrass

Floor area: ca. 11.000 m²
Production: Xchange Engines Value add assembly of Power Packs.



MESSAGE FROM THE GENERAL MANAGER

We prepared this report following the requirements of Law 11/2018 on the disclosure of non-financial information, as well as the standards in the Global Reporting Initiative (GRI).

The year 2021, much to our regret, has continued to be the year of the Covid-19 pandemic, so in Deutz Spain, we have maintained and, in some cases, reinforced preventive measures in terms of occupational health and hygiene, which has meant, together with the high vaccination rate among workers and employees, that the impact on the number of infections in our workplaces in Spain has been practically nil.

This positive evolution of the vaccination strategy in the countries that make up the main sales markets of the DEUTZ Ag group has also led to a growth in demand well above the initially planned prospects, resulting in an increase in sales of more than 40% over the previous year. This increase has allowed us, firstly, to eliminate the temporary employment regulation measures carried out during 2020 and subsequently increase the total number of personnel hired at the Zafra plant, to which we have been able to respond quickly and efficiently with highly qualified workers, which has been possible thanks to the deployment of high-quality training programmes such as the Dual P.F. (Dual Vocational Training), in recent years.

The DEUTZ Ag Group aims to remain the world's leading manufacturer of innovative Off-Highway propulsion systems and be a pioneer in environmentally neutral future mobility. This has also been a year in which, despite the many difficulties, we have continued with our commitment to improving the Sustainable Development Goals (SDGs). For this reason, DEUTZ initiated the E-DEUTZ strategy in 2017, which aims to create a scalable range of hybrid or fully electric products tailored to the specific requirements of each customer. In the period 2023-2024, the objective is to reach a sales percentage of 5-10% with electric propulsion systems, thus contributing to a reduction of CO2 and fuel consumption. In addition, we have launched several pilot projects in collaboration with major companies in the energy production sector for the development of hydrogen-powered engines, an area in which Deutz expects to lead the alternative energy production segment in the coming decade.

As part of this decarbonisation and sustainability strategy, Deutz made significant investments in the Zafra production plant in 2021 to install the first production park with photovoltaic panels. The first phase aims to achieve a self-supply level of more than 7% as of its start-up in April 2022 and will continue with a possible extension in the autumn of 2022, which, as of 2023, aims to achieve an efficient renewable energy consumption level of more than 25%. In addition, the investment in a new metal waste treatment plant has also allowed for efficient waste



management, thus contributing to the sustainability of the production process.

DEUTZ SPAIN maintains ISO 14001, ISO 9001, ISO 45001, ISO 37001, UNE19601, IATF 16949, and ISO 50001 certifications, managed under an efficient Integrated Management System (IMS) that unifies all the company's processes under a single management system that addresses the impacts on the different significant aspects of our management. Also included this year, as an industry benchmark, is an advanced digitalised risk management system that extends its valuations to economic risks and the company's competitiveness in the future.

It is precisely this perfect integration of all systems, which has this year deserved special

recognition on receiving from the hands of the President of the Junta de Extremadura the extraordinary award for the 'Promotion of Health and Safety at Work', organised by the Ministry of Education and Employment through the Directorate General for Employment. This award recognises the integration of Occupational Risk Prevention in our organisational system and its contribution to achieving low occupational accident rates.

As part of our commitment to social and equality policies, Deutz Spain, which was the first industry in Extremadura to agree on an equality plan with workers' representatives in the region, held a photographic exhibition at the production plant on 8 March 2021, as a tribute to all current female employees of the company. At the same time, it began the phase of analysis and work with Workers' Representatives for the implementation of a new equality plan that aims to achieve greater objectives in the integration of women in our industry for the period 2022-2025 and that should conclude with a higher level of parity between men and



women, which should undoubtedly be one of the main objectives of today's society, incorporating and promoting female talent in all organisations.

In 2021, we also made a significant contribution to the economic development of our environment as the main promoter of the start-up of the Deutz Group's first Shared Services Centre in the world. This centre, intended to support the main administration and finance processes of all Deutz Group subsidiaries and located next to the Zafra factory facilities, will employ almost 50 people in a first phase during 2022 and has been developed and built 100% by Extremadura companies, thus contributing from the beginning to the improvement of the economic sustainability of our environment. Within the framework of innovation, we have continued to work on the introduction of the Deutz Group's first intelligent manufacturing cell, our "Smart Factory" for connecting rods in the under 4-litre segment, and whose highly innovative concept will be extended to our 3.6L engine block manufacturing line in the course of 2022, thus contributing improvements in competitiveness.

Recognition is being garnered from different areas of society because of the continuous progress of our pay equity, measured with the VADPT correlation coefficient and salary, the employee satisfaction improvement policies reflected in our engagement survey, the competency training plans deployed in our Deutz Business School Foundation for the improvement of employee performance, and because of the introduction of new skills plans to equip our production operators with new knowledge in the framework of Industry 4.0 new technologies.

By way of example, in 2021 we received the award from the Spanish Association of Professionals for the Competitiveness of Machining (ASPROMEC) for training excellence, and recognition from the Bertelsmann Foundation as the best Extremadura company driving the expansion of dual vocational training in the region.

In this sense, in addition to continuing with the ninth year of Dual Vocational Training in "Production Programming in Mechanical Manufacturing", we have promoted the implementation of two new professional families with the deployment of the Higher Degree in "Electrotechnical and Automation Systems" and the new Higher Degree in "Administration and Finance" both in dual mode, which, in the next year, will also be one of the main sources of recruitment for our new Service Centre.

Particularly noteworthy was the final conclusion of the Vocational Training programme for obtaining the Intermediate Degree, which concluded with the awarding of certificates to the 43 workers who were

happy to have completed their studies, in a successful programme where they had combined training with the working day and where DEUTZ SPAIN had provided them with the necessary tools for managing their work-life balance and a reduction of working hours to contribute to the enormous success of the measure.

Our commitment to the sustainable development of our activity and the prosperity of the social environment in which we operate, to provide a better future for generations to come, is reflected in all the measures and indicators that will be described in greater detail in this report.

Fernando Angulo Romero
General Manager¹



¹ Appointed by the Board of Directors on 16/08/2021



DEUTZ SPAIN



DEUTZ SPAIN

DEUTZ SPAIN is a reference company in the manufacture of engine components, specialised in the machining and assembly of engine components.

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

DEUTZ SPAIN's main customers are the DEUTZ plants located in Cologne and Ulm

(Germany), for which it manufactures engine blocks, cylinder heads, connecting rods, bearing covers and gears for most of its engine ranges.

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

MAIN FIGURES 2021

QUALITY

99,1% successful deliveries
134,7 Million € de Facturación

PEOPLE

59 new people
532,75 Average Workforce

PRODUCTS

210.750 Cylinder heads
795.409 Connecting rods
584.760 Gears
52.925 Blocks

OUR HISTORY

- Company is founded as DIAZ DE TERÁN in Zafra (DITER).
- Iron foundry, production of agricultural machinery.

- MWM acquires most of DITER's shares.

- Expansion of organisation and increase of activity.
- First in Extremadura to gain ISO 9001 certification.

- Production of Blocks is started.
- Deutz Business School project approved.
- Opening of Service Centre in Barcelona.

- Start of activity of Deutz Business School.
- Obtaining the Energy Efficiency Certificate.
- The creation of DEUTZ SPAIN "DEUTZ GLOBAL SERVICE CENTER S.L." is approved.

1883-1949

1949-1967

1967-1987

1987-1990

1990-2008

2008-2013

2013-2017

2017-2018

2019-2020

2021

- First patent for a DITER engine and creation of first range of single-cylinder engines manufactured in Spain.

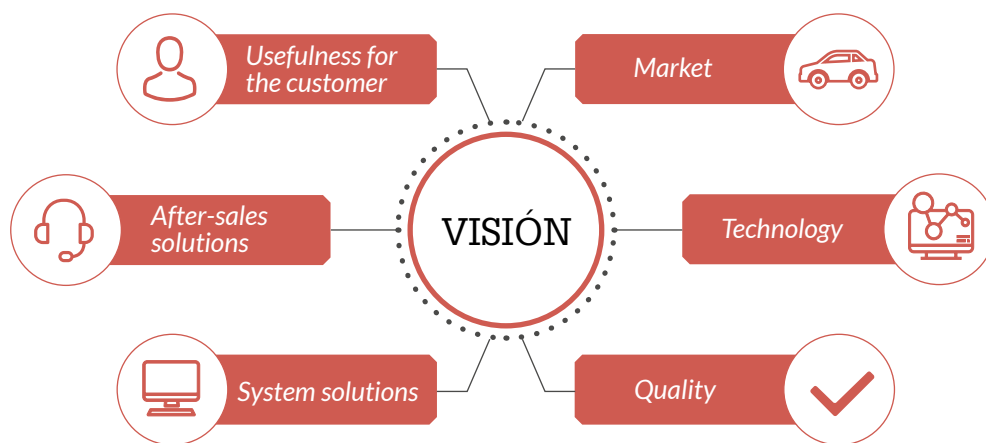
- The German group KHD (Köckner Humboldt Deutz. Currently DEUTZ AG), absorbs MWM.

- DEUTZ chooses the LEAN Philosophy.
- First company in Spain to implement DUAL Vocational Training.
- Opening of Service Centre in Madrid.

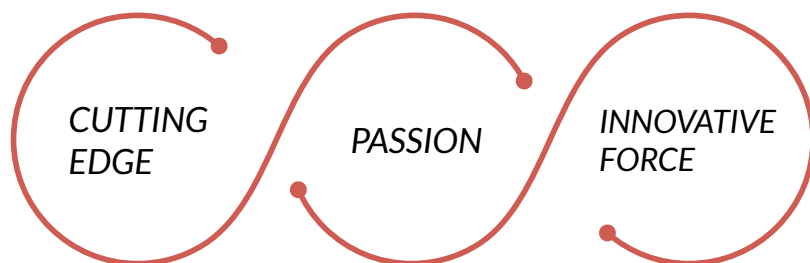
- Gaining IATF automotive sector certification.
- Construction of Deutz Business School.

- ORP Award: Excellence in risk management.
- CIA Project.
- Construction of Controlled Substances Department (DGSC) offices.

MISSION, VISION AND VALUES



MISSION



"WE OFFER THE MOST SUCCESSFUL ENGINE SYSTEMS IN THE WORLD."

TOGETHER, WE REMAIN
FAITHFUL TO OUR VALUES.

NOS MUEVE **LA PASIÓN.**

To inspire and think beyond our daily work. To share, create and try new ways to achieve common goals. Persistence: we learn from our mistakes and work to succeed.

MANTENEMOS NUESTRO **ESPÍRITU PIONERO.**

We act with passion and courage, seeking new ideas and bringing them to life. The idea is to think ahead and set trends in global markets. We provide technology for a sustainable future. We have created an environment for entrepreneurs: to take advantage of the digitalisation and constant improvement of products and processes.

VALORAMOS NUESTROS **CONOCIMIENTOS.**

The success of the organisation is driven by experience and continuous learning that ensures our growth, always putting our knowledge to the test.

SOMOS UN **EQUIPO.**

Joining forces with employees, customers, suppliers and partners. We are all involved and we all participate. Collaboration is based on trust, respect, integrity and transparency. We support each other and debate in a constructive manner. DEUTZ SPAIN values different points of view and respects different perspectives.

ASUMIMOS **RESPONSABILIDADES.**

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



DEUTZ SPAIN IN 2021

Excellence in cost management		5% improvement in productivity
	Renewal of collective bargaining agreement 2021-2023	Energy Efficiency by 8.2% overall
Increase in sales of the group's engines	Excelencia en servicio: 99,1%	

FUTURE STRATEGIES

STRATEGIC INITIATIVES 2021-2024

Strategic axes

Competitiveness

- Supplier alliances.
- Re-engineering of logistic processes.
- Competitive management of assets.
- Strategy 4.0
- Lean Management.
- Strategic Plan for People Management.

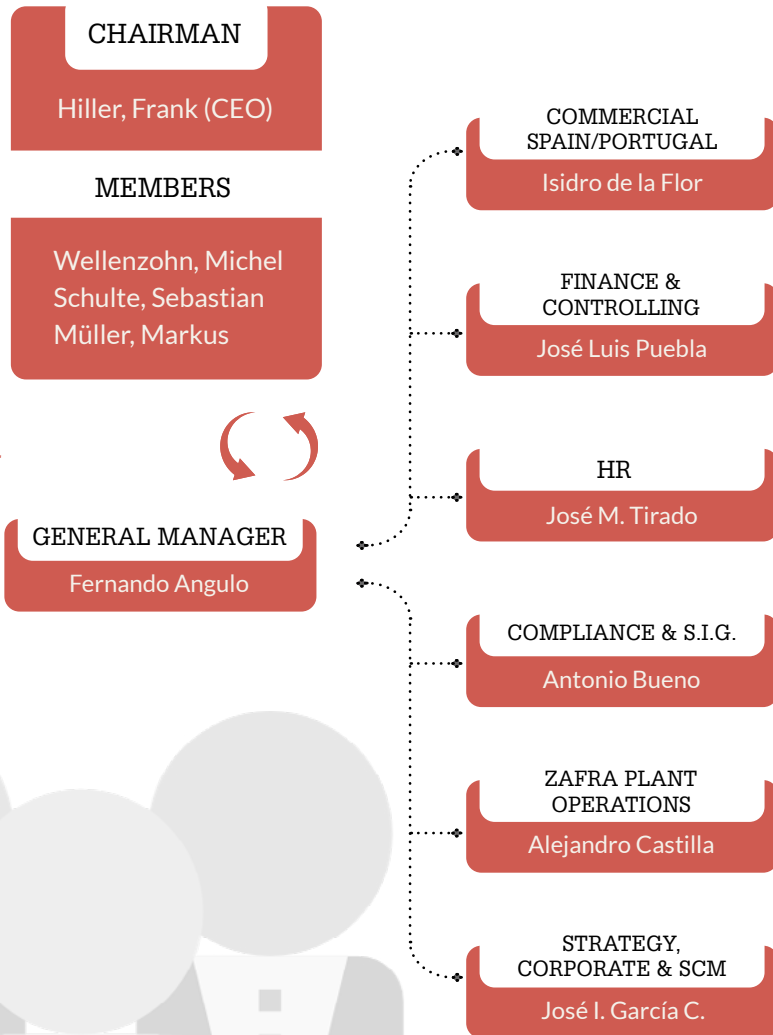
Operational excellence

- Excellence in industrialisation.
- Customer quality optimisation.
- Timeliness of delivery.
- Lead Time Reduction.
- Flexibility and quick reaction times.
- Continuous productivity improvement.



GOVERNING BODIES

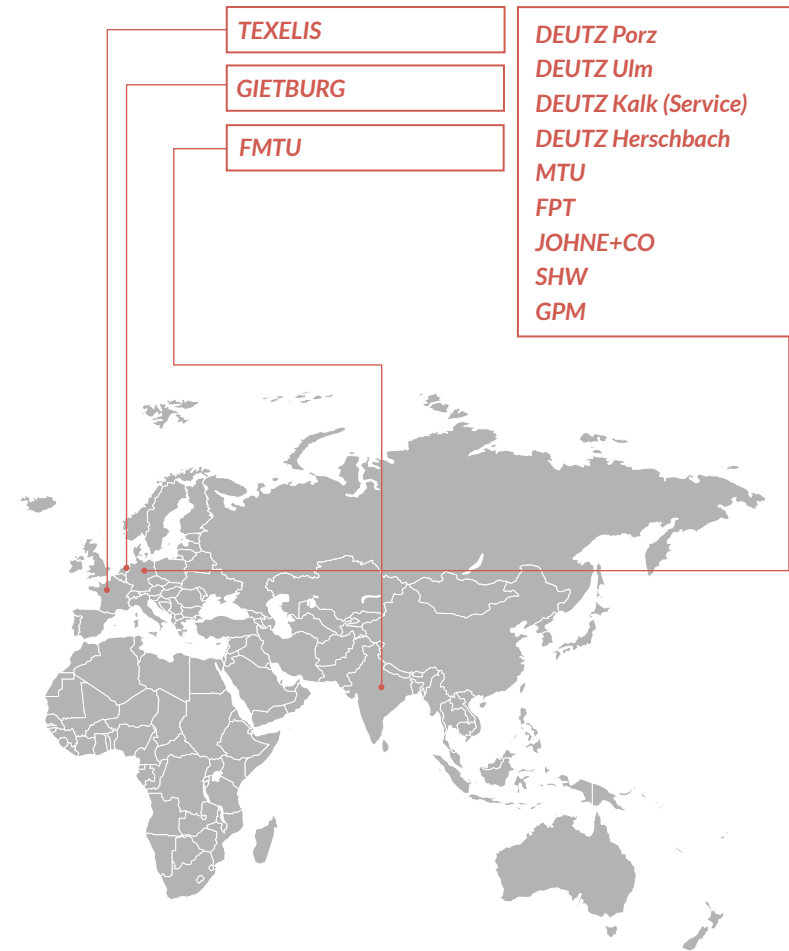
Board of Directors



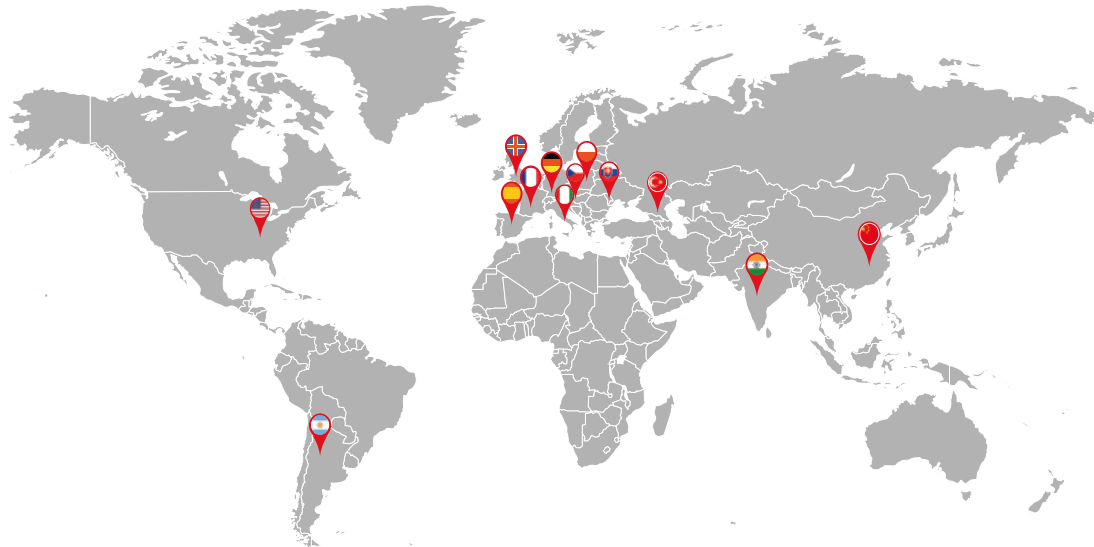
Management



CUSTOMERS



SUPPLY CHAIN



PARTS	28.656.000
PART NUMBERS	482
SUPPLIERS	71
COUNTRIES	13

France
 1 Supplier
 3.000 pieces

Slovakia
 3 Supplier
 864.000 pieces

Turkey
 1 Supplier
 32.000 pieces

England
 2 Supplier
 516.000 pieces

Germany
 33 Supplier
 16.480.000 pieces

Italy
 2 Supplier
 356.000 pieces

Spain
 15 Supplier
 1.001.000 pieces

Czech Republic
 1 Supplier
 1.094.000 pieces

Poland
 1 Supplier
 622.000 pieces

China
 4 Supplier
 266.000 pieces

India
 6 Supplier
 1.894.000 pieces

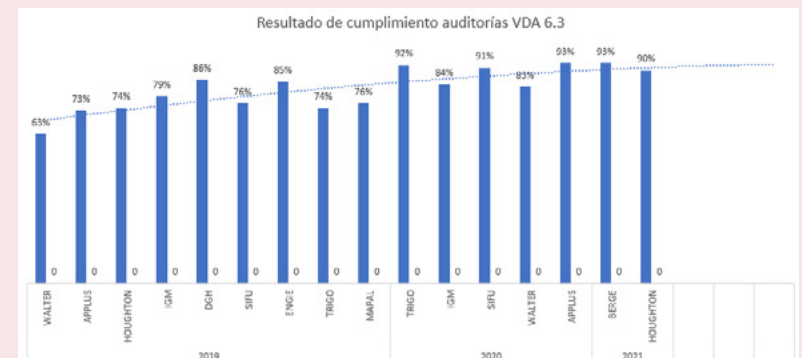
USA
 1 Supplier
 3.953.000 pieces

Argentina
 1 Supplier
 1.575.000 pieces

DEUTZ SPAIN monitors the performance of its suppliers. Under a follow-up process, the company conducts quality audits according to VDA 6.3 of its main suppliers or those that may have the greatest influence on its operations.

The objective of this process is to achieve better coordination and to build solid and reproducible know-how on the part of suppliers, in turn improving the results obtained as a whole.

The findings of audits always lead to an action plan aimed at improvement, and evaluations are incorporated as part of the global supplier evaluation process carried out by the Purchasing area, which helps to objectively assess supplier good performance.



CORPORATE SOCIAL RESPONSIBILITY

DEUTZ SPAIN understands Corporate Social Responsibility (CSR) as an integral and essential part of the organisation itself and of each of the services it provides.

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

CSR GUIDELINES

DEUTZ SPAIN CSR POLICY

ECONOMIC MANAGEMENT

- Ensure transparency and economic sustainability.
- Process efficiency.
- Elimination of unnecessary expenses in search of the best performance.

SOCIAL MANAGEMENT

- To improve the quality of life of employees, as well as their professional development and equal opportunities.
- Improve the development of the local environment.

ENVIRONMENTAL MANAGEMENT

- Identify and minimise the different environmental risks.

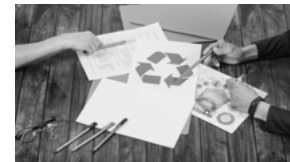
In 2021 Deutz Spain renewed its commitment to sustainable development by signing two significant agreements with its energy and waste management suppliers. In the case of the former, a space assignment has been signed with Engie for the installation of a photovoltaic plant on the roof of the car park and on the gear manufacturing building, which will produce 1,286 MWh of clean energy per year. This 100% renewable energy will be consumed by Deutz Spain and the DBS Foundation. An agreement has also been signed with the second supplier (Almansa) for the transfer of space for the start-up of a new chip centrifuging facility, which will enable 100% recovery of this waste by eliminating the remains of coolant and fluids from machining processes. Along with these two outstanding milestones, in 2021 Deutz Spain continued with efficient energy management, where it has achieved an improvement in electricity consumption proportional to 6.6% of its activity.



Ethical and responsible management. A new whistle-blower channel format has been created on the website, thus increasing the confidentiality of communication.



Talent development. Channelled through the DBS and talent development programmes such as HP or PIT. In 2021, new training programmes were created at DBS: management systems excellence programme; industry 4.0, collaborative robots; all of them with the participation of DS professionals.



Minimisation of environmental impacts. In 2021, two important agreements were signed with energy and waste management suppliers. One of them with the transfer of land from DS for the start-up of a photovoltaic plant.



Responsible management of suppliers. Policy of transparent and objective awarding of services and contracts, always based on multidisciplinary specifications and evaluation matrices. Audit of suppliers according to German VDA standard; audit with ISO 9001 standard for suppliers with disabled personnel, Zafra Full inclusion.



Accountability and transparency. Philosophy of continuous publication of results and forums for analysis and presentation, such as the Centre for Competitiveness or the Economic Commission.

DEUTZ SPAIN AND THE SDGS

DEUTZ SPAIN's sustainable strategy contributes directly to the Sustainable Development Goals (SDGs) set out in the 2030 Agenda, through specific actions framed in the goals defined for each of the selected SDGs.

Aware of the importance that the Sustainable Development Goals (SDGs) have on the social, economic, and environmental impact of companies on society, DEUTZ SPAIN is part of the ACS working group on SDG 13 Climate Action in order to share experiences among companies and create lines of work for the future.



SDGs	SDG TARGET	DEUTZ SPAIN	Performance 2021
	3.4 Promoting mental health and well-being.	One of the principles of DEUTZ SPAIN is safe and healthy work.	In 2021, DEUTZ SPAIN won the Regional Government of Extremadura award for the integration of Occupational Risk Prevention in its Management System.
	4.3 Ensure equal access to quality technical, vocational and higher education, including university education. 4.4 Increase the number of young people and adults who have the necessary skills, particularly technical and professional skills, to access employment. 4.5 Ensure equal access to all levels of education and vocational training for vulnerable persons, including persons with disabilities.	Deutz Business School® collaborates with regional and international educational entities in order to promote the economic development of the region.	- Increase in events, students and Deutz Business School® educational offerings focused on talent and innovation. - Official opening of DBS in 2021. - Creation of the DBS Advisory Board.
	8.2 Improving Productivity through technological modernisation and innovation. 8.6 Reducing youth unemployment. 8.8 Protecting labour rights and promoting a safe and secure working environment.	- Employee participation in improvement and innovation. - Deutz Business School Agreements with Secondary Schools (I.E.S.) and Universities. - In 2021, DEUTZ SPAIN won the Regional Government of Extremadura award for the integration of Occupational Risk Prevention in its Management System.	15 measures submitted in 2021 by employees, of which 10 are under study and 2 have received awards. - Promotion of youth employment. - Vocational and language training for young people.
	9.2 Promoting inclusive and sustainable industrialisation. 9.4 Modernising infrastructures to make them sustainable, using resources more efficiently and promoting sustainable technologies and industrial processes.	- Objective to have digital transformation and production industry come together in a sustainable way. - Commitment to optimise energy consumption in a sustainable manner through continuous improvement of facilities and processes.	- Smart Factory / Industry 4.0 - Energy efficiency as a strategic objective. - Installation of photovoltaic plant. - Creation of an area specialised in Energy Efficiency and Corporate Assets management with specific annual budgets.
	12.5 Reducing waste generation through prevention, reduction, recycling and reuse activities. 12.6 Adopt sustainable practices and incorporate sustainability information into its reporting cycle.	- Contribution to the circular economy through waste recovery. - Fourth publication in 2021 of DEUTZ SPAIN's Sustainability Report.	New chip centrifugation plant that will allow 100% recovery of this waste by eliminating the residues of coolant and fluids from machining processes.
	17.17 To develop and promote the formation of effective alliances in the public, public-private and civil society spheres, taking advantage of the experience and resource-acquisition strategies of the alliances.	Through agreements with local entities and other stakeholders, DEUTZ SPAIN has become one of the main sources of employment and quality training in Extremadura.	- Alliances with strategic suppliers. - New agreements for the installation of a photovoltaic plant and a new chip centrifuge plant.

CORPORATE COMPLIANCE AND CODE OF CONDUCT

CORPORATE COMPLIANCE PRINCIPLES

Maintain free competition	Maintain business integrity	Protection of the environment
Safe and healthy work	Non-discrimination	Comply with international trade laws
Transparent financial information	Respect for human rights	Separation of corporate and personal interests
Correct processing of personal data	Principle of data minimisation	Cooperation with the authorities

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

During 2021, training continued for all employees, both permanent and temporary, on the new Deutz Code of Conduct. In addition, specific training has been provided on the operation of the Whistle-blower Channel, all this with the aim of ensuring an adequate incentive to report any situation that violates human rights. In addition, during 2021, the format of the complaints channel on the web page was updated and an indicator was established to monitor deadlines to enhance its use and efficiency.

DEUTZ SPAIN, on its corporate website, has a whistle-blower channel open to any employee, customer, supplier, or any interest group. This channel can be used to report any type of infringement or violation of rights.

CODE OF CONDUCT

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

DIALOGUE WITH STAKEHOLDERS

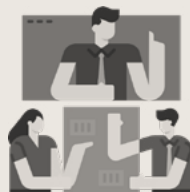
For DEUTZ SPAIN, knowledge of the needs and expectations of its stakeholders is essential to be able to deploy its Corporate Social Responsibility policy. Through communication with different stakeholders, the organisation iden-

tifies their interests and opinions about its economic, environmental, and social performance. DEUTZ SPAIN's priority stakeholders are as follows:

DEUTZ SPAIN has several specific communication channels, prominent among which are the internal communication APP, annual reporting, intranet, internal magazine, social network profiles and face to face conversations.

EMPLOYEES

- Staff.
- Workers' representatives.



ADMINISTRATION

- Government agencies.



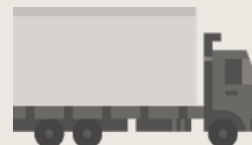
OTHER ORGANISATIONS

- Universities and training centres.
- Banks.
- Unions.
- Insurance and credit guarantee companies.
- Press.
- Sernauto (Spanish Automotive Suppliers Association).
- MCA, Madrid Automotive Cluster.
- AEC, Spanish Association for Quality.
- Chambers of commerce.
- Deutz Business School® Foundation.



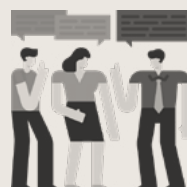
SUPPLIERS

- Productive raw material suppliers.
- Productive auxiliary material suppliers.
- Non-productive suppliers auxiliary services to production.
- Non-productive suppliers -auxiliary services unrelated to production.
- Service providers with workplace in DEUTZ SPAIN.



SOCIETY

- Local Communities.
- Neighbourhood Associations.
- Local educational centres.
- Local companies.
- Non-profit social action entities.



CUSTOMERS

- Customers - Deutz AG.
- Other customers.



APP internal communication
496 users
125 news items during 2021

During 2019, DEUTZ SPAIN conducted a materiality study giving voice to all its stakeholders, in which more than 120 people participated, with the aim of identifying which are the most relevant issues in terms of Corporate Social Responsibility for both the organisation and its stakeholders.

This report responds to all these issues or relevant aspects through the different GRI indicators shown in the following table:



CSR AXIS	RELEVANT ASPECT	GRI INDICATOR
GENERAL	Ethical Performance and Good Governance	102-16 a 102-18 102-22 a 102-28
	Policies and codes of conduct	102-16 a 102-17
GOOD MANAGEMENT, ETHICS AND INTEGRITY	Dialogue with stakeholders	102-40 102-42 a 102-43
	Reduction of energy consumption	302-1 a 302-5
ENVIRONMENTAL PERFORMANCE	Cleaner and more efficient technologies	301-1 /302-1
	Internal promotion	401-1 404-2 a 404-3
SOCIAL PERFORMANCE	EMPLOYEES Training	404-1 a 404-2
	To encourage education and culture.	404-1 a 404-2 413-1 a 413-2
	SOCIETY Employability	102-8 /202-2 401-1 413-1 a 413-2

Note: The GRI indicators related to the relevant themes or aspects have been identified in red in the attached GRI index.

ECONOMIC MANAGEMENT

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

Economic data (in Euros)	2019	2020	2021	
Revenue	134.981.512	99.310.354	134.750.341	↑
Operational costs	105.938.901	75.522.963	103.981.203	↑
Employee Salaries	25.490.280	21.097.852	25.775.450	↑
Employee Social Benefits	660.971	622.620	683.438	↑
Supplier Payments	92.139.283	106.945.720	86.490	↓
Payments to the government (taxes)	114.582	129.802	105.515	↓
Community Investments	4.500	18.000	7,575.70	↓
Investment Subsidies		1.528.150	198.840	↓
Infrastructure Investments	12.975.00	8.664.826	5.058.010	↓





Tomás Domínguez Fernando
Director Industry & Infrastructures at Engie Spain.

As a Deutz Spain collaborator in the industrial and energy area, what aspects of improvement do you consider would be the most relevant to work on in the future ?

ENGIE, as a global leader in the energy sector, is firmly committed to accelerating the transition to a carbon-neutral economy and a more sustainable world with a focus on renewable energy and efficient energy infrastructure, reconciling economic performance with a positive impact on people and on the planet.

Our commitment to Deutz Spain is to work hand in hand to improve its energy efficiency through innovative and technological solutions that lead to comprehensive, tangible and profitable results, and that in turn allow them to achieve an industry with zero CO2 emissions. For this reason, we have designed a roadmap convinced that the creation of value must be understood in its entirety and that it is clearly focused on achieving this objective.

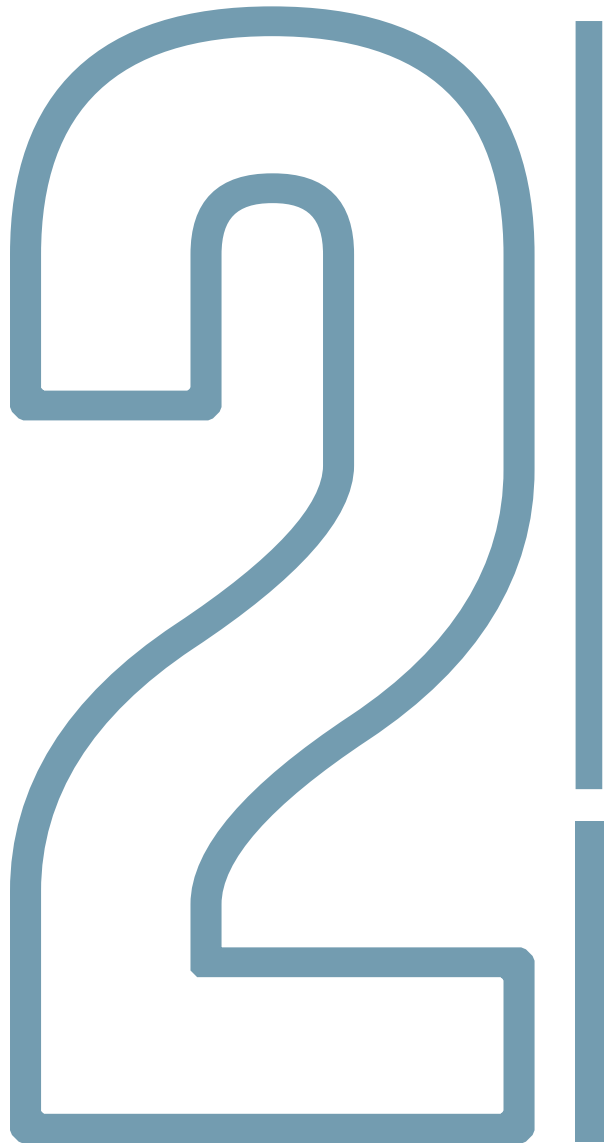
What concepts (transparency, reliability, integrity, collaboration, trust, etc.) do you think would best describe the relationship that Deutz Spain maintains with its suppliers ?

The relationship between ENGIE and Deutz is mainly based on the Ethics & Compliance commitments, which allow us to maintain a collaborative relationship as its energy partner and, likewise, contribute to the development of its Sustainability and Corporate Social Responsibility policy.

What corporate values do you think the Deutz brand best conveys ?

Commitment to Sustainability and Energy Efficiency. We highlight Deutz for its vision focused on innovation and continuous improvement from a socially responsible perspective within the energy transition, always prioritizing our common goal of reducing the carbon footprint in each of the projects we develop together.

Engie is a relevant energy agent in Europe and since 2021 has been supporting Deutz Spain in its strategy to promote self-consumption and decarbonisation.



**QUALITY IN
PRODUCTION**



PRODUCTION PHILOSOPHY

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

The high qualification of its engineering and production teams makes it capable of adapting and responding quickly to the needs of its customers, being able to manufacture all types of prototypes and series.



14.600 m²
PRODUCTION
SURFACE



532,75
AVERAGE
WORKFORCE 2021



15-17
SHIFTS

ZAFRA PRODUCTION CENTRE



PRODUCTS

ENGINE BLOCKS

112%
compared
to 2020



52.925 units/year Annual capacity.

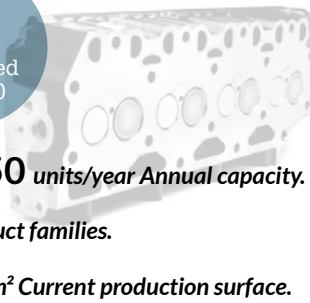
3 Product families.

3.300 m² Current production surface.

64 Workers.

CYLINDER HEADS

36%
compared
to 2020



210.750 units/year Annual capacity.

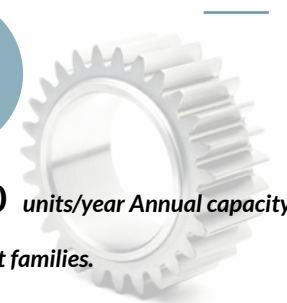
15 Product families.

6.500 m² Current production surface.

113 Workers.

GEARS

62%
compared
to 2020



584.760 units/year Annual capacity.

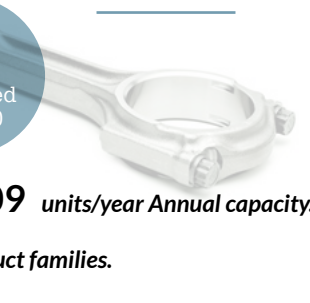
16 Product families.

2.200 m² Current production surface.

42 Workers.

CONNECTING RODS

52%
compared
to 2020



795.409 units/year Annual capacity.

13 Product families.

2.600 m² Current production surface.

46 Workers.

PRODUCTION SYSTEMS

Pillars of DEUTZ SPAIN's technological competence

- Knowledge of the motor and its components.
- Control and standardisation of manufacturing processes.
- Technological level and flexibility of the facilities.
- Agreements with machining technology partners.

DEUTZ SPAIN has implemented Lean Manufacturing methodology through the Deutz Production System (DPS), with the purpose of guaranteeing "Just in Time" customer demand, minimising production Lead Time and optimising the "value added chain" for the customer.



The DEUTZ SPAIN Production System (DPS) is based on the philosophy of Continuous Improvement, applied using a structure formed by Autonomous Production Units (APUs) which are provided with the necessary resources to react quickly and self-sufficiently to deviations that may occur with respect to the objectives set. The general objectives are deployed using each one of their APUs so that they align with and are communicated to all employees.

TECHNOLOGY: INDUSTRY 4.0

The Smart Factory concept is already part of the DEUTZ SPAIN philosophy. Since 2015 when the organisation implemented this Connected Industry 4.0, improvements have been introduced in all processes through pilot projects that through real tests have enabled the exploration of the possibilities offered by this technology.

T4G Industrialisation - C.I.A. Project.

In 2021, framed within Industry 4.0, the CIA Project (Self-Managed Intelligent Cell) was launched with the purpose of transforming the culture and optimising the competitiveness of the connecting rods produced. The main objectives pursued are:

- Identify VSM waste.
- Identify technological waste.
- Attack waste with data in the form of AI.
- Use of AI to empower users in decision making.
- Extreme competitiveness of connecting rod products <4L.

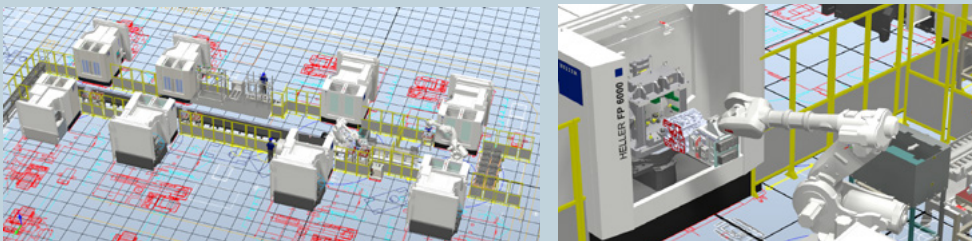


Smart Factory Advances

During 2021, the project to automate the 3.6 block machining lines was developed as part of the Deutz Transform for Growth (T4F) strategy of the group to improve the competitiveness of its products and ensure continuity in a global market.

Two state-of-the-art robots will be installed that, together with artificial vision techniques, will perform all movements of parts, improving safety, ergonomics and allowing workers to focus on Kaizen actions for continuous improvement.

In addition, light curtains will be incorporated to provide the production line with the best possible visual management in a robotic cell with 8 machining centres along its 30 metre length.



MANAGEMENT SYSTEM

DEUTZ SPAIN develops its strategies based on its integrated management system of Quality, Environment, Energy and Health and Safety in the Workplace, and having as a guarantee of legal and ethical compliance, its criminal and anti-bribery compliance management system.



- **IATF 16949:**2016 Quality management systems in the automotive sector.



- **ISO 9001:**2015 Quality management systems.



- **ISO 14001:**2015 Environmental management systems.



- **ISO 45001:**2018 Health and Safety in the Workplace Management System.



- **UNE 19601:**2017 Criminal compliance management system.



- **ISO 37001:**2016 Anti-bribery management systems.



- **ISO 50001:**2018 Quality management systems.

ISO 45001

Health and Safety in the Workplace

DEUTZ SPAIN was recognised by the Regional Government of Extremadura in the awards for the promotion of occupational health and safety, as the company that had the best integrated safety in all its processes. The award was presented by the President of the Regional Government of Extremadura and its Councillor for Employment and Enterprise.



Total quality course

During 2021, through the DBS Foundation, an Integrated Management System training programme was implemented with the participation of the entire team working in the DEUTZ SPAIN system. Throughout the year, 2 editions were held with the participation of professionals from several companies in the area.



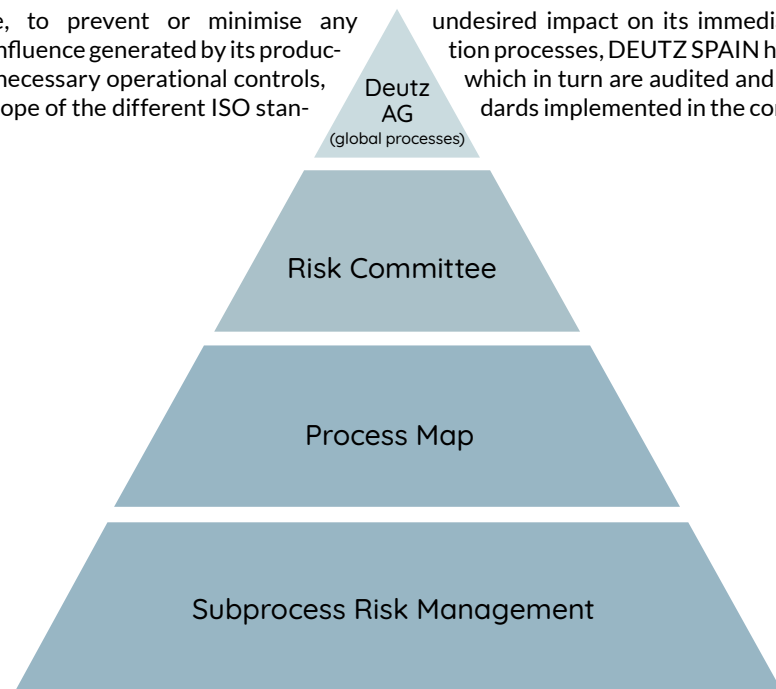
RISK MANAGEMENT

Through DEUTZ SPAIN's risk management model, risks are identified at any level which, depending on their criticality, will be escalated to the Risk Committee and even to the DEUTZ Group for treatment.

To establish the criticality of any risk, the level of inherent risk and the level of economic risk, calculated as the impact it may have on the company's results, are addressed separately.

During 2021, the Economic Risk Monitoring Committee was created, in which the company's most experienced risk experts about financial matters analyse any risks that may have an impact of more than €40,000 on EBIT and/or WC. In cases where the impact is greater than €0.5 million, they should be escalated to the Group for management.

Furthermore, to prevent or minimise any undesired impact on its immediate environment or influence generated by its production processes, DEUTZ SPAIN has implemented the necessary operational controls, which in turn are audited and certified within the scope of the different ISO standards implemented in the company.

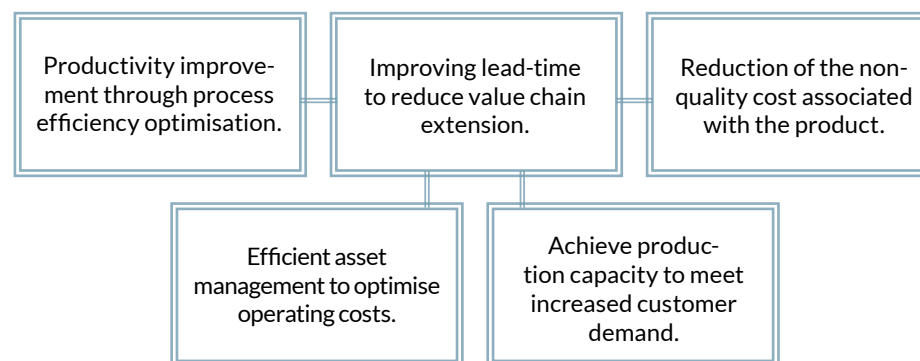


COMPLAINT MANAGEMENT

DEUTZ SPAIN has a complaint management system that allows it to provide a rapid solution to its customers and, by identifying the root cause, to establish actions to avoid recurrence.

COMPLAINTS MANAGEMENT SYSTEM	Complaint	Complaints can be received through the Supply On portal, or by direct email.
	Registration	We have a computerised customer complaints system called IQS, through which all complaints are analysed and carry a series of associated corrective and preventive measures.
	Analysis	In the case of repetitive complaints, an 8D analysis is performed to identify the root cause and implement corrective measures to prevent the recurrence of the problem.
	Corrective actions	If it is established that DEUTZ SPAIN is responsible for the problem, it takes immediate measures to guarantee the quality of supply within 24 hours.
	Communication to the customer	The corrective actions defined are communicated to the customer.
	Closure	Once all 8D actions have been completed and their effectiveness audited, they will be closed, and lessons learnt will be recorded.

2022 PRODUCTION OBJECTIVES





Laura Baena García
Production Operator (Smart factory).

Deutz Spain is committed to innovation in its company, which is why collaborative robots have been installed in different lines; What improvements would you highlight when working with collaborative robots ?

As their name suggests, they are collaborative robots, one more companion. In the end, if one day something is missing, it is noticeable since it is like having another hand. They are of great help in our job, so that the job is less heavy and monotonous.

Deutz Spain, is a socially committed company; For this reason, it makes different donations throughout the year. Which of them best conveys Deutz Spain's commitment (caritas, toys) or perhaps you think that another donation should be made different from those made ?

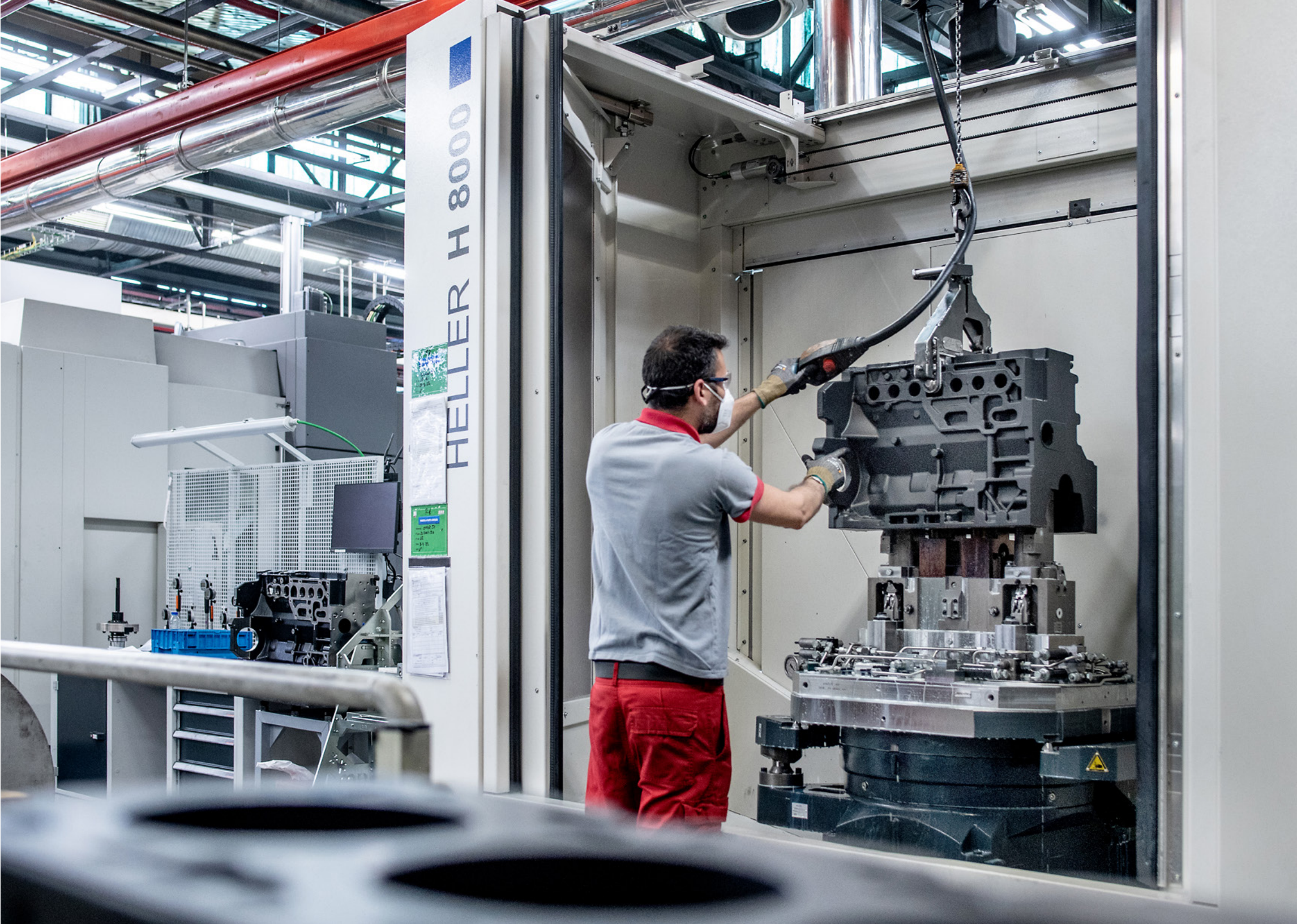
Deutz Spain collaborates by putting its grain of sand; both by making donations and promoting local commerce. They perfectly convey the commitment and desire to help.

What corporate values do you think the Deutz brand best conveys ?

Teamwork and passion for what is done always wanting more, making the most of every moment.



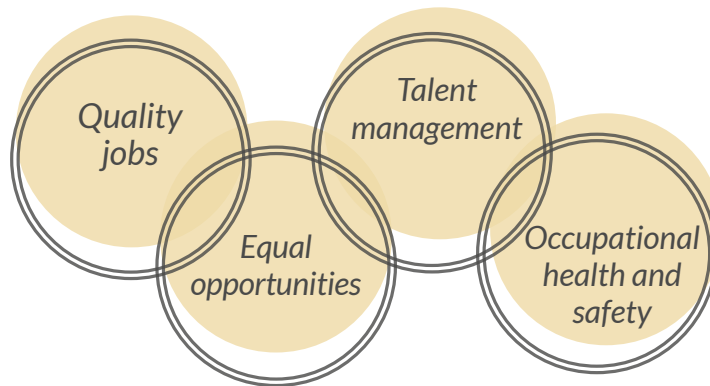
**PEOPLE, THE MOTOR
BEHIND DEUTZ SPAIN**



HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT



DEUTZ SPAIN 's commitments to human resource management and development are as follows:



VALUES



MISSION

To guarantee human resource management based on the principles of Respect, Communication, Trust, Development, Success, Objectives, Decisions, Feed-back, Innovation, Responsibility and Quality.

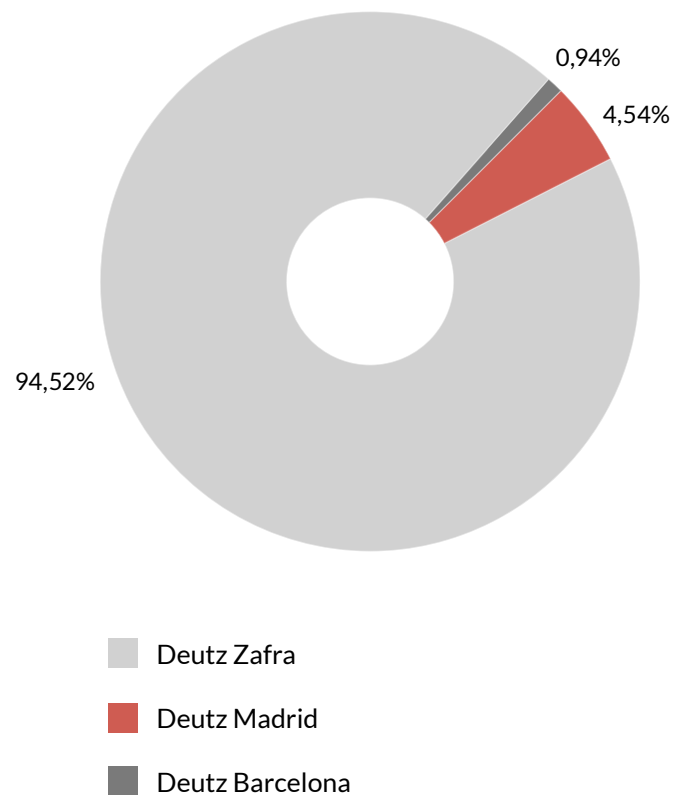
VISION

Based on the values and principles of DEUTZ SPAIN, to contribute, as a strategic asset of the organization, to the implementation of the business strategy, enhancing the value of people and contributing sustainability to the growth process.

QUALITY JOBS

Aware that the people who make up the organisation are its main value, DEUTZ SPAIN focuses on improving the professional development and qualification of its employees. In addition, measures are developed to improve safety at work, equal opportunity and treatment for all women and men, personal development, active listening and the reconciliation of work and personal life.

BREAKDOWN OF WORKFORCE BY WORK CENTRE



Turnover of men

2,5%



42,29 HOMBRES

Average years of age men

Turnover of women

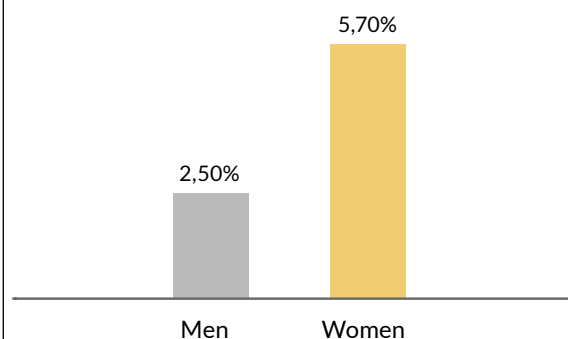
5,7%



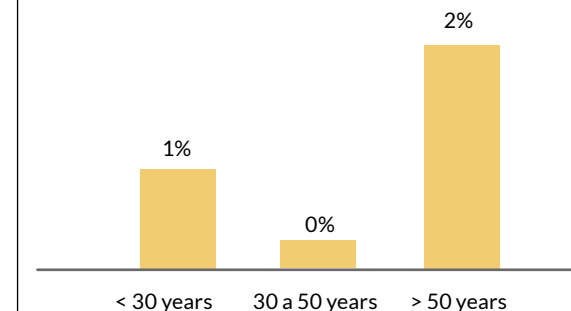
MUJERES 38,74

Average years of age women

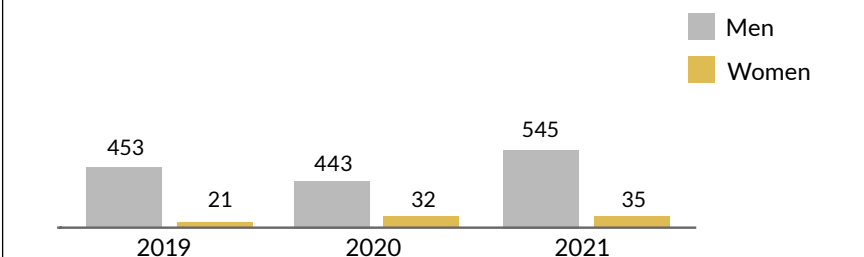
TURNOVER RATE BY GENDER



TURNOVER RATE BY AGE



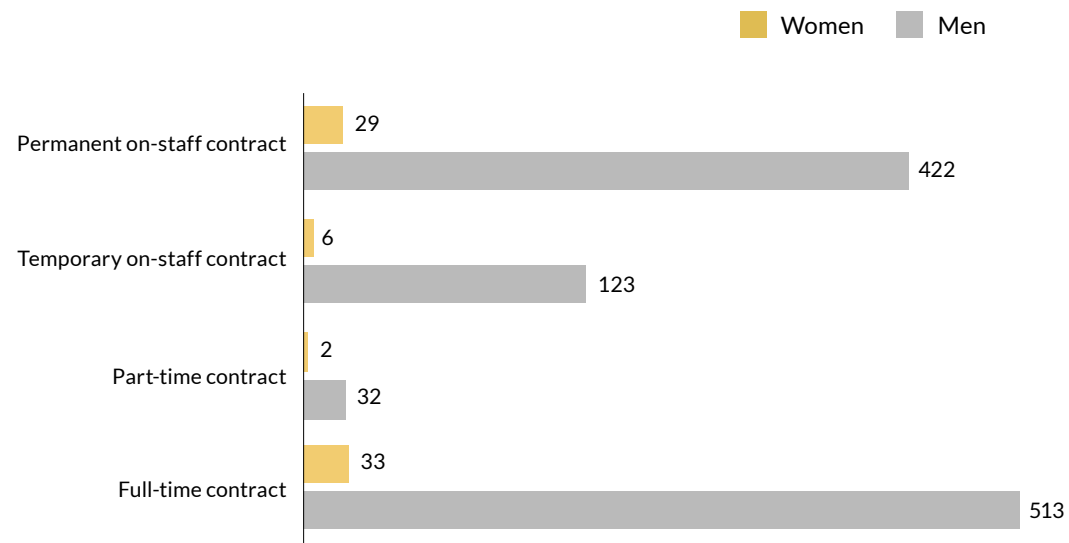
EVOLUTION OF NUMBER OF EMPLOYEES BY GENDER



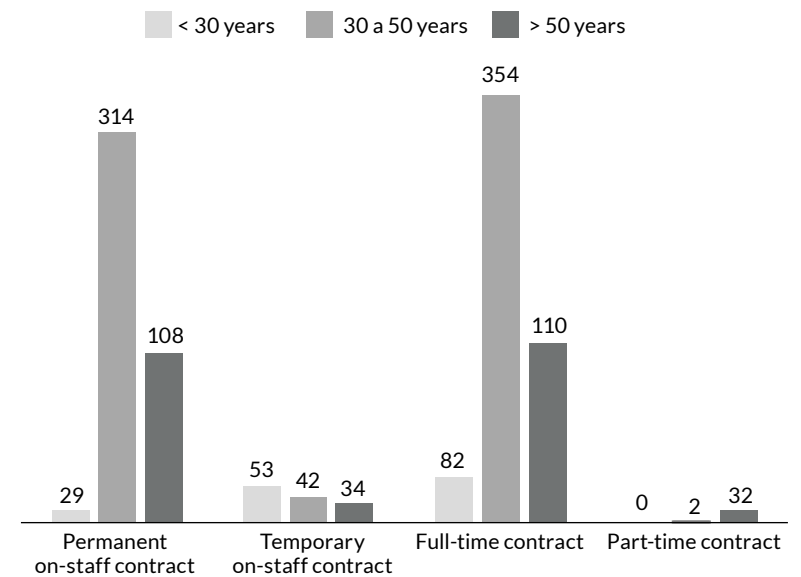
50,17%

Workers with more than 10 years of experience in the company

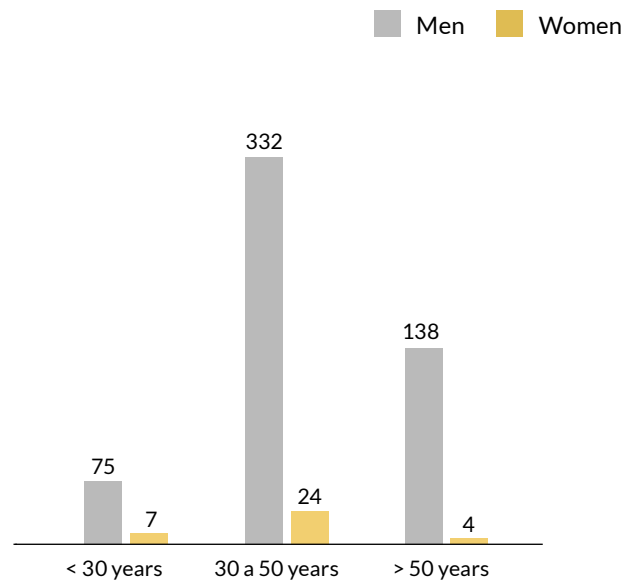
BREAKDOWN OF WORKFORCE BY MODALITY OF CONTRACT AND GENDER



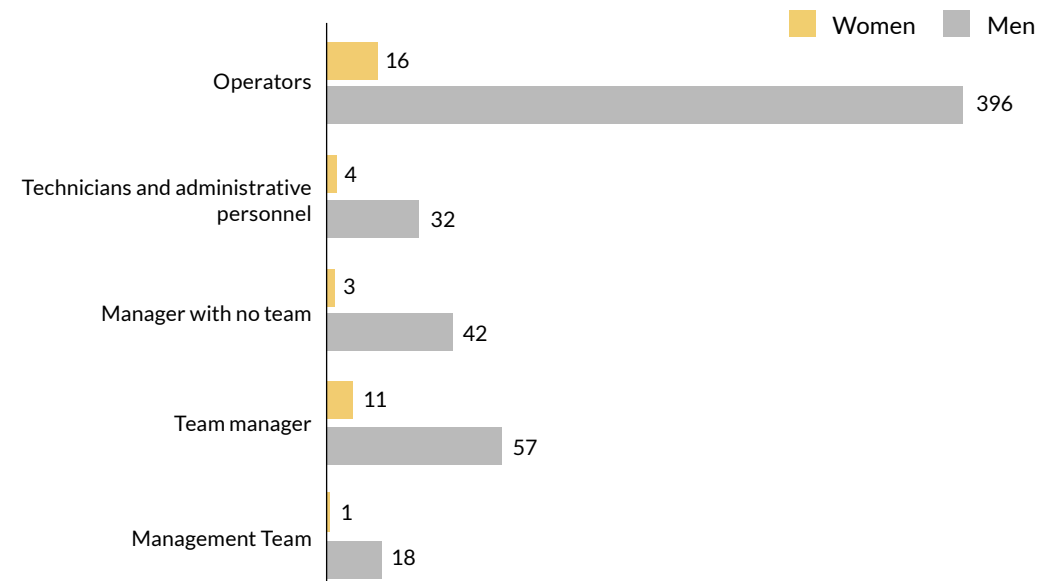
BREAKDOWN OF WORKFORCE BY CONTRACT TYPE AND AGE



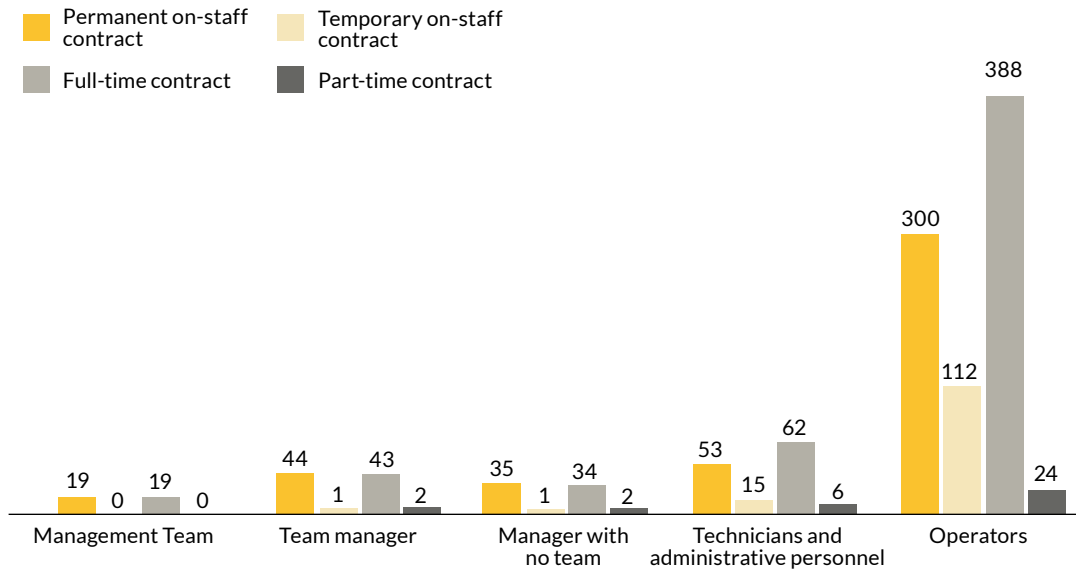
BREAKDOWN OF WORKFORCE BY AGE AND GENDER



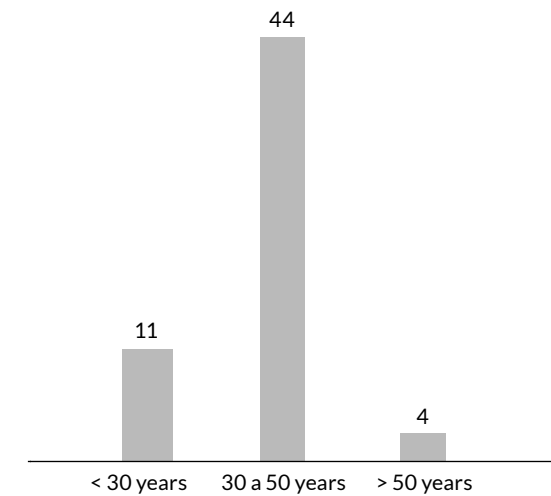
BREAKDOWN OF WORKFORCE BY PROFESSIONAL CATEGORY AND GENDER



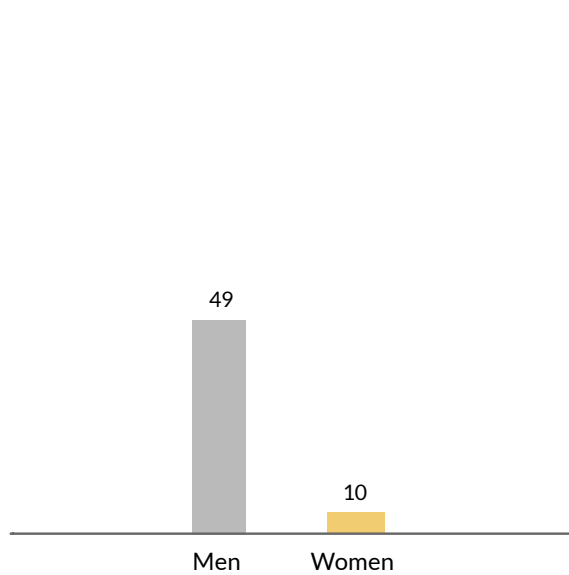
BREAKDOWN OF WORKFORCE BY CONTRACT TYPE AND JOB TITLE



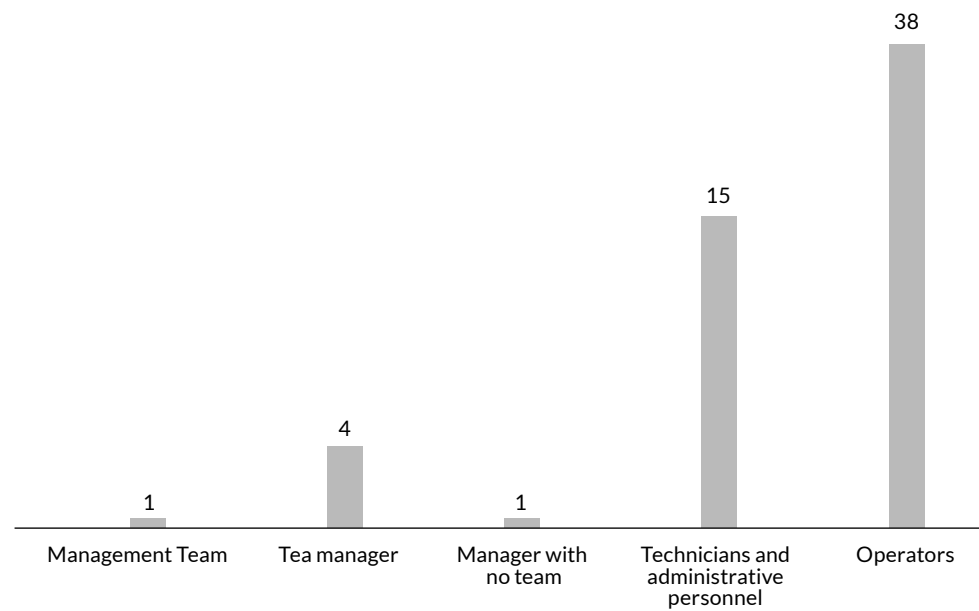
NEW CONTRACTS BY AGE



NEW HIRES BY GENDER



NEW HIRES BY CATEGORY



136%

Increase in hires
compared to
2020

DEUTZ SPAIN has deployed its Strategic HR Plan 2021-2025 with the following strategic lines:



Among the actions proposed for the coming years are the following:

Recognition	Motivational policies
▪ Last day of work. ▪ Newsletter. ▪ Updating of professional categories. ▪ New criteria for access to a permanent contract. ▪ Preference for internal promotion to fill vacancies.	▪ Recognition at 25 years seniority. ▪ After-work Day.
Values and knowledge	Improve absenteeism
▪ 40th anniversary. ▪ 25th anniversary. ▪ Meetings on values. ▪ Each month a value. ▪ Coffee in HR.	▪ Support with occupational disability processes. ▪ Creation of the Absenteeism Commission. ▪ Anticipation of medical tests. ▪ Health Plan. ▪ Organisational improvements >58 years of age.
Implement work/life balance policies	Talent management
▪ Teleworking. ▪ English summer camp for children. ▪ Flexible working hours. ▪ Re-organisation of production model. ▪ Intensive working day.	▪ Promote coaching tools. ▪ Social benefits. ▪ Emotional salary ▪ Innovation and talent programme. ▪ Implement career plans. ▪ Define succession plans. ▪ Incorporate skills assessment in the talent programme.
Process optimisation	
▪ Design and deployment of the HR process map. ▪ Payroll simplification. ▪ Integration of HR processes and evaluations. ▪ Improve communication channels.	

COMMUNICATION

At DEUTZ SPAIN communication is a tool aimed at strengthening the links between people and the company. With two-way operation, DEUTZ has established channels and mechanisms accessible to all people linked to the organisation so that they can express their opinions, proposals and suggestions.

DEUTZ SPAIN is committed to a communication model built on transparency and active listening. The communication plan pursues this objective by establishing itself as a basic pillar, an open and people-oriented management model as a strategic value of the company.

Process improvement work groups and committees.



Communication channels



My DEUTZ Magazine

DEUTZ SPAIN publishes the most important news in its worldwide magazine for all employees of the group.



Intranet

Intranet used as a bidirectional communication channel. Intrazeit, the intranet, is also available to manage payroll and time and attendance control in a comfortable way.



Personal meeting with People Management

All employees have an annual meeting with the People Management Department; it is a good time to share personal and professional issues and to discuss how the company can help its employees in any field.



Engagement survey

Every six months, the organisation launches an engagement survey aimed at all its employees. The results are analysed with the workers themselves, establishing action plans that improve the most prominent weaknesses.



DEUTZ Mobile App

DEUTZ Mobile App and through which workers are informed in real time about the main news events taking place in DEUTZ SPAIN.



Direct communication

Information sessions and briefings to identify doubts and concerns and provide solutions.



PARTICIPATION

DEUTZ SPAIN encourages the participation of its employees in the incorporation of improvements in their own work and in the organisation in general. Workers make proposals that are studied and which may end up with an award from managers in Production and People Management.

Opinions count

DEUTZ SPAIN rewards workers who have proposed an improvement that generates annual savings equal to or greater than €3,000 (after deducting implementation costs).

15

Proposals received during 2021,
of which 10 are currently
being evaluated

2

Of the proposals received
during 2021, the following
have already been awarded



Engagement survey results

In 2021 the ninth engagement survey was conducted among DEUTZ SPAIN employees reaching the following results:

6,1

Average satisfaction

68%

scores above 5.0

60%

scores above 5.8

12% of workers scored below 3 in 2017, compared to 6% in 2021. Similarly, 35% of workers score above 7, while only 17% did so in 2017. The strategic lever scores regarding recognition and motivation; and teamwork remain at the same level. The growth and development lever grew by 0.1, with a score of 5.2, the highest ever recorded.

BALANCING OF WORK AND PERSONAL LIFE

During 2021, new work-life balance measures were implemented to improve the balance between work and family life.

Possibility of teleworking.

The legal duration of the paid leave provided for in Article 39 of the collective bargaining agreement is extended.

Paid leave to reconcile family, work and studies (medium level).

Special paid leave, if a first-degree relative is seriously ill.

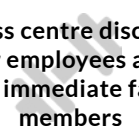
Adaptation of the work shift in the event of the death of a first-degree relative.

These new measures have reinforced other existing reconciliation measures:

Scholarship for children



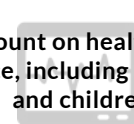
Fitness centre discounts for employees and their immediate family members



15% Discount on dental treatments



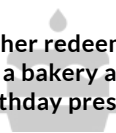
Discount on health insurance, including spouse and children



Congratulatory basket for birth of children



Voucher redeemable at a bakery as a birthday present



Christmas hamper



Agreements with financial institutions



Support in the processes of occupational disability



Shuttle service



Laundry service



Hours bank



Extra vacation days for seniority in the company



Family support: paid leave and bonuses



Family visit on last day before retirement



EQUAL OPPORTUNITIES

Equal opportunity is a reality in DEUTZ SPAIN and is part of its business ethics. The people who are selected have been selected without any distinction, with objective and transparent criteria. And with the aim of increasing the presence of women in its workforce, their incorporation, on equal terms, is favoured.

PILLARS THAT ENSURE EQUAL OPPORTUNITIES

Equal access to employment and recruitment

- Transparent selection process in which qualifications and experience are valued.

Continuous training

- All DEUTZ SPAIN employees have access to tools for professional development.
- Following the procedure of internal selection processes prepared in 2019, the degree of qualification obtained is linked to a professional category that is automatically accessed when a temporary minimum is met at the company.

Balancing of work and personal life

- Implementation of work-life balance measures that facilitate the compatibility of personal and professional life, and that favour professional development regardless of the gender or personal situation of each employee.

Equal pay

- DEUTZ SPAIN has continued with the salary equity analysis that firstly compares salaries with comparable functions in the market (external equity) and, on the other hand, analyses that people carrying out the same function with similar performance evaluations are remunerated in a comparable way in the organisation (internal equity).

11 | positions filled through internal promotion in 2021

EQUAL OPPORTUNITIES FOR MEN AND WOMEN

In order to draw up the Second Equality Plan for DEUTZ SPAIN, the Equality Negotiating Committee was formed in 2021. It comprises seven members of the works council and seven members of the organisation, with representation from the Zafra, Madrid and Barcelona work centres, and from the majority unions.

Members of the Equality Negotiating Committee

José Manuel Tirado Fernández	HR Director	Carlos Placeres Sáez	Comisiones Obreras Zafra Representative
Sheila González Navarro	HR Manager	Juan Carlos Cortegana Muñoz	Comisiones Obreras Zafra Representative
Ana Borrero López	Maintenance Coordinator	Fernando Mato Fernández	Comisiones Obreras Zafra Representative
Iria Flavia Pinto Álvarez	DPD - corporate asset auditor	Rafael Antonio Coronado Matamoros	Comisiones Obreras Zafra Representative
Cristina Sánchez	Madrid Centre Representative	José David Gil González	UGT Zafra Representative
Cristina Vergel Izquierdo	Head of Manufacturing Engineering	Pablo Marian Manzano	UGT Zafra Representative
Aitor Aguado Uriarte	Madrid Centre Representative	Antonio Delgado Dobao	UGT Zafra Representative

Once the committee's internal operating regulations had been established and approved, work was done on the preparation of an equality diagnosis, which is currently in the approval phase. The new Equality Plan will be approved during 2022.

The objectives foreseen in the new equality plan are as follows:

Deutz Spain contracted the consultancy firm Pryisma to carry out a diagnosis of the Equality Plan and a remuneration audit, as a basis for the new Plan and an exercise in transparency and responsibility. As part of the diagnosis, an opinion survey was conducted, which has yielded quite positive.

INTEGRATING EQUALITY INTO THE COMPANY'S CULTURE

- Raising awareness of the principle of equality and ensuring easy access to relevant content on equality and work-life balance.
- Promotion of a work culture that guarantees equal opportunities and a leadership style that values diversity.

SELECTION, HIRING, TRAINING AND PROFESSIONAL PROMOTION PROCESS

- Equal opportunity in the selection process.
- Reducing inequalities in the area of professional development.
- Decrease the under-representation of women in some of the categories.

PAYMENT:

- Ensure that the compensation received by all employees in the organisation is aligned with the performance of their duties, regardless of gender.

OCCUPATIONAL HEALTH AND SAFETY

- Minimise risks at work and promote health among workers regardless of gender.

WORK-LIFE BALANCE AND CORESPONSIBILITY

- Support the balancing of personal, family and working life.

PREVENTION OF HARRASSMENT

- Pay special attention to those situations that require special protection.
- Victims of gender-based violence.
- Harassment situations.



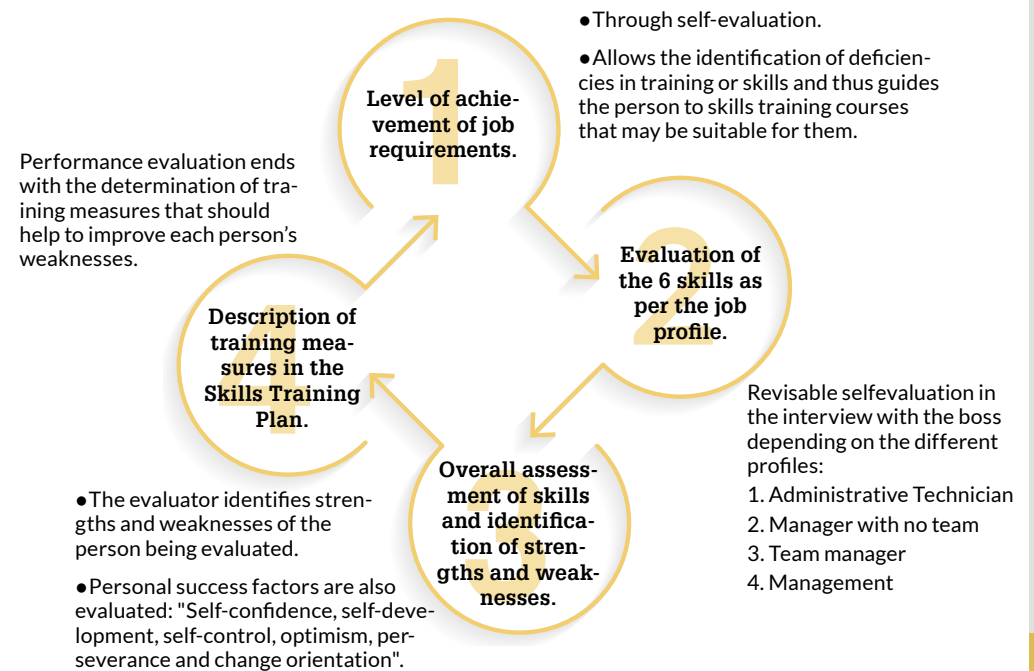
During the week of 8 March 2021, a photo exhibition picturing each of the women working at DEUTZ SPAIN was organised, including those working for external companies.

TALENT MANAGEMENT

The skills of the organisation's employees are periodically evaluated in order to analyse their knowledge and abilities, and to identify areas for improvement that are strengthened through training and development actions.

Any worker can define their own professional development path and DEUTZ SPAIN puts the means and resources to do so at their disposal.

Performance evaluation



INVESTING IN TALENT

Qualified workers

DEUTZ SPAIN offers its employees the possibility of obtaining a technical degree, providing them with facilities in terms of schedules and balancing work and family life.

During 2021, almost 50 workers completed their vocational training studies at intermediate level machining, and received a bonus worth 3% of their gross salaries for each of the two academic courses completed. In June, the graduation ceremony took place in which the new graduates and their families were able to celebrate such a special day.

47

People obtained the certificate of professionalism

DEUTZ SPAIN has made a firm commitment to training and especially to Dual Vocational Training, of which the organization was a pioneer. Twenty twenty-one saw the preparation and graduation of the 10th year of the Mechanical.

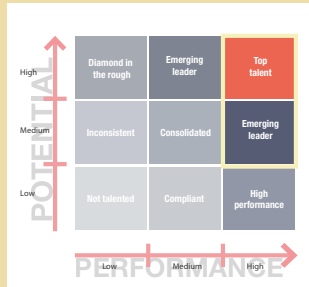
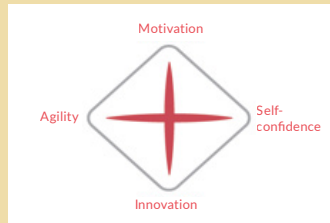
Matrix for the identification of potential

DEUTZ SPAIN identifies people with high potential and carries out an assessment in an external centre to evaluate their possible performance in a profile with a higher skill level and thus corroborate the evaluation of potential made by their manager.

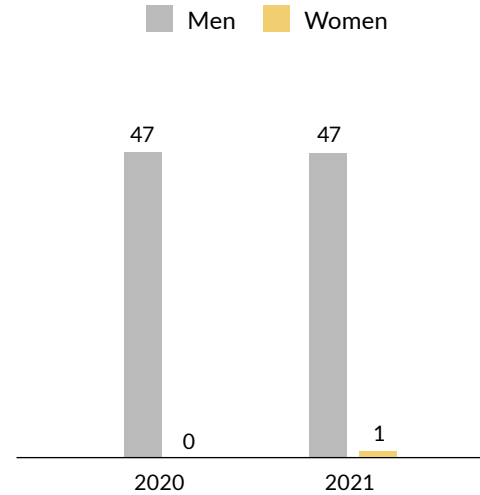
Individuals with high potential are proposed for a 3-year degree plan.

Assessments of potential were conducted in 2021 and will be analysed throughout 2022.

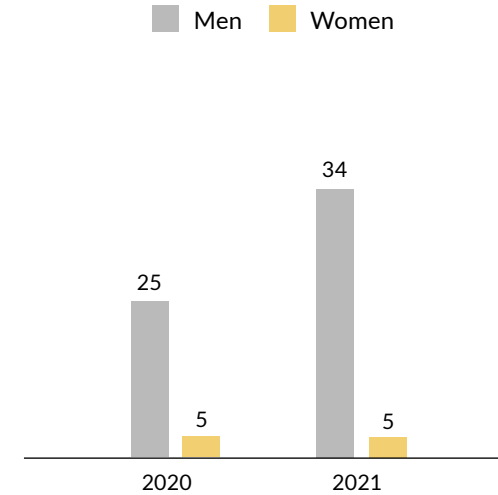
Both the evaluation of performance and potential are now carried out on a biannual basis.



WORKERS IN VOCATIONAL TRAINING



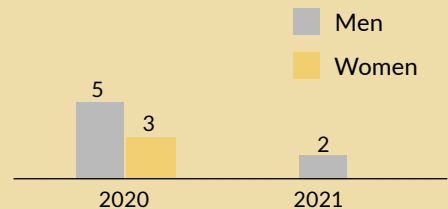
DUAL TRAINING



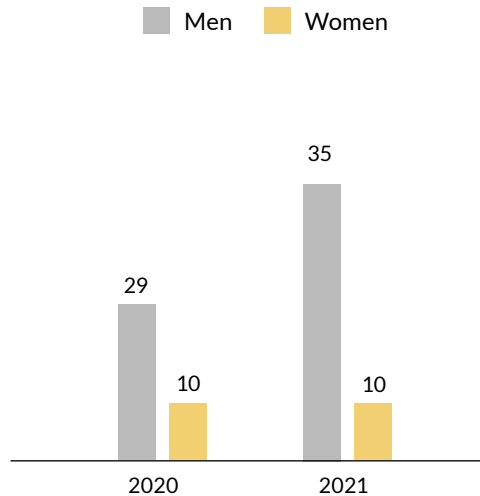
High Potential Programme (HP Programme)

The talent identification programme selects the best portfolios from the School of Engineers of Badajoz and the DUAL Professional Training in a rotational programme of one year by three areas with the objective of identifying future talent for the company. Throughout 2021, there were two participants, both of them women.

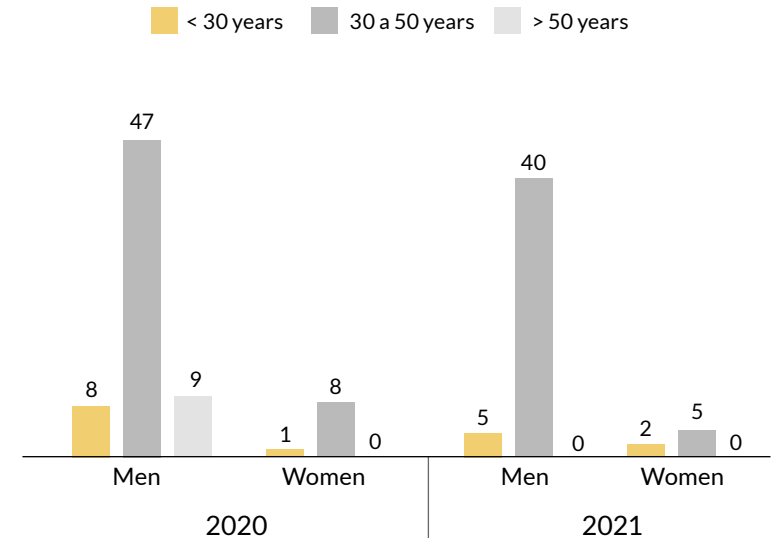
WORKERS IN THE HP PROGRAMME



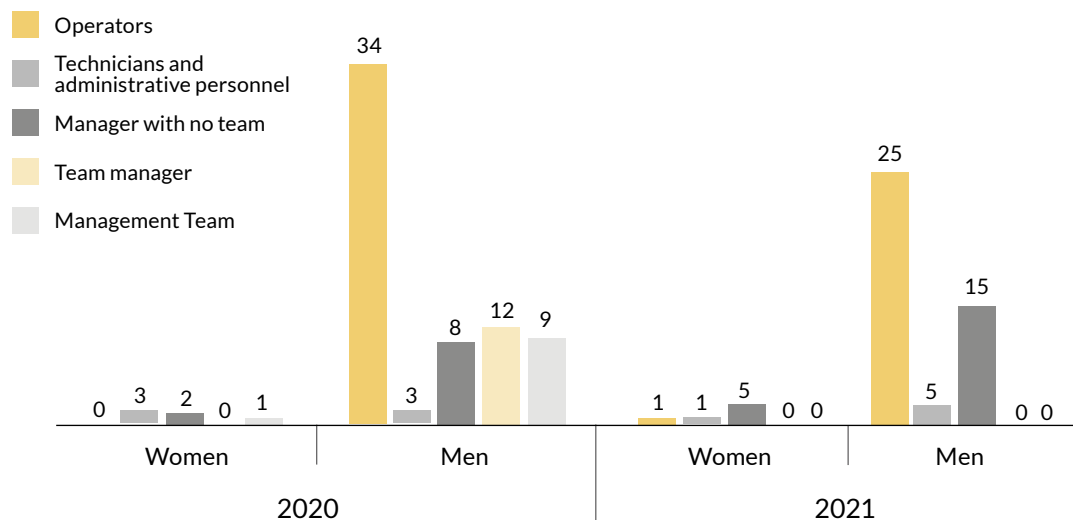
ENGLISH TRAINING PARTICIPANTS



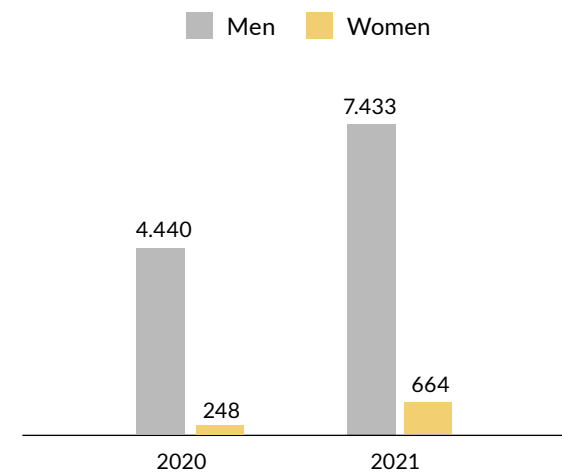
LEAN PARTICIPANTS BY AGE AND SEX



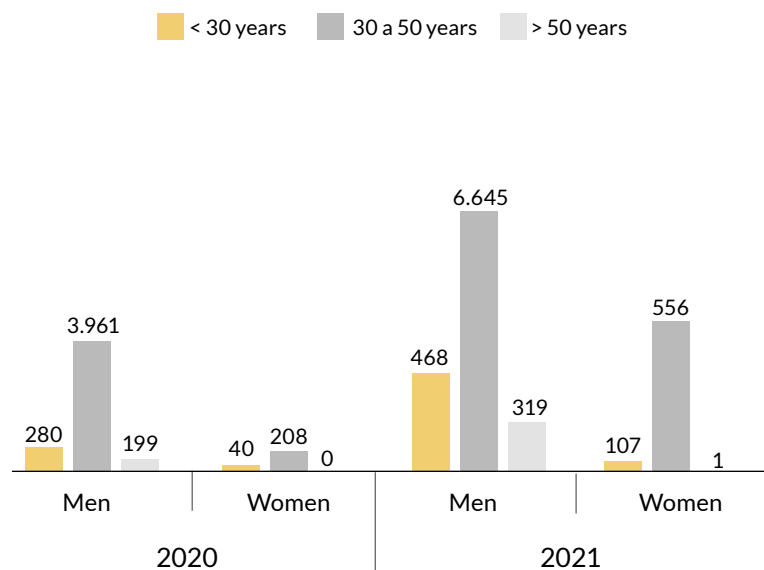
LEAN PARTICIPANTS BY CATEGORY AND SEX



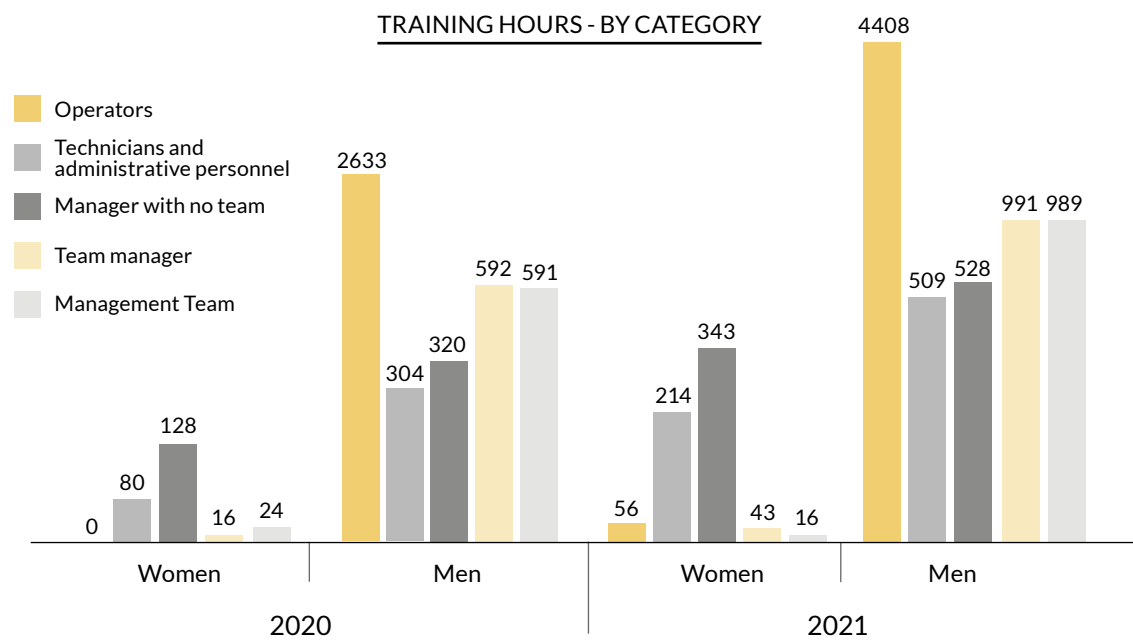
TRAINING HOURS - BY GENDER



TRAINING HOURS - BY AGE



TRAINING HOURS - BY CATEGORY



OCCUPATIONAL HEALTH AND SAFETY

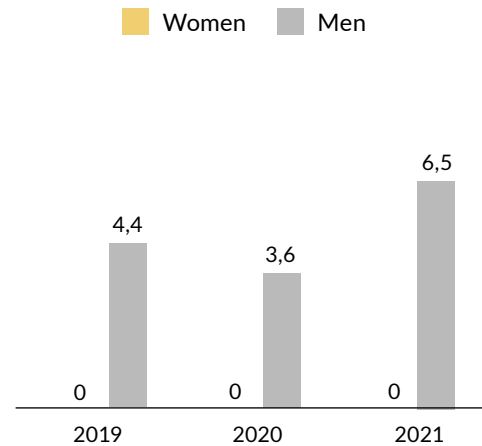
DEUTZ SPAIN assumes as one of its fundamental principles to guarantee the safety and well-being of all its employees.



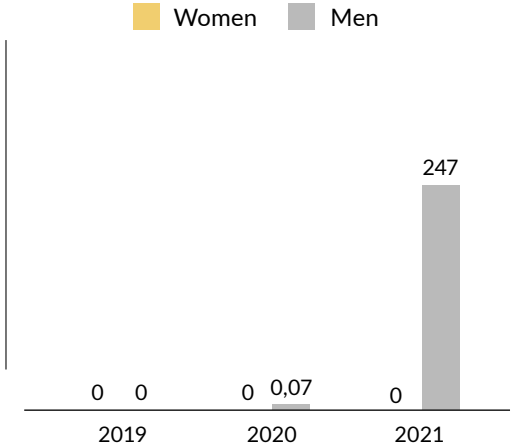
In 2021, DEUTZ SPAIN won the Regional Government of Extremadura award for the integration of Occupational Risk Prevention in its Management System.



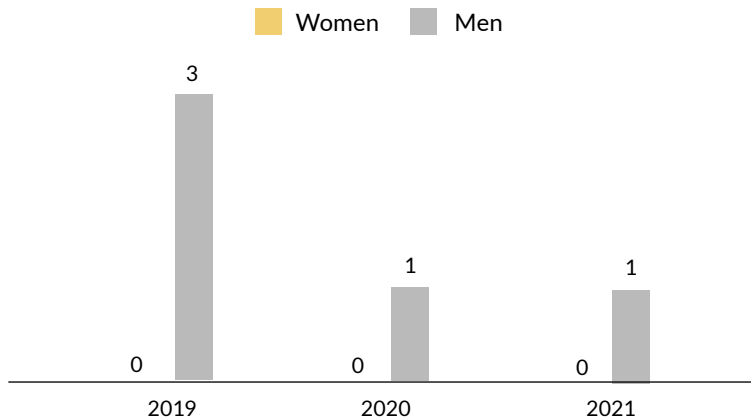
ACCIDENT FREQUENCY RATE



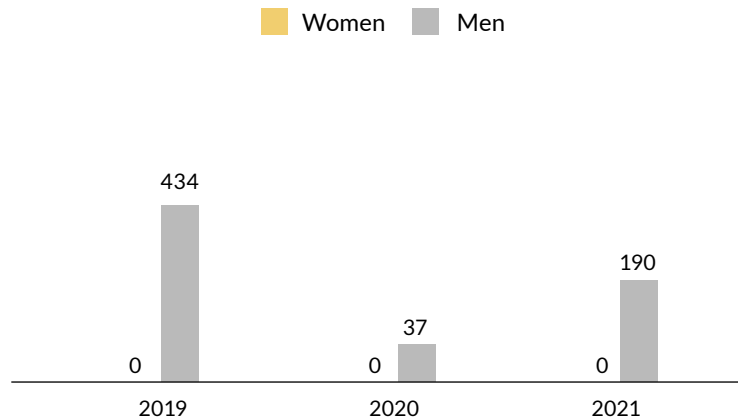
ACCIDENT SEVERITY RATE



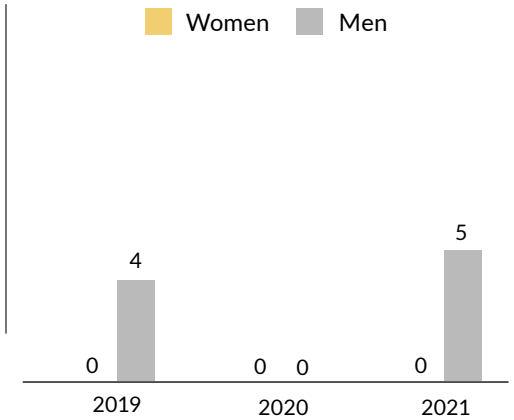
OCCUPATIONAL ILLNESSES



NO. OF DAYS LOST DUE TO OCCUPATIONAL ACCIDENTS



NO. ACCIDENTS WITH MEDICAL LEAVE



ENGINE TEST AND RUNNING-IN BENCH

At DEUTZ SPAIN's facilities in Madrid, a running-in and test bench has been developed for the workshop's engines. The project design has sought to minimise the noise generated during these activities.



COVID MANAGEMENT

During 2021, COVID-19 continued to be ever present, conditioning the working methods of all companies. DEUTZ SPAIN has continued to develop and improve its preventive protocols in order to minimise contagion among its workers.

Among the measures implemented are antigen testing in the organization's own medical services. Both visitors and workers, at various screenings or when returning from their holiday

breaks, should undergo these tests to reduce the chances of contagion in the facilities.



Installation of CO2 measuring equipment.

Health and Safety Protocol for COVID19.

COVID-19 prevention protocol in enclosed areas of high occupancy.

Screening of employees with antigen tests.

Antigen testing of visitors and workers.

2022 PEOPLE OBJECTIVES



Design and deploy the HR process map.

Develop the strategic HR plan.

Reduction of absenteeism.

Preparation and approval of the Equality Plan.

Ensuring adequate training of people.

Improve and strengthen communication.

Adequate climate of relations with workers' representatives.



Sandra Pacheco Maya
General Director of Work
Junta de Extremadura.

What concepts related to diversity and equal opportunities do you consider would be the most relevant to work in the future ?

A relevant aspect to consider is the fact that, as a company that considers HR as a core principle within its business strategy and, taking into account the sector to which the company belongs, the concepts that it would promote in terms of people management could be the **talent attraction and retention**; surrounding himself with personnel specialized in new technologies that allow increasing the competitiveness of the company, offering them both a **quality employment**, as continuous training in those challenges that the organization wants to address.

It would be relevant to promote actions that allow it to become a benchmark in terms of gender equality through, for example:

- **Promote the presence of women in positions of responsibility**, (there is no woman on the management committee, for example, and one of the objectives of its equality plan is to promote the presence of women in positions of responsibility).
- **Promote the training of women in new technologies** to encourage their hiring by the company or increase their skills within it (according to the 2020 CSR report, less than 7% of its workforce are women).
- **Introduction of the gender perspective in the change management group**. This group is made up entirely of men, promoting the introduction of women in this group will allow offering a diverse perspective of actions (according to the CSR Report 2020 there is none).

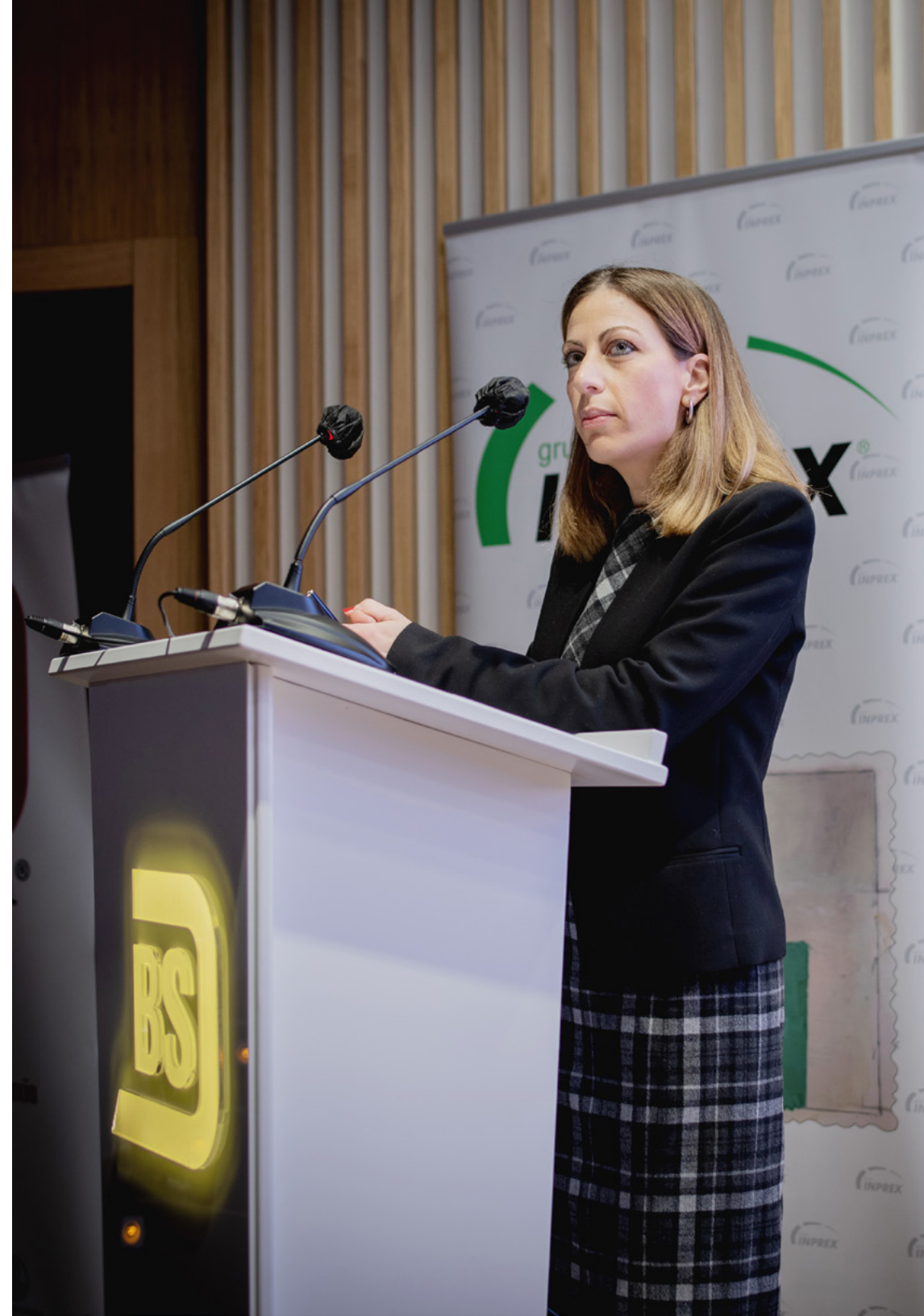
Deutz Spain works to be a company that carries out correct corporate management and that complies with the established legality; Therefore, what concepts (respect for human rights, fight against corruption, fight against bribery, etc.?) do you consider to be the most relevant in the company ?

As a technology company minimization of environmental impact. It should be a relevant issue for the company, carried out, for example, by reducing energy needs in its production processes, reusing raw materials in production processes and deepening research into new materials with a higher efficiency ratio, etc.

Another outstanding aspect is the fact of being a company referent in its territory. As such, a relevant aspect for the company will be the fact of promoting its environment at all levels, social, environmental, and economic. Here, for example, the agreements for the employment of groups such as those over 45, or people with disabilities are a social and business challenge. Along the same lines, contracting with special employment centers is a real alternative that should be valued.

What corporate values do you think the Deutz brand best conveys ?

As a manufacturer of components for engines, the reference value that it transmits innovation, although in commitment to the environment would be another remarkable value.



4

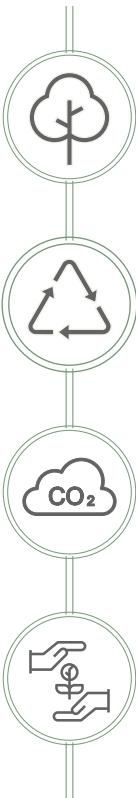
**INNOVATION AND EFFICIENCY
FOR THE ENVIRONMENT**



ENVIRONMENTAL INVESTMENT

DEUTZ SPAIN, within its code of business ethics, outlines and develops objectives and rules that reflect the obligation to act responsibly, ethically and in accordance with the law. This Code of Business Conduct is addressed to all areas of the company (including the environment) and to all participating companies (with a stake of more than 50%) in **DEUTZ AG**.

DEUTZ SPAIN's commitment to sustainable development is materialised in tangible actions, among them:



- Minimisation of environmental impacts.
- Development and monitoring of Waste Minimisation and Energy Efficiency Plans.
- Establishment of atmospheric emissions objectives.
- Environmental liability insurance up to €1,000,000 for environmental damage on and off site.



In addition, during 2021, other projects were carried out, among which the following stand out:

- Reduction of the moisture present in the metal chips with the installation of a centrifuge.
- Upgrading of compressed air generation equipment.
- Intelligent lighting system.
- External CNC cooling (water-water).
- Improvement of main building enclosures (skylights).
- Replacement of non-recoverable oil storage tank.

DEUTZ SPAIN guarantees economic investments aimed at improving environmental performance.

Environmental performance	Investment
Management of hazardous waste.	44.738 €
Measurements of pollutant emissions.	7.030 €
Discharge measurements.	4.635 €
Absorbent reduction.	17.597 €
Energy management system.	12.000 €
Staff resources dedicated to Environment.	Retention of 3 specialised staff members.

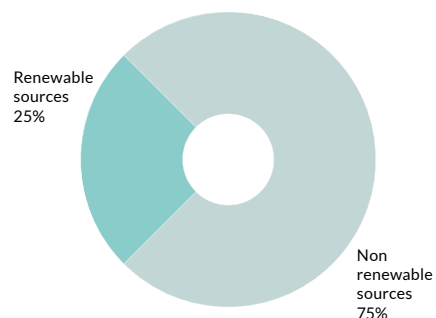


ENERGY MANAGEMENT

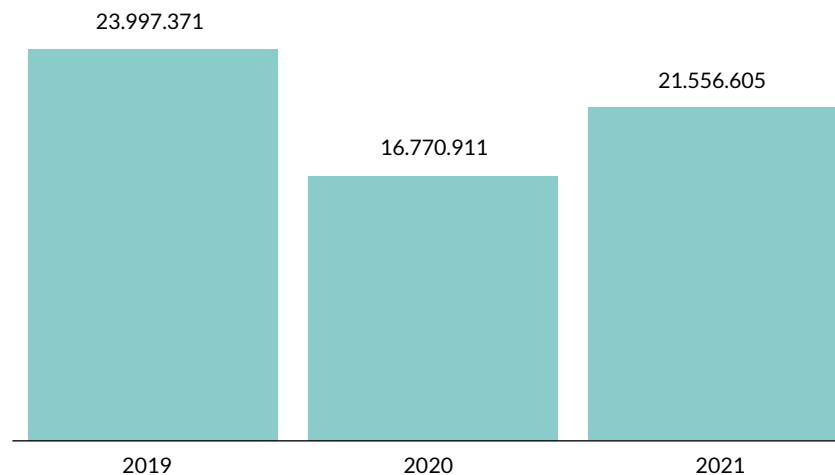
DEUTZ SPAIN has implemented an integrated management system, which includes the environmental management system and the energy management system according to standards **ISO 14001:2015** and **ISO 50001:2018**, respectively.

The environmental performance of the Zafrá production plant in 2021 is described below. The environmental information on the technical services of Madrid and Barcelona, given their lesser relevance, can be consulted in the Annex INDEX OF CONTENTS LAW 11/2018 - GRI STANDARDS of this report.

ENERGY CONSUMPTION BY SOURCE (KWH)

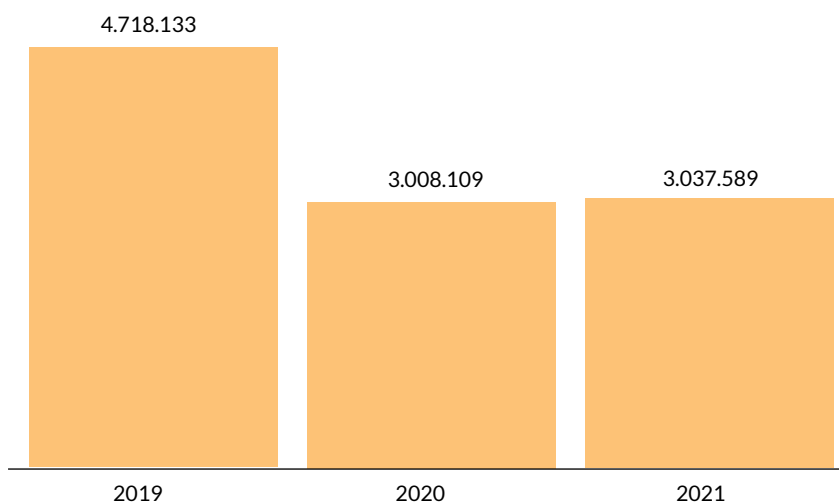


ELECTRICITY CONSUMPTION, IN KW/H

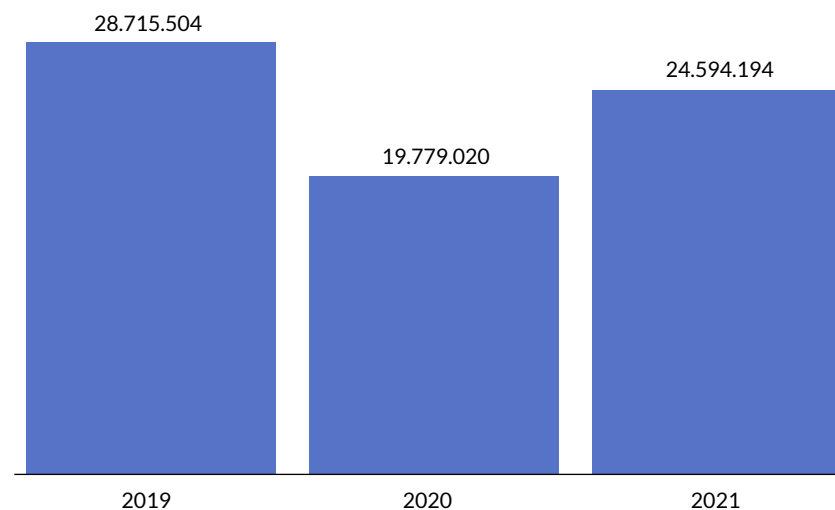


ENERGY CONSUMPTION

NATURAL GAS CONSUMPTION IN INSTALLATIONS, IN KWH



TOTAL ENERGY CONSUMPTION (KWH)

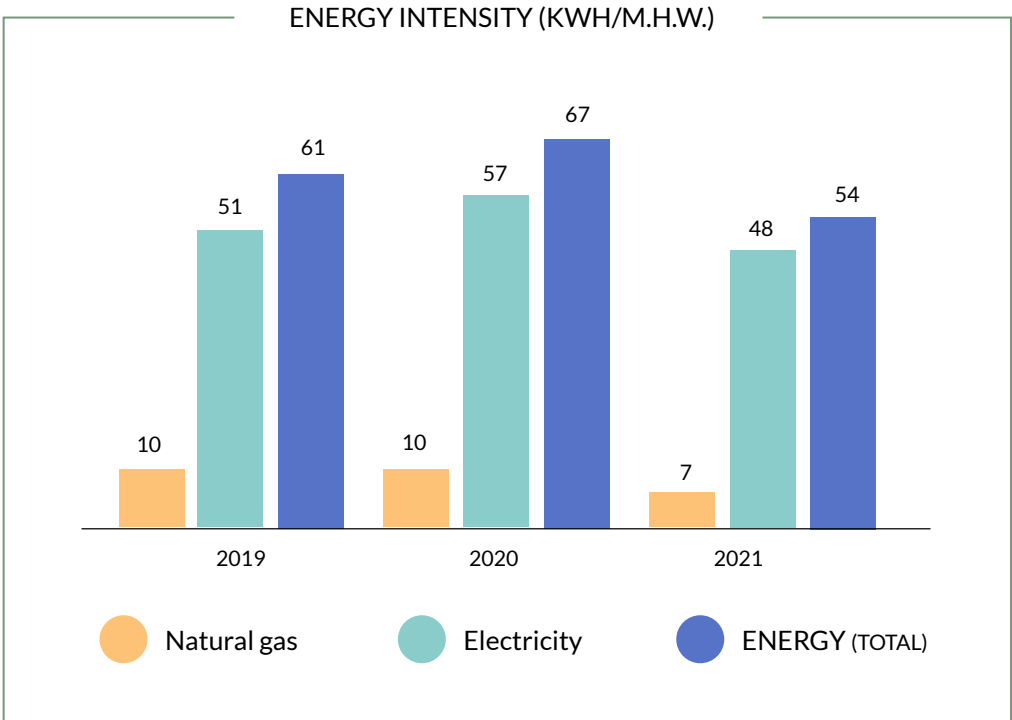


Optimisation in the management of compressed air and cold air generation equipment for air conditioning has yielded very good results throughout 2021, achieving a 4.1% reduction in compressed air generation ratios compared to what was forecast and an 18.7% reduction for air conditioning in the summer months.

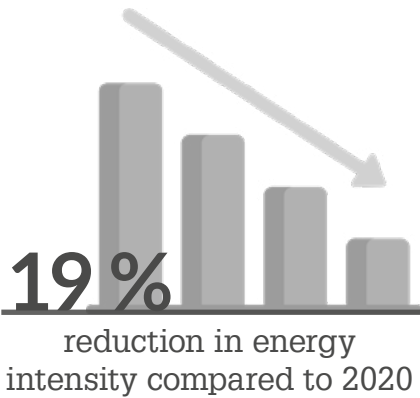
25.26% of the plant's electricity consumption comes from renewable sources, an improvement of 5.52% over the previous year. DEUTZ SPAIN is in the execution phase of an 839.7 kWh photovoltaic installation project to be completed in the second quarter of 2022. Aware that renewable and CO₂ neutral energy is the future for companies, DEUTZ SPAIN intends to define the project of a second phase of self-supply by using solar energy in 2022 that can supply up to 30% of the plant's electrical energy demand.

The installation of the photovoltaic station at the Zafra plant will generate 1,286 MWh/year and reduce the emission of 255 tCO₂ per year, which is equivalent to the absorption generated by almost 17,000 trees.





In 2021, the number of hours worked per machine was 296,440, 53% more than in 2020.



RAW MATERIALS CONSUMPTION

In addition, DEUTZ SPAIN's production involves the consumption of materials:

Production consumption at the Zafra plant	2020 Consumption	Ratio	2021 Consumption	Ratio
Oil consumption.	56.852 KG	0,192 kg/machine hour	96.227 KG	0,213 kg/machine hour
Cutting fluid consumption.	81.639 L	0,275 l/h machine	106.518 L	0,235 l/h machine
Liquid nitrogen consumption.	357.052 L	1,204 l/h machine	458.264 L	1,012 l/h machine
Methanol consumption.	52.020 KG	kg/t pc cemented	62.730 KG	3,173 kg/t pc cemented
Adhesive consumption.	315 GR	0,001 gr/machine hours	442.095 GR	0,977 gr/machine hours
Antioxidant consumption.	1.120 KG	3,778 kg/1000 machine hours	3.665 KG	8,096 kg/1000 machine hours
Detergent consumption.	9.506 KG	0,032 kg/machine hour	12.614 KG	0,028 kg/machine hour
VCI paper consumption.	1.774 KG	5,985 kg/1000 machine hours	1.776 KG	3,930 kg/1000 machine hours
A3/A4-type paper consumption.	142.500 UD	0,481 pc A4/machine hours	135.500 UD	0,299 pc A4/machine hours
Steel chip generation.	568.060 KG	1,92 kg/machine hour	5.205.740 KG	11,500 kg/machine hour
Melt chip generation.	2.325.700 KG	7,85 kg/machine hour		
Aluminium chip generation.	14.180 KG	0,048 kg/machine hour	2.210 KG	0,005 kg/machine hour

Less paper, better

Conducting audits through the ISOTools Radar platform has helped to drastically reduce the organisation's paper consumption. It is estimated that when the implementation of the tool reaches 100%, the reduction in paper consumption will be 95%.

Radar, in addition to saving paper, has helped to better optimise the management of the organisation. The entire audit process is now centralised in one place from the moment it is generated to its resolution.

“With the advent of new technologies and more particularly interconnectivity, it is becoming easier and easier to implement measures to save paper consumption.”



EMISSION MANAGEMENT

DEUTZ SPAIN has managed to reduce its CO₂ emissions by 59% since 2019. Thanks to the application of emissions prevention and reduction measures.

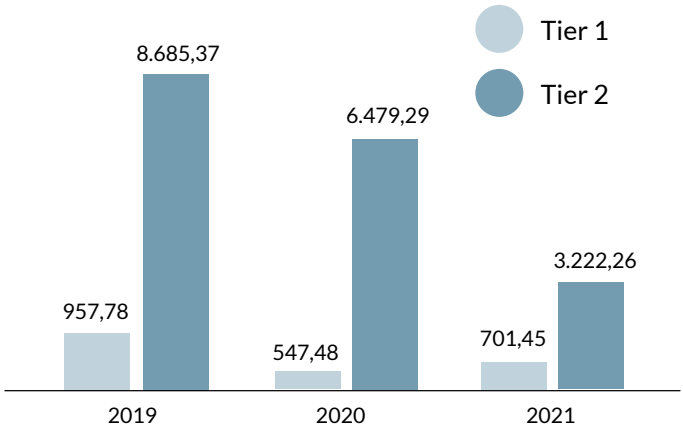
These measures include the updating of air conditioning protocols, compliance with which has led to an 18.7% reduction in airconditioning consumption, representing a 6% reduction in CO₂ emissions in air conditioning during the summer months.

During 2022, the organisation aims to verify its carbon footprint calculation.

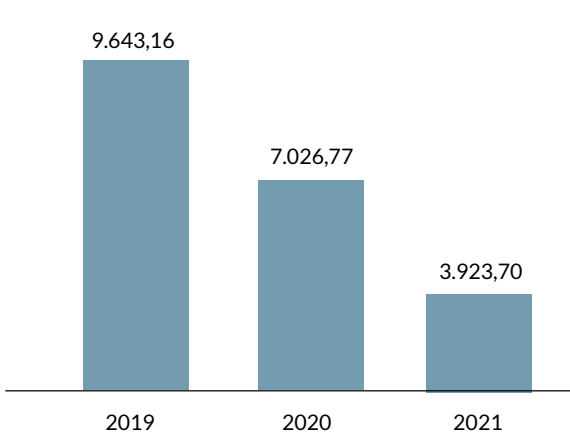
DEUTZ SPAIN has set a target for 2022 of reducing its CO₂ emissions due to electricity and natural gas consumption by 1.5%.



EMISSIONS VOLUME (tCO₂e)



TOTAL VOLUME OF EMISSIONS (tCO₂e)



The emission data provided **Tier 1 + Tier 2** The company is not recognised as **Tier 3**.

Emissions have been obtained using conversion factors provided by the Ministry for the Ecological Transition and the Demographic Challenge:

The emission factors used were as follows:

Type	F2021(20)
Natural Gas	0,182
Electricity	0,20
HFC-134a	1.430
R-404A	3.922
R-407C	1.774
R-410A	2.088

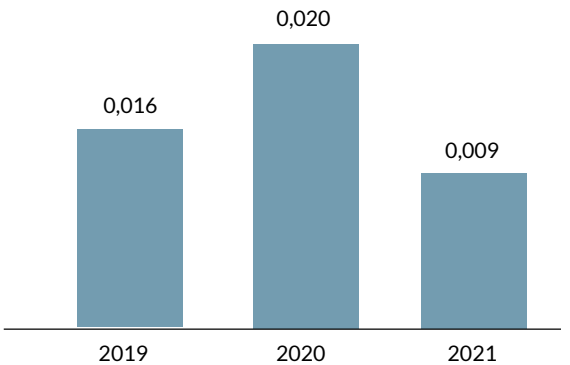
59%

Reduction in the volume of CO₂ emissions since 2019

57%

Reduction in CO₂ emissions intensity compared to 2020

EMISSIONS INTENSITY (tCO₂e/h.m.t.)

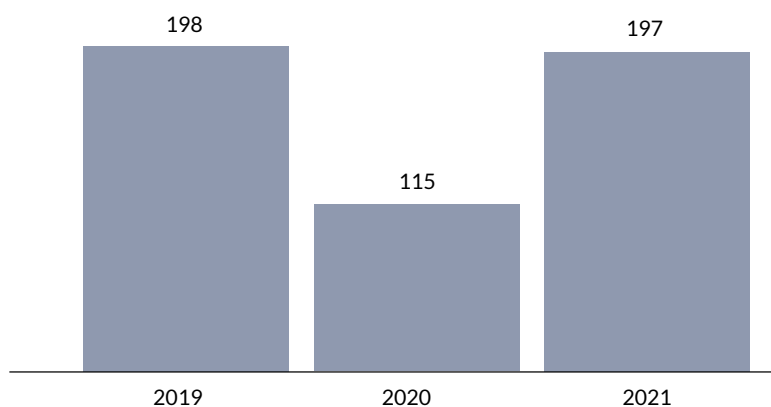


WASTE MANAGEMENT

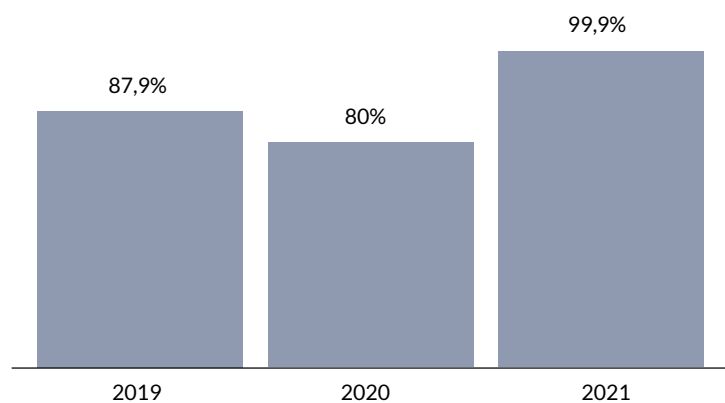
Year after year DEUTZ SPAIN has improved its waste management, for which, in addition to applying the best technologies, it raises awareness and trains all the people in the organisation. As a result, almost 100% of the hazardous waste generated is recycled or reused.

HARMFUL WASTE

Hazardous waste generated total (tons)



Recycled or recovered hazardous waste (%)



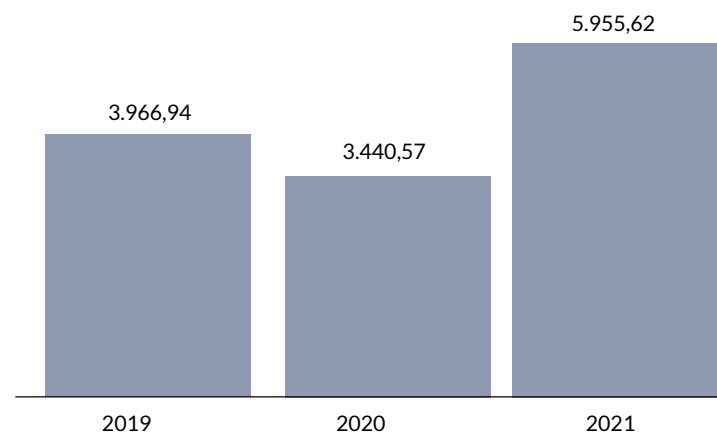
Committed to the Circular Economy

Most hazardous waste corresponds to the generation of water with hydrocarbons. As part of the policy of addressing improvements related to this waste, a coolant centrifuge was installed in 2021 to reuse part of the discarded coolant and reduce the moisture content of the coolant chips.



NON-HAZARDOUS WASTE

Non-hazardous waste generated (tons)



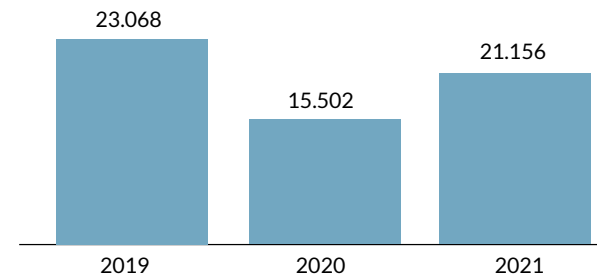
Type of hazardous waste	Amount of waste (kg)		Identification (EWL)	Method of final waste treatment
	2020	2021		
Non-chlorinated mineral oils.	30.140	45.000	130205	R13
Water with hydrocarbons.	59.060	73.500	130507	R13
Contaminated absorbents.	9.654	30.916	150202	R13
Gases in pressure vessels.	120	11.433	160504	R13
Bio-sanitary waste.	6	6	180103	R13
Electrical/electronic equipment.	1.278	356	160213	R13
Contaminated metal packaging.	331	455	150110	R4
Contaminated plastic packaging.	694	785	150110	R4
Fluorescent tubes.	125	220	200121	D15
Sludge with hcs.	13.101	34.393	130502	R13

Non-Hazardous Waste Type	Amount of waste (kg)		Identification (EWL)	Method of final waste treatment
	2020	2021		
Paper and cardboard.	55.810	74.942	200101	R13
Plastics.	15.740	20.160	200139	R13
Cast iron and steel chips.	2.893.760	5.205.740	120101	R13
Aluminium.	14.180	2.210	120101	R13
Ferrous metals Iron and steel.	320.300	13.588.660	170405	R13
Wood.	44.040	-	200138	R13
Plating.	48.480		200140	R13

WATER MANAGEMENT

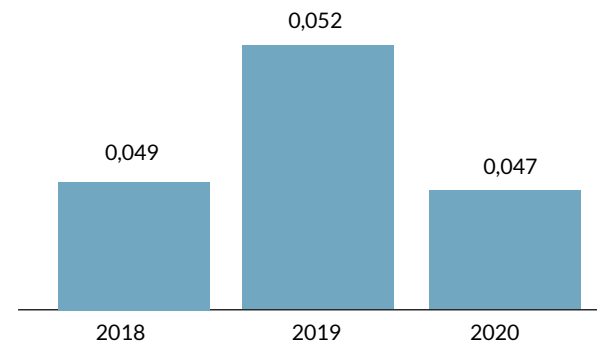
By implementing new technologies, the organisation seeks to reduce water consumption through water reuse. For this reason, DEUTZ SPAIN has promoted and finally established as standard the cooling of its production processes by means of water-water technology, through cooling towers, since it is an environmentally friendly technology. Ninety-five percent of the water used in a tower is reused and the energy required to operate this equipment is less than that of air-cooled equipment.

Total water consumption (m3)

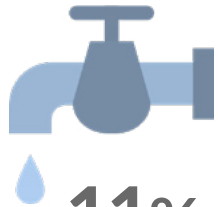


100% of water consumption in 2021 comes from wells

Total volume (m3 / h.m.t.)

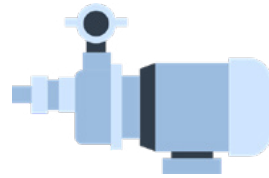


2022 ENVIRONMENTAL OBJECTIVES



11%

Reduction of water consumption compared to 2020



Machine hours worked:

2019 = 473.563 h

2020 = 296.440 h

2021 = 452.669 h

Total waste water discharge (m3)

1.095,73

763,36

1.004,91

2019

2020

2021

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

Reduction of energy consumption by 3% in 2022.

To self-supply 5% of energy needs through solar-based energy.

Reduction of cutting fluid consumption per part by 2%.

10% reduction in the generation of non-hazardous waste that cannot be recovered.





David Olmedo Jimenez.
Almansa Group Manager

As a Deutz Spain collaborator around environmental management, what aspects of improvement do you consider would be the most relevant to work on in the future ?

One of Deutz Spain's maxims is continuous improvement, with which all processes are highly refined and difficult to improve. Our goal is to continue communicating and promoting environmental awareness within the facilities and thus make Deutz Spain a more sustainable and environmentally friendly place.

What concepts (transparency, reliability, integrity, collaboration, trust, etc.) do you think would describe the relationship that Deutz Spain maintains with its suppliers better ?

Our relationship with Deutz Spain is magnificent, the trust they have placed in us and in the management of their waste allows us to innovate in new technologies for the continuous improvement of the firm.

The close collaboration makes it possible to carry out projects such as the chip centrifuge installation that we carried out in September 2021. We are very satisfied with our position as partners within the company and for this reason we don't stop investigating new applications to improve management of the waste.

What corporate values do you think the Deutz brand best conveys ?

Quality and continuous improvement are the values that best describe Deutz Spain, all of this together makes success unquestionable for its customers.

Deutz Spain values the search for complete solutions, this means that any need that the client demands is covered.

When you enter the company as a collaborator and see the dedication and the desire to make you feel part of the project, it makes you feel that you are working with a premium brand.

Almansa, a partner in waste management, installed a chip centrifugation plant in 2021 to achieve 100% recovery of metal waste

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**We are building
the future**

DEUTZ GLOBAL SERVICE CENTER



LOCAL COMMUNITY DEVELOPMENT



DEUTZ SPAIN's commitment to the local community is deployed in two main areas: training and employability, and support of vulnerable groups.

2021 has been synonymous with a high workload, which has also meant an increase in hiring, which has been covered in most cases by workers and professionals from the area.

An example of the organisation's commitment to the community has been Deutz Spain's promotion of a new office building. This has allowed Zafra to benefit from the start-up of a new Deutz Group company, Deutz Global Service Centre. The investment in this promotion has been around one million euros, with the participation of several local and regional companies. At the close of 2021, Deutz Global Service Centre already had more than 20 employees in place.

Training and employability

Helping vulnerable groups



TRAINING AND EMPLOYABILITY

DEUTZ SPAIN founded the Deutz Business School® in 2019 with the aim of bringing high-quality training to Extremadura and making Zafra the knowledge centre of the region.

The Deutz Business School® has become an important forum for students, companies and managers to share knowledge and experiences.

The way Deutz Business School® promotes the development of professionals in the industrial field is to offer a wide range of educational proposals that fit the timings and needs of each person.

Deutz Business School® Foundation	
University Postgraduate Studies	Dual Vocational Training
Cambridge School	Congresses and Continuing Education

DEUTZ BUSINESS SCHOOL® FOUNDATION

The Deutz Business School® Foundation is an independent non-profit institution promoted by DEUTZ SPAIN, whose main objective is to promote the economic and professional development of Extremadura and its surroundings through educational excellence and the promotion of innovation. And thus generate a positive impact on educational, cultural and business development, and therefore on youth employment in the region.



DEUTZ BUSINESS SCHOOL OPENING MARKS A MILESTONE IN 2021

After two years of running-in and fine-tuning, the Official Inauguration Ceremony of Deutz Business School took place in May 2021 and was attended by personalities from the Extremadura and German companies and society. Among them were the Director General of the German Chamber of Commerce, the Ambassador of the Federal Republic of Germany, the President of the Regional Government of Extremadura, and the CEO of Deutz AG.

All of them agreed in highlighting the work of Deutz Business School as a privileged place at which to acquire and update the knowledge and skills required by the labour market. A market that demands new skills, and where continuous quality training is the key to the socio-economic development of the region and its surroundings.

The knowledge that we believe will be valid today may be obsolete tomorrow; investment in knowledge is therefore an investment in the future.

Dr. Hiller, CEO of DeutzAG



2021 IN FIGURES. A YEAR OF CONSOLIDATION AND GROWTH

After 2020, which was marked by the irruption of Covid-19, 2021 has shown that despite the difficulties that society and companies in general have experienced, both are still committed to continuous training as the only way to improve the territory's employability and competitiveness.

In 2021, 30 training initiatives were held (11% more than in 2020), impacting 1,271 people (compared to 1,015 in 2020), of which 628 (49%) are DEUTZ SPAIN employees. In addition, this year 70 speakers and expert collaborators have passed through DeutzBS classrooms, 40% more than in 2020.

The success achieved by some initiatives since the launch of the School in 2019 suggests that the consolidation of programmes such as the Lean Black Belt Practitioner postgraduate programme, skills training, dual vocational training and language learning is underway.

In addition, in 2021, technical training related to Advanced Industry was included in the offer, such as the Industry 4.0 Technologies Application Programme (1 edition), the Total Quality Management Course (2 editions), and the two-day introductory training sessions on programming and handling collaborative robots (5 editions). Professionals from DEUTZ SPAIN and other leading companies in the area, interested in providing their employees with the skills required by a highly competitive and high-tech industrial environment, have participated in these training sessions.



DUAL VOCATIONAL TRAINING: SUPPORT FOR EMPLOYABILITY

DeutzBS has been a pioneer in offering this innovative type of Vocational Training at its DEUTZ SPAIN industrial facilities in Extremadura.

Twenty twenty-one saw the continuation of the technical speciality cycles of Mechanical Production Programming by chip removal and Electro-technical and Automatic Systems. In addition, a new Dual Cycle in Administration and Finance was launched with great success, which will enable the training of young people every year who, after completing this training, will be able to carry out internships in any of the Deutz Group's companies: Deutz Spain, Deutz Global Service Center and Deutz Business School.

This training combines classroom learning and learning in the organisation's industrial facilities, where the participant acquires high-level knowledge applied to the industry. With this combination of theory and practice, the student achieves optimum performance in order to carry out his or her functions autonomously and efficiently in the employment market.

The faculty is made up of teachers from Cristo del Rosario High School and managers from the plant and from the corporation's Administration and Finance Services.

TRANSFORMING CORPORATE CULTURES INTO LEAN PHILOSOPHY

Deutz Business School® has continued its success in encouraging professionals and entrepreneurs to learn about the benefits of initiating a "lean transformation" in their organisations.

In 2021, the 3rd edition of the Lean Black Belt Practitioner Postgraduate Course was closed, and the 4th edition was inaugurated in collaboration with the Lean Management Institute and the University of Extremadura.

In total, 39 new professionals from 20 companies were trained in Lean methodologies in 2021. Projects developed by students under LEAN methodologies in this edition have achieved an accumulated total saving of €280,000. Since the creation of this postgraduate course, more than 1.3 million euros in savings have already been achieved for participating companies.

This year, lean training has incorporated new learning methodologies thanks to the collaboration with the Lean Academy in Portugal. As a result of this alliance, the postgraduate course case studies have been expanded and Portuguese companies that are benchmarks in the successful application of lean methodology have been incorporated into the circuit of study visits.

In addition to these formal training courses, we have worked in the in-company format, on "Gemba", at the factory and with its industrial processes, training and accompanying operators, middle managers and managers in the implementation of small "Kaizen" projects, improvement projects that highlight the enormous impact and advantages of this work philosophy throughout the organisation.

At Deutz Spain, through the "Wednesday in Training" programme, employees have been trained in lean techniques.



OPERATOR SKILLS IMPROVEMENT PROGRAMME

Throughout the year, three training programmes were developed to support professional development and improve the performance of operators: "Introduction to Deutz Spain", "Lean Operator Pills" and "Wednesday in Training". The training courses given have dealt with self-control, fine-tuning, metrology, interpretation of measurement protocols and Kaizen.

With more than 20 teachers, all of them DEUTZ SPAIN employees, 120 workers have benefited from these training sessions..

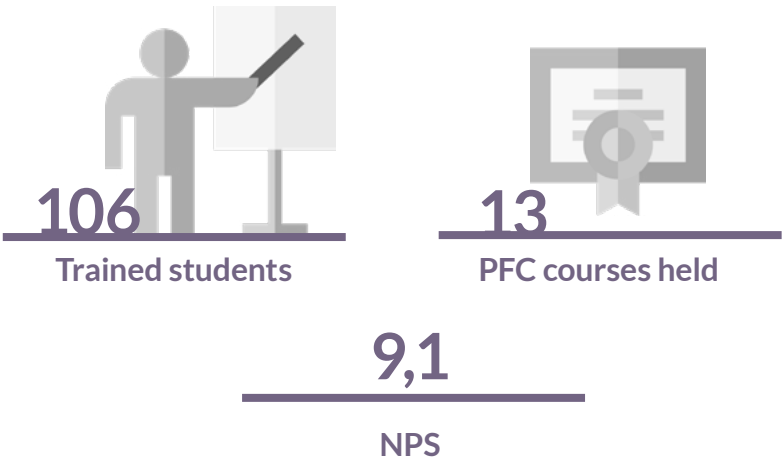
TRAINING IN SKILLS AND SOCIAL ABILITIES

The Skills Training Plan (PFC in its Spanish initials) is defined bearing in mind the needs and aspects for improvement detected in the performance evaluations of DEUTZ SPAIN employees.

During 2021, work continued aspects related to the way we relate to each other at work, giving feedback, promoting active listening, communicating or negotiating effectively, leading and managing teams, or how to apply productivity techniques at work, among many other training courses aimed at responding to the training needs of the companies in the area.

It is noteworthy that the Net Promoter Score (NPS) reached an average of 9.1 out of 10, which demonstrates the high quality of the training.

This year, despite the difficulties caused by the persistence of COVID-19, there has been a high level of student participation in the initiatives that were deployed, with greater incidence in the last four-month period of the year.



LANGUAGE SCHOOL

Deutz Business School is aware that in the 21st century, language skills are the passport to success. Through highly communicative, dynamic, and participative programmes in English and, since October, also in German, the Cambridge School language school has doubled its number of students (from 123 to 236 students), 59 of whom (25%) are employees of the Deutz Group.

With a large community of teachers with more than 10 years of experience in language teaching, students enjoy tailor-made courses and curricula. It is the students themselves who set their own learning objectives, having at their disposal group classes to prepare them to certify their language level with the University of Cambridge, intensive courses, sessions for the development of their professional English, project management, negotiation, or management of international meetings, in addition to one-to-one training (individual classes).

This year the school has very been in demand from managers and middle managers in the region who need specific training in English for business. In addition, in 2021 the Summer Camp was held for the first time, aimed at the youngest, and especially aimed at the children of DEUTZ SPAIN employees.



Students in 2021

CREATION OF THE SCHOOL ADVISORY BOARD

On 3 December, the Deutz Business School Advisory Board was formed. This is a purely consultative body, a space for debate and reflection in which companies will share their needs and challenges regarding the deployment of policies on training, improved management and business competitiveness, industrial digitalisation and multi-stakeholder projects for social innovation and job creation, among many other things.

The Council is made up of around 20 leading companies from Extremadura which between them have an annual turnover of more than €1,500 M, employing more than 10,000 workers, in sectors as diverse as industry, chemicals, services, energy, agri-food and the automotive sector, among others. In addition, public entities linked to education and innovation, such as the University of Extremadura and the Regional Government of Extremadura, also participate.



We are tackling the challenge of competitiveness and we face the same challenges for the future, to ensure that our companies remain competitive and significant sources of wealth and employment, and for this we are all clear that we must do better. This Council can help us to unite forces and efforts in this direction.

Fernando Angulo,
Chairman of the DBS Foundation

AWARDS AND RECOGNITION. ONE MORE STEP IN THE POSITIONING OF DBS AT NATIONAL LEVEL.

Deutz Business School was awarded twice in 2021 thanks to its work as a promoter of training in skills that are highly demanded by the industrial fabric, and difficult to find in this area of southern Spain.

On the one hand, the award received from the Vice Chairman of the Bertelsmann Foundation, Mr. Francisco Belli, for the key role of the School in the promotion of quality Dual Vocational Training in Extremadura. Secondly, in November 2021, it was awarded by the National Association of Machining Companies (ASPROMECA) as a reference training entity in the qualification of professionals in this sector.

Both awards put DBS within the sights of many companies that are discovering that they can train their workers in highly innovative industrial management techniques in Zafra, without having to go to training centres normally located in other more industrialised areas.



ALLIANCES AND COLLABORATIONS

To attract the best experts and professionals in the field of business management and digitalisation challenges to this centre of expertise, the Deutz Business School® has established partnerships and collaborations with numerous educational institutions. In addition, some of its programmes are recognised as degree programmes by the University of Extremadura, complying with the requirements of the Bologna Plan.

Organising and collaborating entities		Training programme
	Deutz Spain - Deutz Business School®	Master's degree. Lean & Six Sigma.
	University of Extremadura and the Spanish Association for Quality (AEC)	University Postgraduate Degree. Yellow Belt & Six Sigma.
	Lean Management Institute	Postgraduate degree. Expert Professional Lean Practitioner.
	I.E.S. Cristo del Rosario	Intermediate Grade Dual Vocational Training. Advanced Grade Dual Vocational Training. Specialised Vocational Training: Industry 4.0.
	Cambridge English Language Assessment	Preparation for official Cambridge exams. Conversation classes. English for Business. English Classes for Companies.
Otras entidades colaboradoras:		
	Management Progress Association	
	Universal Robots (ESADE)	
	Grupo AyS	

PROMINENT EVENTS AND VISITS

2021 witnessed three events for managers and entrepreneurs held under the alliance with APD: "Restructuring in times of covid. ERTes and EREs" (temporary or permanent lay-offs of staff); "What is happening in the world" and "Keys to building innovative cultures in companies".

In addition, the School has been the object of several study visits by companies interested in learning about the continuous improvement model implemented at DS, as well as the training programmes offered by the School.

DEUTZ SPAIN passionately believes in close dialogue with institutions and the Administration as the best means towards society's development and prosperity. During 2021, it received visits from the Directors-General of Industry and Employment to learn first-hand about some of the Deutz Spain projects launched this year.



Among the most significant visits to DEUTZ SPAIN was that of the Minister of Economy, Science and the Digital Agenda of the Regional Government of Extremadura, together with the Mayor of Zafra, the Director General of Enterprise and the Councillor for Development of the City of Zafra, who visited the DEUTZ SPAIN facilities as part of the activities of the Employment and Business Competitiveness Committee analysing Extremadura's new Plan for Competitive Business 2021-2023.

This business competitiveness plan addresses one of the main points, the digital transformation of companies in Extremadura, and the role that the DEUTZ BUSINESS SCHOOL Foundation can play as a promoter of the introduction of training plans in new technologies in the companies of the industrial fabric of Extremadura.

The Director-General for Employment of the Regional Government of Extremadura and the head of the Occupational Health and Safety Service also visited the company's facilities to see first-hand the systems implemented at DEUTZ SPAIN, especially those related to occupational safety and corporate social responsibility, as well as to see in situ some of the measures implemented to prevent COVID.

HELPING VULNERABLE GROUPS

DEUTZ SPAIN is aware that being a leader in the business fabric of Zafra makes it in turn a fundamental lever for solidarity initiatives developed in the community. For this reason, year after year it supports several of Zafra's humanitarian organisations.

The organisation also collaborates with various organisations in moving towards a fairer and more inclusive model.



With an annual turnover of almost €40,000, the Plena Inclusión Zafra centre carries out assemblies and cuts-to-size necessary for the production process.



The collaboration with GRUPO SIFU for intra-logistics and external warehouse and cleaning management during 2021 meant a payment to this special employment centre of more than €206,500.

During 2021, more than €7,500 was donated to various organisations

“Functional Diversity Awareness”

In 2021, together with SIFU, a conference was held on awareness of functional diversity. At the conference, it was clearly shown that, despite apparent difficulties, the employment of people with disabilities brings gratification and productivity to all organisations.





Carolina Grau Ferrando

Manager of the Deutz Business School Foundation.

As Manager of the Deutz Business School, what aspects of the education and training of people do you consider key for their professional and personal development ?

Based on my experience, training is the answer to this expression: "what has brought you here does not guarantee your future". Continuous learning and professional progress are essential to successfully address the continuous challenges we face, both professionally and personally. Only by being prepared will we be able to progress as a society.

Among many other benefits, training provides the person with open-mindedness, allows them to discover new methods and tools that help to carry out work more effectively, with greater autonomy and satisfaction. In addition, it allows people to be aligned with the values and principles of the organization and with the needs of the environment.

If we can transmit these messages from the school with real cases, we will have already covered part of the path towards progress.

What role do you think foundations like Deutz Business School should play in a social environment like Extremadura ?

In the DNA of this Business School is the commitment to the social and economic development of Extremadura through excellent training. The fundamental role played by Deutz Business School is to raise awareness and demonstrate that it is no longer necessary to go to other territories to receive quality training that will help you progress professionally; it is already possible to do it in Extremadura.

Since its creation 3 years ago, companies in the area have regained hope by seeing that in addition to being able to train their workers in new industrial and management trends, they can access a pool of highly trained and motivated young people and professionals after passing through the school. Over time, DeutzBS has become a reference forum for attracting and retaining talent in our region.

What corporate values do you think the Deutz brand best conveys ?

The more than 2,500 students trained to date tell us that the values that best identify the Deutz brand and the Business School are:

- *the professionalism and rigor of its speakers and experts since everything they share emanates from their extensive professional experience in successful companies;*
- *the passion for what they do, and that they show in each master class;*
- *and the commitment and responsibility ("accountability") that everyone must assume with their continuous training to contribute, not only to the progress of the territory, but also to write their own life history.*

In 2021, the foundation launched its advisory council that brings together the main industrial companies in Extremadura.

ABOUT THIS REPORT

Coverage and scope

For the fourth consecutive year, DEUTZ SPAIN is publishing a Corporate Social Responsibility report, in accordance with Spanish law 11/18 on non-financial information and in accordance with the Global Reporting Initiative (GRI) guide in its exhaustive option, following the principles and contents defined in the applicable GRI Standards. Likewise, in compliance with Spanish law 11/2018, this report has been verified by an external and independent entity, AENOR (the Spanish Association for Standardisation and Certification).

With this report, in an exercise of transparency vis-à-vis its stakeholders, DEUTZ SPAIN gives an account of its sustainability commitments under an economic, social, and environmental approach.

The contents of this report refer to data from the 1st January to the 31st December 2021 and, where possible, information has been included for the years 2019 and 2020 covering all the activities of the Organisation.

Materiality

The materiality or relevance of the contents of this report has been determined based on the study carried out on the Management Committee and all the Stakeholders, as described in the Corporate Responsibility section. Each relevant material aspect has been analysed to identify its correspondence with the GRI Standards, selecting those that meet with stakeholder expectations and the DEUTZ SPAIN strategy. In addition, other GRI indicators have been responded to voluntarily, with the aim of increasing transparency and understanding of the company's activity.

Contact

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

DEUTZ SPAIN, S.A.U

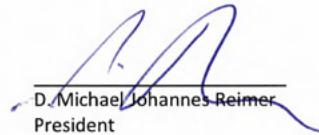
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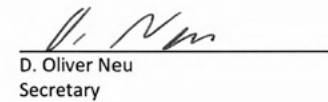
antonio.bueno@deutz.com

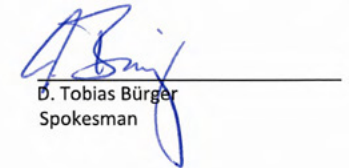


The Board of Directors of Deutz Spain S.A.U, in meeting held today, formulates, and approves the corporate Social Responsibility Report for the year ended 31 december 2021, in compliance with current legislation.

In Cologne (Germany), 31 March 2022


D. Michael Johannes Reimer
President


D. Oliver Neu
Secretary


D. Tobias Bürger
Spokesman

AENOR
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Non-Financial Information Verification Disclosure

AENOR verification Disclosure for

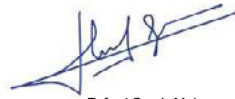
DEUTZ SPAIN S.A.

concerning the individual disclosure of non-financial information SUSTAINABILITY REPORT
2021 DEUTZ SPAIN

according to law 11/2018

for the period ending on December 31, 2021

In Madrid April 18, 2022


Rafael García Meiro
Chief Executive Officer



2011/0958/VNOR-2022

AENOR INTERNACIONAL S.A.U. C/ GÉNOVA 6, 28004 MADRID
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ANNEX: CONTENTS INDEX LAW 11/2018 - GRI STANDARDS

Law 11/2018 requirement	GRI version	GRI Standard	Summary description	Comment	Page
ORGANISATION PROFILE					
This will include its business environment, its organisation and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that may affect its future evolution.	2016	102-1	Name of the organisation.	DEUTZ SPAIN, S.A.U.	
		102-2	Activities, brands, products and services.		10, 24-26, 62-65
		102-3	Location of headquarters.	Ctra, Badajoz-Granada ZAFRA (Badajoz).	10, 69
		102-4	Location of operations.		10, 69
		102-5	Ownership and legal structure.		10
		102-6	Markets and services (with geographical breakdown, by sector and type of clientele and beneficiaries).		13, 24
		102-7	Size of the organisation.		10, 19, 24-25, 32
Total number and distribution of employees by sex, age, country and professional classification; total number and distribution of employment contract methods, annual average of indefinite contracts, temporary contracts and part-time contracts by sex, age and professional classification.		102-8	Information about employees and other workers.		32-35
		102-9	Supply chain.	See indicator 204-1	14
		102-10	Significant changes in the organisation and its supply chain.	None have occurred.	
Detailed information on the current and foreseeable effects of the company's activities on the environment and, where applicable, health and safety, environmental assessment or certification procedures; resources devoted to the prevention of environmental risks; application of the precautionary principle, the amount of provisions and guarantees for environmental risks.		102-11	Precautionary principle or approach.	Current or future impacts on the environment and human health and safety have been identified and assessed in accordance with DEUTZ SPAIN's integrated quality, environmental and occupational risk prevention management system.	16-17, 26-27, 44-45, 50-57
Association or sponsorship actions..		102-12	External initiatives.		16, 66-67
Association or sponsorship actions.		102-13	Affiliation with associations.	The Spanish Association for Quality (AEC) MCA - the Madrid Automotive Cluster SERNATO - the Spanish Association of Automotive Supply.	



STRATEGY					
Its objectives and strategies, and the main factors and trends that may affect its future evolution.	2016	102-14	Statement by senior decision-makers.		5-6
The main risks related to those issues related to the group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have negative effects on those areas and how the group manages those risks, explaining the procedures used to identify and assess them in accordance with the national, European, or international reference frameworks for each area. This should include information on the impacts that have been identified, giving a breakdown of these impacts, in particular on the main risks in the short, medium and long term.		102-15	Key impacts, risks and opportunities.	Deutz Spain as a manufacturing industry develops production processes that may have an impact on its immediate vicinity or area of influence. To prevent any negative effects, Deutz Spain has deployed within its management system the necessary operational controls to prevent or minimise any of these impacts. These controls are in turn audited and certified within the scope of the different ISO standards implemented by the company. For the identification and management of operational risks, there is a risk management body associated with the processes defined in the company's Process Map, and this Risk Committee is coordinated and managed by the person responsible for the MIS. The committee reports to the Management of the Deutz AG Machining Expertise Centre and the Management of Deutz Spain. For the risks identified, the organisation has implemented specific checks and action plans. Deutz Spain has within its operational control defined those elements that could cause any risk associated with its activity. In this area during 2021, investments associated with the prevention of spill risks were made.	27
ETHICS AND INTEGRITY					
	2016	102-16	Values, principles, standards, and norms of conduct.		11, 15-17
		102-17	Advisory mechanisms and ethical concerns.		11, 13, 15-17
GOVERNANCE					
	2016	102-18	Governance structure.	The functioning of the governing bodies is regulated by the Internal Regulations for the Management of DEUTZ AG Subsidiaries.	13
		102-19	Delegation of authority.	The Board of Directors empowers the General Manager to represent the Company. The General Manager also sits on the Management Committee as Manager. The Internal Regulations for the Management of DEUTZ AG Subsidiaries establish the functions and responsibilities of the Management Committee and identify those situations that require prior approval by DEUTZ AG and its Board of Directors. The Board of Directors is responsible for the governance of the company, and management is the responsibility of the Directors.	13
		102-20	Executive-level responsibility for economic, environmental, and social issues.	The General Manager is responsible for timely informing of the Board of Directors on the most relevant issues for the operation of the company. The Board of Directors is informed through quarterly meetings and monthly reports by the General Manager, who in turn is informed of each matter by the various area or department directors who sit on the Management Committee through periodic meetings and monographic sessions to analyse specific projects. The Board of Directors is responsible for strategic decisions resulting from any deviation from the year's approved Plan; the directors oversee Management.	13



		102-21	Consultation of stakeholders on economic, environmental, and social issues.		18-19
		102-22	Composition of the highest governing body and its committees.	The Board of Directors is the company's highest decision-making body.	13
		102-23	Chairperson of the highest governing body.		13
		102-24	Nomination and selection of the highest governing body.	The members of the Board of Directors are selected by the Sole Shareholder (the ownership) The members of the Steering Committee are selected for their ability and value within the organisation.	13
		102-25	Conflicts of interest.	Art.229 LSC of the Spanish Law on Capital Companies stipulates that there must be an annual declaration by each director listed in that article. In addition, the Internal Regulations for the Management of DEUTZ AG Subsidiaries regulate possible conflicts of interest that may arise in purchasing, hiring, etc.	17
		102-26	Role of the highest governing body in the selection of purposes, values and strategy.	The Internal Regulations for the Management of DEUTZ AG Subsidiaries establish the functions and responsibilities of the Management Committee and identify those situations that require prior approval by DEUTZ AG and its Board of Directors. DEUTZ SPAIN is governed by the guidelines established in the group's Strategic Plan, which it deploys in objectives and actions using the HK tool.	13, 15-17, 27, 45, 57
		102-27	Collective knowledge of the highest governing body.	The members of the Steering Committee are selected for their ability and value within the organisation and represent the different areas and departments of the company (Management, HR, Engineering, Production), with all of them having extensive knowledge of their specialities.RRHH, Ingeniería, Producción), teniendo todos ellos amplios conocimientos en sus especialidades.	13
	2016	102-28	Evaluation of the performance of the highest governing body.	The Board of Directors supervises and controls the proper functioning of the organisation and consequently the performance of its General Manager.	
A description of the group's policies with respect to these matters, including the due diligence procedures applied for the identification, evaluation, prevention and mitigation of significant risks and impacts and for verification and control, including the measures that have been taken.		102-29	Identification and management of economic, environmental and social impacts.	DEUTZ SPAIN has: ● An integrated policy on quality, the environment and health and safety. ● A crime prevention and anti-bribery policy. ● Social Responsibility Policy. ● Corporate Compliance Policy ● Equality Plan.. ● Best practices manual for energy efficiency improve. ● COVID-19 Protocol. Current or future impacts on the environment and human health and safety have been identified and assessed in accordance with DEUTZ SPAIN's integrated quality, environmental and occupational risk prevention management system.	10, 12, 15-17, 19, 27, 36, 39-45, 50-57, 62-67
A description of the group's policies with respect to these matters, including the due diligence procedures applied for the identification, evaluation, prevention and mitigation of significant risks and impacts and for verification and control, including the measures that have been taken.		102-30	Effectiveness of risk management processes.		10, 12, 19, 24-25, 27, 32-35, 38, 42-45, 50-57, 62-67



A description of the group's policies with respect to these matters, including the due diligence procedures applied for the identification, evaluation, prevention and mitigation of significant risks and impacts and for verification and control, including the measures that have been taken.		102-31	Evaluation of economic, environmental and social issues.	See indicator 102-15	10, 12, 19, 24-25, 27, 32-35, 38, 42-45, 50-57, 62-67
		102-32	Role of the highest governing body in preparing sustainability reports.		13, 15, 18-19, 69
		102-33	Communication of critical concerns.		18-19
		102-34	Nature and total number of critical concerns.		18-19
The average remuneration of directors and executives, including variable remuneration, subsistence allowances and indemnities.		102-35	Remuneration policies.	Board members do not receive any remuneration.	
		102-36	Process for determining remuneration.	During 2021, 16 salaries were revised.	
		102-37	Involvement of stakeholders in remuneration.	The ownership decides on the remuneration policies applied to the Management, which are approved by the Board of Directors. All other stakeholders are informed of these policies, based on the organisation's transparency policy. See indicators 102-39, 202-1, 402	15, 18-19
		102-38	Relationship between the total annual remuneration of the best paid person in the organisation and the total annual average remuneration of the entire workforce.	2,62	
		102-39	Relationship between the percentage increase in the annual total remuneration improvement of the better paid and the percentage increase in the average annual total remuneration in the workforce.	Salary increases of 1.9% for the entire workforce and a single linear payment of 1.6% for the entire workforce in accordance with the collective bargaining agreement.	
STAKEHOLDER ENGAGEMENT					
	2016	102-40	List of stakeholder.		18
		102-41	Collective bargaining agreements.	The Zafra plant has its own agreement (signed during 2021 for the period 2021-2023), while the Madrid and Barcelona centres are governed by the regional metal agreement.	12
		102-42	Identificación y selección de grupos de interés.		18



		102-43	Approach to stakeholder engagement.		18-19
		102-44	Key issues and concerns mentioned.		19
MATERIAL ASPECTS AND COVERAGE					
	2016	102-45	Entities included in the consolidated financial statements.	DEUTZ SPAIN, S.A.U.	
		102-46	Definition of report contents and topic coverage.		19
		102-47	List of material topics.		19
		102-48	Restating of information.		
		102-49	Changes in reporting.	None have occurred	
ANNUAL REPORT PROFILE					
	2016	102-50	Period covered in the report.	2021	69
		102-51	Date of last report.	2020	
		102-52	Reporting cycle.	Annual	



		102-53	Contact point for questions about the report.		69
		102-54	Statement that the report has been prepared in accordance with GRI standards.		69
		102-55	GRI contents index.		71
		102-56	External verification.		70
MANAGEMENT APPROACH					
	2016	103-1	Explanation of the material topic and its coverage.	The explanation of each material topic is explained in the corresponding section of the report and more specifically in this index.	
		103-2	The management approach and its components.	The focus of each material topic is explained in the corresponding section of the report and more specifically in this index.	
		103-3	Evaluation of the management approach.	The evaluation of the focus of each material subject is reported in the corresponding section of the report via reported impacts, and is also evaluated in the external verification of this report.	
ECONOMIC PERFORMANCE					
MANAGEMENT APPROACH: ECONOMIC PERFORMANCE			Management focused on maintaining the economic profitability of its productive activities, considering the risks and opportunities associated with environmental and social aspects. Economic growth focused on making a positive contribution to society through improved conditions for employees, increased employment in the area, a positive impact on suppliers and increased tax payments.		
Profits obtained country by country; taxes on profits paid.		201-1	Direct economic value generated and distributed.		19
Significant 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; voluntarily set medium-term and long-term reduction targets to reduce greenhouse gas emissions; and the means implemented to that end.		201-2	Financial implications and other risks and opportunities affecting the organisation's activities due to climate change.		50
Payment to long-term savings pension systems and any other perception disaggregated by sex.		201-3	Coverage of obligationsunder its benefit plan.	The organisation does not plan to save for a pension plan.	



Public subsidies received.		201-4	Financial aid granted by government entities.		19					
MANAGEMENT APPROACH: MARKET PRESENCE										
The average wages and their evolution disaggregated by sex, age and professional classification or equal value; wage gap, the remuneration of equal or average jobs in the company.	2016	202-1	Ratio of the standard entry level salary by sex to the local minimum wage.	100% of DEUTZ SPAIN's salaries are above the minimum wage. For salaries regulated by agreements, no type of distinction by sex has been established, neither for fixed nor supplemented salaries. The following tables show the comparison of salaries between men and women by age and category, and the salary gap .						
				Average salaries		2020	2021	Wage gap 2021		
				By Gender		Women	34.201,22 €	31.819,24 €	Management Team	29,23%
						Men	45.500,98 €	42.862,85 €	Team manager	16,19%
				By Age Range		< 30 years	21.878,14 €	21.432,98 €	Manager with no team	9,49%
						30-50 years	42.564,00 €	40.563,81 €	Technicians and administrative personnel	1,93%
						> 50 years	54.806,12 €	54.218,56 €	Operators	-
				Per position		Management Team	74.758,17 €	66.412,22 €	**Data not reported for confidentiality reasons as there is only one person of either sex in this category. Positive values in favour of men and negative values in favour of women. The gap calculation was performed by comparing median salaries between men and women.	
						Team manager	41.324,74 €	41.492,24 €		
						Manager with no team	39.292,36 €	40.543,26 €		
						Technicians and administrative personnel	29.791,56 €	28.204,83 €		
						Operators	Salary per agreement	Salary per agreement		
The impact of the company's activity on local employment.		202-2	Proportion of senior executives hired in the local community.	82.58% of the members of the Management Committee are from Extremadura (Spain).						
MANAGEMENT APPROACH: INDIRECT ECONOMIC EFFECTS										
		203-1	Investment in infrastructure and supported services.		19					



The impact of the company's activity on local development; the impact of the company's activity on local populations and territor.		203-2	Significant indirect economic impacts.		67,78	
EMANAGEMENT APPROACH: PROCUREMENT PRACTICES						
The inclusion in the procurement policy of social, gender equality and environmental issues; consideration in relationships with suppliers and subcontractors of their social and environmental responsibility; of supervision and audit systems and the results thereof.	2016	204	Procurement practices.	See indicators 308-1, 308-2, 407-1, 408-1, 409-1, 412-3	14-17, 19	
The impact of the company's activity on employment and local development; the impact of the company's activity on local populations and territory.		204-1	Proportion of spending on local suppliers.	19 % of the suppliers we have worked with in 2021 are from Extremadura (Spain).	14	
MANAGEMENT APPROACH: ANTI-CORRUPTION			Managed from a perspective of compliance with the code of conduct, these are actions that guarantee corporate values and establishment of regulatory compliance mechanisms (a certified Criminal Compliance and Anti-Bribery management system).			
Measures adopted to prevent corruption and bribery; measures to combat money laundering, contributions to foundations and non-profit entities.	2016	205-1	Operations assessed for corruption-related risks.		17	
		205-2	Communication and training regarding anticorruption policies and procedures.		17	
		205-3	Corruption cases confirmed and action taken.	None have occurred.	19	
			Contributions to foundations and nonprofit organisations.	Donations 2021		Amount (€)
				Cáritas		6.000,00
				Basketballs		698,36
				Donation of toys to Zafra Solidaria		877,34
TOTAL 2021	7.575,70					
MANAGEMENT APPROACH: UNFAIR COMPETITION PRACTICES						
		206-1	Legal actions related to unfair competition and practices that are monopolistic and contrary to free competition.	None have occurred.		
ENVIRONMENTAL PERFORMANCE						
MANAGEMENT APPROACH: MATERIALS						



Consumption of raw materials and measures taken to improve the efficiency of their use.	2016	301-1	Materials used by weight or volume.	Consumption in (kg) per work centre	MADRID		BARCELONA		50-53, 56-57	
					2020	2021	2020	2021		
				Oil consumption	4.750	3.300	2.580	2.492		
				Detergent consumption	6	6	-	-		
				Refrigerant consumption	509	515	405	600		
				Filter consumption	321	311	193	234		
				Paper towel consumption	180	30	200	13		
				Sepiolite consum		280		160		
				Cloth consumption		75		178		
A4-type paper consumption	350,7	-	62,5	-						
Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste; actions to combat food waste.		301-2	Recycled inputs used.	No recycled inputs are used in the production process.						55-57
MANAGEMENT APPROACH: PRODUCTS AND SERVICES										
Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste; actions to combat food waste.	2016	301-3	Reused products and packaging materials.	None are reincorporated into the process.						
Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste; actions to combat food waste.	Due to the company's activity, there are no measures in place to combat food waste.									
MANAGEMENT APPROACH: ENERGY			Management focused on the reduction of consumption within the organisation 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 sources.	2016	302-1	Energy consumption within the organisation.	Centre	Fuel Type	Fuel volume consumed (l)		51-52		
						2020	2021			
				Madrid	E5 (l)	7.946,91	16.726,08			
				Barcelona	E5 (l)	2.842,11	4.000,00			
				Centre	Dealer	Electricity consumption (kWh)				
						2020	2021			
				Madrid	ENDESA ENERGÍA, S.A.	121.921	116.341			
				Barcelona	ENGIE ESPAÑA, S.L.U.	18.107	20.921			
	2016	302-2	Energy consumption outside the organisation.	Information not available.						
		302-3	Energy intensity.	Centre	Electricity consumpt (kWh)	Energy intensity 2021 (kWh/hours worked)		51-52		
				Madrid	121.921	65,21				
				Barcelona	18.107	11,73				
				Centre	Fuel consumed ((kWh)	Energy intensity 2021 (kWh/nº repairs)				
				Madrid	178.969	739,54				
				Barcelona	42.800	220,62				
				Conversion factors: 1 l diesel=10.7 kWh						



Direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energy sources.		302-4	Reduction of energy consumption.							51-52
		302-5	Reductions in the energy requirements of products and services.							51-52
MANAGEMENT APPROACH: WATER AND EFFLUENTS										
Identification and management of water-related impacts.	2018	303-1	Interaction with water as a shared resource.							56-57
		303-2	Management of impacts related to water discharges.							56-57
		303-3	Water extraction.							56-57
		303-4	Water discharges.							56-57
		303-5	Water consumption.	Consumption by work centre	Madrid		Barcelona		56-57	
				2020	2021	2020	2021			
			Network water consumption (m3)	502	458	144	79			
MANAGEMENT APPROACH: BIODIVERSITY										
Measures taken to preserve or restore biodiversity.	2016	304	BIODIVERSITY	Given the nature of the organisation's activity and the location of its facilities, it has not been considered necessary to take measures for the preservation or restoration of biodiversity, apart from those measures for the reduction of environmental impacts that have already been implemented.						
		304-1	Owned, leased or managed operations centres located within or adjacent to protected areas or areas of high biodiversity value outside protected areas.	None exist.						
Impactos causados por las actividades u operaciones en áreas protegidas.		304-2	Significant impacts of activities, products and services on biodiversity.	None exist.						
		304-3	Protected or restored habitats.	None exist.						
		304-4	Species appearing on the IUCN Red List and on national conservation lists whose habitats are in areas affected by operations.	None exist.						
MANAGEMENT APPROACH: EMISSIONS										
Significant 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; voluntarily set medium-term and long-term reduction targets to reduce greenhouse gas emissions; and the means implemented to that end.		305-1	Direct and indirect GHG emissions (Scope 1).	Centre	Fuel Type	Volume (l)		Emissions Scope 1 (tCO2)		54
						2020	2021	2021	2021	
				Madrid	E5 (l)	7.946,91	16.726,08	17	37	
				Barcelona	E5 (l)	2.842,11	4.000,00	6	9	
				MITECO emission factors: E5=2,244						
		305-2	Indirect GHG emissions from energy generation (Scope 2).	Centre	Dealer	Consumption data (kWh).		Emissions Scope 2 (tCO2)		54
						2020	2021	2020	2021	
				Madrid	ENDESAENERGÍA,S.A.	121.921	116.341	33	23	
				Barcelona	ENGIE ESPAÑA,S.L.U.	18.107	20.921	5	4	
				MITECO emission factors: 0,20						



		305-3	Other indirect GHG emissions (Scope 3)	Information not available.			
		305-4	Intensity of GHG emissions.	Centre	t CO 2 Scope1 2021	Emission intensity (tCO2/nº exterior repairs)	54
				Madrid	37	0,16	
				Barcelona	9	0,05	
				Nº repairs Madrid (242), Barcelona (194)			
				Centre	t CO2 Alcance 2 2021)	Emission intensity ((tCO 2 /hours worked)	
				Madrid	23	0,013	
				Barcelona	4	0,002	
			Hours worked=1,784				
		305-5	Reduction of GHG emissions.				54
Measures to prevent, reduce or repair noise and light pollution.				In 2021, controls were carried out on all sources of environmental noise emissions, discharges and atmospheric pollution, in strict compliance with all the parameters established in the environmental authorisation and internal improvement requirements.			
		305-6	Emissions of ozone-depleting substances.	In 2021, controls were carried out on all sources of environmental noise emissions, discharges and atmospheric pollution, in strict compliance with all the parameters established in the environmental authorisation and internal improvement requirements.			54
		305-7	Nitrogen oxides, sulphur oxides and other significant air emissions.	In 2021, controls were carried out on all sources of environmental noise emissions, discharges and atmospheric pollution, in strict compliance with all the parameters established in the environmental authorisation and internal improvement requirements.			
MANAGEMENT APPROACH: EFFLUENTS AND WASTE			Management focused on reduction of waste generated and improvement of the management carried out.				
		306-1	Generation of waste and significant waste-related impacts.				55-56
		306-2	Management of significant waste-related impacts.				55-56



	2016	306-3	Waste generated.	Waste generated per centre (t)	Madrid			Barcelona			55-56
					2020	2021	Destination	2020	2021	Destination	
				Used oil	2200	2,900	R13	2,541	1,711	R1303	
				Oil filters	0,322	0,288	R13	0,516	0,220	R1302	
				Pressure vessels	0,008	0,015	R13	0,148	0,014	R1303	
				Plastic containers	0,260	0,260	R13	0,261	0,397	R1303	
				Coolant	0,317	0,342	R13	-	-	-	
				Batteries	0,186	0,124	R13	0,098	0,161	R1303	
				Absorbents	0,372	0,419	R13	0,836	0,588	R1303	
				Water-hydrocarbons	2,520	3,300	R13	-	-	-	
				Washing water	0,006	0	-	-	0,775	R1303	
				Anti-freeze	-	342	R13	614	779	R1303	
				Paper and cardboard	1330	2601	R13	241	300	R13	
				Wood	1300	305	R13	-	-	-	
				Scrap	2520	0	-	-	2120	R13	
		306-4	Waste not destined for disposal.	100% of the waste generated at the Madrid and Barcelona centres is recycled (see 306-4)						55-56	
		306-5	Waste for disposal.	100% of the waste generated at the Madrid and Barcelona centres is recycled (see 306-4)						55-56	
MANAGEMENT APPROACH: REGULATORY COMPLIANCE											
	2016	307-1	Non-compliance with environmental legislation and regulations.	There have been no breaches of this type							
MANAGEMENT APPROACH: SUPPLIER ENVIRONMENTAL ASSESSMENT											
The inclusion in the procurement policy of social, gender equality and environmental issues; consideration in relationships with suppliers and subcontractors of their social and environmental responsibility; of supervision and audit systems and the results thereof.	2016	308-1	New suppliers that have passed evaluation and selection filters according to environmental criteria.	100%							
The inclusion in the procurement policy of social, gender equality and environmental issues; consideration in relationships with suppliers and subcontractors of their social and environmental responsibility; of supervision and audit systems and the results thereof.		308-2	Negative environmental impacts on the supply chain and measures taken.	Within the purchasing policy, in the matrix for the awarding of purchases and services, the suppliers' commitment to environmental management and the environment is valued. The potential impacts of the supply chain are minimised through the application of clauses, requirements, and on-site supervision/audits of suppliers. Specifically, DEUTZ SPAIN only purchases raw materials identified as conflict-free minerals and includes environmental requirements in the evaluation of its suppliers. DS raw material suppliers are subject to approval and/or follow-up audits throughout the year. When awarding contracts and services, Deutz Spain values aspects related to energy efficiency, CSR and compliance standards. The supply of electricity from renewable sources is promoted annually with the supplier, and this information is included in the supplier's invoices.						14	
SOCIAL PERFORMANCE											
MANAGEMENT APPROACH: EMPLOYMENT		Management with a focus on generating employment in the community, retaining, and attracting talent, personal development and improving commitment.									



Organisation of working time, total number and distribution of employees by sex, age, country and professional classification; total number and distribution of employment contract methods, annual average of indefinite contracts, temporary contracts and part-time contracts by sex, age and professional classification, number of dismissals by sex, age and professional classification; average remunerations and their evolution disaggregated by sex, age and professional classification or equal value; salary gap, remuneration of equal or average positions in society, average remuneration of directors and managers, including variable remuneration, allowances, indemnities, payment to long-term savings pension systems and any other perception disaggregated by sex, implementation of employment disconnection policies, employees with disabilities, etc	2016	401	EMPLOYMENT.	Production personnel work in rotating morning, afternoon, and night shifts. Non-production personnel provide services on a split or continuous basis within the framework of flexible working hours. The work calendar, agreed with Workers' Representatives, establishes the working and non-working days. An instruction to regulate digital disconnection was drafted during 2021				24-25, 32-35, 40
Number of dismissals by sex, age and professional classification;		401-1	New employee hires and staff turnover.	No. layoffs		2020	2021	35
				By gender	Men	5	5	
Women					1	2		
By age				<30 years	0	1		
				30-50 years	4	4		
				>50 years	2	2		
By category				Management Team	0	0		
				Team manager	1	0		
				Manager with no team	1	0		
	Technicians and administrative personnel			3	4			
	Operators	1	3					
Work organisation: organisation of working time; number of hours of absenteeism; measures aimed at facilitating the enjoyment of work-life balance and encouraging the coresponsible exercise of work-life balance by both parents.		Number of hours of absence.	Absence hours 2021	Zafra	Madrid	Barcelona	44	
				84.906	2.324,65	293		
	401-2	Employee welfare benefits.	Welfare benefits (scholarships) amounting to €100,018				39	
	401-3	Parental leave.	All Deutz Spain employees who have been entitled to parental leave have taken parental leave:					
				2020	2021			
			No. of men who have been entitled to paternity leave	31	26			
			No. of men who have taken paternity leave	31	26			
			No. of women entitled to maternity leave	2	3			
			No. of women on maternity leave	2	3			



MANAGEMENT APPROACH: RELATIONS BETWEEN WORKERS AND MANAGEMENT								
Organisation of social dialogue, including procedures for informing, consulting and negotiating with staff.		402	WORKFORCE RELATIONS.	100% of employees are covered by collective bargaining agreements. A Works Committee has been established at the Zafra work centre and a union delegate at the Madrid and Barcelona work centres, with whom worker dialogue, information and consultation must be carried out. There are the following negotiation and company dialogue committees: • Quadrant and shift committee. • Social Fund, Scholarships, Training and Recruitment Committee. • Equality Committee. • Occupational Health Committee. • Flexibility Committee or Hours Pool. • Committee for Agreement Interpretation. • Payroll Committee. During 2021, a new Collective Bargaining Agreement was negotiated for the Zafra work centre, which affects 90% of the DEUTZ SPAIN workforce, with a three-year term until 31/12/2023. See indicator 102-41	37-38			
	2016	402-1	Minimum notice periods for operational changes.	15 days				
MANAGEMENT APPROACH: OCCUPATIONAL HEALTH AND SAFETY				Management from the perspective of worker safety above all other company objectives.				
Occupational health and safety conditions	2018	403	OCCUPATIONAL HEALTH AND SAFETY.	44-45				
		403-1	Occupational health and safety management system.	26, 44-45				
		403-2	Types of Hazard Identification. Risk assessment and incident investigation.	No. accidents with medical leave			44-45	
					2019	2020		2021
				Women	0	0		0
				Men	4	2		5
				No. of days lost due to occupational accidents				
					2019	2020		2021
				Women	0	0		0
				Men	434	37		190
		403-3	Occupational health services.	44-45				
		403-4	Worker participation, consultation and communication on occupational health and safety.	The workers' representatives (Health and Safety Committee and Prevention Delegates) are informed of any aspect that affects the working conditions of the workforce.				
		403-5	Training of workers in occupational health and safety.	26, 44-45				
		403-6	Promotion of workers' health.	26, 44-45				
	403-7	Prevention and mitigation of impacts on the health and safety of workers directly linked through business relationships.	44-45					



		403-8	Workers covered by an occupational health and safety management system.	100%				
		403-9	Work-related injuries.	Hours worked 2021	Zafra	Madrid	Barcelona	44-45
					769.289	43.507,35	11.267,00	
		403-10	Occupational ailments and illnesses.					44-45
MANAGEMENT APPROACH: TRAINING AND EDUCATION								
The policies implemented in the field of training;		404	TRAINING AND PROFESSIONAL DEVELOPMENT					
The total number of hours of training per professional category.		404-1	Average hours of training per year per employee.					41-43
		404-2	Employee skills improvement programmes and transition assistance programmes.					41-43
		404-3	Percentage of employees receiving periodic performance and profession.	100%				41-43
MANAGEMENT APPROACH: DIVERSITY AND EQUAL OPPORTUNITIES								
Measures adopted to promote equal treatment and opportunities between women and men; equality plans, measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for persons with disabilities; the policy against all types of discrimination and, where appropriate, management of diversity.		405	DIVERSITY					40
The diversity policy applied in relation to the board of directors, the board of management and any specialised committees set up within it, with regard to matters such as age, gender, disability or the training and professional experience of its members; including their objectives, the measures taken, the manner in which procedures have been applied, in particular, the procedures for seeking to include on the board of directors a number of women allowing for a balanced presence of women and men and the results in the reporting period, as well as any measures that the appointments committee would have agreed concerning these matters		405-1	Diversity in governing bodies and employees.	There are currently no women on the Steering Committee.				13



They must disclose whether information was provided to shareholders on diversity criteria and objectives at the time of the election or renewal of the members of the board of directors, management and the specialised committees set up within it.					13, 17
The average wages and their evolution disaggregated by sex, age and professional classification or equal value; wage gap, the remuneration of equal or average jobs in the company		405-2	Ratio of basic salary and remuneration of women compared to men.	See indicator 202-1	
MANAGEMENT APPROACH: NON-DISCRIMINATION					
Application of human rights due diligence procedures; prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress possible abuses; complaints of human rights violations; promotion of and compliance with the provisions of the core International Labour Organisation conventions relating to respect for freedom of association and the right to collective bargaining; elimination of discrimination in employment and occupation; elimination of forced or compulsory labour; effective abolition of child labour. Equality: measures adopted to promote equal treatment and opportunities between women and men; equality plans (Chapter III of Organic Law 3/2007, of the 22nd March, for the effective equality of women and men), measures adopted to promote employment, protocols against sexual and sex-based harassment, integration and universal accessibility for persons with disabilities; policy against all types of discrimination and, where appropriate, management of diversity.	2016	406-1	Cases of discrimination and corrective actions taken.	None have occurred.	
Universal accessibility for persons with disabilities				DEUTZ SPAIN's facilities allow total accessibility for people with disabilities.	
Employees with disabilities.				Deutz Spain has recognised the declaration of exception of 2% of disabled workers in companies with more than 50 workers, by using alternative measures as established in Order 23/10/2008 (DOE No. 209 of 29/10/2008) where it states in Article 9.3 that companies that have opted for the application of alternative measures must submit an annual report to the Public Employment Service of Extremadura that includes a detailed description of compliance with the alternative measure envisaged. The company Deutz Spain opted for the measure pursuant to Art. 3.d, and the alternative measures that were used were recruitment with various CEE (Special Employment Centres), for the intra-logistics service, external warehouse management and construction cleaning. Access has been adapted for personnel with limited mobility. The concierge service is adapted for the disabled.	
			Number of people with disabilities on staff	2020	2021
				5	4
MANAGEMENT APPROACH: 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 redress possible abuses; complaints of human rights violations; promotion of and compliance with the provisions of the core International Labour Organisation conventions relating to respect for freedom of association and the right to collective bargaining; elimination of discrimination in employment and occupation; elimination of forced or compulsory labour; effective abolition of child labour. Organisation of social dialogue, including procedures for informing, consulting and negotiating with staff.		407	FREEDOM OF ASSOCIATION	Acquisition of conflict-free minerals. For the remaining operations, due to their type and location of suppliers, there is no risk of violation of human rights. In addition, Deutz Spain maintains its integrated policy ideals and means to ensure compliance with human rights. This is ensured by due diligence processes such as: conflict of interest, due diligence for the hiring of individuals or due diligence of business partners.	
		407-1	Operations and suppliers whose right to freedom of association and collective bargaining may be at risk.	None have occurred.	
MANAGEMENT APPROACH: CHILD LABOUR					
Application of human rights due diligence procedures; prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress possible abuses; complaints of human rights violations; promotion of and compliance with the provisions of the core International Labour Organisation conventions relating to respect for freedom of association and the right to collective bargaining; elimination of discrimination in employment and occupation; elimination of forced or compulsory labour; effective abolition of child labour.		408	CHILD LABOUR	Acquisition of conflict-free minerals For the remaining operations, due to their type and location of suppliers, there is no risk of violation of human rights. In addition, Deutz Spain maintains in its integrated policy ideals and means to ensure compliance with human rights. This is ensured by due diligence processes such as: conflict of interest, due diligence for the hiring of individuals or due diligence of business partners.	
		408-1	Operations and providers at significant risk of child labour cases.	Acquisition of conflict-free minerals. For the remaining operations, due to their type and location of suppliers, there is no risk of violation of human rights. In addition, Deutz Spain maintains its integrated policy ideals and means to ensure compliance with human rights. This is ensured by due diligence processes such as: conflict of interest, due diligence for the hiring of individuals or due diligence of business partners.	
MANAGEMENT APPROACH: FORCED LABOUR					



Application of human rights due diligence procedures; prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress possible abuses; complaints of human rights violations; promotion of and compliance with the provisions of the core International Labour Organisation conventions relating to respect for freedom of association and the right to collective bargaining; elimination of discrimination in employment and occupation; elimination of forced or compulsory labour; effective abolition of child labour.		409	FORCED LABOUR	Acquisition of conflict-free minerals. For the remaining operations, due to their type and location of suppliers, there is no risk of violation of human rights. In addition, Deutz Spain maintains its integrated policy ideals and means to ensure compliance with human rights. This is ensured by due diligence processes such as: conflict of interest, due diligence for the hiring of individuals or due diligence of business partners.	
		409-1	Operations and suppliers with significant risk of forced or compulsory labour cases.	Acquisition of conflict-free minerals. For the remaining operations, due to their type and location of suppliers, there is no risk of violation of human rights. In addition, Deutz Spain maintains its integrated policy ideals and means to ensure compliance with human rights. This is ensured by due diligence processes such as: conflict of interest, due diligence for the hiring of individuals or due diligence of business partners.	
MANAGEMENT APPROACH: SAFETY MEASURES					
		410-1	Security personnel trained in human rights policies or procedures.	No security personnel are available.	
MANAGEMENT APPROACH: RIGHTS OF INDIGENOUS PEOPLE					
		411-1	Cases of violations of the rights of indigenous people.	There have been no such cases.	
MANAGEMENT APPROACH: EVALUATION					
Application of human rights due diligence procedures; prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress possible abuses; complaints of human rights violations; promotion of and compliance with the provisions of the core International Labour Organization conventions relating to respect for freedom of association and the right to collective bargaining; elimination of discrimination in employment and occupation; elimination of forced or compulsory labour; effective abolition of child labour.		412	HUMAN RIGHTS	Acquisition of conflict-free minerals. For the remaining operations, due to their type and location of suppliers, there is no risk of violation of human rights. In addition, Deutz Spain maintains its integrated policy ideals and means to ensure compliance with human rights. This is ensured by due diligence processes such as: conflict of interest, due diligence for the hiring of individuals or due diligence of business partners.	
		412-1	Operations subject to human rights impact reviews or assessment.	Acquisition of conflict-free minerals. For the remaining operations, due to their type and location of suppliers, there is no risk of violation of human rights. In addition, Deutz Spain maintains its integrated policy ideals and means to ensure compliance with human rights. This is ensured by due diligence processes such as: conflict of interest, due diligence for the hiring of individuals or due diligence of business partners.	



MANAGEMENT APPROACH: INVESTMENT					
	2016	412-2	Training of employees in human rights policies or procedures.	It has not been deemed necessary to carry out training in this field.	
The inclusion in the procurement policy of social, gender equality and environmental issues; consideration in relationships with suppliers and subcontractors of their social and environmental responsibility; of supervision and audit systems and the results thereof.		412-3	Significant investment agreements and contracts with human rights clauses or subject to human rights assessment.	Acquisition of conflict-free minerals. For the remaining operations, due to their type and location of suppliers, there is no risk of violation of human rights. In addition, Deutz Spain maintains its integrated policy ideals and means to ensure compliance with human rights. This is ensured by due diligence processes such as: conflict of interest, due diligence for the hiring of individuals or due diligence of business partners. When awarding contracts and services, Deutz Spain values aspects related to energy efficiency, CSR and compliance standards.	
MANAGEMENT APPROACH: LOCAL COMMUNITIES			Management focused on improving the local community through economic growth and job creation.		
The impact of the company's activity on employment and local development; the impact of the company's activity on local populations and on the territory; the relations maintained with significant local community parties and methods of dialogue with them;		413	LOCAL COMMUNITIES.		15-16, 62-67
The relations maintained with significant local community parties and methods of dialogue with them.	2016	413-1	Operations with local community participation, impact assessments and development programmes.		15-16, 62-67
The impact of the company's activity on employment and local development; the impact of the company's activity on local populations and on the territory; the relations maintained with significant local community parties and methods of dialogue with them.	2016	413-2	Operations with significant negative impacts, whether actual or potential, on local communities.	No negative impacts have been identified in the local community.	15-16, 62-67
MANAGEMENT APPROACH: EVALUATION OF SUPPLIERS IN TERMS OF HUMAN RIGHTS, LABOUR PRACTICES AND SOCIAL IMPACT					
The inclusion in the procurement policy of social, gender equality and environmental issues; consideration in relationships with suppliers and subcontractors of their social and environmental responsibility; of supervision and audit systems and the results thereof.	2016	414-1	New suppliers who have passed selection filters according to social criteria.	100% See indicator 412-1	
The inclusion in the procurement policy of social, gender equality and environmental issues; consideration in relationships with suppliers and subcontractors of their social and environmental responsibility; of supervision and audit systems and the results thereof.		414-2	Negative social impacts on the supply chain and measures taken.	See indicator 412-1	
MANAGEMENT APPROACH: PUBLIC POLICY					
		415-1	Contributions to political parties and/or representatives.	None have taken place.	



MANAGEMENT APPROACH: CUSTOMER HEALTH AND SAFETY					
Measures for the health and safety of consumers.	2016	416	CUSTOMER HEALTH AND SAFETY		
		416-1	Assessment of health and safety impacts of product or service categories.	DEUTZ SPAIN complies with the established requirements, both legal and normative, as well as those of its customers, regarding the safety characteristics applicable to the products it manufactures. DEUTZ SPAIN has a quality system based on IATF standards where all manufactured elements that have a significant impact on the safety of the end user are under specific control plans. All chemicals used in processes and that may accompany the final product are under European REACH regulations. Specifically, the products manufactured by DEUTZ SPAIN have safety standards that are subject to exhaustive control. This classification of product and process safety characteristics serves to prioritise the development of more robust control plans for these products, following regulatory specifications. In any case, safety features identified by the initial "S" entail specific treatment that identifies them in the eyes of any process document and for any role in the organisation. Thus, anyone is able to physically see that such control is relevant for functionality under safe conditions, both in the use of the final product and in its subsequent process phases.	
Complaint systems, complaints received and their resolution.		416-2	Cases of non-compliance relating to health and safety impacts of product and service categories.	There have been no breaches of this type.	
MANAGEMENT APPROACH: LABELLING OF PRODUCTS AND SERVICES					
	2016	417-1	Requirements for information and labelling of products and services.	DEUTZ SPAIN complies with the established requirements, both legal and normative, as well as those of its customers, regarding the information and labelling features applicable to the products it manufactures.	
Complaint systems, complaints received and their resolution.		417-2	Cases of non-compliance related to information and labelling of products and services.	There have been no breaches of this type.	
		417-3	Cases of non-compliance related to marketing communications.	There have been no breaches of this type.	
MANAGEMENT APPROACH: CUSTOMER PRIVACY					
Complaint systems, complaints received and their resolution.		418-1	Substantiated claims regarding violations of customer privacy and loss of customer data.	No claims of this type have been made.	
MANAGEMENT APPROACH: REGULATORY COMPLIANCE					
Application of human rights due diligence procedures; prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress possible abuses; complaints of human rights violations; promotion of and compliance with the provisions of the core International Labour Organization conventions relating to respect for freedom of association and the right to collective bargaining; elimination of discrimination in employment and occupation; elimination of forced or compulsory labour; effective abolition of child labour.	2016	419-1	Non-compliance with laws and regulations of a social or economic nature.	There have been no breaches of this typ.	
The GRI indicators related to the relevant themes or aspects have been identified in red.					





The engine company.

