

A close-up photograph of two hands holding a blue, textured, cylindrical object. The hands are positioned as if presenting or inspecting the object. The lighting is dramatic, with a strong blue tint and highlights on the skin and the object's surface. The background is dark and out of focus.

**YOUR
MANUFACTURING
PARTNER
FOR MOBILITY**

Sustainability Report 2022

Non-Financial Information Statement



YOUR MANUFACTURING PARTNER FOR MOBILITY

Sustainability Report 2022








Non-Financial Information Statement

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Teknia Group

Your manufacturing	Partner	For Mobility
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385 million euros in sales

 <p>19% growth in sales compared to 2021</p>	<p>31% of the energy consumption is generated by renewable energy</p> 	<p>4 technology centres</p>
<p>3.500 employees in 12 countries</p>  <p>34% of female employees</p>	<p>86% and incidents are certified in environmental management systems (according to ISO 14001)</p>  <p>Innovation and flexibility as well as co-development with the customer</p>	
 <p>22% reduction in customer complaints and incidents</p>	<p>-25% CO₂ emissions ratio in the Scope 1 y 2 compared to 2021</p> 	<p>New business line awards worth 71 million euros</p> 



1.216 direct beneficiaries of our social action programmes.

(Nearly 2% higher than in 2021)



Interview with the president Javier Lazpita,

President of Teknia

¿How would you describe 2022 and its impact on Teknia Group? 2022 has been the best year ever in terms of turnover, with a 19% growth in sales compared to 2021, reaching 384.6 million euros, but also in terms of EBITDA, reaching 40.5 million euros. Notwithstanding the challenging current context, characterised by pressure in the supply chain, rising energy and raw material prices and the war crisis in Europe, we have managed to maintain a robust growth, enabling us to approach the next few years strengthened.

Nothing can be better in a family business than managing to find the path of generational handover. 2022 has marked the year of such a change for Teknia, following the appointment of a new CEO, Javier Quesada de Luis, who is a second generation member of the company's founding family. In this capacity, Mr. Quesada de Luis shares the commitment and ambition of its founder, thus conveying the values and spirit of the company to the entire organisation. In his new position as CEO, Mr. Quesada de Luis leads the Group with great enthusiasm and commitment, a fact which is clearly supported by the financial results.

Furthermore, we continue growing with the acquisition of a new plant located in southern Germany and strategically connected to our main customers. This plant is specialised in the machining of bars for the production of different high-end suspension components, a very significant product to be used in the production of high-end vehicles and, in the future, of autonomous vehicles, which reinforces the Group's commitment to products with high-added value.

How has Teknia tackled the diversification towards new mobility? As part of our strategy, we continue to offer multi technology solutions with high added value to our traditional customers, namely component and vehicle manufacturers, while also addressing the

emerging new mobility market. This year we were awarded new businesses worth over 71 million euros.

2022 brings us a new corporate image for the company. How would you explain this rebranding? We have deemed it appropriate to redefine the brand in order to be aligned with the Group's corporate principles, to update and convey the strong identity of all of us who are part of this project. The redefinition conveys the idea that the brand becomes stronger and more valuable as a result of everyone's work, 'piece by piece'. We want to make the Teknia brand a stronger brand to generate more value for all our stakeholders.

What have been Teknia's main sustainability achievements this year? From an environmental point of view, the company has been focused on reducing its carbon footprint, managing to reduce scope 1 and 2 emissions by 7% by the end of 2022. Furthermore, we have reduced the emissions per production value ratio by 25%, thereby reflecting improvements in energy efficiency and increased renewable energy consumption. We are firmly committed to sustainability, as evidenced by these indicators.

From a social point of view, the company is firmly committed to improving the environment in which it operates by promoting education. In 2022 we increased our social investment by 30% to generate a positive impact on approximately 8,000 people.

Likewise, we are very proud of our team's solidarity in supporting Ukrainian refugees, a solidarity leading them to fill two trucks with humanitarian supplies for people suffering the harshest part of the conflict. As a Group, apart from helping with the shipment, we contributed to the rehabilitation of a refugee shelter and made a donation to Caritas Poland to assist with the integration of people displaced by the war. •

1.

About Us

We are a family-owned multinational Group of Spanish origin, specialised in the manufacture of metal and plastic components for mobility solutions, by means of a wide range of technologies.



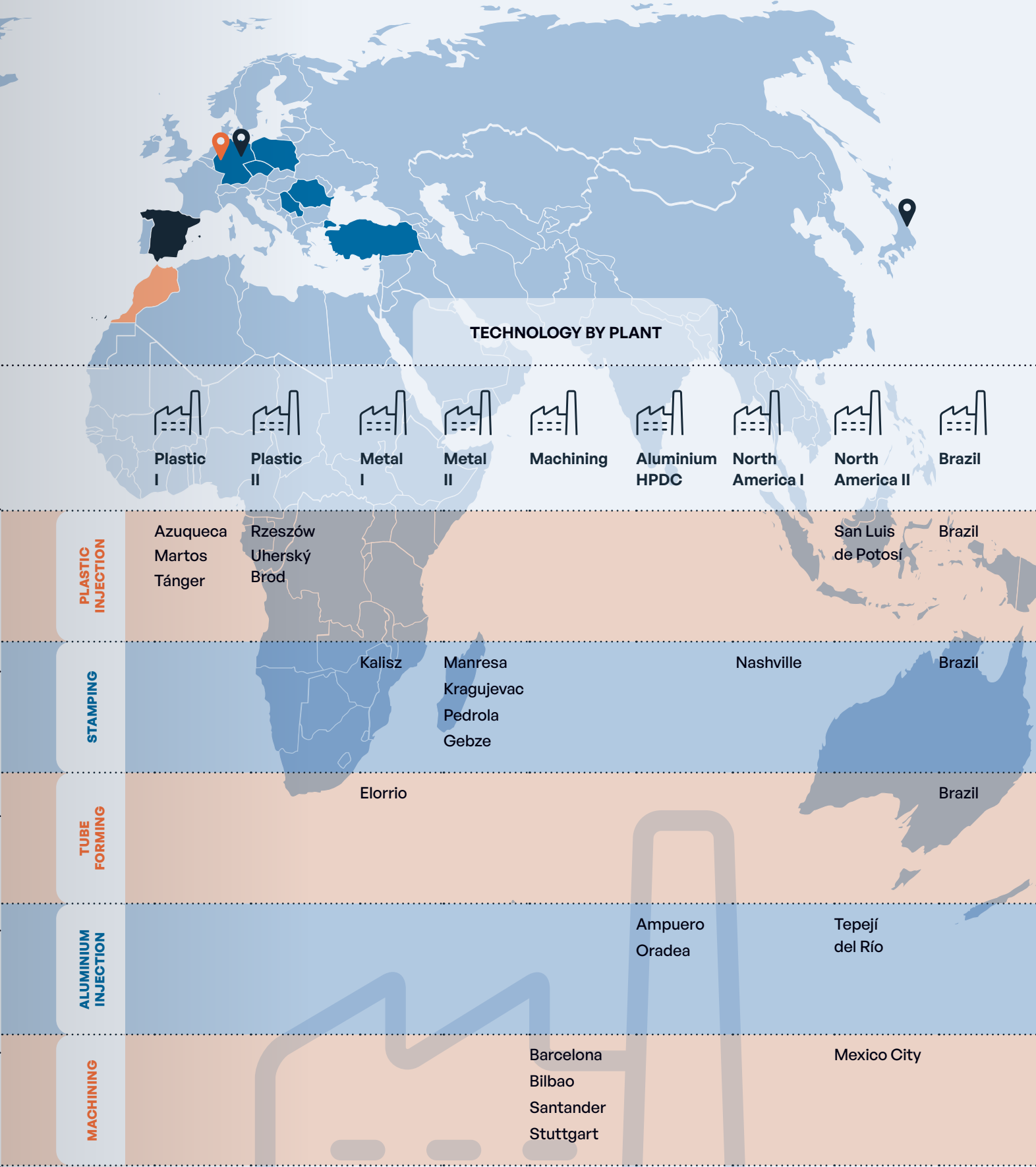
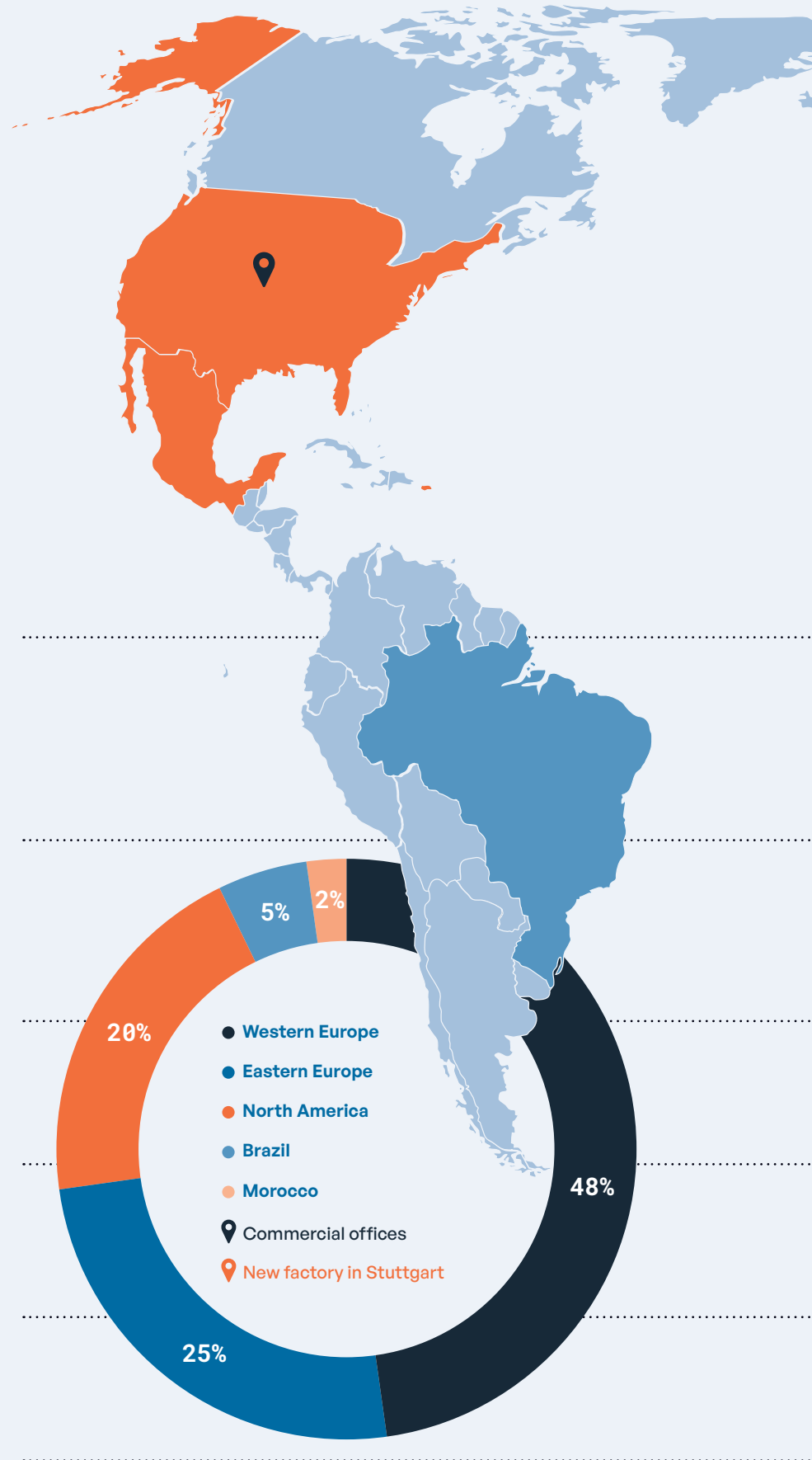
Teknia's presence in the world and production by location

We provide the world's leading automotive suppliers and manufacturers with dedicated high-quality work carried out by a team of 3,500 people, in the 22 plants, across the 12 countries in which we operate

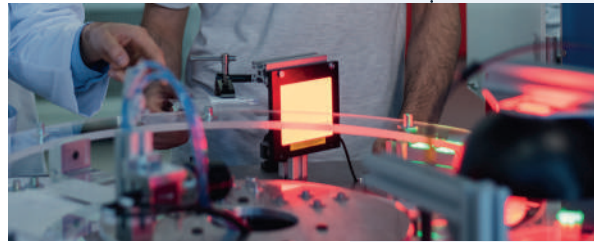
We provide our customers with components for all mobility types, produced using highly specialised technologies and designed both for the automotive sector - both motor vehicles and electric vehicles - and for other mobility solutions which require the Group's specialisation and expertise.

At the same time, our customers can rely on a trustworthy partner for advanced manufacturing and co-development of mobility components. In order to achieve this, we offer them four technology centres for specialised product design and customised equipment.

Each of Teknia's 22 production plants can be identified with at least one of the main technologies used -stamping, tube forming, plastic injection, machining and high-pressure aluminium injection. All the areas related to this activity are developed in the above-mentioned production plants: Marketing, Engineering, Procurement, Quality, Human Resources and Production.



As part of our commitment to support our customers in their current and future needs, we are constantly adapting both in terms of product and geographic location, in order to address all the opportunities offered by new mobility in general and electric vehicles in particular.

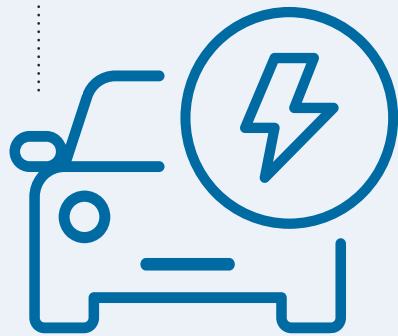


TECHNOLOGY

**Technological,
geographic**
and customer
diversification

LONG TERM

100%
family



ENVIRONMENT

Talent
Diverse and
multicultural



A TEAM

consisting of
3.500
people

A **multinational** group
with 22 plants in 12 countries
on 3 continents

GEOGRAPHY



-25%
CO₂ Scope 1 and 2
emissions ratio vs 2021

ACCOUNTS



**Financial
stability**
with a healthy debt balance



Financial stability has been a constant feature at Teknia since our inception. We are committed to long-term growth and to generating prosperity in the environments in which we operate. We are committed to excellent management of our assets and industrial operations, by maximising profitability, consolidating the achieved growth, both organic and inorganic, and maintaining a diversified and conservative debt policy.

Our continued growth and sustained evolution over time, has positioned us as a leading manufacturer of mobility solutions.

The **diversification** in our group can be seen in three areas: technological, geographic and the customer.

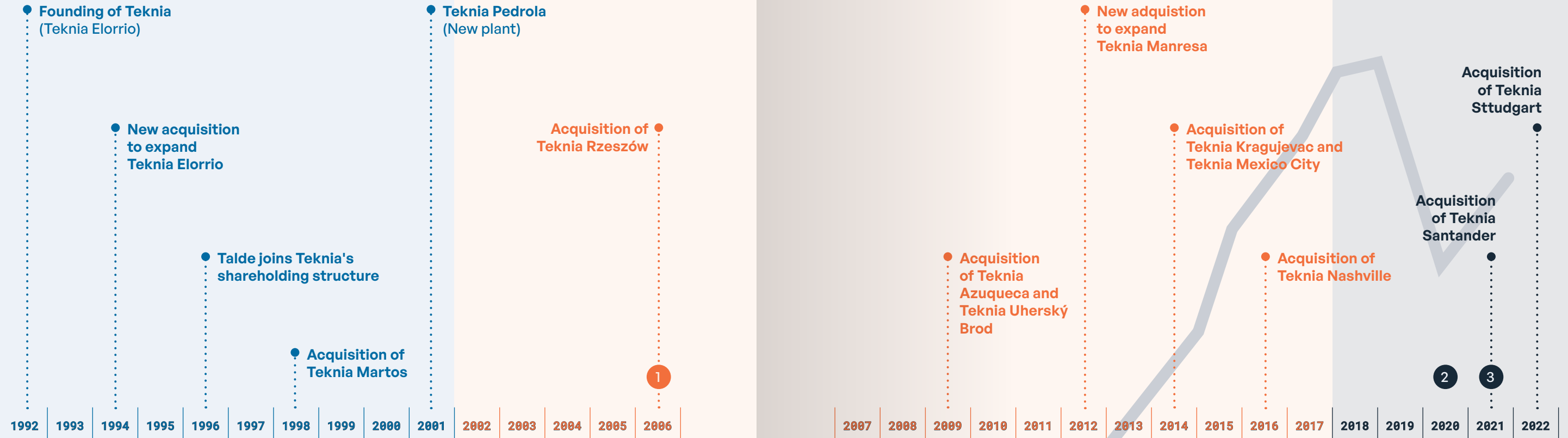
- **Technological:** In such a competitive industry as the automotive industry, specialisation in strategic products (providing high added value, extensive production, technology capable of being transferred to different markets or a leading position) is paramount.

- **Geographic:** Maintaining plant and office locations where customers required our presence, has turned Teknia Group into a global player.

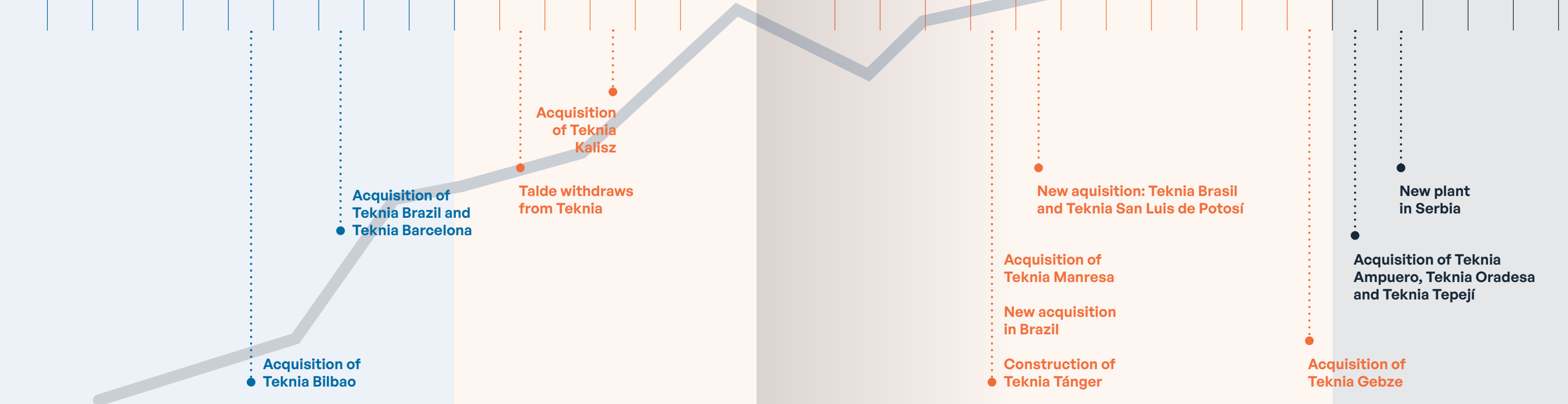
- **Customers** With the aim of positioning ourselves as a leading manufacturing partner, we offer our customers solutions for the automotive industry (motor vehicles and electric vehicles), as well as for other mobility solutions. We currently have four technology centres dedicated to the design of specialised products and processes, as well as customised equipment.

We are committed to excellent management of our assets and industrial operations.

At Teknia we rely on the best diverse and multicultural talent. Our corporate culture is key to promoting a sense of belonging to the Group and pride in being a manufacturer, as well as retaining **talent** and recruiting the best professionals.



CREATION AND INITIAL EXPANSION | **INCREASED PRESENCE IN THE GLOBAL BUSINESS** | **ATTENTION TO THE NEW MOBILITY**



Source: own elaboration

1 Economic crisis | 2 COVID crisis | 3 Semiconductor crisis



2022 HIGHLIGHTS



Récord de facturación:
385M€



Nombramiento de **Javier Quesada de Luis** como director general de Teknia



Adquisición de una planta especializada en piezas de suspensión: Teknia Stuttgart (Alemania)



Lanzamiento del **rediseño de la marca**



TEKNIA

SUCCESS CASE



2022



The 'Teknia' brand as a reputational value driver

Key material topics: Work practices / Recruitment, development and training / Community relations.

Our challenge: We aim to increase our brand's value and reputation among our audiences, to enhance the sense of belonging among employees and to promote a robust and strong corporate culture by consolidating our brand. We therefore created the Communication, Institutional Relations and Sustainability Department, in charge of driving the rebranding project forward.

🕒 Action plan:

Phase 1: consolidation of strategic concepts. We created a brand platform laying the foundations of the Group's identity and combining a series of concepts which clearly define

Teknia and its positioning in the market. Thus, Teknia is designed as an integral unit and represents the sum of its individual components: its people teams, plants, production units.

Each brand component converge under our tagline, "Your manufacturing partner for mobility". A tagline encapsulating the driving force behind us: striving to be the manufacturing partner for our customers.

Phase 2: visual identity development. Based on the strategic branding concepts, we defined a new logo and logo uses, the official Teknia typefaces and corporate colours reflecting our activity as a company. All these

features help to convey the Group's values and personality, with a brand conveying strength, adaptability and innovation.

Phase 3: brand application. Once the conceptual and visual pillars were consolidated, we worked on the brand application to any digital or physical medium. Furthermore, we applied the new brand to the facilities, seeking to enrich the visitor's experience and contributing to a sense of unity across all production sites.

Generating an Impact: The implementation of the new brand has imbued the day-to-day work of our teams, giving the entire Group a greater sense of unity. Likewise, it allows the different stakeholders to identify Teknia, its values and guarantees, maximising the effects of good reputational value management. Strengthening the Teknia brand and increasing its visibility increases engagement, presence and reputation among all our stakeholders.

📈 Key impact indicators:

Quantitative indicator: **3.500 people** located in 22 production plants in 12 countries share the same corporate culture.

Qualitative indicator: **increased sense of belonging** and brand recognition.

Testimonials

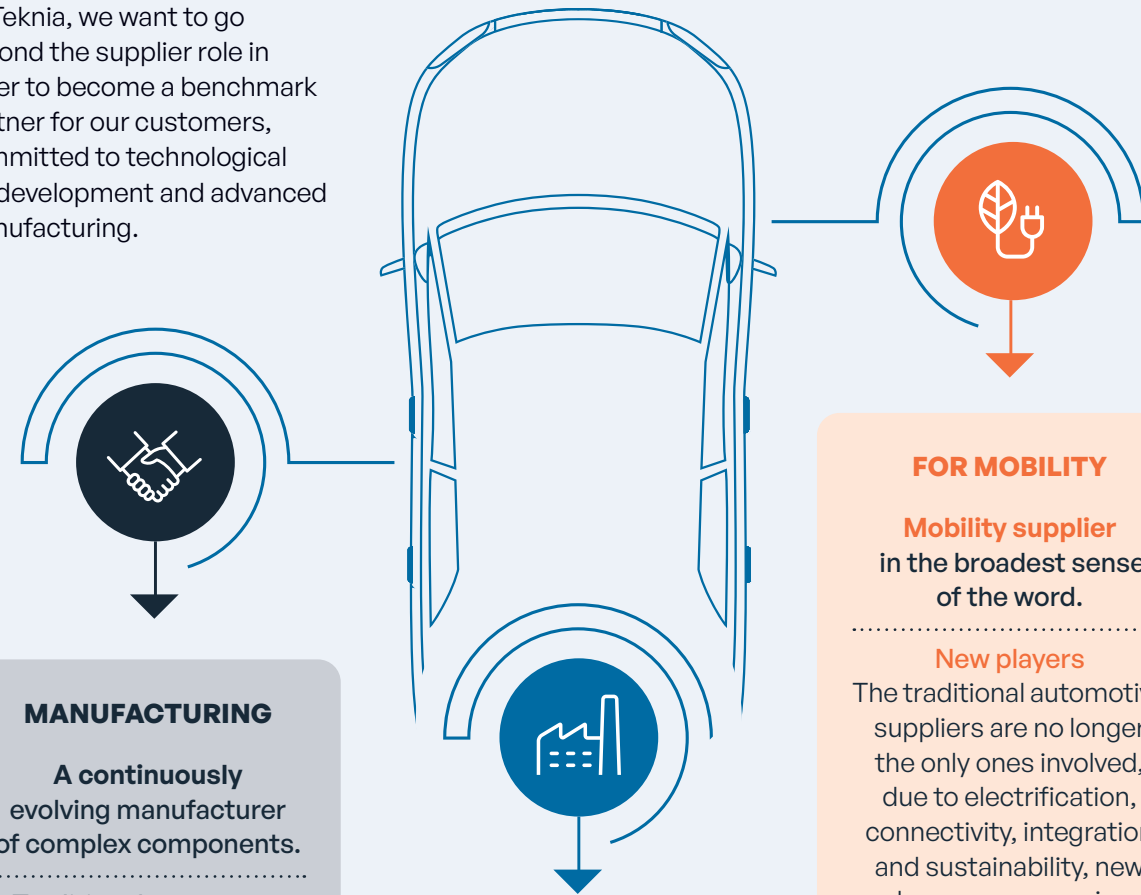


"Communication is a transformational tool for companies, and therefore, should be conceived as a strategic approach. The main objective of the Communication, Institutional Relations and Sustainability area within Teknia, is to increase the value of the company and the brand, both externally and internally"

Gonzalo Prieto. Director of Communications, Institutional Relations and Sustainability.

1.1. PURPOSE AND VALUES: 'YOUR MANUFACTURING PARTNER FOR MOBILITY'

At Teknia, we want to go beyond the supplier role in order to become a benchmark partner for our customers, committed to technological co-development and advanced manufacturing.



MANUFACTURING

A continuously evolving manufacturer of complex components.

Traditional customers
Product adapted to the manufacturing and build-to-print processes.

New mobility and electrification
Product-tailored design process: co-development.

Advanced manufacturing
New technologies to ensure more flexible, efficient, and safe processes.

PARTNER

And trusted partners for co-development, rather than a.

Categories
Teknia has created a new product category with the aim of commercialising products to meet market demand regarding new mobility

Technologies
By leveraging experience and expertise in five key technologies for Teknia as *partner* for all types of solutions

FOR MOBILITY

Mobility supplier in the broadest sense of the word.

New players
The traditional automotive suppliers are no longer the only ones involved, due to electrification, connectivity, integration and sustainability, new players are emerging.

New customers
In the new mobility environment, last mile or urban mobility is gaining momentum and represents a growth opportunity for both existing and start-up companies.

New vehicles
New solutions adapted to people's current and future mobility needs are emerging in the market.

Our Values

AMBITION

We set high goals because our ambition is what makes us better



ADAPTABILITY

We are defined by our versatility and resolution capability. We foresee changes, detect new needs and address these, in order to meet the high expectations of our customers.



EFFICIENCY

We act with precision, rigour and attention to detail to maintain the industry's respect and our customers' trust. We measure business impact, from a sustainable perspective seeking to protect the environment and to make a positive impact on the communities in which we operate.

PRIDE

Our team members are proud of who we are and what we produce, but we are never arrogant. We do this by always striving to do our best and constantly learning from our mistakes through common sense and ethical behaviour.

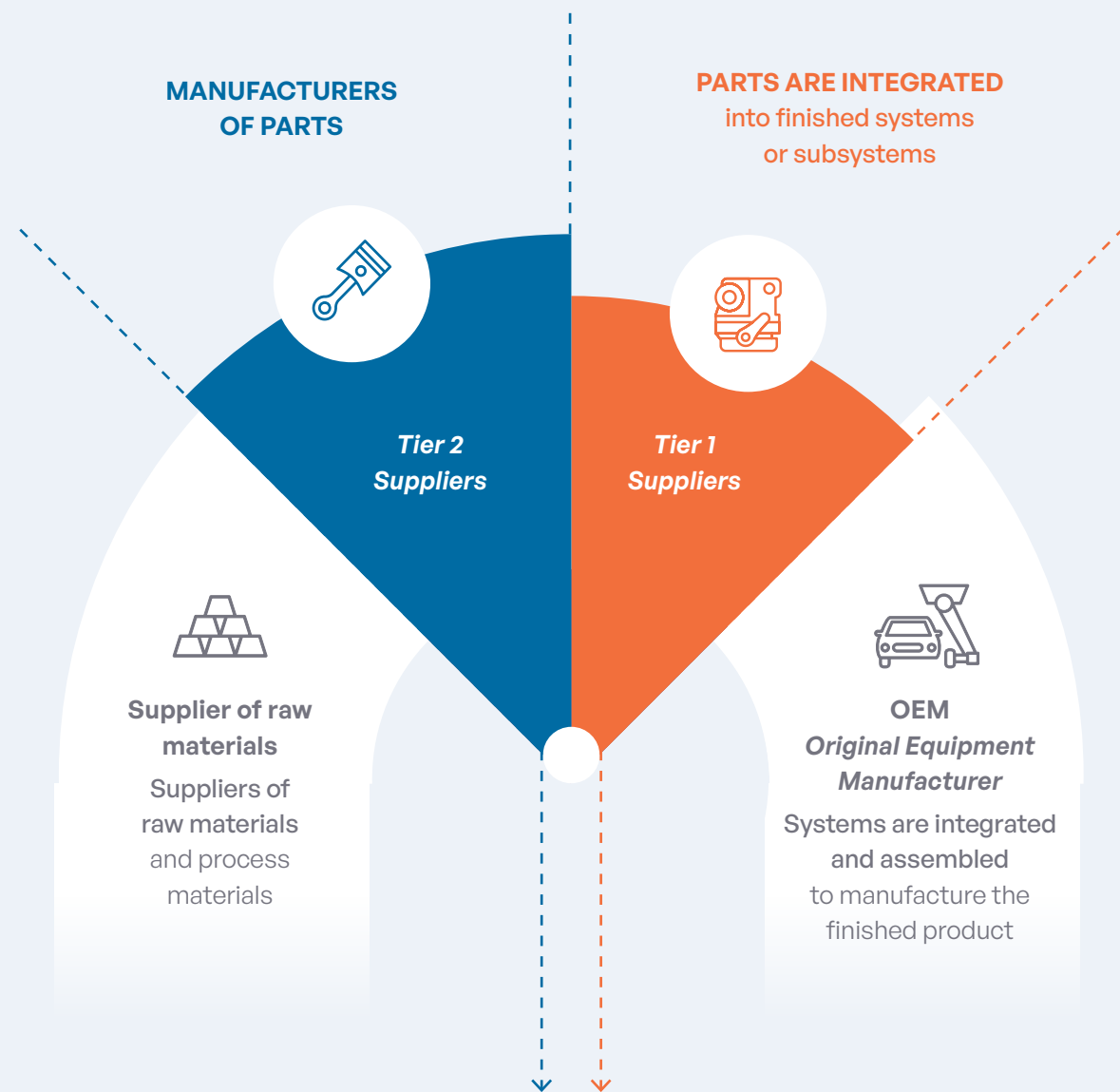


1.2. INFOGRAPHIC BUSINESS MODEL

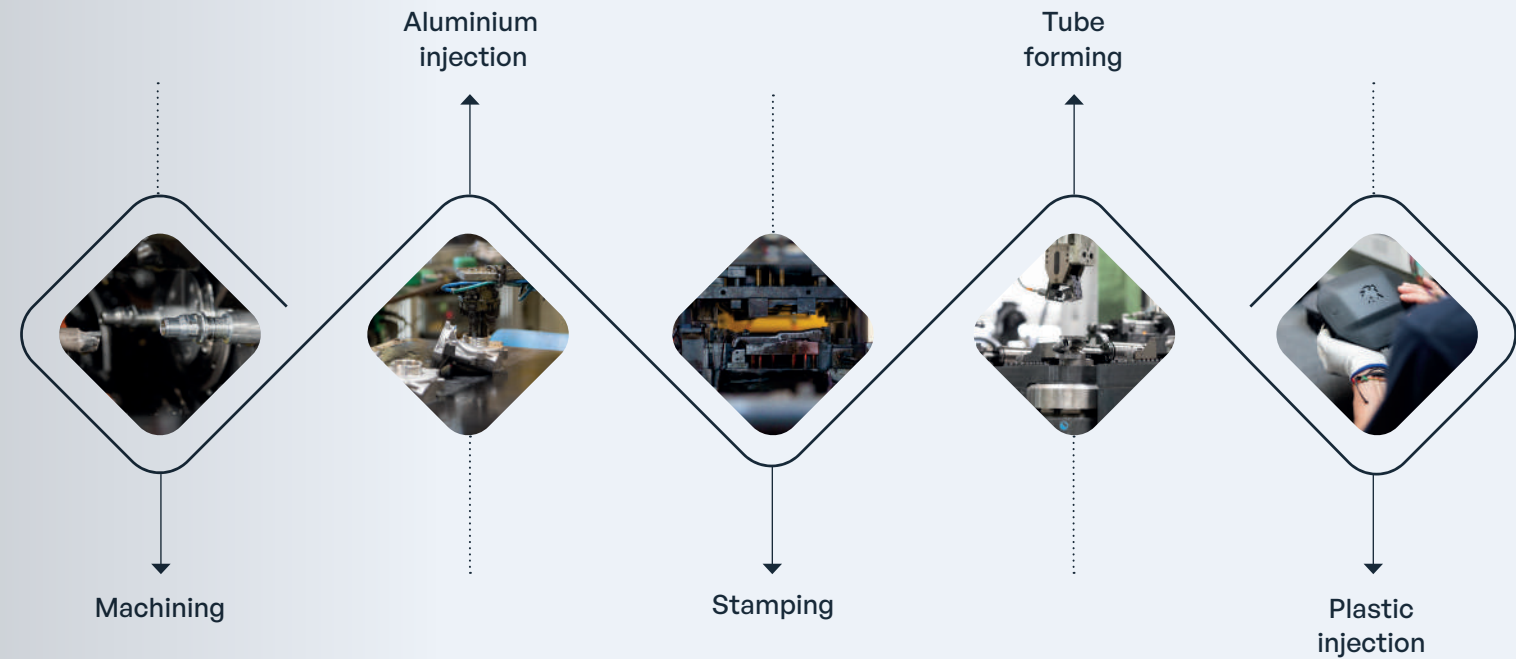
Within the automotive sector chain, we mainly offer our products to first tier production customers (TIER 1), but also directly to OEM

customers (*Original Equipment Manufacturers*). At the same time, from a centralised support area, led by the group's technical management, we

carry out product development engineering activities, market analysis, conceptualisation and design, simulation and validation, trials and tests.

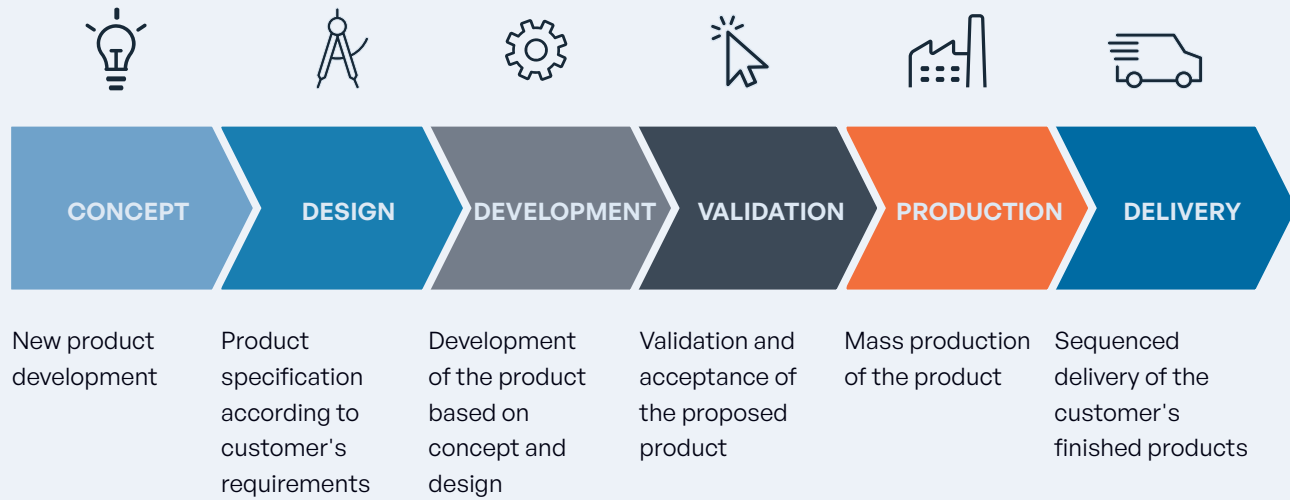


Multi-Technological supply



PRODUCTS





TEKNIA IN AUTOMOTIVE INDUSTRY

1.3. INDUSTRY CHALLENGES

As the pandemic started to end, it was predicted that 2022 would be the year of the automotive industry's major reboot. However, this phase has also been marked by a series of challenges to which we have adapted in order to turn those challenges into opportunities:

- **Global market:** in 2022, emerging competitors, diversification of revenue sources, the growing role of China in the manufacturing industry, rising raw material prices and the uncertainty caused by the war in Ukraine have highlighted the adaptability and resilience of Teknia's teams and its organisation to preserve jobs and remain competitive in the market.

- **New consumer demands:** in the new mobility scenario, autonomous driving, MaaS - Mobility as a Service-, the connectivity boom or the growth of customisation, are playing a leading role. New players are emerging from outside the traditional automotive industry, and we are able to offer them our experience and innovation capacity.
- **New environmental and safety requirements:** regulatory pressure in these two lines involves a transformation of the automotive industry, in which Teknia is a partner in the manufacturing of present and future mobility. The EU's environmental goals of a 55% reduction in emissions and 30 million electric vehicles

by 2030 are driving the industry towards improving the efficiency of combustion engines and intensifying the use of alternative propulsion. The increased demands in terms of safety are also focused on this area, which is a key component of Teknia's product portfolio.

- The proposed **Sustainability Due Diligence Directive** requiring companies to respect human rights and the environment, including across supply chains, has placed social and environmental issues on the corporate agenda. As a result, sustainability has become an undisputed requirement. Social, environmental and good governance criteria take precedence over the economic performance of

companies and companies demand excellent conduct from their entire value chain. At Teknia, since the company was founded, our aim has been to generate a positive impact on the communities in which we operate and we have a responsible purpose and leadership which meets the expectations of our stakeholders. From a social point of view, we are committed to excellence in talent management, which is essential in order to build a diverse team capable of facing the unpredictable challenges ahead and to leave no one behind in the technological transition.

- Both industry standards and our customers, driven by emerging European



regulations, have increased their demands regarding **Human Rights in the supply chain** and especially in relation to conflict minerals. Analysts have also implemented higher requirements for the companies analysed in their ESG ratings.

- **Technological revolution:** The most recent integrated report by Sernauto (Spanish Association of Automotive Suppliers) forecasts that by 2030 electronics will account for 50% of the vehicle's value and that on the way, breakthroughs such as recharging and battery networks, artificial intelligence and 5G networks will be consolidated.

- **Sustainability as an indisputable requirement:** Social, environmental and good governance criteria are imposed on the economic performance of companies and demand excellent behavior from their entire value chain. At Teknia, from our foundation, we have aimed to have a positive impact in the communities in which we operate and have a purpose and responsible leadership that responds to the expectations of our stakeholders. In the social sphere, we have taking into account the importance of excellence in talent management, essential in achieving a diverse team capable of facing unpredictable future challenges and not to leave anyone behind in technological transition.

Strategic pillars

Our strategic pillars are as follows:

<div style="background-color: #003366; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto 20px auto;">1</div> <p>Profitability and sustainable growth</p> <ul style="list-style-type: none"> • New business: Maintaining our defining reliability while remaining a benchmark partner for our customers. • Technology: To drive innovation and co development, in order to improve the manufacturing process and increase competitiveness. 	<div style="background-color: #FF6600; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto 20px auto;">2</div> <p>People and corporate culture</p> <ul style="list-style-type: none"> • To promote Teknia's culture and increase the sense of belonging in order to enhance and recruit talent. 	<div style="background-color: #003366; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto 20px auto;">3</div> <p>Brand and reputation</p> <ul style="list-style-type: none"> • To strengthen Teknia's brand and reputation, to make it more visible to all our stakeholders. 
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Industry context: Economic Impact

Impact of the economic and productive activity of the equipment and components industry on employment and local development (*):

4.900
million
€
of GVA**
generated by
the equipment
and components
industry in Spain



almost
5.000
million €
of contribution
to Spanish
economic
activity



1.164
million
€
invested in
R&D&I

+
200.000
quality and
permanent
jobs
created



Industry
contribute to
4%
of Spain's
GVA*

operating in
5
continents
and in more than
170
countries

* Data taken from El Sector de Equipos y Componentes en España (Sernauto).

** GVA: Gross Value Added.

1.4. TEKNIA'S SUSTAINABILITY STRATEGY

We have integrated sustainability into our business strategy and it has been an integral part of our people and operations since our inception.

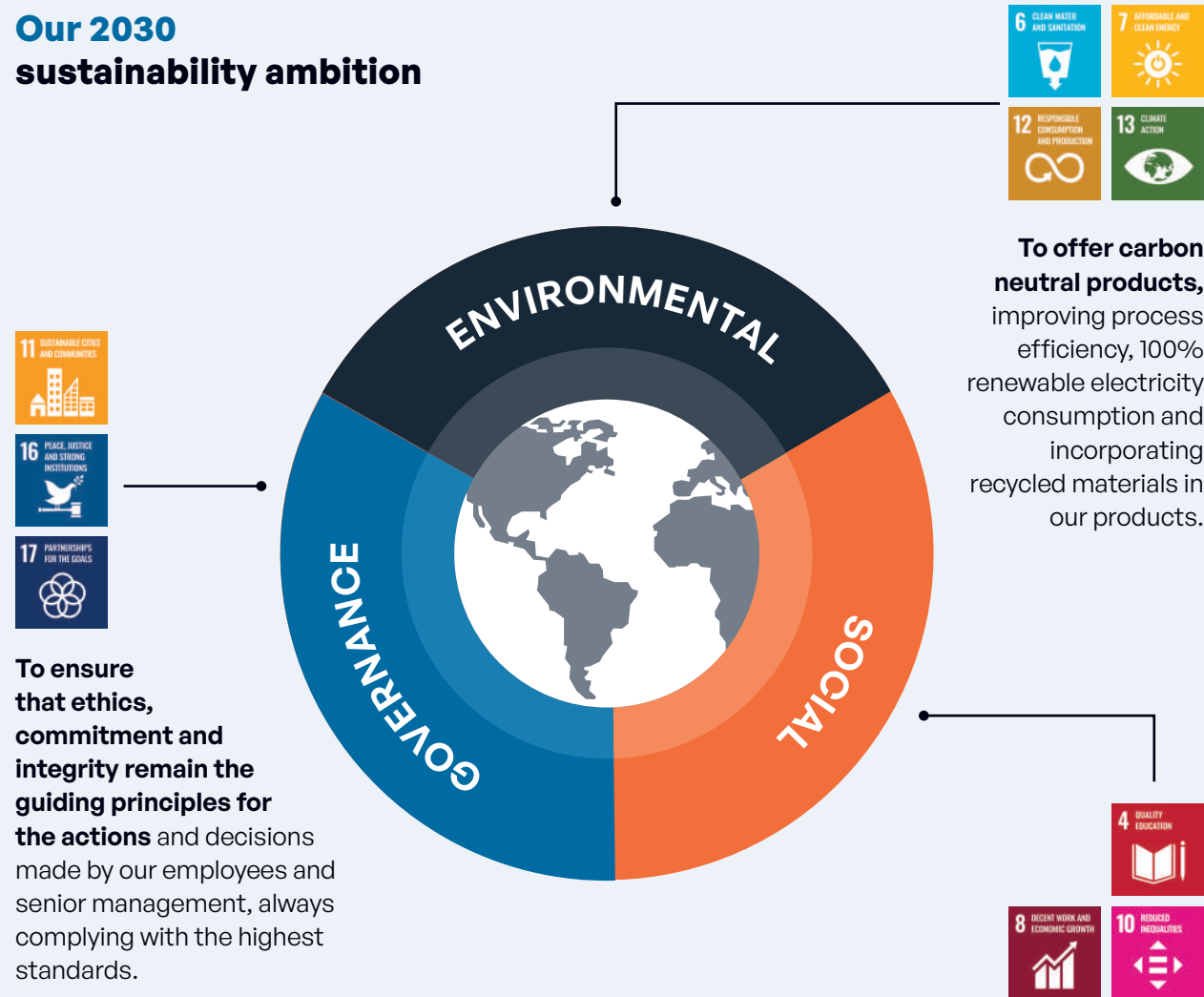
partner for mobility) by offering sustainable, safe and innovative solutions.

As a long-term goal, we want to strive to contribute to a positive impact on people, the environment and governance, which are fundamental company pillars on which all our decisions are based: to be the best manufacturing partner for mobility (Manufacturing

we want to strive to contribute to a positive impact on people and the environment



Our 2030 sustainability ambition



Sustainability goals and challenges in 2023

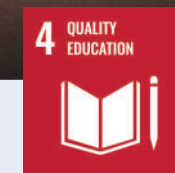
- To anticipate market and regulatory requirements regarding environmental, social and governance matters.
- To monitor environmental, social and governance risks throughout the value chain.



- To continue to promote social initiatives that positively contribute to the environments in which we operate through education and support in emergencies.

Community Engagement

Our social action aligned with two of the priorities set out in the United Nations Sustainable Development Goals for 2030:



SDG 4
 To ensure inclusive and equitable quality education and to promote life-long learning opportunities for all.



SDG 8
 To promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

In our relationship with the community, we aim to support the economic and social development of the environments in which we operate and to become a key player for development through:



- **Generating wealth, employment and economic activity of the Group** in the environments in which we operate.



- **Developing a Social Action programme** focused on the education of children and young people, as a means of progress.

TEKNIA GROUP'S MAIN OPERATING ENVIRONMENTS BY COUNTRY

As at 31 December 2022

Country	Employees	Major Operating Environments
Spain	1.164	Ampuero
		Azuqueca de Henares
		Barcelona
		Bilbao
		Elorrio
		Martos
		Pedrola
		Manresa
		Santander
Poland	757	Kalisz
		Rzeszów
Mexico	633	Mexico City
		Tepejí del Río
		San Luis de Potosí
Czech Republic	250	Uherský, Brod
		Nivnice
Brazil	172	Jacareí
Germany	107	Mahlstetten
United States	105	Nashville
Turkey	70	Gebze
Serbia	92	Kragujevac
Morocco	63	Tangier
Romania	67	Oradea

ECONOMIC VALUE GENERATED AND DISTRIBUTED BYTEKNIA GROUP (IN THOUSANDS OF EUROS)

As at 31 December 2022
and in thousands of euros

	2022	2021	Variation
Net turnover	384.568	323.753	19%
Procurement (goods, raw materials and other consumables and subcontracting)	(208.228)	(168.862)	23%
Employees (personnel expenses)	(95.339)	(85.090)	12%
Financial expenses	(2.146)	(2.088)	3%
Taxes on profits	(6.239)	(3.567)	75%

PROFITS EARNED, PROFIT TAXES PAID AND SUBSIDIES RECEIVED BY COUNTRY (IN THOUSANDS OF EUROS)

As at 31 December 2022
and in thousands of euros

	Financial Results	Taxes on profits	Subsidies
Spain	2.150	(1.787)	310
Poland	5.319	(795)	-
EEUU	4.507	(1.688)	-
Mexico	4.401	(1.594)	-
Brazil	(373)	(130)	-
Morocco	109	(374)	-
Czech Rep.	(670)	146	-
Serbia	266	(38)	-
Turkey	(309)	101	-
Romania	418	(67)	-
Germany	288	(9)	-
Japan	6	(4)	-

Our Stakeholders

For Teknia it is essential to know our stakeholders and to engage in a dialogue in order to address their concerns and to be able to meet their expectations in a proactive and innovative.




Our stakeholders consist of all those groups with their own legitimate interests in our activity, a certain capacity

to impact on the fulfilment of corporate objectives and their own expectations regarding corporate management.




Following a series of internal consultations, we have identified the following stakeholders as our main stakeholders: our teams, customers, suppliers, the

society as a whole, financial institutions, organisations and the media.

We have mechanisms in place for each of the stakeholders identified in order to discuss and identify their expectations, either through direct dialogue with some of the corporate areas, or by means of other methods:

Stakeholders	Commitment	Channels
Team 	Unity, impulse and recognition.	Ongoing: <ul style="list-style-type: none"> Labour union leaders with direct access for dialogue with the HR department. Once a year: meetings with the directive team. Communication through bulletin boards, newsletters, and the company's intranet.
Clients 	Flexibility, adaptability, long term relationships, and trust.	Ongoing: <ul style="list-style-type: none"> Dialogue with the commercial area of the company. Follow-up with satisfaction levels and quality assurance. Once a year: purchase requirements and other commercial appointments..
Suppliers 	Collaboration.	Ongoing: <ul style="list-style-type: none"> Meetings and emails with the commercial and quality teams.



Entire company 	Transparency and a positive contribution.	Ongoing: <ul style="list-style-type: none"> Media, social media, and website. Media interviews. Participation of Teknia speakers in events, forums, and roundtables. Access for visits of the press in the factories.
Financial institutions 	Transparency and speed of information flow.	Ongoing: <ul style="list-style-type: none"> Meetings and emails with the financial department.
Institutions 	Transparency, speed of the information flow, and collaboration.	Periodactly: <ul style="list-style-type: none"> Direct dialogue with regional and local authorities. Participation in associations: Semauto, ACICAE, AEC, and AEFAMEE.



Materiality analysis: the areas which have the greatest impact for Teknia

In order to meet the new trends and to comply with the requirements of the recently published Corporate Sustainability Reporting Directive, we have developed an analysis of Teknia's ESG issues based on the **Dual Materiality** approach. This new approach allows the identification and prioritisation of the following impacts:

- **Business impacts:** areas which have or may have a potential impact on the economic, strategic and operational development of Teknia Group.
- **Social and environmental impacts:** areas that have or may have a potential environmental and social impact.

In this way, the Materiality Study enables us to gain a comprehensive understanding of our context in order to **align and guide our strategic**

approach and make the best possible impact in terms of ESG.

How was the study conducted?

In order to **identify the impact** area se ha llevado a cabo un **external analysis** has been carried out, including **international standards and analysis** such as the United Nations Sustainable Development Goals, TCFD (*Task Force on Climate-related Financial Disclosures*), the Science Based Targets initiative, CDP (*Carbon Disclosure Project*), SASB (*Sustainability Accounting Standards Board*) or in the Dow Jones Sustainability Index.

This analysis has also taken into account the **regulations** relevant to us, such as the Green Deal, CSRD, Fit for 55, the Climate Change Act and the proposed Directive on

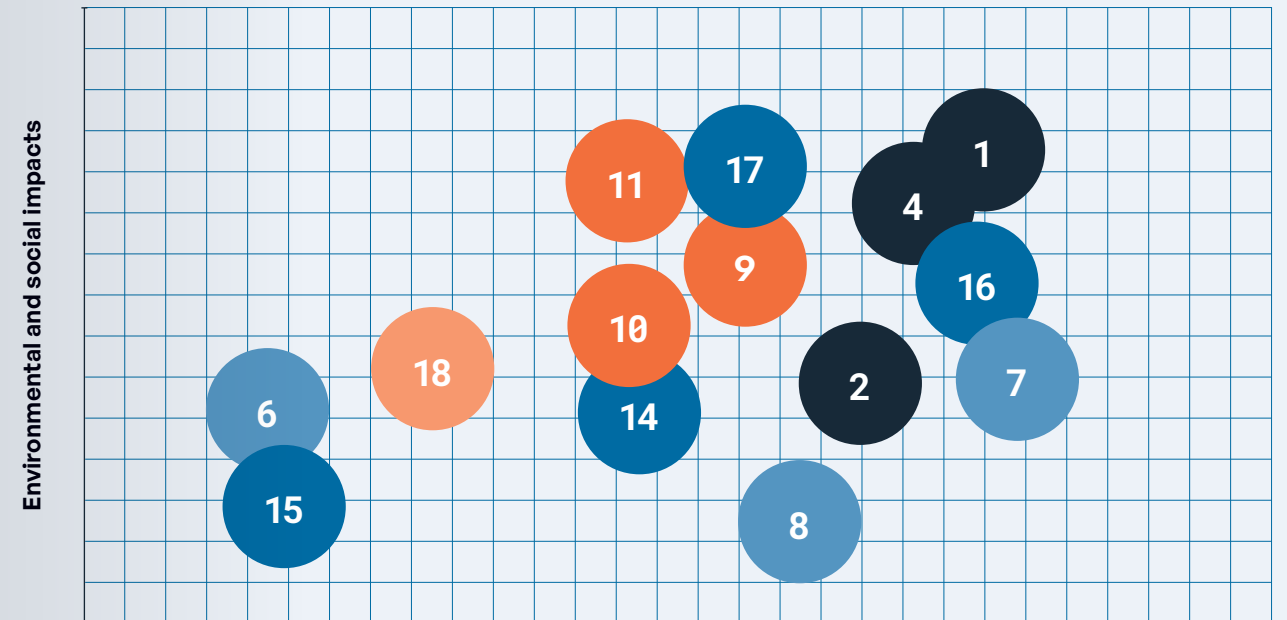
corporate sustainability due diligence.

Furthermore, a **sectorial analysis** has been carried out based on Drive Sustainability and the requirements of customers, as well as the comparative analysis of companies in the industry.

Finally, the external and internal perspective of the company was analysed. The insight of our external stakeholders has been addressed through interviews with industry associations and customers. For the internal approach, information **has been gathered** from Teknia Group by interviewing 8 corporate executives or managers

The results are consolidated in this materiality matrix, including those areas with the greatest impact on both the business and society as a whole. This report provides detailed information regarding the management and performance of these key issues.

MATERIALITY MATRIX MOST RELEVANT TOPICS



Business impacts	Topic
1	Climate change (GHG emissions)
2	Energy: Efficiency and Renewables
4	Circular Economy: Waste and Hazardous Materials Management
6	Community Relations
7	Product Quality and Safety
8	Customer Engagement
9	Work Practices
10	Recruitment, development and training
11	Employee Health and Safety
14	Increasing the product mix for sustainable mobility
15	Supply Chain Management: Social Impact (Human Rights)
16	Supply Chain Management: Environmental Impact
17	Sustainable Innovation: Industry 4.0
18	Governance Model, Business Ethics & ESG Risk Management

- Environment
- Social Capital
- Human Capital
- Business Design and Innovation
- Leadership and Governance



2.

Our Work

We are a reliable and experienced partner when it comes to supporting our customers in the new challenges of the mobility scenario.

2.1. PARTNER

Rigour, integrity and good governance help us to be a partner which provides security and trust to our customers and ensures the integrity of operations throughout the company.

2.1.1 Corporate Governance of the Company

Teknia Manufacturing Group S.L.U has a sole shareholder, Siuled S.L., a family-owned company.

This equity structure ensures that the company can maintain its essence and values over the

years without compromising the progress in corporate governance developed by the company.

Board of Directors:

Teknia's Board of Directors consists of four members, including two independent members, and

is ultimately responsible for the management and representation of Teknia Group. In addition to the roles established in the Capital Companies Act, it is the body responsible for approving and enacting the Group's ethical regulations.

Board of Directors at end of financial year 2022:

- D. Javier Lazpita Sarriugarte, President and CEO.
- D. Javier Quesada de Luis, Director.
- D. Iñigo Marco-Gardoqui Alcalá-Galiano, Director.
- D. José Manuel Corrales Ruiz, Director.

As of 1 March 2023, the date on which this report was drawn up, the Board of Directors consists of the following members:

- D. Javier Lazpita Sarriugarte, President and CEO.
- D. Javier Quesada de Luis, Director.
- D. José Antonio Jainaga Gómez, Director.
- D. Iñigo Marco-Gardoqui Alcalá-Galiano, Director.

Both Mr. José Antonio Jainaga and Mr. Iñigo Miguel Marco-Gardoqui are independent, which means that they are 50% independent from Teknia's Board of Directors.

Corporate Management

Teknia Group has established a structure of Corporate Management Divisions which, led by the General Management, assume responsibility for the functioning and operational management of Teknia Group. Women account for 20% of the Board of Directors.



Javier Quesada de Luis

Managing Director

Leading the management team in the different management and strategic areas of Teknia Group, in order to meet the challenges posed by the automotive industry in the best possible way and to take advantage of the opportunities arising therefrom.



Alejandro Deleyto

Strategic Director

Leading the design and development of the Group's Strategic Plan, planning strategic projects and identifying corporate opportunities and risks.



Ana Goicoechea

Quality Manager

The Quality Manager designs and drives Teknia Group's Quality strategy, identifying best practices and making these practices cross-cutting. Aiming for "zero defects", it seeks to achieve operational excellence and to guarantee customer satisfaction.



Jorge Lázaro

Human Resources Manager

The HR Manager designs and drives the people management strategy of the organisation, by designing and implementing talent management policies, at all stages of the employees' working life in the company, as well as the appropriate dialogue with the workers' representatives.

A excepción de la Dirección general, el resto de componentes del comité de dirección se presentan en orden alfabético por apellido.



Rodrigo Marín

Sales Manager

The Sales Manager designs and drives Teknia Group's commercial strategy, coordinating relations with customers, ensuring appropriate local and global dialogue and creating synergies in commercial processes.



Mario Martín

Director of Advanced Manufacturing

The Director of Advanced Manufacturing designs and drives the advanced short term manufacturing strategy of the factories and the positioning of Teknia at the mid and long term technological state-of-the-art, both at process and product level.



Rafael Morales

Operations Manager

Leading and coordinating all the operational activities of Teknia Group plants, ensuring efficiency, coordinating resources and validating management control in order to achieve Teknia Group's objectives.



Michel Peña

Engineering Manager

The Engineering Manager designs and drives Grupo Teknia's technological strategy, ensuring the transfer of knowledge between plants, the improvement of global processes, the management of technological innovation and Teknia Group's investments and divestments



Gonzalo Prieto

Communications, Institutional Relations and Sustainability Manager

Leading the corporate reputation management through the internal and external communication strategy, brand development, institutional relations and coordination of the sustainability strategy.



Ana San Vicente

Financial Manager

The Financial Manager designs and drives the Teknia Group's financial strategy with the aim of guaranteeing financial resources to ensure the growth and compliance with the company's objectives.

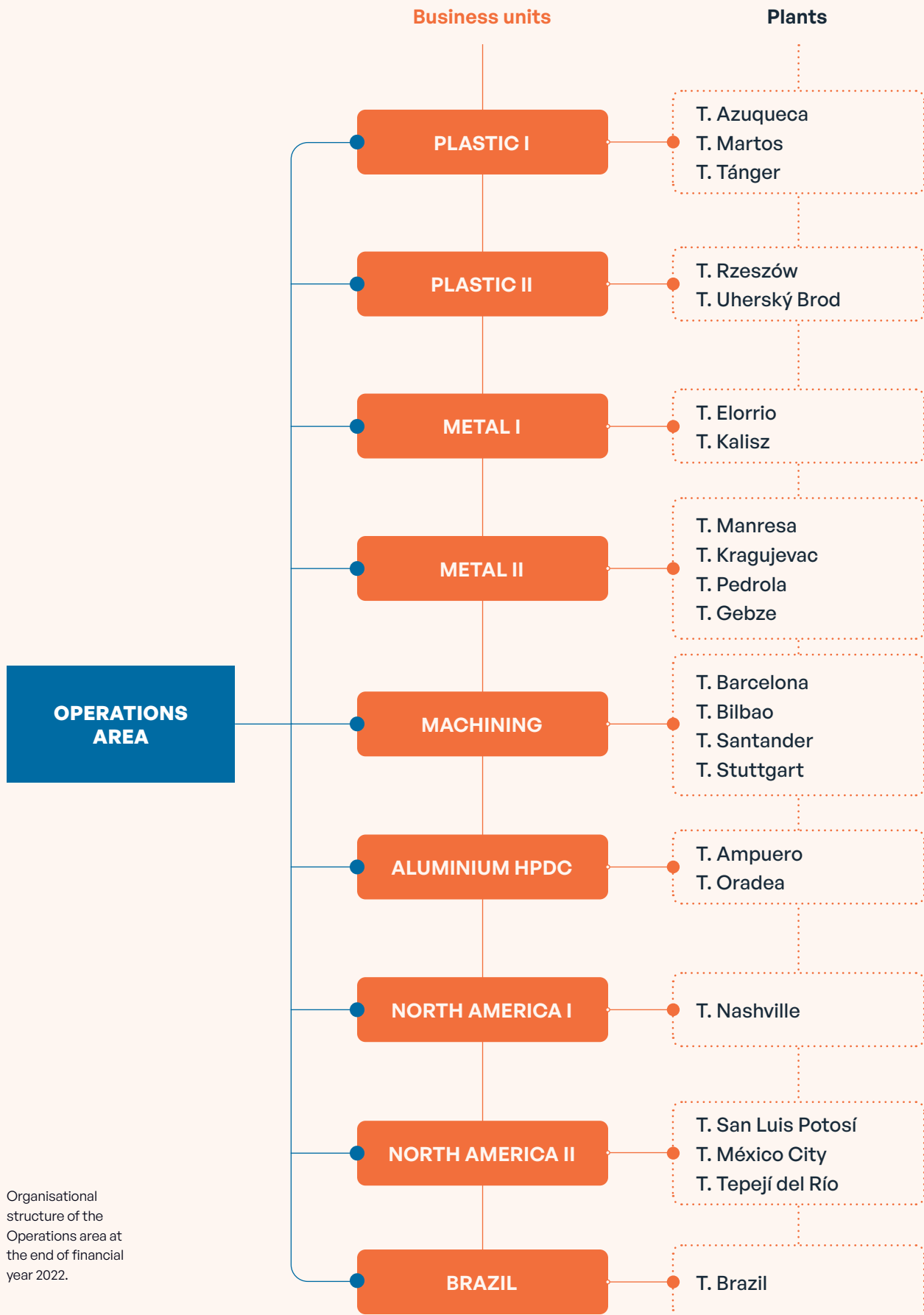
Each of the business and independent entities which make up Teknia Group has its own global Business Management structure, to which the Management of each area/department reports, as the most senior managers responsible for each area within their business.

Governance in ESG matters

Apart from the specific responsibilities of each of the corporate management areas, some of them are assigned additional competencies in terms of sustainability:



Sustainability Strategy	Environmental Matters	Safety and Personnel related Matters	Economic Matters	Social Matters
Managed from the Communication, Institutional Relations and Sustainability Division, where the ESG area is based.	Managed by the Quality, Operations and ESG Division.	Managed in the Direction of each plant	Managed by the individual plant management	Regarding the social action plan of the company, managed from the ESG division.



Organisational structure of the Operations area at the end of financial year 2022.

2.1.2 Risk management policies and systems

Internal rules and regulations

Teknia is the combination of its 22 plants and its operations in 12 countries, therefore, it is necessary to develop guidelines and directives to govern operations with the aim of standardising procedures and policies, while keeping the specific characteristics of each of the plants.

All the persons who are part of Teknia Group are governed by the Code of Conduct, corporate policies, manuals and procedures. Teknia Group's rules are regularly reviewed and updated to reflect new trends, requirements or changes in internal operations.

Code of Conduct

Approved by the Company's Board of Directors in April 2018, it sets forth the criteria for action and values to govern the actions and relations of the companies which are part of Teknia Group.

The standards of conduct that make up the Code set out the principle of due diligence for the prevention, detection and eradication of irregular behaviour. This, along with the other policies, constitutes the company's first line of defence against risks such as corruption, bribery and any other

fraudulent behaviour, towards which the company has zero tolerance.

The Code of Conduct applies to all Teknia Group companies and to all personnel in each of these companies. The main provisions of this code regarding the prevention of corruption and bribery are based on the following principles:

- All operations shall be ethically and responsibly carried out. Compliance with the legislation in force in each country is a necessary prerequisite for the Code of Conduct.
- Teknia Group is a fair competitor in the market and under no circumstances tolerates misleading, fraudulent or malicious behaviour.
- Supplier selection shall be governed by objectivity and transparency criteria,

reconciling the corporate interest in securing the best conditions with the benefit of maintaining stable relationships with ethical and responsible suppliers.

Teknia's Code of Conduct is available in Teknia's two official languages (English and Spanish) and is available to all Teknia Group employees in digital format on the corporate Intranet.

Likewise, regarding Teknia Group's suppliers, all suppliers working with Teknia are required to abide by the human and labour rights of all contracted employees.

Ethics and Compliance Committee

The Ethics and Compliance Committee was established in 2018 to ensure the Company's compliance with and interpretation of the Code of Conduct. The Committee is

All the persons who are part of Teknia Group are governed by the Code of Conduct, corporate policies, manuals and procedures

made up of the managers of the following areas:

- Legal Advisory
- Financial
- Human Resources

Teknia's Ethics and Compliance Committee acts as the Group's Central Supervisory Body in the relevant matters attributed thereto. This committee meets when required to do so and, in any case, on an annual basis to prepare the Regulatory Compliance Report to be submitted to the Board of Directors. In each of the companies which make up Teknia Group, the corresponding General Management together with the Human Resources Manager of each individual company

act as the local Ethics and Compliance Control Bodies.

In order to carry out their supervisory functions, Teknia's Ethics and Compliance Committee and the local Ethics and Regulatory Compliance Control Bodies have established a reporting channel, as provided for in the Code of Conduct.

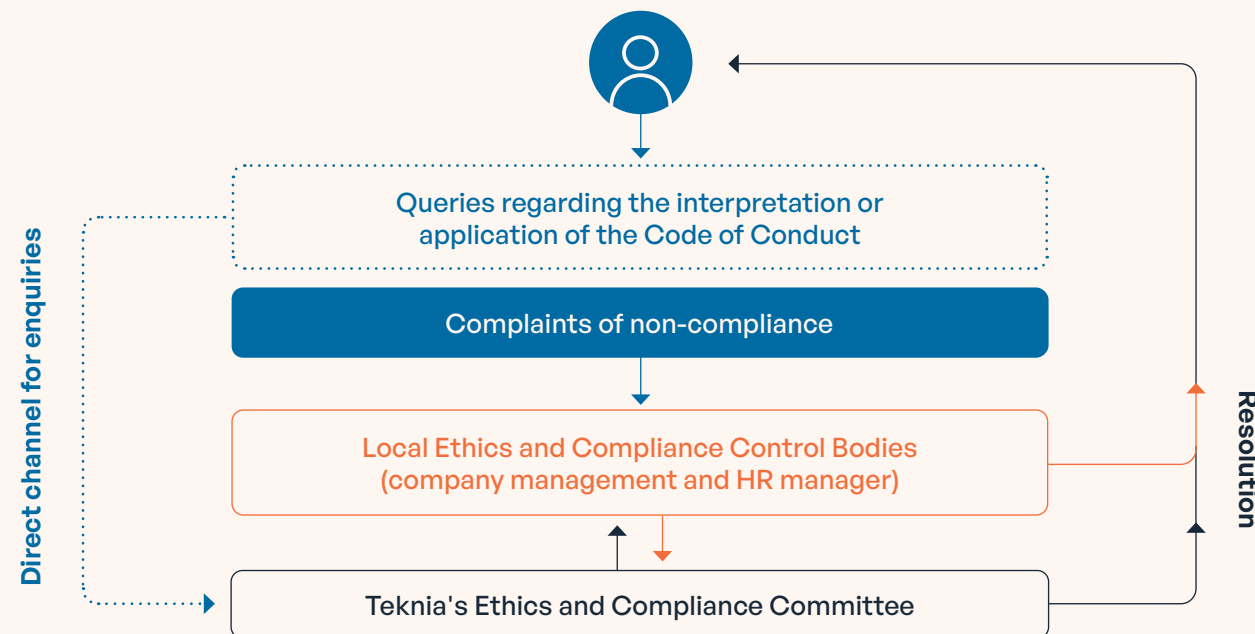
Therefore, communications containing allegations of non-compliance or enquiries regarding the interpretation or application of the Code of Conduct may be sent to the local Ethics and Compliance Control Body in a signed letter addressed to the Management of the relevant company, and the latter shall send a signed copy of the letter to the communicating party. If the purpose of the

letter is to report any action by the General Management of the company, the letter may be delivered to the local Human Resources Manager, who in turn shall forward the letter to the Teknia Ethics and Compliance Committee.

The local Ethics and Regulatory Compliance Control Body shall analyse the complaints and shall reach a decision as appropriate, informing the Ethics and Regulatory Compliance Committee of the processing and resolution of each case, as well as seeking its advice and collaboration, if deemed necessary.

In case the complaint is against the General Management of the company, the Ethics and Compliance Committee shall necessarily deal with the proceedings.

Flowchart of the complaints and consultations channel



The Ethics and Compliance Control Bodies guarantee the confidentiality of complaints, as well as the indemnity of the complainant in good faith. In case the behaviour reported through the reporting channel is punishable, pursuant to the applicable regulatory framework, the sanction shall be imposed in accordance with the sanctioning procedure provided for in the applicable local legislation or collective regulations. Furthermore, the company sets forth specific guidelines and directives in the different areas through the policies implemented by the company.

Risk Management Systems

Teknia Group has a criminal risk matrix or map to identify and monitor the main risks, as well as to establish the corresponding preventive measures.

Furthermore, in each plant of the Grupo there is a process of risk and opportunity analysis which includes the origin of each risk, the interested parties concerned, the action plan and the evaluation of the effectiveness of the action plan to mitigate said risk. Likewise, there is a contingency plan to ensure business continuity in case of operational, human resources, purchasing, maintenance and natural disaster risks, among others. These plans are reviewed on an annual basis and drills are carried out to ensure their effectiveness.

Teknia has a criminal risk matrix or map to identify and monitor the main risks

Furthermore, at Teknia we understand the protection of personal data is a priority in every aspect of our work with our internal and external collaborators. Therefore, in our code of conduct there is a specific section to ensure compliance with regulations regarding this matter. We also abide by a data protection regulation, in compliance with the current European Data Protection Regulation.

Sustainability is an integral part of the company's business strategy, contributing directly

to the reduction of operational ESG risks.

Environmental and social risk management

Since our inception, at Teknia we have responsibly and efficiently managed the consumption of raw materials and energy. Furthermore, in order to ensure that the environmental management within the Group's companies is aligned with international standards and to minimize the above-mentioned risks, the environmental management procedures have been designed in compliance with the ISO 14001: 2015 on management systems.

In terms of social matters, we have implemented an occupational risk prevention system at all Group plants, regardless of their location, and we strive on a daily basis to improve the conditions of our workforce.

The company's entire corporate governance structure and control mechanisms seek to minimize potential risks in terms of governance, ethics and integrity.

2.1.3 Human Rights and Ethical Conduct

Ethics, integrity and transparency are an integral part of Teknia's DNA from its inception and all the Group's decisions and actions comply with an imperative ethical criterion.

Teknia Group's corporate culture is fully aligned with a respect for human and social rights, and this is embodied in the principles of action set forth in internal regulations.

This respect is structured in a dual perspective: internal (in our relationship with and among our employees) and external (in the relationship with the supply chain and other business relationships).

Internal perspective

Our team is the key factor in our success. As a Group, we advocate and promote compliance with human and labour rights and our own ethical principles, implementing good practices in terms of employment conditions, and

occupational health and safety. In this way, we are formally committed, through our policies and code of conduct, to respect and promote legal compliance, guarantee equal opportunities, prohibit harassment, recognise the right to freedom of association and collective bargaining and to guarantee the necessary health and safety measures for our employees.

Compliance with these principles is closely supervised by the management of each entity and the Regulatory Compliance Committee.

External perspective

At Teknia, we apply the principles of our code of conduct to any person or entity that has commercial or any other type of relationship with us. All our suppliers are required to respect the human and labour rights of their employees.

In terms of the protection of the human rights of third parties by

the Group, it is hereby stated that all natural and legal persons who have an employment, economic, commercial or industrial relationship with Teknia shall be treated fairly and with dignity.

Likewise, Teknia's employees shall firmly comply with current internal and external standards, in force to ensure the proper treatment of information and the protection of personal data provided to the Group by third parties.

The main risk in this matter is a breach of the human rights of employees or business partners in any of the companies of the Group, with the consequent impact on the Group's legal position, reputation and relations with its stakeholders. This risk is minimized by the responsibilities assigned internally in each of the companies, as well as at the Group level, the respect for trade union activity and collective bargaining and the supervision carried out by the local authorities.



2.1.4 Committed to our customers and to quality

The customer is one of the main pillars on which Teknia Group's corporate culture is based. Our aim, to be a mobility manufacturing partner for our customers, emphasises the great importance of our customers as a stakeholder in our strategy. We want to be their partners, we want to offer them all our experience and technological know-how in every potential future challenge.

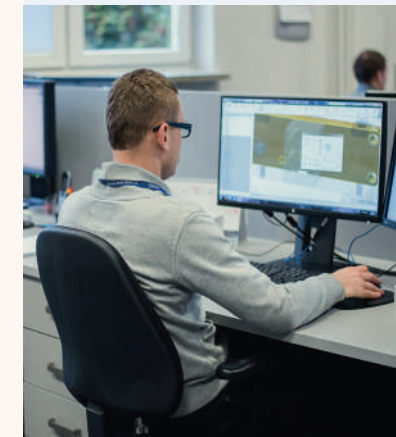
Therefore, the main goal of the commercial division is to develop long-term relationships based on trust, generating sustainable growth and guaranteeing the future of the business. We offer a distinctive value based on the technical knowledge of the product offered.

The transition from Supplier to Partner incorporates customer support in the product conception and development phases to the traditional offer of manufacturing solutions. In this way, we contribute a differential value to

CO-DEVELOPMENT CASE

The new cooling tank from Teknia and Bosch

The engineering team at Teknia Rzeszów's tank and reservoir development centre collaborated in 2022 with the BOSCH development team on the design and specification of a new cooling tank concept for all-electric vehicles. A product which will be used to cool the vehicle's engine, to control the temperature of the batteries and to provide air conditioning for the vehicle's internal compartment.



the final product and strengthen our bond with our customers. Strengthening the relationships between the customers' technical departments and the technical divisions of the production plants and incorporating the Technical Centres and the Group's Engineering and Advanced Manufacturing areas into the commercial negotiations at an early stage

have been key to the success of our relationships with customers.

2022 has proved to be a major challenge for the commercial network, since it was required to reconcile the negotiations resulting from the increase in the price of raw materials and energy with the preparation of proposals and negotiations for new businesses. Despite this, we have achieved great results in terms of profitability of customer acquisitions, exceeding the profitability target set for customer acquisitions by 2%.

2022 main challenges and goals

- Achievement of customer acquisition targets and the direct costs thereof
- Optimisation of active and target customer lists
- Prioritisation of strategic products by technology
- Positioning in new mobility products

*** Achievement of 82% on customer acquisition targets**

Our Customer Service

At Teknia we strive to ensure that all our customers have a satisfying and valuable experience which reinforces their long-term loyalty and trust. We combine the offer of high-quality products and customised solutions with dedicated customer service from the Quality departments at each plant. We offer our customers continuous, transparent and open communication to solve any concerns or incidents quickly and efficiently.

Continuously measuring customer satisfaction allows us to respond to their needs and expectations effectively, as well as to identify areas for improvement to optimise their experience. To achieve this, we use specific KPIs, such

as the number of customer complaints, the customer satisfaction matrix or ppms (parts per million).

Our Customer Service

Customer incident and complaint management at Teknia is a continuous process which has been integrated into the company's culture and strategy to guarantee customer satisfaction.

Managing this involves the following:

*** 22% reduction of incidents and complaints in 2022 compared to 2021**

- Ensuring adequate channels of communication with the customer from each centre.
- Analysing the root causes of the complaint to identify areas for improvement.
- Verifying the resolution of all incidents and complaints from the Quality departments.
- Communicating clearly and effectively to customers the actions carried out within a maximum of 10 days.
- Processing the management results of the incidents and complaints for continuous improvement of the company's processes and products.



Main Communication Channels

Sales Department	Face-to-face Meetings	
	Conference Calls	
	Telephone contact	
	E-mail Contact	
Quality Department	Daily contact between plant and customer	Customer webinars
	Scheduled Visits	Face-to-face Meetings
	Auditing Customers	Conference calls
	Teknia Web	Telephone Contact
	Automotive Industry Events	E-mail Contact

The Quality area as an allied partner in Customer Relationships

Quality plays a crucial role in the continuous improvement of customer relations. Through the analysis of KPIs, potential improvements in products and services are identified to enhance customer satisfaction.

Always focused on operational excellence and with a goal of zero defects, Teknia has developed a customer focused Integrated Management System based on risk analysis. This allows us to improve the efficiency and the effectiveness of our processes and to meet and increase the satisfaction of our stakeholders, based on prevention. This Integrated Management System is implemented in all our plants

and complies with the strictest automotive sector standards: IATF 16949, ISO 14001 and TISAX.

The objectives of the area for 2023 are as follows:

- Continuous improvement of satisfaction indicators.
- Development of a common quality methodology for the Group, centered on a joint quality methodology for the Group, focused on the customer and based on risk analysis and prevention.
- Communication and awareness-raising focus:
 - Enhancing the mainstreaming of good practices, ensuring the level of excellence already achieved.

- Continuing to extend the culture of quality and zero defects throughout the organisation.

TEK DAYS

Tekdays with our customers

Tekdays are events that allow us to showcase the company's technical and production capabilities to our customers or potential customers. At these meetings, we seek to showcase the Group's areas of strength and gain first-hand knowledge of the customer's needs, in order to be able to offer new, customised proposals.



TEKNIA

SUCCESS CASE

2022



Teknia Brazil: an improvement plan based on the relationship with our key stakeholders

Key material topics: Product quality and safety / Recruitment, development and training / Community relations

Our challenge: Since 1999, we have been operating in Jacareí, Sao Paulo, working with major automotive customers such as Volkswagen, Renault, Nissan, Stellantis, Faurécia e SMP. In 2020, we set up an action plan aimed at operational process improvements aiming to increase the plant's efficiency

🕒 Action plan:

1. Increased resources: through an emergency preventive maintenance plan for the equipment, as well as hiring more maintenance resources.

2. Teamwork optimisation: we conduct daily kick-off meetings, as well as quality meetings to evaluate and discuss action plans and follow-up.

3. Product quality and commitment to the customer: all employees are involved in the challenge of improving quality with workshops

to standardise the means of production, standardise the set-up of machinery and reduce lead times.

4. Purchases control and traceability: we set up a systematic cost analysis, carried out comparative work and price analysis and organised annual meetings with our suppliers with the aim of establishing a relationship based on a collaborative approach.

5. Product analysis: we established an engineering room to analyse the requirements of the state production processes, as well as the

products available on the market and those manufactured by competitors.

6. Promoting the relationship with our stakeholders: we took part in the Economic Development Forum in the city of Jacareí, together with the city council, educational institutes, industries and services. Furthermore, we entered into an agreement with the local Tremembé prison to support the social reintegration of prisoners by offering them a job during their daytime release in the last months of their prison sentence.

Generating an Impact: We succeeded in making our stakeholders - customers, employees, suppliers and the society - more aware of the company and this contributed to an improved perception and pride of corporate ownership and belonging. All these initiatives helped to generate a very positive environment resulting in a reduction in quality complaints, improved productivity and increased the visibility of our positive impact.

📈 Key impact indicators:

- Projected increase in net sales/EBITIDA FC at 40% within 4 years.**
- Achievement of VW Logistic Performance LEVEL-A rating.** Volkswagen's top-tier rating in logistics performance.

Testimonials



"Simple, but continuous improvement. One simple improvement each day."

Jorge Lima. BU Manager, Teknia Brazil

2.1.5 Suppliers and value chain

In a 2022 marked by microchip stock shortages, port congestion or the aftermath of COVID, we managed to circumvent the difficulties of negotiating with our suppliers, closing deals with them and avoiding problematic supply gaps. Furthermore, we involved our suppliers in our ESG objectives, in order to reduce our company's impact in environmental, social and governance terms as much as possible, also through our value chain.

This year we have focused on seeking maximum industrial efficiency to reduce stocks as much as possible, on promoting the use of recycled material to minimize the environmental impact of our products, on a global reorganization of the Procurement Department aimed at seeking synergies

between production plants and on harmonizing purchasing where possible. All this while working together with suppliers who are an essential part of the company's business value.

As set forth in our Code of Conduct, our suppliers are selected by reconciling the search for the best supply conditions with the desire to maintain steady relationships with ethical and responsible suppliers. Likewise, in line with the General Sustainability Policy, we promote the alignment of the supply chain supply chain with the Group's operating principles. At Teknia we are looking for a long-term and responsible relationship based on trust with those suppliers who can meet our needs.

Collaborating with suppliers who breach the Group's

values and principles of action or who do not comply with the quality requirements set could result in substantial damage to the Group's reputation.

Supplier selection and evaluation process

Teknia Group's Purchasing procedure establishes that, during the supplier selection and evaluation process, as well as the technical issues of the purchasing process (economic criteria, risks, technical capacity and the like), other issues such as the supplier's environmental management should also be considered. Therefore, in the supplier selection and evaluation process, together with the Procurement department, the Quality and Environment department participates in the supplier selection and evaluation process.

SUPPLIER CERTIFICATIONS	ACTIVE SUPPLIERS (risks)	NEW SUPPLIERS (approval categories)
IATF + ISO 14001	LOW	A – preferred approved supplier
IATF	LOW	A – preferred approved suppliers
ISO 9001 + PLAN TO OBTAIN THE IATF CERTIFICATION AND AUDIT IATF	MEDIUM	B – approved supplier
ISO 9001 + ISO 14001	HIGH/MEDIUM	B – approved supplier
ISO 9001	HIGH/MEDIUM	B – approved supplier
No certificate	n/a	C – not approved

Priority level or risk class assigned to the supplier based on the certification of its environmental and quality management system.





For a particular purchase or subcontracting need, the supplier is analysed and given a degree of preference for hiring or a level of risk based on the following criteria:

- In the case of new suppliers with quality and environmental management systems certified in compliance with international reference standards.
- In the case of active suppliers, monthly evaluations of the supplier's performance are also considered.

CERTIFICACIÓN DE PROVEEDORES QMS (Quality Management System)

Risk assesment of suppliers

		LOW	MEDIUM	HIGH
Monthly performance	RED			
	YELLOW			
	GREEN			

-  **HIGH RISK**
Suppliers without IATF certification. They need to be audited and work in a development plan.
-  **MEDIUM RIS**
Action plan to reduce the risk.
-  **HIGH RISK**
High risk suppliers due to the performance. If necessary, include in audit plan.
-  **LOW RISK**
Suppliers that will be monitored but no preventive actions required.

Risk assigned to the supplier based on the supplier's performance and the certification of its environmental and quality management system.

Depending on the assigned risk level, suppliers may be subject to audits or a development plan for their quality management system. This improvement plan may include, but is not limited to, obtaining certification of its environmental management system.

ESG criteria in supplier selection

During 2022 we have involved our suppliers in our ESG objectives with the aim to raise awareness throughout the value chain, extend our commitments and ensure the prevention of ESG risks in our supply chain.

During the approval process, we ask our suppliers to sign a carbon footprint reduction commitment and we provide them with a Quality and

Environmental Assurance Handbook which details all the quality, environmental and labour practice requirements to be complied with in order to establish a business relationship with Teknia. Failure to comply with any section of this manual may result in the termination of the business relationship with the supplier involved.

This handbook embodies the requirements for suppliers in the following areas:

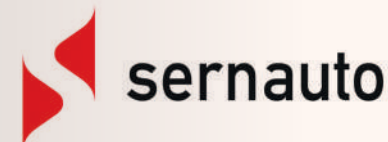
- **Toxic, harmful or hazardous substances, obligations relating**, to compliance with environmental and occupational health and safety regulations applicable to the use of certain toxic and hazardous substances used in production processes.
- **Conflict minerals:** prohibition to purchase materials which are made with minerals from declared conflict zones.



Additionally, we are developing an ESG requirements handbook for Teknia suppliers, a document which reflects how our suppliers are expected to act, including ethical behaviour, integrity and transparency, with requirements for suppliers on environmental, social and governance related issues.

involved our suppliers in our ESG objectives, with the aim to raise awareness throughout the value chain

2.1.6 Acknowledgements and Partnerships



Teknia joins Sernauto (Spanish Association of Automotive Suppliers)

Teknia joins AEFAME (Association of Family Businesses of the Basque Country)

Teknia Group has joined Sernauto, the Spanish Components Association, at a crucial moment for the automotive industry. It is a further step in the institutional relations strategy being carried out by the company to increase its presence at different levels.

As a family business, Teknia has joined AEFAME to share experiences with other companies, but also to be an active part of the association and to value its long-term commitment.

As part of this strategy, we have also joined Sernauto's Responsible Business Commission.



2.2. MANUFACTURING

2.2.1 Advanced manufacturing and technology transformation plan

Our advanced manufacturing strategy

Teknia's advanced manufacturing strategy is based on two main pillars:

1. Data-driven decisions

We strive to become a Data Driven Company and we work in the following fashion in order to achieve this:



In line with this objective, we have started a pilot project installing online process parameter measurement systems at our Manresa factory. Thus, by using Internet of Things (IoT) we can obtain process variables which can be related to product quality results in order to improve our procedures and then be extended to the rest of the factories.

We design data systems with a common data architecture, capable of managing the information collected in Teknia's different production processes: plastic and

aluminium injection, stamping, machining and tube forming. This information can be analysed both as a whole and segmented according to technology, which makes it possible to identify cases of use and improvement actions to be implemented in the different factories of the same technology.

The Group's Technical Management specialisation is crucial for these processes, focusing on the renewal of production machinery with the aim of improving energy efficiency, automation and connectivity between assets.

2. Flexible technologies and processes

At Teknia, we are striving to adopt manufacturing technologies and processes which allow us to adapt to the demand variation of our customers and, therefore, to attract customers from new market niches, with smaller volumes than the ones we traditionally manage.

Therefore, we are analysing different manufacturing models. These include additive manufacturing, eliminating the need to invest in costly moulds and speeding up the process of launching new projects.



Consolidating Teknia as a leading partner for our customers in terms of codevelopment of high value-added products

A NEW CORPORATE AREA

Advanced Manufacturing

Reflecting the importance of this issue, in 2022 the Group incorporated a new corporate *Advance Manufacturing* area with the aim of driving technological transformation and consolidating Teknia as a leading partner for our customers in terms of codevelopment of high value-added products. Among other challenges, this department is responsible for training courses in new technologies and the implementation of process data acquisition systems.

ADAPTATION

The great challenge for our industry

The automotive industry has not only had to adjust to new manufacturing processes, combining high-investment processes with work cells which can be customised based on specific projects, but we have also evolved towards new forms of mobility.

Teknia has identified many opportunities to enhance the product design service offering, and has started to collaborate with the new players of mobility right through the co-development phases.

2.2.2 Environment

At Teknia we are committed to the sustainable development of the manufacturing business and to the efficient management of natural resources. In order to make a positive environmental contribution, we manufacture to the highest standards in terms of environmental management and we therefore promote sustainable mobility through the diversification of the products we offer for new mobility solutions.

2022 has been a year of major environmental challenges, in which environmental requirements have played

Emissions reduction

31% ratio of renewable electricity consumption

25% reduction CO₂ missions ratio Scope 1 y 2 vs 2021

a crucial role in tendering processes with customers and in regulatory processes. In line with our commitment to transparency and improvement in climate change management, we have taken part for the first time, using data collected in 2021 in the CDP-Carbon Disclosure Project-. Likewise, for the

first time, we have expanded the scope of the emissions inventory by calculating for the first time the company's carbon footprint Scope 3 in order to set reduction and mitigation targets for the coming years.

At Teknia we strive on a daily basis to adopt a circular economy approach in our operations, with the aim of optimising the use of natural resources, improving the efficiency of our plants, increasing the renewable energy consumption percentage and promoting reuse and recycling in our processes.

We strive on a daily basis to adopt a **circular economy approach in our operations**



Environmental Management

Every year, Teknia strengthens its environmental commitment, focusing mainly on the fight against climate change and on optimising the use of resources.

Teknia's lines of action in environmental matters:

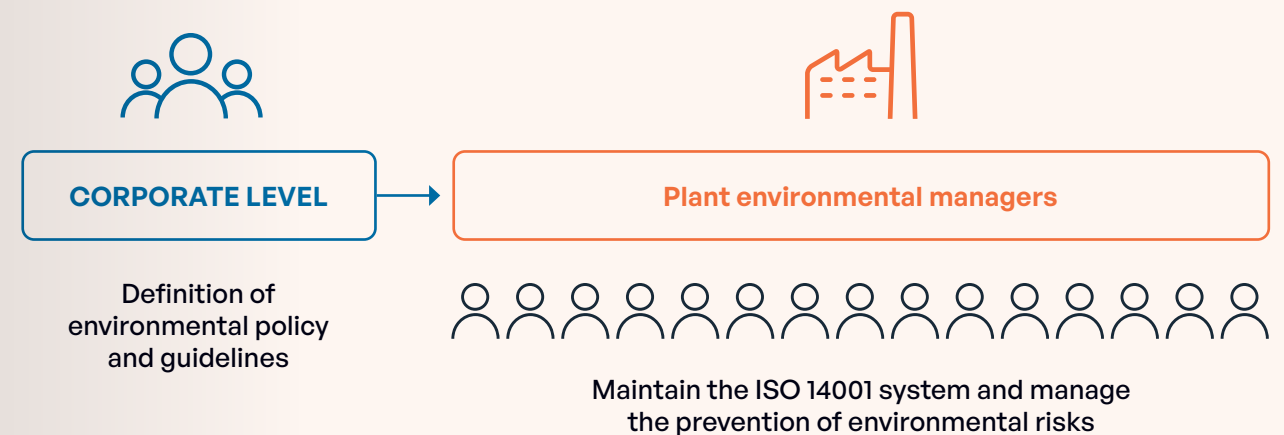
DECARBONISATION	CIRCULAR ECONOMY
<ul style="list-style-type: none"> Energy efficiency 	<ul style="list-style-type: none"> Recycled raw materials
<ul style="list-style-type: none"> Consumption of renewable electrical energy 	<ul style="list-style-type: none"> Recovery of waste generated during the manufacturing process
<ul style="list-style-type: none"> Supplier awareness to reduce emissions Scope 3 	<ul style="list-style-type: none"> Efficient waste management
<ul style="list-style-type: none"> Promotion of self-consumption 	<ul style="list-style-type: none"> Promotion of reusable packaging
	<ul style="list-style-type: none"> Process optimisation to minimise natural resources consumption

In terms of decarbonisation, every year improvements are identified in manufacturing processes in order to enhance efficiency, thereby reducing the consumption

of natural and energy resources, to prevent environmental risks and reduce the company's impact on the environment as much as possible.

In terms of the circular economy, we prioritise the minimisation of waste generation and, where reduction is not possible, we encourage re-use, recycling and the subsequent recovery of waste.

Environmental Management Procedure



At Teknia we have considered the **environmental impact of our activities in two stages**: the production activities and the supply activities. The criteria and principles of action throughout each stage are as follows:

86% of production value comes from 16 ISO 14001-certified plants

Production activity



As a Group, we implement an **As a Group, we operate an <4529> Integrated Operational Excellence Policy** which includes improvements in the **Health and Safety, Environment, Quality and Information Security areas**. This policy outlines our commitment to sustainable development, environmental protection and environmental management in order to minimise the impact of our activities.

Each production plant implements a **Quality and Environmental Management System** and procedure outlining the commitments established in this matter.

Local production personnel, local and corporate Quality, Environment and Energy personnel are responsible for managing the main environmental risks at this stage:

- Incidents or non-compliance in waste and water management > environmental, legal and economic implications.
- Increased energy consumption and costs, above the level which allows the Group to be competitive.

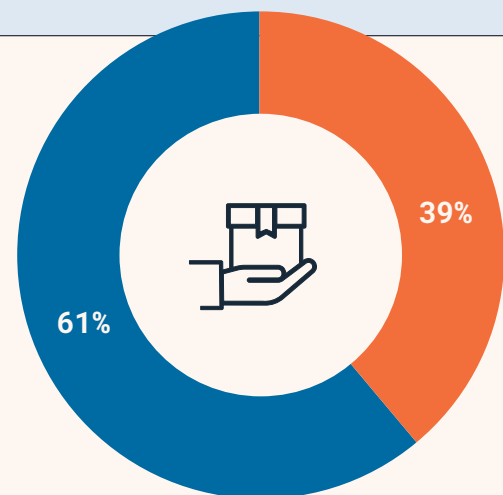
Procurement activities



We seek to promote environmental responsibility in our supply chain. Therefore, we have integrated criteria favouring suppliers with better environmental management (ISO 14001) into the Group's purchasing processes.

Suppliers with a certified management system in compliance with ISO 14001

● Yes ● No



Climate Change Management

At Teknia we have been measuring CO₂ emissions for more than 10 years and implementing initiatives to optimise the efficiency of our plants, to reduce energy consumption and to maximise the use of renewable energy sources.

In our decarbonisation roadmap, the first step is to minimise current emissions through the following processes:

Improving process efficiency

- Machinery Renewal Plan with machine renewal

protocols linked to maintenance and efficiency indicators.

- Further development of MES (*Manufacturing Execution System*) and Industry 4.0 in all plants using tools such as Captor, remote assistance, improved communication with automatic KPI reports, predictive maintenance, among others.
- Implementation of good practices in terms of behaviour and consumption monitoring (measurement at machine level, circuit breakers, reactive energy control and the like) throughout the Group.

Increased consumption of renewable energy

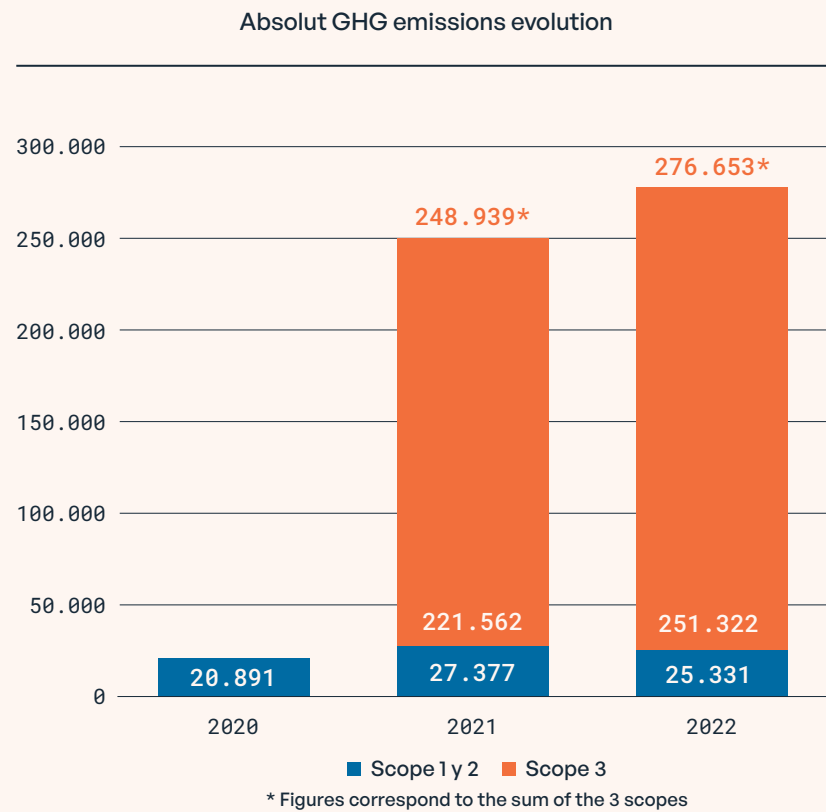
- We have been one of the first companies in the automotive industry to sign Power Purchase Agreements to guarantee the renewable origin of electricity.
- Since 2018, we have been entering into agreements to purchase renewable electricity for various Group plants. In 2022 the consumption of electricity from clean energy has been increased in all our Spanish plants.
- We will continue to secure agreements with the long-term goal of achieving a 100% renewable electricity supply for the entire company.

Renewable energy procurement for Teknia Group plants

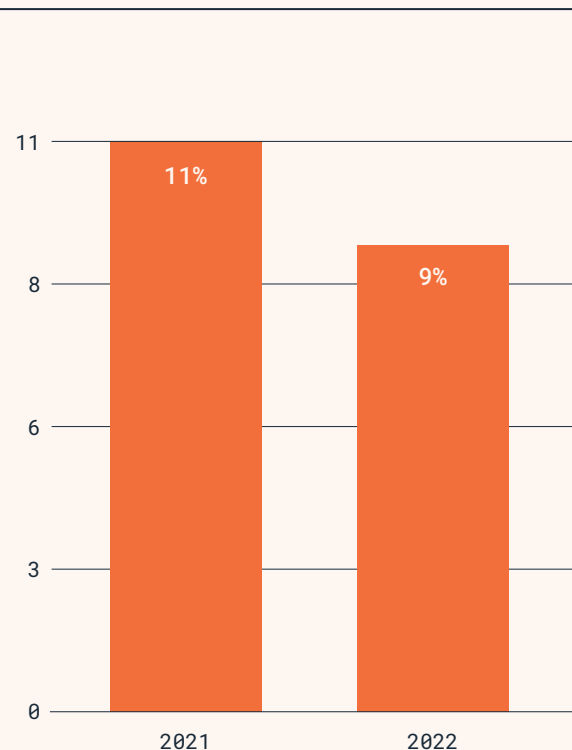
SPAIN	BRAZIL	MEXICO
<p>A PPA (Power Purchase Agreement) to supply emission-free electricity to Teknia Azuqueca, Teknia Martos, Teknia Manresa and Teknia Elorrio remains in force.</p> <p>Effective since January 2020, it accounts for 86% of the energy consumed by these plants.</p> <p>Furthermore, in 2022 we have entered into two agreements with Endesa and Engie in order to guarantee the consumption of renewable energy in the 9 Spanish plants.</p>	<p>A PPA agreement remains in force to supply emission-free electricity, in force since June 2020, which represents 80% of the total energy consumed in Teknia Brazil.</p>	<p>An emission-free electricity supply PPA agreement has been entered into for Teknia San Luis Potosí, in force since August 2021.</p> <p>The supply agreement in Spain and Mexico also involves the construction of a renewable energy generation facility by the supplier.</p>

• Scope 3 upstream emissions reduction

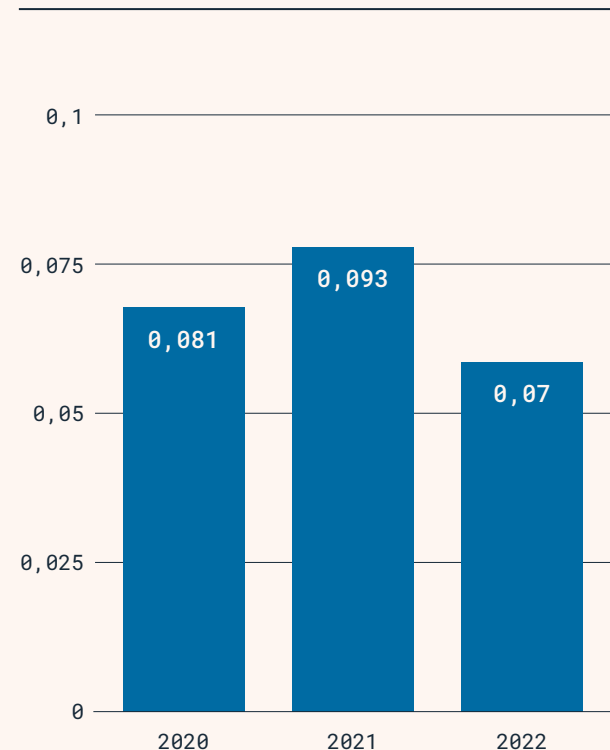
○ 91% of the Group's emissions in 2022 are Scope 3, reflecting the impact generated by our suppliers. Therefore, we understand the importance of extending our environmental commitments and requirements into the supply chain. In 2022, we sent a carbon footprint reduction commitment letter to all our suppliers, agreeing to a commitment to reduce emissions in their facilities.



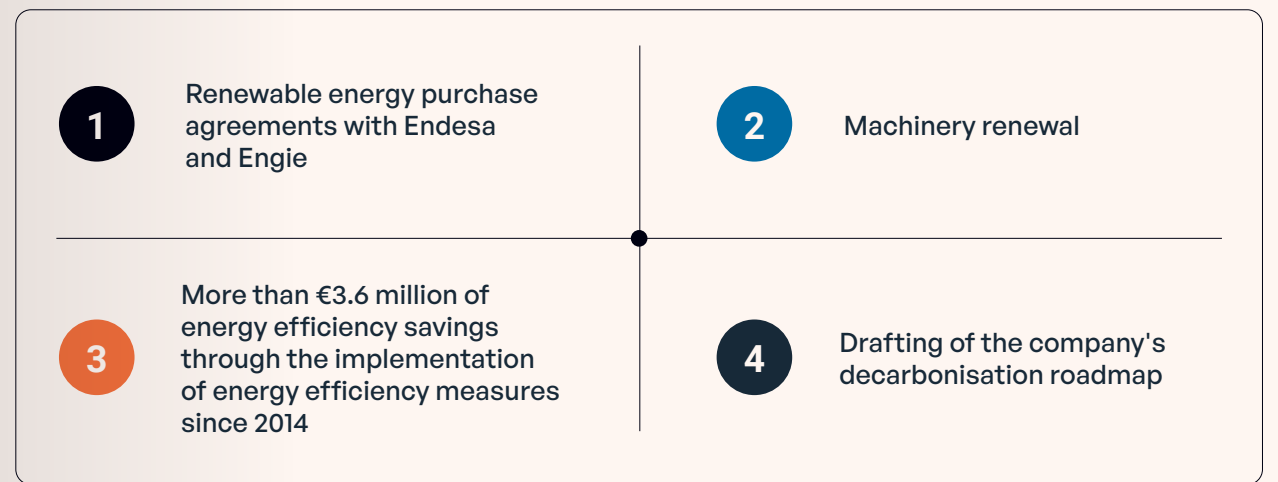
GHG emissions by Scope -, direct, and 2, indirect (as % of total emissions Scope 1, 2 and 3)



Evolution of the emissions ratio per production value (in kg CO₂ eq./€ of production)



Main 2022 actions to reduce Teknia's impact on climate change



Circular Economy

We are facing the challenge of optimising resources by re-using and recycling resources and recovering waste. At Teknia, we have been implementing this approach from our inception, as we are aware of its value and the environmental benefits of efficient management.

The main measures implemented in 2022 have included the following ones:

- Promoting the purchase of recycled raw materials: recycled aluminium, steel, plastic and brass.
- Water consumption efficiency measures such as the provision of

cooling water recirculation systems in our plants, substantially reducing water consumption.

The waste generated by Teknia Group companies mainly relates to the following:

- Waste generated in the production process: from the moulding and physical and mechanical processing of metals and plastics, waste from the foundry process, industrial oil and packaging.
- Waste generated in other activities such as offices or canteens: similar to urban waste.

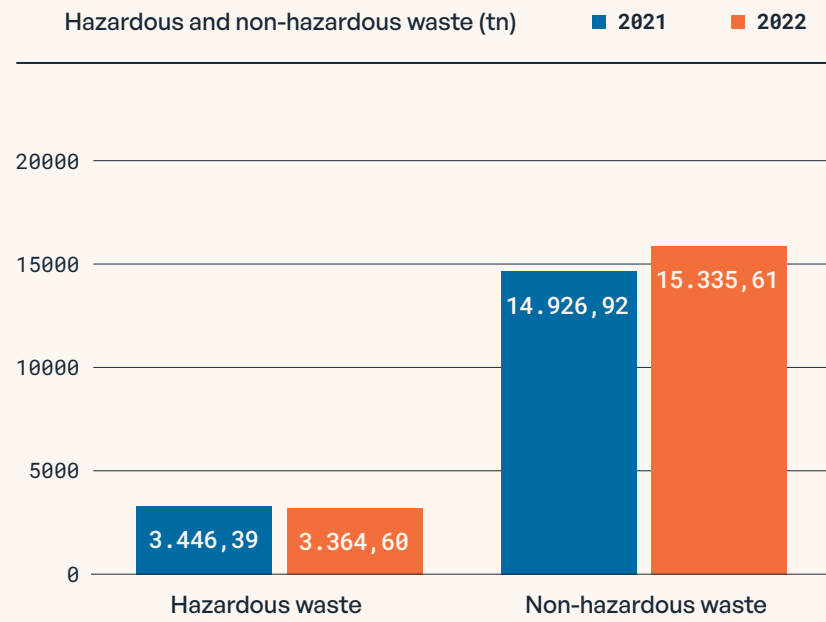
★ **82% of the waste generated by the manufacturing activity is non-hazardous waste**

337 thousand euros allocated to waste treatment in 2022

At the Group's plants, waste is separated according to its composition and recovery potential and stored until collected by external companies in charge of recycling or recovery.

Initiatives that minimise the waste generated in our manufacturing activity:

- **Shavings collection and centrifuging process:** At Teknia Barcelona, a process for collecting and centrifuging shavings generated in the machining process separates the steel and aluminium shavings from the cutting oil used in this process. The oil is recovered for reuse and the shavings are sold as non-hazardous, recoverable waste. The machining plants in Bilbao and Mexico City have similar separation and recovery systems.
- **Wastewater treatment at the plant:** Teknia Ampuero's

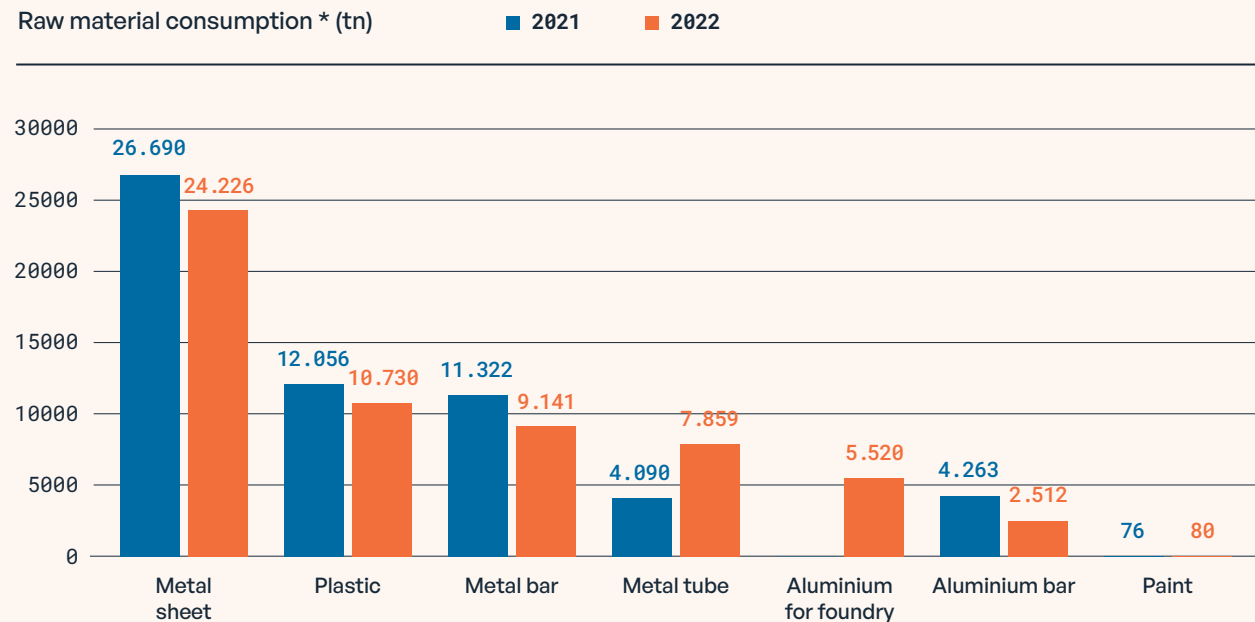


wastewater treatment plant is used to treat the water used to wash out the parts, thereby avoiding having to treat this water as waste.

- **Reuse of water in the parts coating lines:** Teknia Azuqueca and Teknia Brasil, have this process that allows water to be reused for

up to three years and minimises the amount of water and paint sludge required to be managed as waste.

- **Reuse of Cleaning Cloths:** Teknia Ampuero operates a collection, cleaning and reuse service for stained cleaning cloths.



*Aluminium bar consumption in 2021 is reported as 0 due to the fact that in that year there was no breakdown between an aluminium bar and a metal bar.

How have we managed to improve resource efficiency?



Raw Materials

By promoting the use of recycled vs. virgin raw material where possible.

By converting scrap generated during the aluminium production process into raw material.



Packaging

By promoting the use of recycled cardboard packaging over virgin cardboard.

By replacing cardboard packaging with returnable packaging.

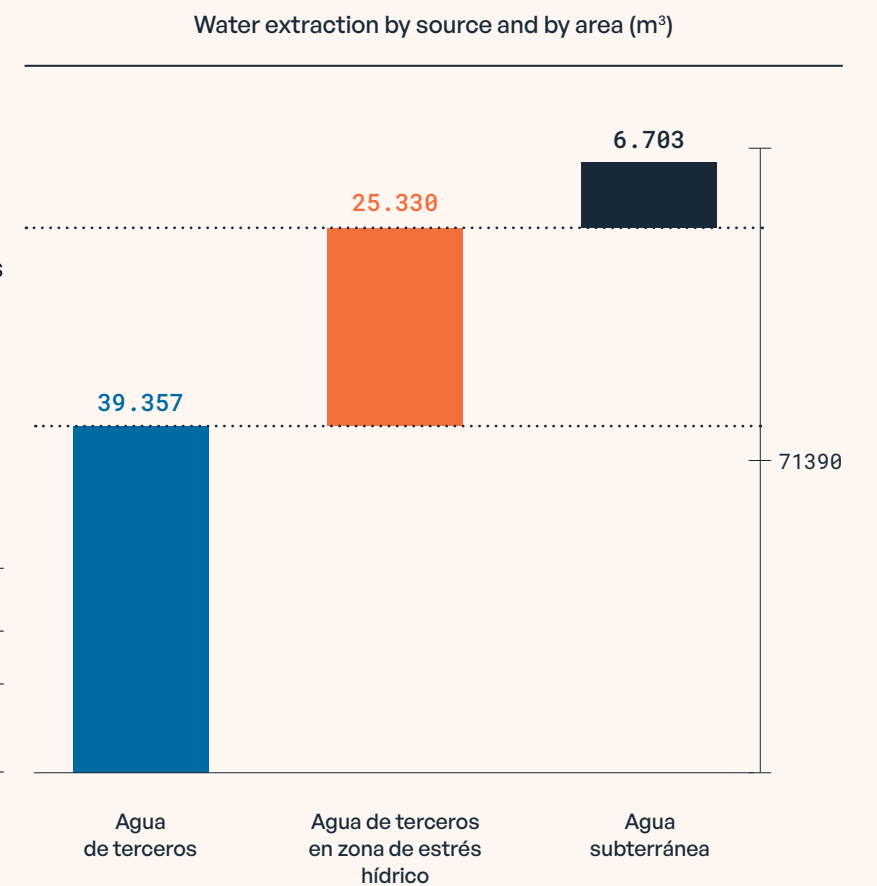
Sustainable use of resources

Water

90% of the water used comes from municipal water supply networks or other water services provided by public or private companies. The remaining 10% is water consumed by Teknia Brazil, extracted from a well located on its premises, complying with the limits authorised by the local authorities.

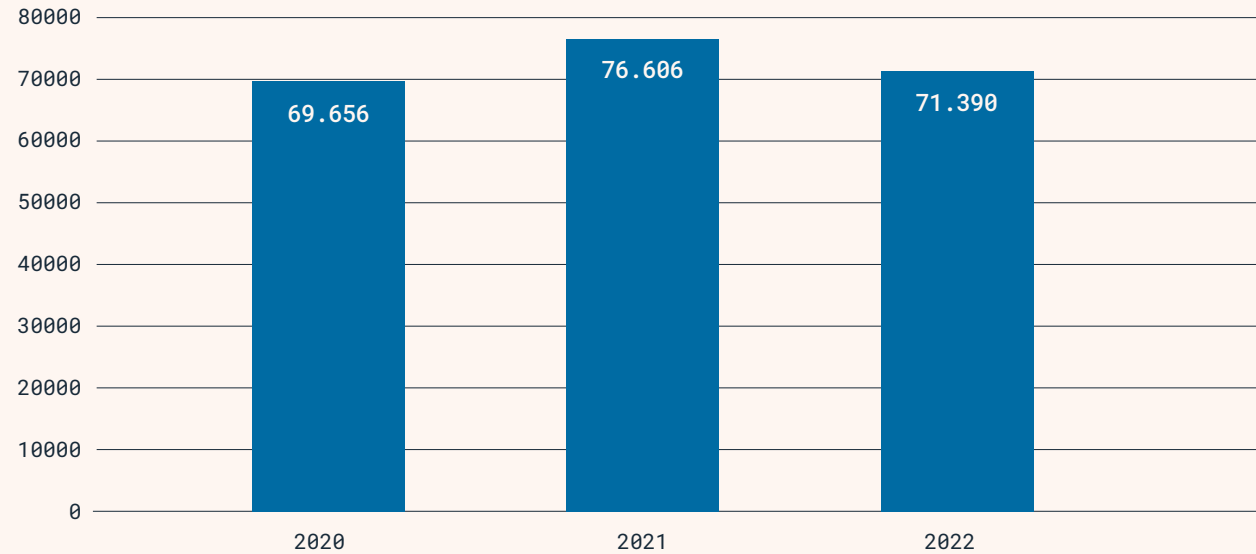
Uses of extracted water

- Drinking and Sanitation
- Facility Cleaning
- Machinery Cooling Systems
- Finished parts cleaning



Total water consumption was 71,390 m³, representing a 7% reduction in consumption compared to the previous year.

Water consumption (m³)



According to the categorisation of areas proposed by the *World Resources Institute*, 65% is consumed in areas not exposed to a high risk of water stress

Initiatives which contribute to water consumption reduction:

- **Improvements in the aluminium casting and injection process** at Teknia Ampuero: replacement of the cooling tower to significantly reduce water loss through evaporation. Implementation of measures for early water leak detection in the foundry process.
- **Use of deionised water for washing parts** at Teknia Tepej del Río: this type of water allows a greater number of parts to be cleaned per unit volume than conventional water.

- **Improvements in the plastic injection process** at Teknia Azuqueca: a more efficient cooling tower has reduced water loss through evaporation.
- **Reduction of water used in sanitation** at Teknia Mexico City: replacement of toilets with dual-flush toilets and new water and air mixers in the sinks.

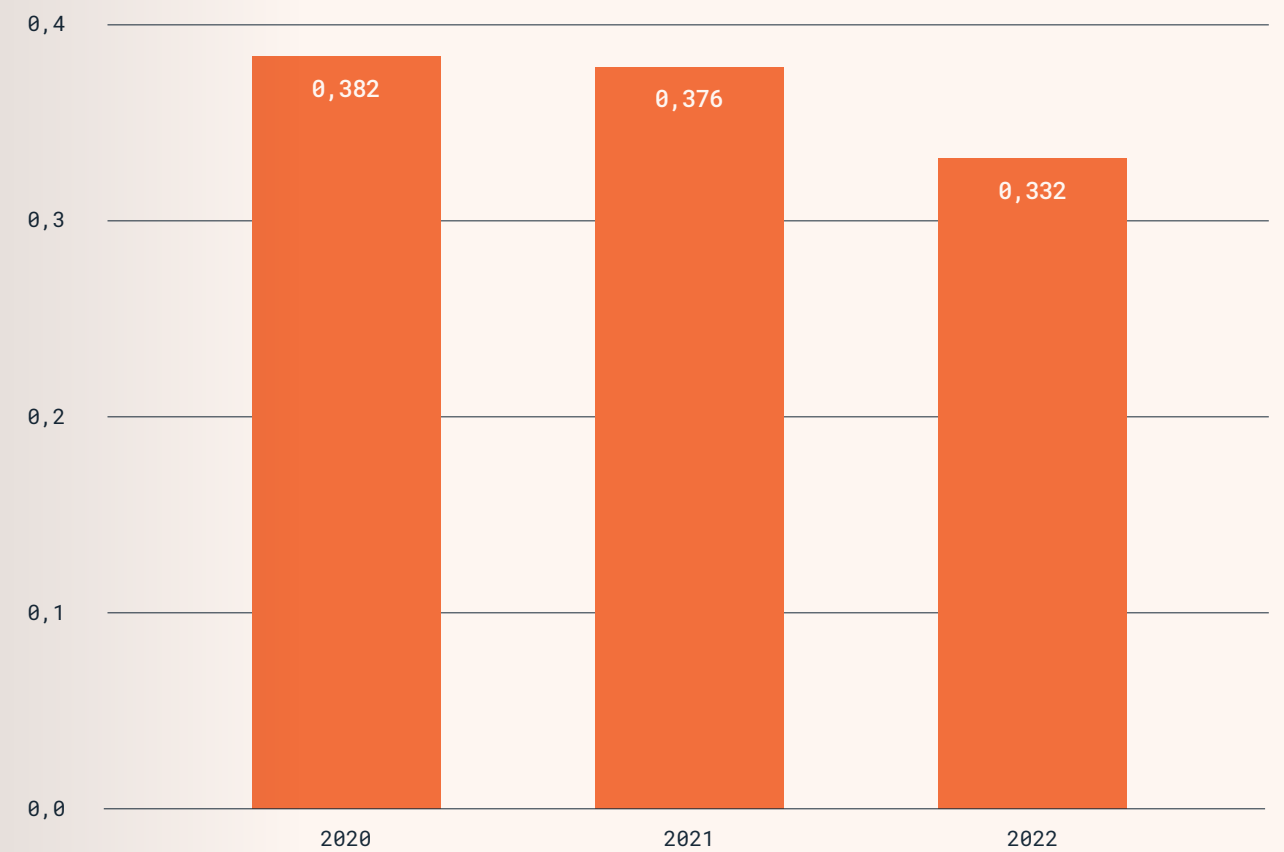
Wastewater is treated by an authorised manager. Teknia Ampuero, whose production process is more intensive in wastewater generation, has also an internal water treatment system. Water is discharged in compliance with the relevant authorisations and according to the parameters established by law.

Energy

As in any other industrial activity, energy consumption is managed with the aim of identifying efficiency improvements and optimising processes to minimise consumption. Therefore, we apply an action model based on the ISO 50001 standard and its principle of continuous improvement. Thus, we carry out regular energy audits at the plants and implement actions to improve the management and performance of our plants.

All these initiatives are part of the action plan we are implementing to meet the target of a 10% reduction in energy intensity (kWh/€) by 2024 compared to 2019.

Evolución de la ratio de energía consumida por valor de producción para las plantas del Grupo (en kWh consumido/€ de producción)



The energy consumption ratio of the Group's production plants (in kWh consumed/€ production value) has decreased by 12% compared to 2021 as a result of the improvement in energy efficiency at all our plants.

The main source of energy consumed at the Group's production plants is electricity (72.83% of the overall consumption), followed by Gas (24.44%) and fuels (2.73%).

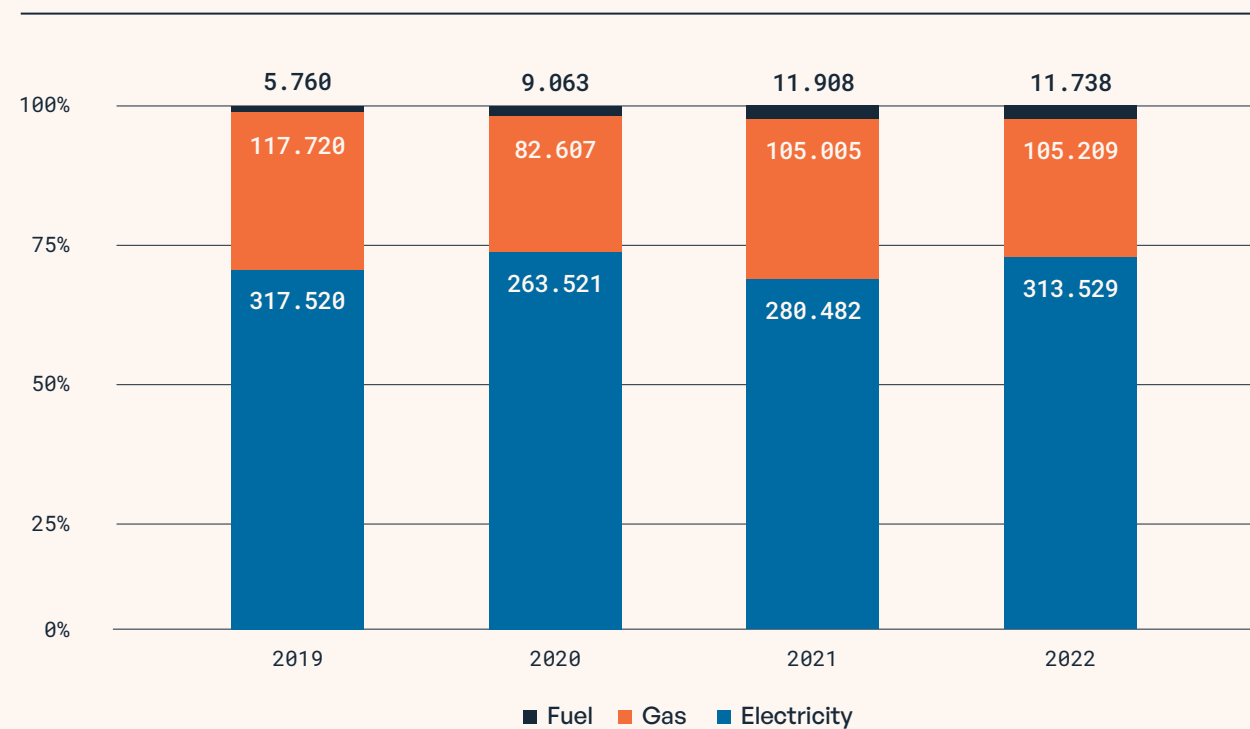
Taking into account that electricity is our largest source of energy,

we focus all our efforts on ensuring it comes from renewable energies. By the end of 2022, 31% of the electricity consumed by us would be guaranteed to come from renewable sources.

Electrical energy is mainly used in machinery operation, lighting and the operation of electrical and electronic equipment, while gas and fuels are used in part of the production process (drying processes, furnaces and aluminium foundry), for building heating and for operating vehicles.

*** Objective to reduce by 10% energy intensity (kWh/€) in 2024, compared to 2019.**

Energy consumption of the Group's plants by energy source (in Gigajoules)



¹The gas category includes consumption of natural gas, propane and district heating.
The fuel category covers the consumption of petrol, diesel and liquefied petroleum gas.

Main initiatives to improve energy efficiency at Teknia:

- Replacement of machinery with more efficient machinery;
- Installation of remote control devices for continuous monitoring of energy consumption;
- Replacement of current compressors with more efficient ones with VSD system;
- Installation of Start/Stop systems in production machinery
- Replacement of current luminaires with LED technology ones;
- Intelligent lighting systems (incorporating presence sensors, brightness sensors, etc.);
- Replacing cooling systems with more efficient ones;
- Replacing blow nozzles with more efficient ones;
- Improved machinery thermal insulation;
- Changes in power supply

Furthermore, in order to monitor all the measures implemented in all the Group's plants, we draw up an Annual Energy Report reflecting the indicators of consumption, emissions and associated ratios for each of the 22 plants and on a consolidated basis for the entire Group.

Likewise, we continuously monitor the electricity market in the countries in which the Group's production plants are located in order to combine future electricity and gas purchases with one-off purchases, depending on the

specific circumstances, thus ensuring the desired supply in the most efficient manner.

Awareness-raising initiatives

At Teknia we have launched a series of initiatives to raise awareness and involve our stakeholders in our environmental policy and to broaden our commitments. Some of these include:

- Environmental training in the facilities.
- Internal communication of the quality, environment,

health and safety and information security policy.

- Advice and support to suppliers when required.
- Meetings with customers to understand their ambition and how to help them meet their environmental objectives.
- Regular monographic presentations to the management committee regarding the regulatory and market context and the short-term, medium-term and long-term implications for the company.





Waste reuse and recovery at Teknia Barcelona

Key material topics: Circular economy and responsible use of materials.

Our challenge:

In our challenge of transforming the linear economy into a circular economy, we are seeking processes to allow us to optimise resources by recycling and reusing resources, as well as to recover waste to be turned into resources again. At Teknia Barcelona we decided to give oil and aluminium shavings generated during the machining process a second life.

Action plan:

1. **Implementation of a process for collecting and centrifuging swarf during machining.** This allowed the steel and aluminium shavings to be separated from the cutting oil used during the process.
2. **Oil recovery** for reuse.
3. **Collection of "dry" shavings** for recovery.

Generating an Impact:

3 points of improvement in machinery efficiency, plus improvements in plant performance.

Longer life of cutting tools.

Reduction maintenance costs.

Improved product quality.

Reduced oil consumption.

Testimonials

“The use of filtered oil not only provides multiple direct advantages, but has also enabled the development of production methods and technologies”.

Eduard Lera. Plant Manager Teknia Barcelona (Spain)

2.2.3 Our people: the driving force behind our activity

At Teknia, as a multinational and diverse group, we seize the opportunities provided by each and every one of the individuals who form part of the team. By being present in 12 countries with 22 plants, we reinforce the importance of consolidating a corporate culture based on building a united team which shares the values and principles of all the people who work in the company. Therefore, the *leitmotiv* driving the company's culture is “*piece by piece*”, symbolising unity and collaboration as the key factor in order to work as a team and not as a sum of individuals.

The Human Resources division works on process standardisation, establishing and aligning policies and objectives in each of our work centres. We ensure the implementation of procedures and guidelines to enable our teams to move forward on their own according to these guidelines, while maintaining their own unique identity.

Furthermore, another of our objectives relating to professional and personal development is to focus not only on *hard skills* or technical skills, -those specific skills which allow us

to carry out a specific task or job, by means of technical training-, but also on the *soft skills*, -those which constitute the competences related to interpersonal and *management skills*, such as emotional intelligence, reasoning for problem solving or resilience and flexibility.

In 2022, the challenge of maintaining employment and the purchasing power of our team amid rising energy and raw material prices, inflation and the shortage of semiconductors has been our top priority. At the end of 2022, we had a workforce of 3,481 employees.

Our Strategic Human Resources Policy

Our value proposition to the team is to be an international employer which operates in a solid environment and offers the potential for professional growth. A professional development supported through:

- A diverse pool of talent.
- Continuous training schemes.
- Performance assessment systems and mobility planning.

With the aim of identifying potential young talent, we are developing an action plan to define training and career paths for the company's key personnel.

A united team which shares the values and principles of all the people who work in the company



Training hours by gender and professional category² in overall hours and average hours per employee.

	Direct Workforce (MOD)	Indirect Workforce (MOI)	Structure Workforce (MOE)	Average hours per employee
Men	12.025,8	8.456,1	1.176,1	9,7
Women	8.073,7	2.431,7	1.346,8	9,6
Average hours per employee	9,0	11,4	8,6	9,63

The average hours per employee are slightly lower than in 2021, from 10.8 to 9.6. Nonetheless, the figure is homogenised in terms of gender: while in 2021, there was a considerable difference between the average hours of training taken by men (12.6) and women (7.3), in 2022 they are practically the same for men and women.

Our team's satisfaction

Two-way communication

A good working environment is essential to achieve our objectives and to obtain good results as a company. For this reason, we maintain fluid, two-way communication with our employees in order to identify areas for improvement. Furthermore, we act in accordance with the highest ethical standards and this is reflected in our employees, who also act in accordance with our corporate values.

Communication with our team is structured around several channels:

- **Interaction with employees' representatives:** The Group's commitment to labour relations is key. We maintain fluid communication with the employees' legal representatives and hold regular meetings with them, focusing our efforts on maintaining social peace.
- **Direct dialogue with the Human Resources division:** Employees have direct access to this division to submit any queries that may arise.

- **Performance assessment meetings:** ace-to-face with the manager.
- **Workplace climate surveys** in our plants.
- **Consultation and communication channel** in case of irregularities related to the **Code of Conduct** (Reporting Channel).

At the same time, we are working on new corporate communication channels, such as installing screens in production areas to communicate directly with all the people who are part of the company's workforce.

² The information contained in the table refers to personnel who are part of companies with production activities and Teknia Entidad de Gestión

Reconciliation and disengagement at work

At Human Resources we actively promote compliance with working hours, flexibility and family reconciliation for all employees. At Teknia, we provide our employees with family reconciliation measures in addition to the ones provided for in the labour regulations applicable in each country. These include, for example, irregular working time reductions, shift changes, flexible working hours and special leave.

Working time is mostly organised in continuous working hours. If this is not possible, those jobs where a wider range of working hours is required, employees work flexible work-

ing hours, while respecting rest breaks in all cases.

Diversity

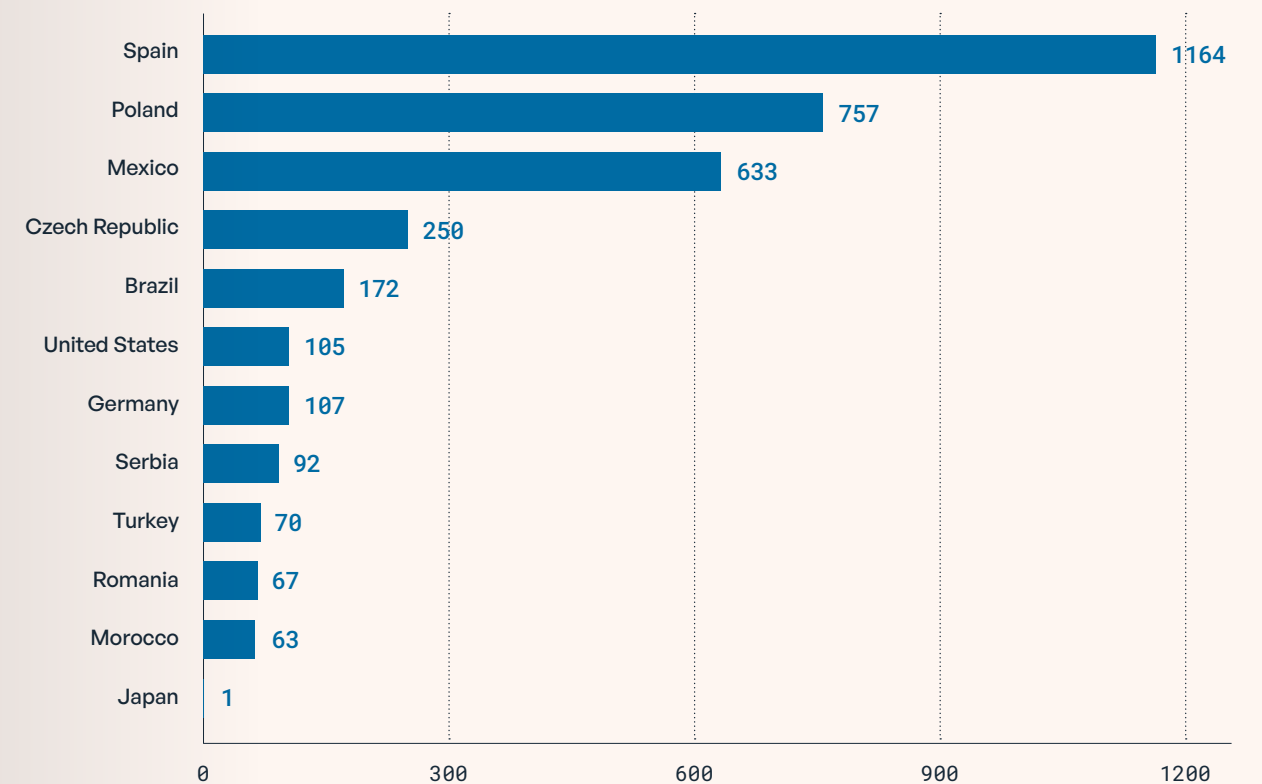
At Teknia we are fully aware of the importance of diversity to face the future challenges the company may face in the future. We have diverse talent, with different skills, in different geographical locations around the world.

In terms of gender, 34% of our team is female, which is higher than the national average³ in the industry. Thus, in the Teknia Azuqueca, Teknia Uherský Brod and Teknia Tepej del Río plants there are more women than men in the workforce. Furthermore, women make up 20% of the Board of Directors.



³ National average of the manufacturing industry according to the Labour Force Survey for the year 2021 for the manufacturing industry in Spain (INE): 27% women.

Distribución de empleados por país



Thus, in the Teknia Azuqueca, Teknia Uherský Brod, Teknia Tepejí del Río plants, there are more women than men in the workforce. Furthermore, 20% of the Management Committee is made up of women.

In terms of equal opportunities, the company has set out the following objectives:

- To reinforce and promote the company's commitment to gender equality.



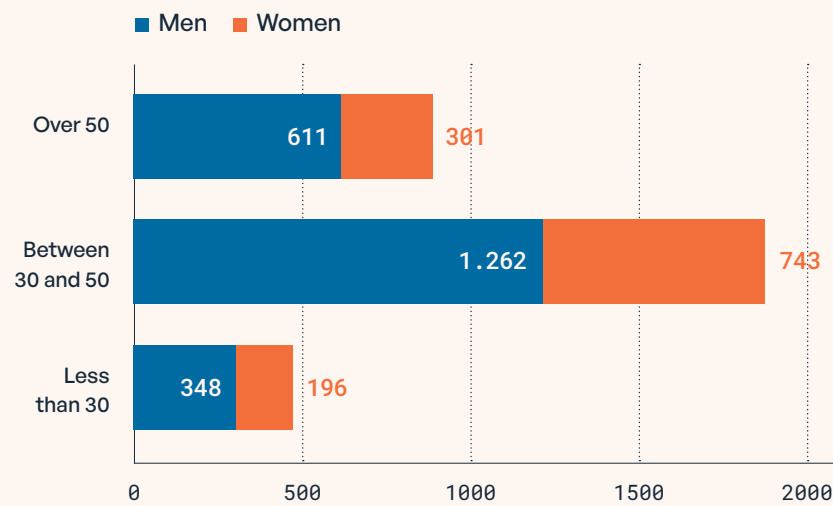
- To promote the recruitment of women in all divisions.
- To reinforce training gender equality.

To guarantee that training, professional promotion, working conditions and salaries are all based on objective and totally neutral criteria in relation to gender issues.

Remuneration policy

The wage remuneration is defined in the different companies of the Teknia Group according to the Collective Agreements or applicable labour standard. Therefore, wages are determined by the position held by each worker regardless of gender. Regardless of their geographical origin or position in the organization, the average wage for women is 16,334 euros compared to 25,152 euros for men (35% difference).

Distribution of employees by gender and age as of 31 December 2022



Remuneration by gender and professional category

As at 31 December 2022

	Man	Woman
Management	64.914€	54.465€
Administrative	22.013€	20.495€
Technical	27.276€	21.318€
Operator	19.392€	13.625€

In an internal analysis to understand this disparity, we have identified the main reasons:

- There is a higher presence of men than women in companies operating in metal and machining technologies (81.8% men), which have historically more favourably paid workers under collective bargaining agreements.
- In the case of companies involved in plastic technology, the percentage of women is higher (58% men), but their collective agreements provide for lower pay. On top of all this, there are more men with higher vocational training, with technical profiles, and more men are joining this area of the labour market.
- There is greater female representation in companies in geographical environments with a clearly lower economic level of country/currency value, as for example in the case of Mexico (where women account for 52% of the country's workforce), compared to environments such as Europe or the United States (where they account for 32% of the workforce).

The gross annual remuneration of each director, specifically due to the fact that they are members of the board of directors, was €50,000, without any difference in remuneration between each of the members of the Board of Directors.



Inclusive and integrating environment

Teknia employs people with functional diversity. In order to facilitate their integration into the company, we comply with government guidelines by establishing shorter working hours, additional break times throughout the working day or days off in certain situations, among other measures.

Furthermore, we adapt jobs to specific special needs by modifying the position or reassigning tasks. Examples include replacing oral communications with written communications for people with hearing impairment, or

providing special protection for people with hearing problems.

Health and Safety of our employees

At Teknia we prioritise the wellbeing of our employees by working with integrated resources for prevention and the promotion of a preventive culture. This is achieved through robust prevention systems and the promotion of training in this area.

The Group's commitment is to ensure that all our employees carry out their work in safe and healthy conditions. The Group's preventive culture promotes its integration into

✱

61 employees with some form of disability in Grupo Teknia in 2022

1,8% del of all Group employees have some degree of disability

the responsibilities of each of the company's employees. They are responsible for strictly complying with health and safety standards and for ensuring their own safety and the safety of those impacted by their activities.

Each Group company also develops its own health and safety management by means of:

- Risk assessments of work stations, activities and workplaces. As a result, measures are implemented to minimise the identified risks. These assessments are typically conducted on a regular basis and in collaboration with specialised external prevention services.

- Subsequent investigations after occupational accidents and, if necessary, revisions of the risk assessment and proposal of corrective measures.
- Continuous health screening by specialised medical services.
- Specific continuous training in occupational health and safety.

The employees' representatives appoint their liaisons officers for occupational health and safety who, together with representatives of the *management* department of each company, constitute the specific Health and Safety Committee, responsible for ensuring compliance with safe and healthy conditions in the working environment.

At Group level, we are working to strengthen the protection of our employees' health and the appropriate reporting in this area in order to carry out adequate monitoring and, therefore, to be able to promote the necessary measures according to the problems of each company.

As can be seen in the table above, there has been an increase in the occupational accident frequency rate (which measures the number of accidents/per working time performed) compared to 2021. At the same time, there has also been a slight increase in the accident severity rate, which measures the number of working days lost for occupational accidents in relation to the actual working time worked.

During 2022, no cases of occupational disease have been recorded in the workforce, thus maintaining the incidence rate at 0.

During 2022, no cases of occupational disease have been recorded in the workforce, thus maintaining the incidence rate at 0. In the case of accidents, in order of frequency, the most common incidents are, steps, collisions, blows, trapping or overexertion.

In the case of injuries, superficial injuries, contusions, sprains and strains.



Health and safety of our employees

As of 31 December, 2022

	2021	2022
Frequency index of occupational accidents	15,72	22,99
Incidence rate of occupational diseases	0	0
Severity rate of accidents and occupational diseases	0,47	0,59



TEKNIA

SUCCESS CASE

2022



Women at Teknia

Key material topics: Work practices / Recruitment, development and training.

Our challenge:

Everyone has different ways of approaching the challenges they face. Therefore **workforcediversity and inclusion offer many benefits to companies, and are therefore a priority for Teknia.** The industrial sector, due to the characteristics of the activity, has historically had a higher ratio of male employees. Therefore, Teknia undertakes a relevant role in equal opportunities in the labour market, within the framework of STEM studies and professional training.

Action plan:

Our code of conduct repudiates discrimination of people based on any grounds (gender, race, age or any other personal circumstances or condition).

The number of women employed in the company is 35.62% at the end of 2022, which is higher than the average for the industry, which is 27% women, according to the Labour Force Survey 2021 for the manufacturing industry in Spain, carried out by the National Statistics Institute (Instituto Nacional de Estadística).

In some of our factories, the percentage of female employees is even slightly higher compared to male employees, as is the case of Teknia Azuqueca (Spain), Uherský Brod (Czech Republic), Teknia Tepejí del Río and Teknia San Luis de Potosí (Mexico).

Generating an impact:

36% of women in the workforce. 8 percentage points higher than the average for the industry in Spain.

More female than males employees at the Teknia Azuqueca, Uherský Brod, Tepejí del Río, San Luis de Potosí factories.

Testimonials



"From my experience, when you are good at what you do, gender becomes irrelevant."

Sara Quijano. D&D Center Manager



Culture in Pedrola

Key material topics: Work practices / Recruitment, attraction, development and training.

Our challenge: Teknia Pedrola, located in Aragon (Spain) is the Group's first plant built from scratch. In 2021, the plant suffered a drop in activity as a result of the effects of Covid-19. Its future was compromised, but the Group continued to support the Pedrola-based team with a plan focused on improving productivity, collaborative work and intensifying the commercial action of the Group to attract new future projects to this Teknia flagship plant.

Action plan:

- **A people-focused change:** unication, the provision of regular technical training and tailored support to different areas resulted in a transformation of the working environment with improved attitudes and motivation.
- **Improved quality and productivity:** After clarifying and customising procedures, personnel training was offered to those seeking to grow in the company.
- **Intensification of the business activities:** the Group's business activities enabled the company to attract new customers and to develop interesting projects for the future.

Generating an impact:

Teknia Pedrola currently has a motivated team and the plant is moving forward with a clear direction, based on the Group's trust and teamwork. As a result of the work carried out, the company has managed to maintain a united and cohesive workforce, which is motivated and aligned in the new projects, after several years of hardship.

Testimonials



"Improving communication, safety and investing in training, with different regular technical training to improve personal skills every fortnight was crucial."

Beatriz Serrano. Teknia Pedrola Human Resources

2.2.4 Our Impact on the Community

Despite the logistical challenges of the past 12 months - the semiconductor crisis, supply chain disruptions - 2022 was the company's 30th anniversary, a major milestone for a family-owned company that has grown into a multinational.

2022 was also the year in which, while we were still struggling with the aftermath of the coronavirus, war broke out in Ukraine. From the very beginning, we firmly condemned this attack and offered our full support to the Ukrainian-born members of staff and their families.

Naturally, in the rest of the world we have maintained our commitment to the social organisations with which we have been collaborating, increasing our budget by 20% compared to 2021, to promote

education as a driving force for social development.

The commitment to contributing to the society's development is rooted in the company's heritage and has been integrated in all areas of the company. As a sign of how important this issue is for the company, the Social Action Committee was created in 2022, made up of the President of the company, the Board of Directors,

and the Finance, Human Resources, Communication, Institutional Relations and Sustainability divisions. This committee enforces compliance with and the proper execution of the Group's Social Action Plan.

We keep working to further enable the projects in which we are involved and to explore new partnerships that will enable us to extend Teknia's positive impact to other regions.

we have maintained our commitment to the social, increasing our budget by 20% compared to 2021



Our Commitment to Society

The main objective of Teknia's social action is to contribute to the personal and professional development of people at risk of social exclusion, promoting education as a fundamental tool for social growth.

We generate a positive impact on communities in two ways:

- **Group economic activity:** We generate wealth and employment in the regions in which we operate, guaranteeing decent working conditions and maintaining a firm commitment to our employees.

• **Social contribution:**

We promote social and employment opportunities and progress in the areas in which we operate, as a result of the programmes that we run in collaboration with different social organisations. We provide training throughout education in order to generate job opportunities and to contribute to social progress.

- > **Education**
- > **Training**
- > **Job opportunities**
- > **Social progress**



The main objective of Teknia's social action is to contribute to the personal and professional development of people at risk of social exclusion

Our projects meet one or more of the following requirements:

- To support the education of young people in disadvantaged circumstances as a means of personal development and improvement of future possibilities for professional development.
- To contribute to professional training and to the creation of job opportunities, preferably related to Teknia's activity.
- To be located in environments in which Teknia operates or which are especially vulnerable.
- To alleviate crisis scenarios or social emergencies.

Our social action programmes are mainly aligned with Sustainable Development Goals 4 and 8.



By 2022
1.216 direct beneficiaries
6.779 indirect beneficiaries

Social impact figures

As of 31 December each year and in euros

	2021	2022
Social Projects Investment	341.700	445.470
Direct beneficiaries	1.199	1.216
Indirect beneficiaries	6.428	6.779

Major initiatives in 2022:

01

Introduction of the Social Action Plan to the entire company

In order to convey to all Teknia employees the Group's social commitment and to raise awareness of the challenges we face as members of society, the company's founder, Javier Quesada Suescun, launched the Social Action Plan for the next three years at an event held at the Azuqueca plant.

02

Humanitarian Aid in Ukraine

The war in Ukraine triggered a massive outflow of refugees to bordering countries, which was deeply experienced by

the employees of our plant in Rzeszów, Poland. With the commitment of our employees, two truckloads of essentials were sent from Spain, we contributed as a Group to the refurbishment of a shelter for refugees and we supported the "Help Ukraine" programme of Caritas Poland.

03

Educational centres - Senegal:

De la mano de Foundawtion.

In partnership with Foundawtion, a foundation created by the Catalan architecture studio Dawoffice to create positive change through architecture, design and education, we seek to promote employment opportunities in the highly vulnerable region of Senegal by providing education and training.

The CEM Kamanar educational centre, built by Foundawtion with Teknia's support, is a secondary school, inaugurated in October 2019 in Thionck Essyl, in Southern Senegal. The project was designed to



alleviate the overcrowding of the only school existing so far in this rural community.

During the 2021/2022 academic year, 420 students were enrolled, reaching almost 90% of the school's full capacity.

Furthermore, in 2021, the creation of a **Bajankusoor Vocational Training Centre**, in the same region started in 2021, with the aim of further contributing to the educational and socio-labour progress of young people and facilitating their access to more sought-after jobs in the region.

04

Science Club - Tangier

In partnership with the development cooperation NGO **Codespa**.

In order to improve the skills of secondary school students and teachers in STEM subjects ("Science, Technology, Engineering and Mathematics") and to fight against school dropout in Tangier, this project was designed and implemented in 5 public secondary schools in Tangier, offering workshops with a practical and inspiring approach on these subjects.

According to Tarik Boubout, Head of Sales and Engineering at Teknia, a volunteer contributor to the initiative, "I would love to have the opportunity again to enjoy new experiences with the students of the schools in

the city of Tangier. I want to continue sharing the experience and learning I have gained throughout these years working with Teknia".

05

Business Mentoring - Spain

Together with **Youth Business Spain**.

We continue to support the Youth Business Spain Foundation (YBS), a member in Spain of the global network Youth Business International (YBI), founded by the Prince of Wales 20 years ago in its successful *mentoring programme*.

The programme, which has become an international reference model, involves personalised mentoring by entrepreneurs or company directors who, voluntarily, accompany young entrepreneurs in the process of starting up and consolidating their business. The volunteer mentors receive training and support from the *YBS Mentoring Manager team*.



Youth Business Spain

87% survival rate
5-year survival rate of businesses born under the programme: more than double the double the Spanish average

06

Educational Structural Improvements - Mexico

Together with the Mexican association **Colonia Juvenil**.

The aim is to promote education as a means of access to employment among vulnerable population groups, by improving the living conditions of educational and housing facilities.

Colonia Juvenil, with Teknia's support, structurally improved spaces for young people at risk of social exclusion, thereby providing them with optimal learning environments.



Action in Ukraine

Our challenge:

To help alleviate the humanitarian crisis caused by the war in Ukraine, namely by addressing the massive influx of refugees around our Rzeszów plant in Poland.

Action plan:

- Employees from the Group's nine Spanish plants donated essential goods and resources**, which were sent from Teknia in two trucks to Rzeszów. Colleagues in Poland received these trucks and coordinated their delivery to the local authorities.
- We financed the refurbishment of a shelter** so that more refugees could be housed in optimal conditions.
- We made a donation to Caritas Poland** for its "Help Ukraine" programme, which initially includes sheltering refugees in Ukraine, and offering them training to enable them to find a job to facilitate their integration.

Generación de impacto:

2 trucks full of essential goods and resources sent to Rzeszów.

70.000 € Caritas Poland's "Help Ukraine" programme.

Testimonials

"For us, commitment to human rights and social responsibility are more than just words. At Teknia, we turn them into action."

Joanna Bartoszezwska. Plant Manager Teknia Rzeszów (Poland)

2.3. MOBILITY

2.3.1 New Mobility

The new mobility scenario, involving the adaptation of different types of vehicles or means of transport according to the needs of each user, has resulted in an arena of new opportunities and the emergence of new players. Furthermore, companies which a few years ago were not part of the automotive industry, such as technology companies - software or advanced electronics - or battery companies, have been integrated into the industry. Today, new mobility coexists with traditional mobility.

Likewise, we are evolving from a Build-to-Print, model, in which the customer communicates its specific needs and the product to be manufactured to the supplier, to a model in which the

We are evolving to a model in which the customer collaborates with the supplier in the product design and development

customer collaborates with the supplier in the product design and development. This is the model in which Teknia wants to continue to be positioned in the future.

Furthermore, specific work is required to capitalise on the opportunities offered by the new mobility, as the operation is not the same as in traditional production in the automotive industry. The new players require not only the production of parts, but also

their design and development, a fact which promotes our approach as partners and allies of our customers in the co-development of high added value products based on multi-technology.

In order to respond to this new scenario, we have carried out an agile restructuring of the Sales team. The aim is to respond in a more efficient and specific way to these demands, by creating a commercial area focused on identifying opportunities in the new mobility environment.

This new structure allows us to be well positioned in the new mobility environment and to work in a more collaborative way with different customers who may require support from the early stages of development. A change to be able to adjust to the productive demand management of the new mobility.

All this enables us to manufacture new products and incorporate the co-development with our customers to make the mobility of the future a reality.



Electrification

One of the drivers for the new mobility is electrification. At Teknia we have the capabilities to support this technological shift with our specialised technologies, including machining, high-pressure die casting (HPDC), stamping, tube forming and plastic injection moulding.

We offer parts such as inverters and power converters, charger components, battery elements and a wide variety of parts required for the use of electricity as a vehicle propulsion system. For example, in the case of a power inverter, we can manufacture components such as the top case, the housing using high-pressure die-cast aluminium and the connectors in machined and/or formed tube.

This electrification, autonomous driving, connectivity and infotainment are driving changes in all other product categories, which means that there is an increased availability of electronic environment components in vehicles.

We have the design and development capabilities for these products and production facilities, in Europe, Africa and the Americas, and the know-how to provide a customised solution to meet any of our customers' needs.

2.3.2 Innovation and Know-how transfer

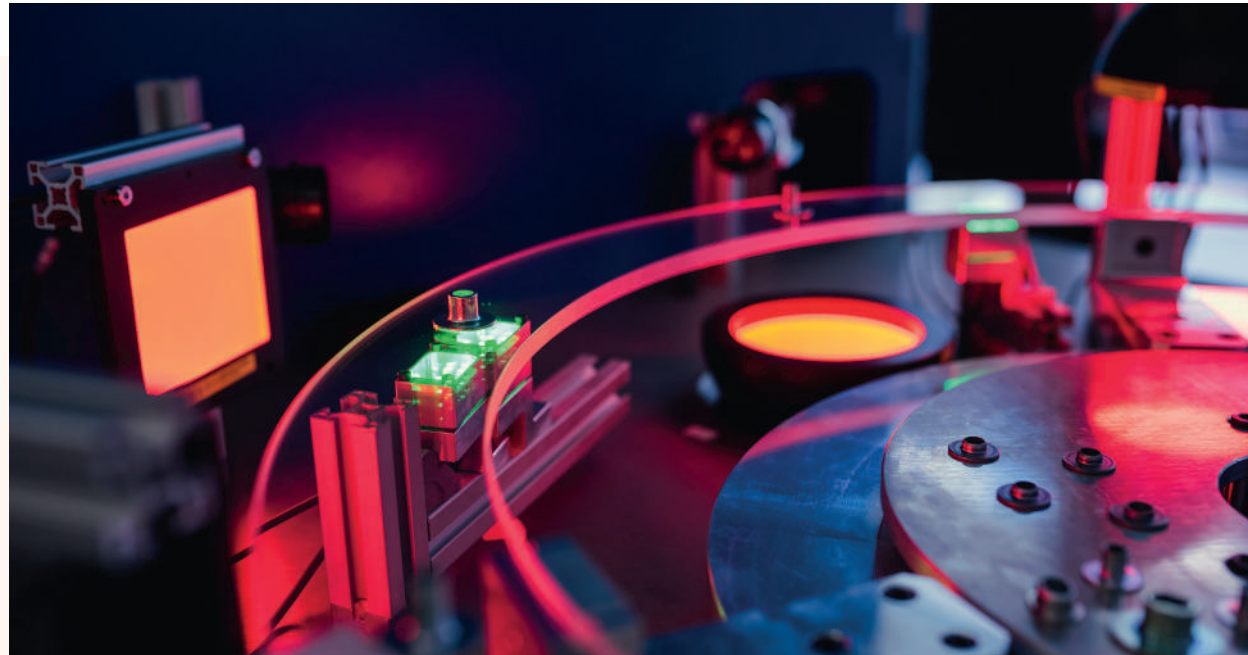
We promote technological development by means of our knowledge of manufacturing methods and regular technology watch activities that allow us to be at the forefront. In order to achieve this, we work in two areas:

- The **technology transfer** of know-how between plants: knowledge and technology of products and processes are transferred with a leading position in the Group ensuring the globalisation of the offer to our customers, with the required service and quality.
- The **development of new and innovative technologies**: this ensures the competitiveness of our processes is maintained in each of the Group's technologies and avoids any technical obsolescence of our plants in the future. This measure is essentially results-oriented, which is mainly reflected in industrialisation and design for manufacturing.



At Teknia, we provide added value to our customers by improving the processes used to manufacture their parts.

This leads to a long-term and trusting relationship with our customers and suppliers



We are in contact with the majority of technology centres in Spain

Since 2010, we are qualified in product development: we work on conceptualisation and design, simulation and validations, trials and tests. We have four Design & Development

Centres (located in Spain and Poland) focused on all our technologies. In these product development centres we strive for the best product quality, maximising process efficiency.

Furthermore, we also play a fundamental role in the search for innovation projects supported by public funding programmes and we encourage the promotion of this type of financing.

Innovation to serve our clients

Area:	Product development
Requirements:	redesign of head restraint spring buttons to improve user experience
Requirements:	<p>The new head restraint spring button had to meet the following technical requirements:</p> <ol style="list-style-type: none"> 1. Force-displacement ratio which would allow actuation with low effort by the user. 2. High resistance in case of impact, as a safety part. 3. Sliding coefficient which would allow movement with adjacent parts without generating any deterioration during the life of the project. 4. Operating within its elastic limit.
Result:	Project completed and manufactured to meet the most demanding technical requirements to improve the user experience.

Partnerships

We are patrons of Andaltec, a not-for-profit private foundation dedicated to adding value to companies by providing advanced innovative and technological services designed to improve productivity and competitiveness in a sustainable way.



2.3.3 Safety products

Teknia has a long history in the manufacture of components used in various vehicle safety applications, such as the airbag or braking systems environment. These components help to make vehicles safer, the top priority in the automotive sector.

Group's technologies: plastic injection moulding, stamping, tube forming, machining and aluminium injection moulding (HPDC). The safety components category therefore represents a strategic segment for us, accounting for 28.6% of sales in 2022, and we expect continued growth.

The safety product category encompasses numerous systems required to enable the vehicle to decelerate or stop quickly. These components thus make it possible to avoid a collision and protect the occupants in the event of a collision.

The safety category is represented in all of the



Break systems

Are an essential element in the overall safety of a vehicle. Without them, the vehicle cannot slow down or stop. We are experts in the manufacture of components such as the brake fluid reservoir, which holds the brake fluid used in the hydraulic braking system, and brake pistons. Within the Group, we manufacture 25 million brake pistons per year, equivalent to 6 out of 10 vehicles manufactured in Europe having a Teknia brake piston.

Airbag systems

Are involved in protecting the occupants of a vehicle in the event of a collision. The development of the airbag system means that vehicles are much safer. Teknia specialises in the manufacture of multiple airbag components. Some of the key products are the airbag housing (the box in which the airbag is stored), the airbag cover and the horn plate, the mechanism that enables the vehicle's horn to function and which must be coordinated with the steering wheel airbag.

Safety is important today and will continue to be important in the vehicles of the future. For all of them, Teknia will continue to manufacture solutions that enable them to drive with maximum safety.

3.

About this report

The Teknia Group's annual Sustainability Report contains the most relevant information on the company's economic, social and environmental contribution and performance during the year.

Scope and criteria for the preparation of the report

Likewise, this report provides essential information and data on the company's business model, its sustainability strategy and its relationship with stakeholders.

Likewise, this report represents the Teknia Group's Non-Financial Information Statement at year-end 2022 (January 2022-December 2022). This document includes:

Teknia Group's response to the legal requirements demanded in Law 11/2018 of 28 December 2018 on non-financial

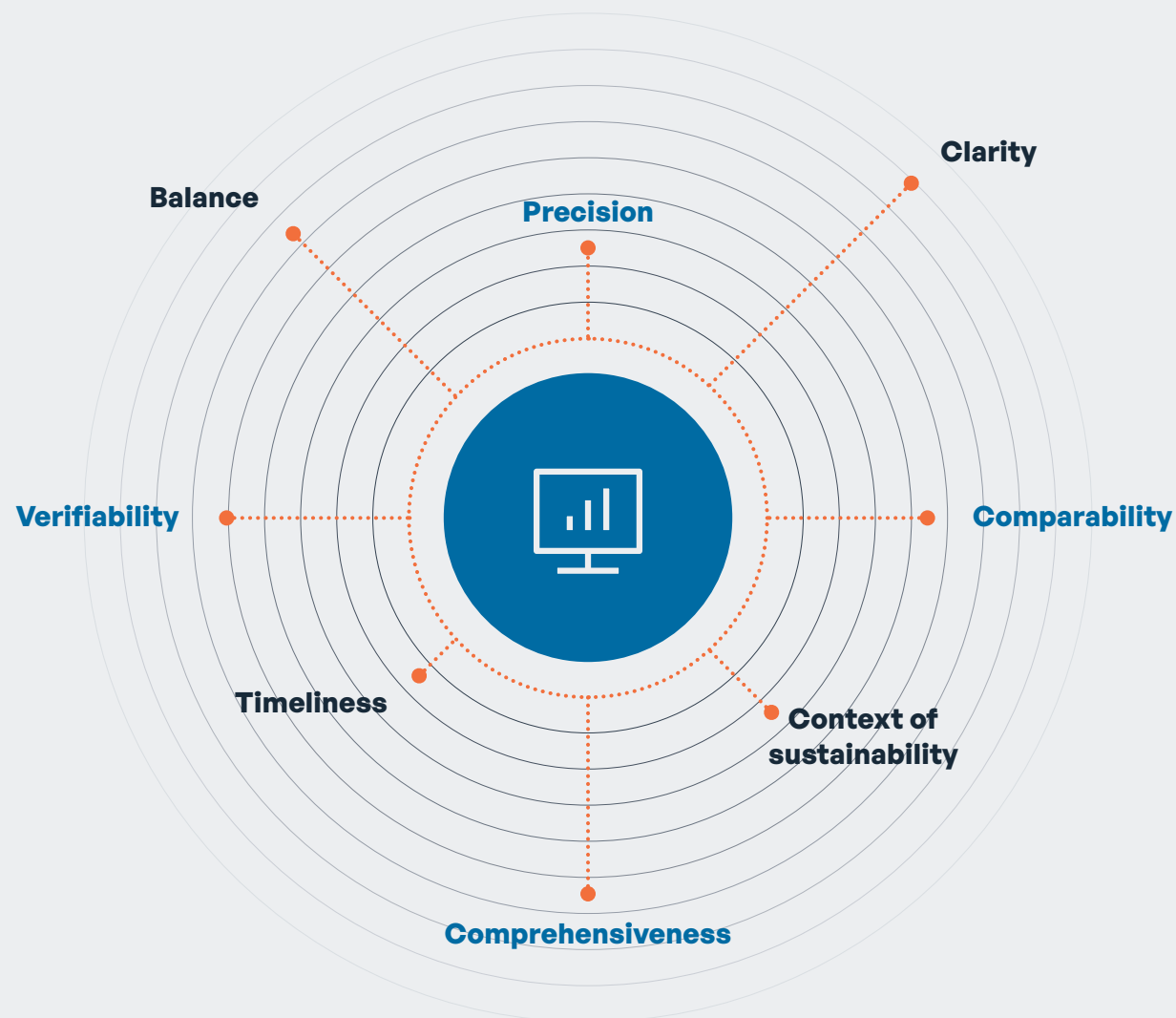
information and diversity, as well as the EU 2017/C215/01 guidelines for the reporting of the company's performance on non-financial information.

The scope of the reported information is all companies that make up the Teknia Group, including the information of the company in Stuttgart (Germany) as of the entry into force of the acquisition on 1 July 2022.

The contents included in the Report respond to the relevant issues for the company and its stakeholders, according to

its materiality analysis, which is explained and developed in depth in chapter 1. Based on this analysis, the main contents to be reported in 2022 are defined through an internal process of gathering and contrasting information, requesting indicators and qualitative and quantitative data on the company's progress in sustainability.

The principles recommended by the Global Reporting Initiative (GRI) Standards are followed to define the content and quality of the Report:Accuracy:



GRI Content Index

Declaration of use	Teknia Group has presented the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 using the GRI Standards as a reference.
GRI 1 used in the report	GRI 1: Foundations 2021

GRI Standard used	Requirement	Chapter of the report or direct response
General contents		
GRI 2: General Contents 2021	2-1 Organisational details	1. About us 1.2 Business model
	2-2 Organisations covered in Sustainability Reporting	3. About this report
	2-3 Reporting period, frequency and contact point	3. About this report
	2-4 Updating information	In 2022, no significant information updates have been included.
	2-5 External verification	When this report was first drafted
	2-6 Activities, value chain and other business relationships	1.2 Business model
	2-7 Employees	2.2.3 Our people: the driving force behind our activity
	2-9 Governance structure and composition	2.1.1 Corporate Governance of the Company
	2-10 Appointment and selection of the most senior governance body	2.1.1 Corporate Governance of the Company
	2-11 Chairman of the most senior governing body	2.1.1 Corporate Governance of the Company
	2-12 Role of the most senior governance body in monitoring impact management	2.1.1 Corporate Governance of the Company
	2-13 Delegation of responsibility for impact management	2.1.1 Company governance

GRI Content Index

GRI Standard used	Requirement	Chapter of the report or direct response
General contents		
GRI 2: General Contents 2021	2-14 Role of the most senior governance body in sustainability reporting	2.1.1 Corporate Governance of the Company
	2-15 Conflicts of interest	2.1.1 Corporate Governance of the Company
	2-16 Communication of critical issues	2.1.1 Corporate Governance of the Company
	2-17 Collective know-how of the most senior governance body	2.2.3 Our people: the driving force of our activity
	2-18 Performance evaluation of the most senior governance body	2.2.3 Our people: the driving force behind our business
	2-19 Remuneration policies	2.2.3 Our people: the driving force behind our business
	2-20 Process for establishing remuneration	1.4 Teknia's sustainability strategy
	2-22 Sustainable development strategy statement	2.1.2 Risk Management Policies and Systems
	2-23 Commitments and policies	2.1.2 Risk assessment and risk management policies and systems
	2-24 Implementation of commitments and policies	2.1.2 Risk management policies and systems
	2-25 Processes to remedy negative impacts	2.1.2 Risk management policies and systems
	2-26 Procedures to seek advice and raise concerns	2.1.2 Risk management policies and systems
	2-27 Compliance with legislation and regulations	2.1.3 Human rights and ethical conduct
	2-28 Affiliation to associations	2.1.6 Main partnerships
	2-29 Focus on stakeholder participation	1.4 Teknia's sustainability strategy
2-30 Collective bargaining agreements	Annex - Employee-related indicators	

GRI Content Index

GRI Standard used	Requirement	Chapter of the report or direct response
Key material topics		
GRI 3: Key material topics 2021	3-1 Process for determining key material issues	1.4 Teknia's sustainability strategy
	3-2 List of key material topics	1.4 Teknia's sustainability strategy
Climate Change (GHG emissions)		
GRI 3: Key material topics 2021	3-3 Management of key material topics	2.2.2 Environment
	305-1 Direct GHG emissions (Scope 1)	2.2.2 Environment
GRI 305: Emissions 2016	305-2: Indirect GHG emissions from energy generation (Scope 2)	2.2.2 Environment
	305-4 Content 305-4 GHG emission levels	2.2.2 Environment
Energy: efficiency and renewables		
GRI 3: Key material topics 2021	3-3 Management of key material topics	2.2.2 Environment
GRI 302: Energy 2016	302-1 Energy Consumption within the organisation	2.2.2 Environment
	302-2 Energy consumption outside the organisation	2.2.2 Environment

GRI Content Index

GRI Standard used	Requirement	Chapter of the report or direct response
Circular economy: management of waste and hazardous materials		
GRI 3: Key material topics 2021	3-3 Management of key material topics	2.2.2 Environment
GRI 301: Materials 2016	301-1 Materials used by weight or volume	2.2.2 Environment
GRI 303: Water and Effluents 2018	303-1: Interaction with water as a shared resource	2.2.2 Environment
	303-2: Management of impacts related to water discharges	2.2.2 Environment
	303-3: Water extraction	2.2.2 Environment
GRI 306: Effluents and Waste 2016	306-1: Waste generation and significant waste-related impacts	2.2.2 Environment
Relationships with the community		
GRI 3: Key material topics 2021	3-3 Management of key material topics	1.4 Teknia's sustainability strategy 2.2.4 Our impact on the community
GRI 413: Local communities 2016	413-1 Operations with local community engagement programmes, impact assessments and development	2.2.4 Our impact on the community
Product quality and safety		
GRI 3: Key material topics 2021	3-3 Management of key material topics	2.1.4 Committed to our customers and to quality 2.3.3 Safety producer
Customer engagement		
GRI 3: Key material topics 2021	3-3 Management of key material topics	2.1.4 Committed to our customers and to quality

GRI Content Index

GRI Standard used	Requirement	Chapter of the report or direct response	
Work practices			
GRI 3: Key material topics 2021	3-3 Management of key material topics	2.2.3 Our people: the driving force behind our activity	
GRI 401: Employment 2016	401-1 Recruitment of new employees and staff turnover	Annex - Employee-related indicators	
GRI 405: Diversity and equal opportunities 2016	405 -1 Diversity in governance bodies and employees	2.2.3 Our people: the driving force behind our activity	
	405 -2 Ratio of basic salary and remuneration of women compared to men	2.2.3 Our people: the driving force behind our activity	
Recruitment, development and training			
GRI 3: Key material topics 2021	3-3 Management of key material topics	2.2.3 Our people: the driving force behind our activity	
GRI 404: Training and education 2016	404-1 Average training hours per year per employee	2.2.3 Our people: the driving force behind our activity	
Employee health and safety			
GRI 403: Occupational Health and Safety 2018	GRI 3: Key material topics 2021	3-3 Management of key material topics	2.2.3 Our people: the driving force behind our activity
	403-2 Hazard identification, risk assessment and incident investigation	2.2.3 Our people: the driving force behind our activity	
	403-4 Employees' engagement, consultation and communication on occupational health and safety	2.2.3 Our people: the driving force behind our activity	
	403-5 Employee training on occupational health and safety	2.2.3 Our people: the driving force behind our activity	
	403-6 Promoting employees' health and safety	2.2.3 Our people: the driving force behind our activity	
	403-9 Work-related injuries	2.2.3 Our people: the driving force behind our activity	
	403-10 Occupational illnesses and diseases	2.2.3 Our people: the driving force behind our activity	
	2.2.3 Our people: the driving force behind our activity	403-9 Work-related injuries	

GRI Content Index

GRI Standard used	Requirement	Chapter of the report or direct response
Increasing the mix of sustainable mobility products		
GRI 3: Key material topics 2021	3-3 Management of key material topics	2.1.5 Suppliers and Value Chain 2.2.4 Our Community Impact
Supply chain management: Social impacts (Human Rights)		
GRI 3: Key material topics 2021	3-3 Management of key material topics	2.1.5 Suppliers and value chain 2.2.4 Our impact on the community
Supply chain management: Environmental impacts		
GRI 3: Key material topics 2021	3-3 Management of key material topics	2.1.5 Suppliers and value chain
GRI 308: Environmental assessment of suppliers 2016	308-1 New suppliers having successfully completed selection screening in accordance with environmental criteria	2.1.5 Suppliers and value chain
Sustainable innovation: Industry 4.0		
GRI 3: Key material topics 2021	3-3 Management of key material topics	2.3.2 Innovation and knowledge transfer
Governance model, business ethics and ESG risk management		
GRI 3: Key material topics 2021	3-3 Management of key material topics	2.1.1 Corporate governance of the company 2.1.2 Risk management system and policies
Key material topics		
GRI 205: Anti-Corruption 2016	205-2 Communication and training on anti-corruption policies and procedures	2.1.3 Human Rights and Ethical Conduct

Table of contents relating to Law 11/2018

The following is a list of the contents and non-financial performance indicators as required by Law 11/2018 of 28 December on non-financial information and diversity, and how they relate to the indicators of the Global Reporting Initiative (GRI) standard, which has been followed to draw up this Sustainability Report.

The specific section where the required content is reported is indicated in the relevant columns.

Requirement Law 11/2018	Referenced GRI Standard	Reporting section or direct response
GENERAL INFORMATION		
Business model		
Brief description of the Group's business model (including its business environment, organisation and structure).	2-1 Organisational details 2-6 Activities, value chain and other business relationships 2-9 Governance structure and composition 2-11 Chairman of the most senior governance body	1. About us 1.1 Purpose and values: 'Your manufacturing partner for mobility' 1.2 Business model 1.3 Industry challenges 2.1.1 Company governance
Geographical presence	2-1 Organisational details 2-6 Activities, value chain and other business relationships	1. About us 1.1 Purpose and values: 'Your manufacturing partner for mobility'
Organisational goals and strategies	2-22 Sustainable development strategy statement 2-12 Role of the most senior governance body in monitoring impact management	1.4 Teknia's sustainability strategy
Main factors and trends which may potentially affect its future development	2-25 Processes to remedy negative impacts 2-26 Mechanisms to seek advice and raise concerns	1.4 Teknia's sustainability strategy

Table of contents relating to Law 11/2018

Requirement Law 11/2018	Referenced GRI Standard	Reporting section or direct response
GENERAL INFORMATION		
Company policies		
A description of the Group's policies regarding [environmental and social issues, respect for human rights, anti-corruption and anti-bribery, and employee policies, including measures, if applicable, taken to promote equal treatment and opportunities for women and men, non-discrimination and inclusion of people with disabilities, and universal accessibility].	3-3 Management of material issues	2.1.2 Risk assessment policies and risk management system 2.1.3 Human rights and ethical conduct 2.2.3 Our people: the driving force behind our activity
Risk assessment and management		
The main risks related to these issues [environmental and social issues, respect for human rights and the fight against corruption and bribery, and personnel, including measures taken, if applicable, to promote the principle of equal treatment and opportunities between women and men, non-discrimination and inclusion of people with disabilities, and universal accessibility].	2-12 Role of the most senior governance body in monitoring impact management 2-25 Processes to remedy negative impacts 2-26 Mechanisms to seek advice and raise concerns 3-3 Management of key material topics	2.1.2 Risk assessment policies and risk management system
Miscellaneous		
Reference in the report to the national, European or international reporting framework used for selecting the non-financial key performance indicators included in each of the sections.	Statement of use of the GRI Content Index (see ANNEX "About this report", regardless of the GRI Content Index).	3. About this report

Table of contents relating to Law 11/2018

Requirement Law 11/2018	Referenced GRI Standard	Reporting section or direct response
1. ENVIRONMENTAL ISSUES		
Detailed general information		
About current and foreseeable environmental and, if applicable, health and safety impacts of the company's activities	GRI 3: Key material topics 2021	2.2.2 Environment
About the environmental assessment or certification procedures	GRI 3: Key material topics 2021	2.2.2 Environment
About the resources allocated to prevent environmental risks	GRI 3: Key material topics 2021	2.2.2 Environment
About the application of the precautionary principle	2-23 Commitments and policies	2.1.2 Risk assessment policies and risk
About the number of provisions and safeguards against environmental risks	2-27 Compliance with laws and regulations	2.2.2 Environment
Pollution		
Measures to prevent, reduce or remediate carbon emissions which have a serious environmental impact (likewise including noise and light pollution).	GRI 3: Key material topics 2021	2.2.2 Environment
Circular economy and waste prevention and management		
Measures on prevention, recycling, reuse, other forms of recovery and disposal of waste	301-2 Recycled consumables 301-3 Re-used products and packaging materials 306-2 Wastes by type and disposal method	3. About this report
Actions to fight against food waste	Non-material	-

Table of contents relating to Law 11/2018

Requirement Law 11/2018	Referenced GRI Standard	Reporting section or direct response
1. ENVIRONMENTAL ISSUES		
Sustainable use of resources		
Water consumption and water supply pursuant to local constraints	303-1 Water extraction by source 303-2 Water sources significantly affected by water extraction 303-3 Recycled and reused water	2.2.2 Environment
Consumption of raw materials and measures taken to improve raw materials use efficiency	301-1 Materials used by weight or volume	2.2.2 Environment
Direct and indirect energy consumption	302-1 Energy consumption within the organisation	2.2.2 Environment
Measures taken to improve energy efficiency	302-4 Reduction of energy consumption 302-5 Reduction of energy requirements for products and services	2.2.2 Environment
Use of renewable energy	302-1 Energy consumption within the organisation	2.2.2 Environment
Climate change		
Significant contributors to GHG emissions generated as a result of the company's activities, including the use of the goods and services produced by the company.	305-1 Direct GHG emissions (Scope 1) 305-2 Indirect GHG emissions from energy generation (Scope 2) 305- 3 Other indirect GHG emissions (Scope 3)	2.2.2 Environment
Measures taken to adapt to the consequences of climate change	3-3 Management of material issues	2.2.2 Environment
Medium and long-term reduction targets voluntarily set to reduce greenhouse gas emissions and the means implemented to achieve them.	305-5 Reduction of GHG emissions	2.2.2 Environment

Table of contents relating to Law 11/2018

Requirement Law 11/2018	Referenced GRI Standard	Reporting section or direct response
1. ENVIRONMENTAL ISSUES		
Protection of biodiversity		
Measures taken to preserve or restore biodiversity.	Non-material	--
Impacts caused by activities or operations in protected areas	Non-material	--
2. SOCIAL AND STAFF RELATED MATTERS		
Employment		
Total number and distribution of employees by gender, age, country and professional category	2-7 Employees 405-1 Diversity in governance bodies and employees	2.2.3 Our people: the driving force behind our activity Annex I - Employee-related indicators
Total number and distribution of types of employment contracts		
Average annual number of permanent contracts, temporary contracts and part-time contracts by gender, age and job category		
Number of dismissals by gender, age and professional category;	401-1 New employee recruitment and staff turnover	Annex I - Indicators relating to employees
Average remuneration and its evolution broken down by gender, age and professional category or equal value;	102-35 Remuneration policies 102-36 Processes for establishing remuneration	2.2.3 Our people: the driving force behind our activity
Wage gap, remuneration in equal or average jobs in the society	405-2 Rate of base salary and compensation of women versus that of men	2.2.3 Our people: the driving force behind our activity

Table of contents relating to Law 11/2018

Requirement Law 11/2018	Referenced GRI Standard	Reporting section or direct response
2. SOCIAL AND STAFF RELATED MATTERS		
Employment		
The average remuneration of directors and executives, including variable remuneration, allowances, severance payments, payments to long-term savings schemes and any other payments broken down by gender.	2-19 Remuneration policies 2-20 Process for establishing remuneration	2.2.3 Our people: the driving force behind our activity
Implementing disengagement at work policies	GRI 3: Key material topics 2021	2.2.3 Our people: the driving force behind our activity
Disabled employees	405-1 Diversity in governing bodies and employees	2.2.3 Our people: the driving force behind our activity
Work organisation		
Working time organisation	GRI 3: Key material topics 2021	2.2.3 Our people: the driving force behind our activity
Number of hours of absenteeism	403-2 Types of accidents and frequency rate of accidents, occupational diseases, number of days of absence, absenteeism and number of deaths due to work-related accidents or occupational diseases.	2.2.3 Our people: the driving force behind our activity
Measures designed to facilitate work-life balance and encourage the co-responsible exercise of work-life balance by both parents.	401-3 Parental leave	2.2.3 Our people: the driving force behind our activity

Table of contents relating to Law 11/2018

Requirement Law 11/2018	Referenced GRI Standard	Reporting section or direct response
2. SOCIAL AND STAFF RELATED MATTERS		
Health and Safety		
Occupational health and safety conditions	403-1 Employees' representation on formal worker-company health and safety committees 403-3 Workers with a high incidence or high risk of work-related diseases	2.2.3 Our people: the driving force behind our activity
Work accidents (frequency and severity by gender)	403-2 Types of accidents and accident frequency rate, occupational diseases, days lost, absenteeism and number of fatalities due to work accidents or professional illness	2.2.3 Our people: the driving force behind our activity
Occupational diseases by gender	403-2 Types of accidents and accident frequency rate, occupational diseases, days lost, absenteeism and number of fatalities due to work accidents or professional illness	2.2.3 Our people: the driving force behind our activity
Social Relationships		
Organising social dialogue, including procedures to inform, consult and negotiate with employees	402-1 Minimum notice periods on operational changes 403-1 Employees' representation on formal worker-company health and safety committees	Annex - Employee-related indicators
Annex - Employee-related indicators	2-30 Collective bargaining agreements	Annex - Employee-related indicators
Overview of collective bargaining agreements, particularly in the area of occupational health and safety	403-4 Health and safety issues dealt with under formal agreements with trade unions	Annex - Employee-related indicators

Table of contents relating to Law 11/2018

Requirement Law 11/2018	Referenced GRI Standard	Reporting section or direct response
2. SOCIAL AND STAFF RELATED MATTERS		
Training		
Policies implemented in terms of training	404-2 Programmes to improve employees' skills and transition assistance programmes	2.2.3 Our people: the driving force behind our activity
Total number of training hours by professional category.	404-1 Average training hours per year per employee	2.2.3 Our people: the driving force behind our activity
Accessibility		
Universal accessibility of persons with disabilities	405-1 Diversity in governance bodies and employees	2.2.3 Our people: the driving force behind our activity
Equality		
Measures taken to promote equal treatment and opportunities for women and men	GRI 3: Key material topics 2021 405-1 Diversity in governance bodies and employee	2.2.3 Our people: the driving force behind our activity
Equality plans (Chapter III of Organic Law 3/2007, of 22 March, for the effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment; Integration and universal accessibility of persons with disabilities.	GRI 3: Key material topics 2021 405-1 Diversity in governance bodies and employees	2.2.3 Our people: the driving force behind our activity
Policy against all types of discrimination and, if applicable, on diversity management	406-1 Cases of discrimination and remedial action taken	2.2.3 Our people: the driving force behind our activity

Table of contents relating to Law 11/2018

Requirement Law 11/2018	Referenced GRI Standard	Reporting section or direct response
3. INFORMATION REGARDING RESPECT FOR HUMAN RIGHTS		
Implementation of human rights due diligence procedures	2-23 Commitments and policies 2-26 Mechanisms to seek advice and raise concerns	2.1.3 Human Rights and Ethical Conduct
Prevention of risks of human rights abuses and, if applicable, measures to mitigate, manage and remedy possible abuses committed	2-23 Commitments and policies	2.1.3 Human Rights and Ethical Conduct
Reporting of human rights violations	2-26 Mechanisms to seek advice and raise concerns 406-1 Cases of discrimination and remedial action taken	
Promotion and enforcement of provisions of ILO core conventions related to respect for freedom of assembly and association and the right to collective bargaining.	407-1 Operations and suppliers whose right to freedom of assembly and association and collective bargaining may be at risk	2.1.3 Human Rights and Ethical Conduct
Elimination of employment and occupational discrimination	408-1 Operations and suppliers with significant risk of child labour	2.1.5 Suppliers and value chain
Elimination of forced or compulsory labour	409-1 Operations and suppliers with significant risk of forced or compulsory labour	
Effective abolition of child labour		

Table of contents relating to Law 11/2018

Requirement Law 11/2018	Referenced GRI Standard	Reporting section or direct response
4. INFORMATION REGARDING THE FIGHT AGAINST CORRUPTION AND BRIBERY		
Measures taken to prevent corruption and bribery	2-23 Commitments and policies 2-26 Mechanisms to seek advice and raise concerns 205-1 Operational activities assessed for risks related to corruption 205-2 Communication and training on anti-corruption and anti-bribery policies and procedures 205-3 Confirmed cases of corruption and actions taken	2.1.3 Human Rights and Ethical Conduct
Anti-money laundering measures	2-23 Commitments and policies 2-26 Mechanisms to seek advice and raise concerns	2.1.3 Human Rights and Ethical Conduct
Contributions to charities and not-for-profit organisations	102-13 Affiliation with associations	2.1.6 Main Partnerships
5. CORPORATE INFORMATION		
The Company's commitments to sustainable development		
Impact of the company's activity on local employment and development	Impact of the company's activity on local employment and development	2.2.4 Our impact on the community
Impact of the company's activity on local populations and on the territory	Impact of the company's activity on local populations and on the territory	2.2.4 Our impact on the community
Relations with local community stakeholders and dialogue formats with local communities	Relations with local community stakeholders and dialogue formats with local communities	2.2.4 Our impact on the community
Partnership or sponsorship actions	Partnership or sponsorship actions	2.1.6 Main Partnerships

Table of contents relating to Law 11/2018

Requirement Law 11/2018	Referenced GRI Standard	Reporting section or direct response
5. CORPORATE INFORMATION		
Outsourcing and Suppliers		
Inclusion of social, gender equality and environmental issues in the procurement policy	2-6 Activities, value chain and other business relationships	1.2 Business model
Consideration of social and environmental responsibility in the relationship with suppliers and subcontractors.	308-1 New suppliers who have successfully completed screening and selection according to environmental criteria 414-1: New suppliers who have successfully completed screening and selection according to social criteria	2.1.5 Suppliers and value chain
Monitoring and auditing systems and results	308-2 Negative environmental impacts in the supply chain and actions taken 414-2: Negative social impacts in the supply chain and actions taken	2.1.5 Suppliers and value chain
Consumers		
Actions regarding consumers' health and safety	3-3 Management of key material topics	2.1.4 Committed to our customers and to quality
Complaint systems	2-29 Focus on stakeholder participation	2.1.4 Committed to our customers and to quality
Complaints received and their resolution	2-16 Communication of critical issues	2.1.4 Committed to our customers and to quality
Tax information		
Country-by-country benefits	2-6 Activities, value chain and other business relationships	1.4 Teknia's sustainability strategy
Tax on profits paid	2-6 Activities, value chain and other business relationships	1.4 Teknia's sustainability strategy
Public grants received	2-6 Activities, value chain and other business relationships	1.4 Teknia's sustainability strategy

Annex – Employees indicators

In this section we include part of the quantitative indicators required by Law 11/2018 and related to the report's section Our people: the driving force behind our activity.

In terms of the distribution of employees in the Group, the following professional categories are considered:

Direct labour force (MOD, for its acronym in Spanish): includes workers directly involved in the

manufacture of products. This refers mainly to the functions carried out by production workers and production team leaders.

Indirect labour force (MOI, for its acronym in Spanish): includes workers not directly involved in the production activity, but who provide the necessary support for this activity in order for it to take place. It refers mainly to the functions carried out by the

logistics, quality, maintenance, supply, tool assemblers, planners, technicians' areas, among others.

Structure labour force (MOE): includes workers who carry out administrative, supervisory or management functions, supporting the activity of the production plants. It refers mainly to the functions carried out by human resources, admin, commercial, purchasing, engineering and the like.

DISTRIBUTION OF EMPLOYEES BY PROFESSIONAL CATEGORY

As at 31 December 2022

	MOD	MOI	MOE
Man	79	15	29
Woman	150	12	16

DISTRIBUTION OF CONTRACT TYPES BY GENDER, AGE AND REGION

As at 31 December 2022

		Permanent contract	Temporary contract	Others	Training Contracts
Total		3.042	409	17	13
By gender	Men	1.999	217	-	10
	Women	1.043	150	12	16
By age group	Under 30 years old	383	148	1	12
	30 - 50 years old	1.801	197	6	1
	Older than 50 years of age	858	64	10	-
By region	EMEA	2.259	288	17	6
	NAFTA	620	118	-	-
	Brazil	162	3	-	7
	Japan	1	-	-	-

Anexo – Employees indicators

AVERAGE ANNUAL NUMBER OF PERMANENT, TEMPORARY AND PART-TIME CONTRACTS BY GENDER, AGE AND PROFESSIONAL CATEGORY

As at 31 December 2022

		Men	Women	Under 30 years old	Between 30 and 50	Over 50 years old	MOD	MOI	MOE
Permanent	Full time	0,99	0,97	1,00	0,99	0,98	0,99	0,99	0,95
	Part time	0,01	0,03	0,00	0,01	0,02	0,01	0,01	0,05
Seasonal	Full time	0,88	0,98	0,95	0,99	0,67	0,96	0,80	0,81
	Part time	0,12	0,02	0,05	0,01	0,33	0,04	0,20	0,19

NUMBER OF REDUNDANCIES BY GENDER, AGE AND PROFESSIONAL CATEGORY

As at 31 December 2022

		Under 50 years old	Between 30 and 50 years old	Over 50 years old
Total		20	60	34
Men	MOD	11	29	18
	MOI	5	11	4
	MOE	-	3	-
Total men		16	43	22
Women	MOD	4	12	8
	MOI	-	3	3
	MOE	-	2	1
Total women		4	17	22

INFORME DE VERIFICACIÓN INDEPENDIENTE DEL ESTADO DE
INFORMACIÓN NO FINANCIERA CONSOLIDADO DE
TEKNIA MANUFACTURING GROUP, S.L. (Sociedad Unipersonal)
Y SOCIEDADES DEPENDIENTES CORRESPONDIENTE
AL EJERCICIO 2022

INFORME DE VERIFICACIÓN INDEPENDIENTE DEL ESTADO DE
INFORMACIÓN NO FINANCIERA CONSOLIDADO DE
TEKNIA MANUFACTURING GROUP, S.L. (Sociedad Unipersonal) Y SOCIEDADES
DEPENDIENTES CORRESPONDIENTE AL EJERCICIO 2022

Al Socio Único de Teknia Manufacturing Group, S.L. (Sociedad Unipersonal):

De acuerdo con el artículo 49 del Código de Comercio hemos realizado la verificación, con el alcance de seguridad limitada, del Estado de Información No Financiera Consolidado adjunto (en adelante, EINF) correspondiente al ejercicio anual finalizado el 31 de diciembre de 2022, de Teknia Manufacturing Group, S.L. (Sociedad Unipersonal) y Sociedades Dependientes (en adelante el Grupo) que forma parte del Informe de Gestión consolidado del Grupo.

Responsabilidad de los administradores

La formulación del EINF consolidado que forma parte del Informe de Gestión consolidado de Teknia Manufacturing Group, S.L. (Sociedad Unipersonal) y Sociedades Dependientes, así como el contenido del mismo, es responsabilidad de los administradores del Grupo. El EINF se ha preparado de acuerdo con los contenidos recogidos en la normativa mercantil vigente y siguiendo los criterios de los *Sustainability Reporting Standards de Global Reporting Initiative* (estándares GRI) según la opción Esencial, descritos de acuerdo a lo indicado en la tabla incluida en el apartado “Sobre este informe”, detallada a su vez en la tabla incluida en el apartado “Índice de contenidos GRI”.

Esta responsabilidad incluye, asimismo, el diseño, la implantación y el mantenimiento del control interno que se considere necesario para permitir que el EINF esté libre de incorrección material, debida a fraude o error.

Los administradores del Grupo son también responsables de definir, implantar, adaptar y mantener los sistemas de gestión de los que se obtiene la información necesaria para la preparación del EINF.

Nuestra independencia y control de calidad

Hemos cumplido con los requerimientos de independencia y demás requerimientos de ética del Código de Ética para Profesionales de Contabilidad emitido por el Consejo de Normas Internacionales de Ética para profesionales de la Contabilidad (IESBA por sus siglas en inglés) que está basado en los principios fundamentales de integridad, objetividad, competencia y diligencia profesionales, confidencialidad y comportamiento profesional.

Nuestra firma aplica la Normativa Internacional de Control de Calidad 1 (NICC 1) y mantiene, en consecuencia, un sistema global de control de calidad que incluye políticas y procedimientos documentados relativos al cumplimiento de requerimientos de ética, normas profesionales y disposiciones legales y reglamentarias aplicables.

Nuestra responsabilidad

Nuestra responsabilidad es expresar nuestras conclusiones en un informe de verificación independiente de seguridad limitada basándonos en el trabajo realizado que se refiere exclusivamente al ejercicio 2022. Los datos correspondientes a ejercicios anteriores a 2018, no estaban sujetos a la verificación prevista en la normativa mercantil vigente. Hemos llevado a cabo nuestro trabajo de acuerdo con los requisitos establecidos en la Norma Internacional de Encargos de Aseguramiento 3000 Revisada en vigor, “Encargos de Aseguramiento distintos de la Auditoría o de la Revisión de Información Financiera Histórica” (NIEA 3000 Revisada) emitida por el Consejo de Normas Internacionales de Auditoría y Aseguramiento (IAASB) de la Federación Internacional de Contadores (IFAC) y con la Guía de Actuación sobre encargos de verificación del Estado de Información no Financiera emitida por el Instituto de Censores Jurados de Cuentas de España.

En un trabajo de seguridad limitada los procedimientos llevados a cabo varían en su naturaleza y momento de realización, y tienen una menor extensión, que los realizados en un trabajo de seguridad razonable y, por lo tanto, la seguridad que se obtiene es sustancialmente menor.

Nuestro trabajo ha consistido en la formulación de preguntas a la Dirección, así como a los diversos departamentos de la organización que han participado en la elaboración del EINF, en la revisión de los procesos para recopilar y validar la información presentada en el EINF y en la aplicación de ciertos procedimientos analíticos y pruebas de revisión por muestreo que se describen a continuación:

- Reuniones con personal del Grupo, para conocer el modelo de negocio, las políticas y los enfoques de gestión aplicado, los principales riesgos relacionados con esas cuestiones y obtener la información necesaria para la revisión externa.
- Análisis del alcance, relevancia e integridad de los contenidos incluidos en el EINF del ejercicio 2022 en función del análisis de materialidad realizado por el Grupo, considerando los contenidos requeridos en la normativa mercantil en vigor.
- Análisis de los procesos para recopilar y validar los datos presentados en el EINF del ejercicio 2022
- Revisión de la información relativa a los riesgos, las políticas y los enfoques de gestión aplicados en relación con los aspectos materiales presentados en el EINF del ejercicio 2022.
- Comprobación, mediante pruebas, en base a selección de una muestra, de la información relativa a los contenidos incluidos en el EINF del ejercicio 2022 y su adecuada compilación a partir de los datos suministrados por las fuentes de información.
- Obtención de una carta de manifestaciones de los administradores y la Dirección.

Conclusión

Basándonos en los procedimientos realizados y en las evidencias que hemos obtenido, no se ha puesto de manifiesto aspecto adicional alguno que nos haga creer que el EINF de Teknia Manufacturing Group, S.L. (Sociedad Unipersonal) y Sociedades Dependientes, correspondiente al ejercicio anual finalizado el 31 de diciembre de 2022 no ha sido preparado, en todos sus aspectos significativos, de acuerdo con los contenidos recogidos en la normativa mercantil vigente y siguiendo los criterios de los estándares GRI, según la opción Esencial descritos de acuerdo a lo indicado en la tabla incluida en el apartado “Sobre este informe”, detallada a su vez en la tabla incluida en el apartado “Índice de contenidos GRI” del citado EINF.

Uso y distribución

Este informe ha sido preparado en respuesta al requerimiento establecido en la normativa mercantil vigente en España, por lo que podría no ser adecuado para otros propósitos y jurisdicciones.

INSTITUTO DE CENSORES
JURADOS DE CUENTAS
DE ESPAÑA

Bilbao, 5 de mayo de 2023

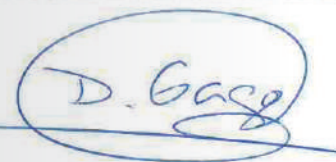
MOORE AMS AUDITORES,
S.L.

2023 Núm. 03/23/02492

SELLO CORPORATIVO: 30,00 EUR

Sello distintivo de otras actuaciones

MOORE AMS AUDITORES, S.L.



Fdo.: Daniel Gago Peromingo
(Socio)



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Sustainability Report 2022

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