



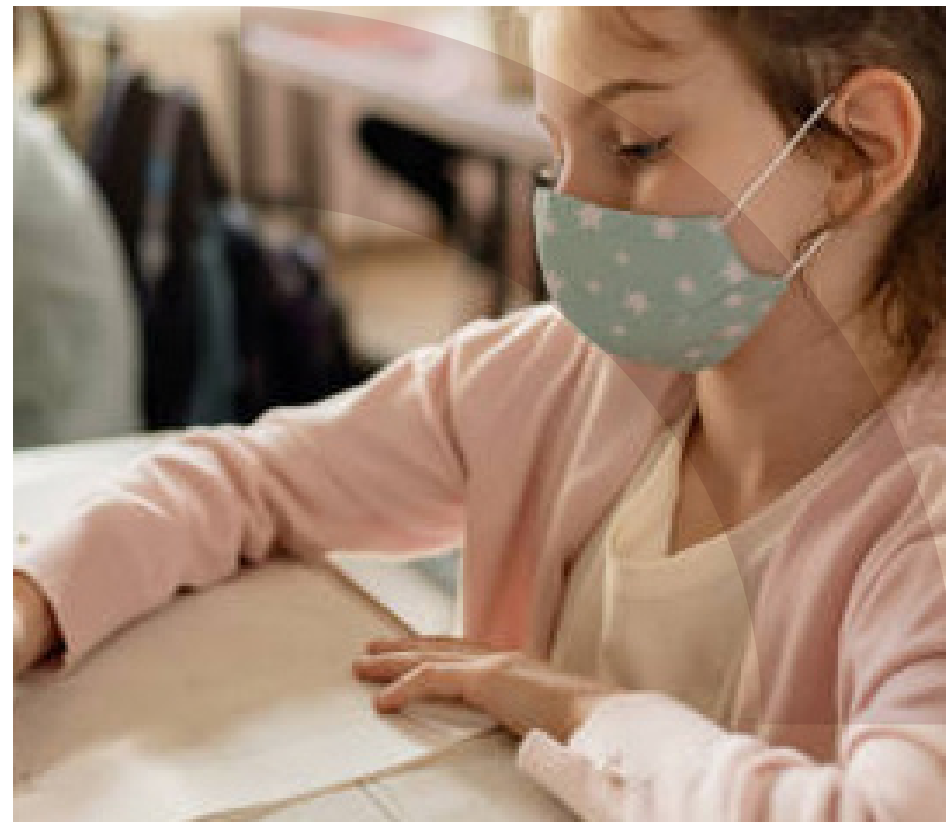
**OUR  
C COMMITMENT TO  
SUSTAINABILITY**



# GLOBAL TRENDS AND SUSTAINABILITY: VENTILATION IN THE SPOTLIGHT

## 1. HEALTHY & SAFE INDOOR SPACES

COVID-19 spearheaded a societal transition that will continue to be critically important for years to come: the importance of healthy and safe indoor environments.



We spend a large part of our lives indoors, whether at work or at home. With such long periods of time, the quality of the air we breathe can be compromised by various internal or external factors.

Obviously, these negative factors can significantly affect our health. In fact, the indoor air in our homes, schools, offices and factories can be twice, or even five times more polluted than outdoor air (Source: European Ventilation Industry Association). In some more extreme cases, indoor air has been found to be a hundred times more polluted than its outdoor equivalent. Exposure to indoor pollutants, mainly as a result of everyday products and activities, is the key contributor to asthma and the spread of most infections and allergies.

GLOBAL TRENDS AND SUSTAINABILITY:  
VENTILATION IN THE SPOTLIGHT

Poor indoor air quality is not only a health problem, but if it is systematically present in a society, it can also weigh heavily on the economy. The Promoting Action for Healthy Indoor Air Project calculated that **in the European Union every year two million healthy years are lost due to poor indoor air quality. This not only means a loss in productivity, it is also places a heavy burden on our healthcare systems.**

Good ventilation has a significant positive affect on indoor air quality. It can remove pollutants such as toxins and CO2 from the air and is critical in, for example, combating condensation and mould that can be formed due to a lack of air circulation. S&P Ventilation Group is heavily focused on addressing these challenges and and it is strategic for the future growth of our business.



The COVID-19 pandemic dramatically changed lives and business globally. It also increased consumer awareness of the importance of indoor air quality and its impact on health. This awareness has driven demand for smarter, more feature-rich products that protect the health of our customers through new build projects, refurbishment and renovation.

IMPROVING INDOOR AIR QUALITY IS NOT A NEW CONCEPT AT S&P VENTILATION GROUP, IT HAS BEEN PART OF OUR COMPANY'S ROOTS FOR MORE THAN 70 YEARS AND IT IS INGRAINED IN OUR BUSINESS STRATEGY. FOR US, VENTILATION ITSELF AND THE IMPROVEMENT OF INDOOR AIR QUALITY IS AN INTEGRATED AND INSEPARABLE PHILOSOPHY: WE THINK, CREATE AND DEVELOP OUR PRODUCTS WITH THE AIM OF PROVIDING INDOOR AIR QUALITY AND HEALTH TO OUR CUSTOMERS. NOWADAYS, ONE OF THE S&P VENTILATION GROUP'S PRODUCTS IS INSTALLED SOMEWHERE IN THE WORLD EVERY 6 SECONDS.

## 2. BUILDINGS AND CITIES BECOME KEY TO ENERGY EFFICIENCY



Our society is immersed in numerous challenges. Undoubtedly, one of the most important is its commitment to the sustainability of the planet. In Europe, this challenge has been articulated through the Green Deal signed in 2019 with the ambitious goal: to achieve carbon neutrality by 2050. This project is not only intended to involve governments; the commitment of private citizens, institutions and all social enterprises is also paramount.

The Department of Economics and Social Affairs of the United Nations states that 55% of the world's population lives in urban areas, a proportion that is expected to increase to 68% by 2050. Projections show that urbanization, the gradual shift in residence of the human population from rural to urban areas, combined with the overall growth of the world's population could add another 2.5 billion people to urban areas by 2050, with close to 90% of this increase taking place in Asia and Africa.





Significant progress is also being made in the United States, such as the new plan over \$1.7 trillion to invest in clean energy infrastructure and impose new limits on pollution that cited the Green New Deal as an inspiration. China aims to be carbon neutral by 2060, tightening its target to cut greenhouse-gases, and signaled higher spending on green technologies in the next five years, a major pledge in the fight against climate change by the planet's worst polluter.

**Data reinforces the fact that buildings account for up to 40% of energy consumption in Europe and the US and are responsible for over 35% of greenhouse gas emissions. Homes, schools, workplaces, offices... We build spaces to work, to live and to interact, spending most of our time indoors, as well as living in ever-larger population centers.**

One of the challenges of all plans above is that energy efficient buildings are crucial for tackling climate change and that goal must be achieved without reducing the health and comfort. **Being able to effectively recycle indoor air without threatening the quality will help the EU achieve its environmental objectives.**

Green Deal assumes changes, first and foremost, in the way we build. In this regard, the commitment to a circular economy in construction is particularly innovative, but, above all, the biggest change comes from the concept of «green buildings», constructions designed to optimize energy efficiency and respect the environment. The international market for green construction projects has grown significantly in the last 10 years and demand for green building activity is poised to grow – to even double in some regions.

The Industrialization of the Building Construction Process has also been in the spotlight. Apart from being a highly efficient construction practice that reduces costs, improves construction schedules and reduces worker injury rates, it also contributes significantly to improving the energy efficiency and sustainability of building construction.



**In relation to existing buildings, approximately 70 percent of all buildings that will be occupied in 2050 have already been built.** Thus focusing purely on new dwellings would only slightly improve the economic, health and environmental factors. It is therefore critical to also address the renovation of existing buildings.

**One of the actions promoted by European institutions is the financing of projects for the refurbishment of old buildings with reforms oriented in two areas: on the one hand, to reinforce airtightness and thermal insulation with reforms oriented in two areas: double flow and heat recovery systems. These devices regulate the temperature while ensuring optimum air quality in interior spaces.**

This is just the tip of the iceberg of the advances in sustainability that the mentioned energy efficiency plans will bring. As a result of this, the EU Energy Performance of Buildings Directive continues to improve insulation and airtightness in buildings across Europe. Most national regulators in our EU markets are supporting this with additional standards and legislation, focused heavily on energy efficiency, eco-design and office ventilation.

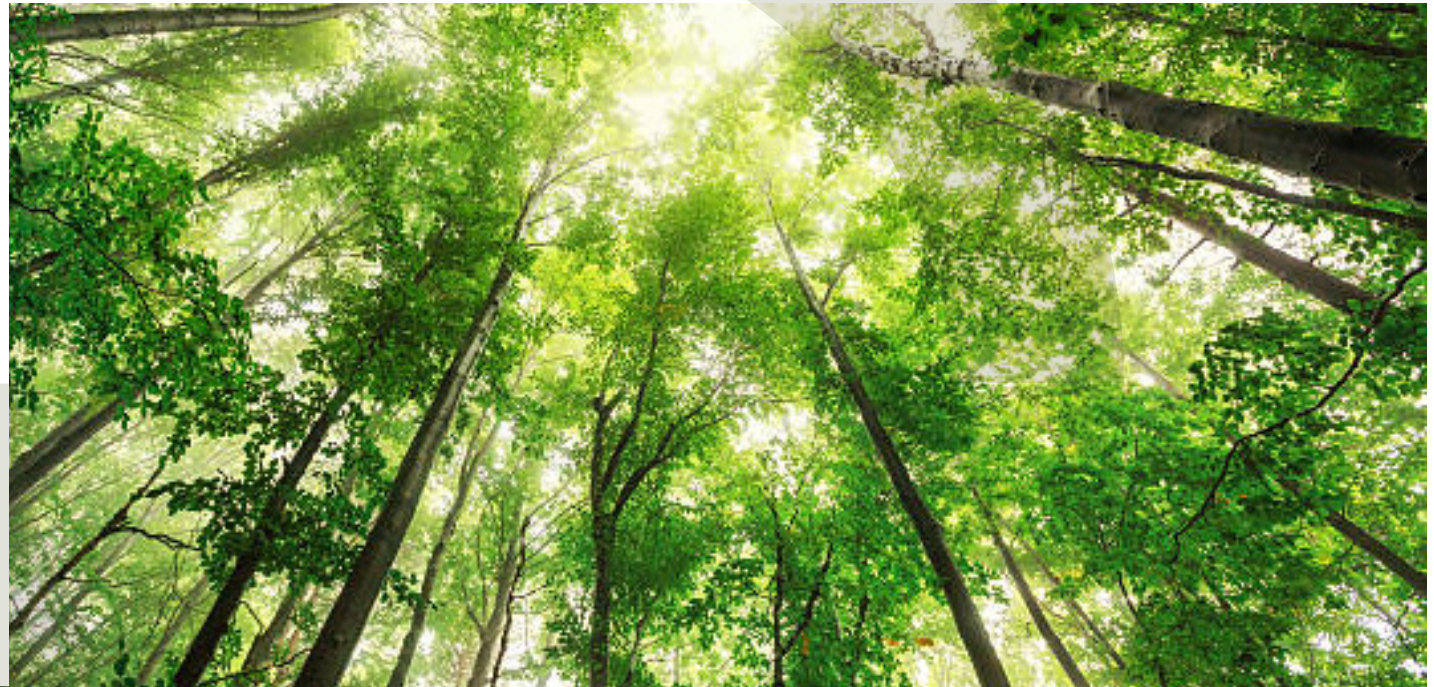
### 3. VENTILATION: KEY CONTRIBUTION TO EU ENERGY AND CLIMATE TARGETS

In addition to contributing to better health and providing improved living and working environments, ventilation also contributes to the fulfillment of the EU 2030 energy and climate targets:

- A 40% cut in greenhouse gas emissions compared to 1990 levels;
- At least a 27% share of renewable energy consumption;
- At least 27% energy savings compared with the business-as-usual scenario.



Heat Recovery Ventilation Systems can avoid significant heat loss in buildings, therefore contributing to the overall energy performance of a building and allowing households to save up to 30% of their heating costs.



## Eco- design

Ventilation cuts across various legislative measures and the ventilation sector closely cooperates with decision-makers and stakeholders to provide knowledge and views on European policy and legislation impacting the ventilation sector.

A proper implementation of and compliance with EU legislation will prevent market distortions, protect consumers, and help fulfill climate and energy objectives. The following are some relevant pieces of EU legislation in relation to energy efficiency purpose:

- Ecodesign of energy-related products, in particular, non-residential and residential ventilation units (1253/2014);
- Energy labelling of energy-related products, in particular of residential ventilation products (1254/2014);
  - Energy Performance of Buildings Directive (EPBD);
  - Energy Efficiency Directive; and
  - The Renewable Energy Sources Directive (RES)

In relation to the Energy Efficiency Directive, S&P Ventilation Group has invested very significantly in product re-engineering and re-testing over the last decade, which has resulted in an improvement of around 90% over the initial targets expected for product discontinuation

# S&P VENTILATION GROUP: COMMITTED TO A SUSTAINABLE SOCIETY



Part of this is how to reduce the burden on our eco-system to ensure good working conditions, acting on anti-corruption and taking on social responsibility.

**At S&P, our commitment to sustainability is incorporated in how we do business: We design energy efficient ventilation products (our “Ecodesign” philosophy) that protect the environment and people.**

Based on this conviction, Soler & Palau Ventilation Group believes sustainability and respect for the environment are a key part of all of our business processes. We are committed to driving a future enabled by more intelligent and sustainable buildings not only through products, but through research on the impact of green buildings on human health and productivity.



Energy savings and product efficiency, both in terms of aerodynamics and acoustics, are the foundations for the design of our products. In this regard, we use the most advanced aerodynamic simulation software and other technological productivity tools to assist our developments around the world. Our Ecodesign philosophy forms the basis of concepts such as our Controlled Demand Ventilation and Intelligent Control System ranges, as well as products specifically designed to recover energy.

Additionally, as a result of this philosophy, Soler & Palau Ventilation Group engineers do not only strive for efficiency, but also take into account the recyclability of components in order to reduce the environmental impact of our products when they reach the end of their service life.

Our commitment in this field starts right at the product development stage, it continues through our production operations and supply chain, including component selection and logistics procedures, and is incorporated across our entire organization. We are constantly challenging our approach to the manufacturing and supply of products to minimise our impact on the environment.



At the same time, we are focusing on reducing the environmental impact of our own activities. We develop a safe working environment, promote equal opportunities and ensure effective competence development. As a key player in the ventilation market, we must lead the way in maintaining high business ethics, with zero tolerance of corruption and bribery by promoting our code of best practice on business. The relationships we build with our employees, communities and customers are essential to help us deliver our goals. Embedding these values across our organisation is critical to helping us attract, develop and retain the best talent.

Sustainability is unequivocally associated to do the right thing, and our cultural pillars of Humility, Austerity and Transparency, based on the respect to our roots, are part of who we are.

# OUR SUSTAINABILITY STRATEGY



Our sustainability framework is developed based on:

- 1\_ An internal analysis of our operations and significant risks at Group level involving our Group Internal Audit Team
- 2\_ Working sessions carried out by of our Sustainability Group Management (see caption "Management of our Sustainability Strategy" below) to decide how we assess the impact in all aspects of the sustainability issues. The management involved provide a global view at Group Level about the status of their individual business areas internationally, including the valuable opinions of key stakeholders
- 3\_ Conclusions obtained from the follow-up and reporting on sustainability figures in our Group in the last 2 years.
- 4\_ A review of practices carried out by our competition to identify relevant sustainability issues.

## DEFINITION OF OUR SUSTAINABILITY STRATEGY

We have defined and aligned our strategy to the United Nations Sustainability goals, the blueprint to achieve a better and more sustainable future for all. These principles are based on respect for human, labour and environmental rights and the fight against corruption.



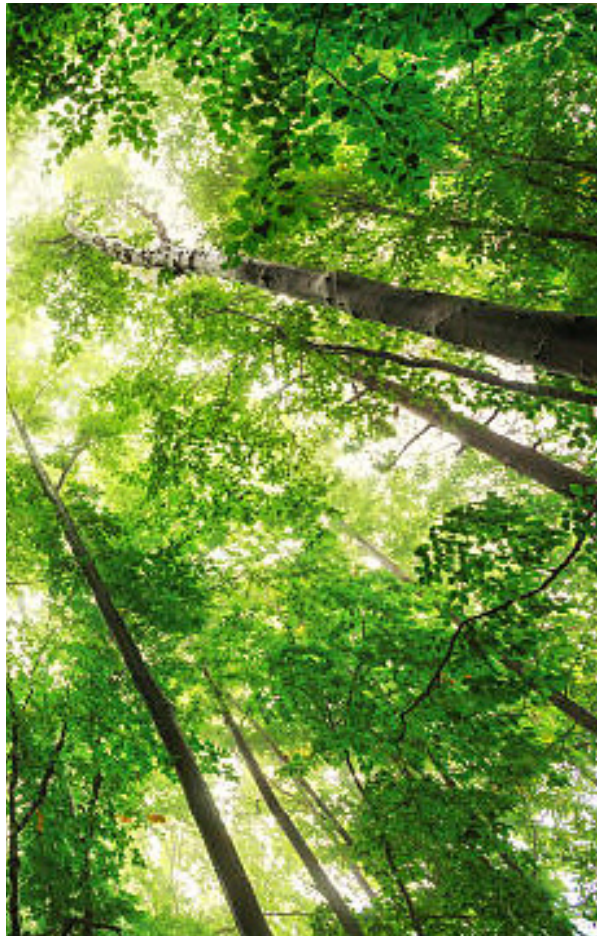
## Responsible Enterprise

(1) S&P firmly believes in and instills in its employees and stakeholders **a culture of business ethics, with zero tolerance for corruption, fraud and bribery.** This is an inherent part of the roots of our organization.



## OUR SUSTAINABILITY STRATEGY

Based on our framework analysis, we have identified our “Significant Sustainability Matters”, which have been classified into the following areas of focus. All of them are part of our S&P Strategic Plan;



## Operations

(2) We invest significant resources in reducing the impact of our activities on the environment. We already invest significantly and have defined ambitious investment **plans to reduce energy consumption and make efficient use of resources in our production centers as well as in the rest of the organization’s non-production centers.**

(3) We strive to **reduce the energy impact of our supply chain.** This includes coordinating with our customers and suppliers to minimize greenhouse gas emissions.



## Products

**(4) S&P's commitment to energy efficient ventilation solutions is firm, hence our «Ecodesign» ranges.** The global regulatory framework, albeit unevenly, is moving in this direction and we are active members of the major organizations in our core markets that are leading the way. We continuously invest and innovate to advance in this field and this objective is part of our strategic plan.

**(5) The cost of manufacturing our own products for the environment in which we live is also part of our strategic plan for product innovation.** We invest in and strive to manufacture sustainable products, a fact that **is reflected in our strategic plan in the form of an increased use in recycled raw materials across our residential product ranges.**

## People

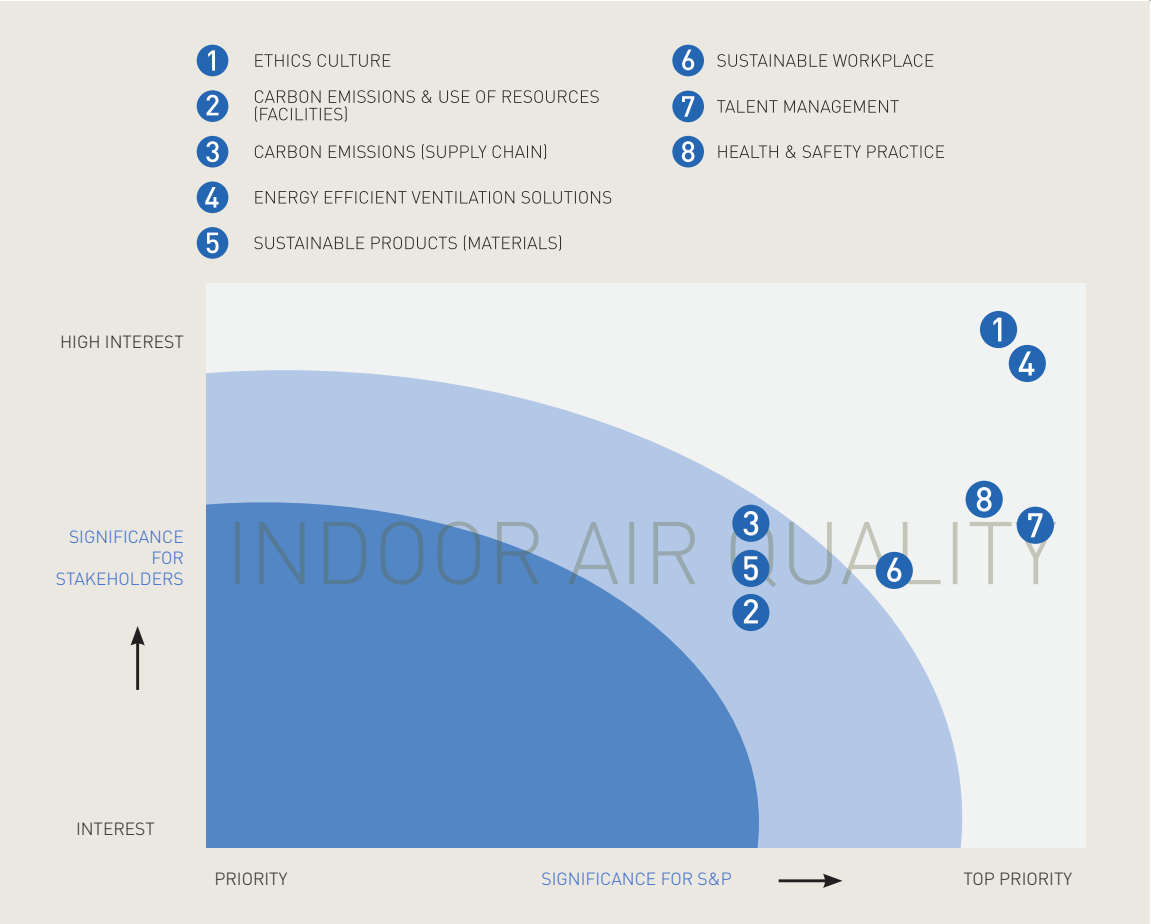
**(6) Our growth as an organization goes hand in hand with the commitment of our employees, who make it possible. We are committed to ensuring that all our employees find in our organization an environment of equal conditions and opportunities,** where they can develop themselves free from discrimination of any kind.

**(7) Attracting talent and empowering it in the organization is a strategic part of our plan for the future.** Our commitment is to provide the necessary means for talent to grow in the organization, both in terms of training and opportunities.

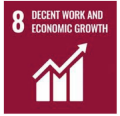
**(8) S&P is determined to achieve and maintain the highest standards in health and safety practice.**








Here below is the S&P materiality matrix, which states our assessment for the abovementioned “Significant Sustainability Matters”:









For the purpose of assigning specific measures to these «Significant Sustainability Matters», our sustainability strategy establishes global long-term objectives and intermediate short- and medium-term milestones, which are channeled to local markets through our subsidiaries, based on a materiality strategy defined at Group level. The following allocation of specific objectives completes our sustainability strategy:



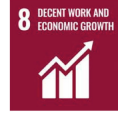
Significant Sustainability Matters	UN's global goals for sustainable development	Goals (Road to 2040)	Already met	Year 2023	Year 2025	Year 2035	Year 2040: S&P CONTRIBUTES AND HAS THE FUNDAMENTALS TO PLAY A FUTURE ROLE IN A SUSTAINABLE SOCIETY
1. Ethics culture		Minimize our risk of fraud, bribery and corruption in our significant subsidiaries	Code of ethics (employees); Process working efficiently. Our process implemented at Group level is managed centrally by an independent party and the incidence ratio is evaluated on a yearly basis by performing benchmarkings against other peers (size, non listed companies, similar business features). In the last 4 years we had no cases of unethical behaviour that caused a relevant impact in any company of S&P Group.	Continuous testing program			
				Code of ethics (suppliers): All our strategic suppliers at Group level sign our suppliers code of ethics	Code of ethics (suppliers): Process working efficiently	Continuous testing program	
			Anti-Corruption Policy was issued in 2018 and is updated and audited based on a periodic plan	Continuous testing program			
			Conflicts of Interests process (employees). We have a mandatory reporting to be followed by all Group's general managers and purchase managers.	Continuous testing program			
			Deployment of the S&P tailor-made Risk Strategy issued in 2018 through which we identify, cover and audit our significant risks at group level		Continuous deployment and testing program (suppliers & service providers)		Continuous deployment and testing program (internal)


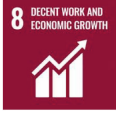
Significant Sustainability Matters	UN's global goals for sustainable development	Goals (Road to 2040)	Already met	Year 2023	Year 2025	Year 2035	Year 2040: S&P CONTRIBUTES AND HAS THE FUNDAMENTALS TO PLAY A FUTURE ROLE IN A SUSTAINABLE SOCIETY
2. Carbon emissions & efficient use of resources (facilities)	  	Reduce energy consumption (GHG emissions) derived from the activity in our properties (3 pillars: Investments, waste management, renewable energies)	Recent significant investments in new modern facilities lowering carbon emissions: US Wisconsin, Thailand, Italy		New investments executed in advanced production centers (UK, France, US Jacksonville) that will significantly reduce Group's carbon emissions		
			Our plants already implement effective actions to optimize waste management. Soler & Palau Ventilation Group keeps ISO-14001 certification for Environmental Management for key production centers: to do this we filter all gasses emitted and recycle all liquid and solid waste generated in our production processes to be reused later. Our investments in manufacturing technology have significantly reduced wastage in some of our relevant plants (e.g. Spain, Norway, Italy, US, France...), particularly sheet metal and aluminium. We also focus on sorting and recovering waste in production, that is an important target in our local plants. We give support to some organizations, through our collaboration or membership, to build new guidelines for sustainable and energy-efficient products and are focusing on the topic of the circular economy in the work under way in the EU	Define our final concrete targets on all our local key plants in Europe and North America focused on optimization of waste management. We will require our key plants to implement 3-5 best management practices to drive reductions in waste volume & provide effective management of specific waste streams	Implementation of the Plan and deployment to the rest of key companies. Deliver zero-waste to landfill from manufacturing locations		
			Soler & Palau Ventilation Group has strived to achieve only the highest standards of quality in every area of the business as a matter of principle since its foundation. Soler & Palau was the first Spanish company to obtain AENOR certification in 1989. All the Spanish production plants are currently ISO-9001 certified. Furthermore, our quality systems for special-application products have also been certified, including high temperature, ATEX and others. Since 1992, Soler & Palau Ventilation Group's Aero-Technical Laboratory in Spain has been accredited by ENAC to conduct airflow, noise and vibration tests on fans in compliance with ISO/IEC 17025 standards. Our laboratory is currently accredited internationally by ILAC-MIRA. Therefore, here at Soler & Palau we are proud that quality is one of the key pillars of our company. The driving force that brings a breath of fresh air to the ventilation sector. We already have significant actions and investments executed or ongoing, particularly in Europe and North America (e.g. investments in solar panel infrastructure in Italy, France, US...). We estimate Co2 emissions (basically scope 1&2) for significant key companies on a yearly basis	Define our final concrete targets for all our key plants in Europe and North America focused on the use of renewable energies. We will require our key plants to implement 3 best management practices to increase recycling of materials.	Implementation of the Plan and deployment to the rest of key companies		
			Recent significant investments in production assets, lowering carbon emissions; Norway, Spain, US Wisconsin, Italy	Global Investment Plan (Machinery & other assets) that will significantly reduce carbon emissions (Italy, Asia, Spain, Mexico...)			

Significant Sustainability Matters	UN's global goals for sustainable development	Goals (Road to 2040)	Already met	Year 2023	Year 2025	Year 2035	Year 2040: S&P CONTRIBUTES AND HAS THE FUNDAMENTALS TO PLAY A FUTURE ROLE IN A SUSTAINABLE SOCIETY
3. Carbon emissions (supply chain & general operations)	 	Reach the "efficient structure on supply chain" that minimizes our carbon emissions in transportation activities	Our support line on Supply Chain works together with our subsidiaries to optimize our operations worldwide and reduce transport costs for the whole Group's supply chain. We have detailed plans with different strategies based on the local needs that will significantly reduce carbon emissions. We have multiple examples in recent years where we have been able to reduce transportation and handling costs at Group level. Importantly, in recent years, we have increased the weight of our stock in our warehouses abroad and have worked efficiently with our clients and suppliers to optimize service (working with newly owned or outsourced logistic warehouses) and, more importantly, have lowered our transport costs. Our significant investments in digitalization in our main companies has been key to improving sustainability in corporate procurement. It allows us to manage suppliers more directly, avoiding risks and attributing sustainability criteria. It also facilitates the negotiation of agreements, marking CSR requirements that suppliers must meet, and allows us to analyze spending in order to adjust it and achieve greater benefits.	We are committed to continue contributing to our high-quality supplier diversity. Our Supplier Strategy is adapted to local markets supported by our central teams, which helps us build and maintain a diverse supplier base that promotes innovation throughout our value chain. We will continue requiring our suppliers to meet our ethical expectations (We will deploy the Supplier Code of Ethics, as stated above). In addition, we have our duly locally adapted supplier quality programs that helps us to evaluate our suppliers, classify them and deliver improvement plans if needed. The program tracks different levels of performance and S&P suppliers are required to undergo preliminary testing to be accepted as approved suppliers.			
		Road map to an energy efficient fleet of vehicles	Currently, there are some subsidiaries with concrete plans in place related to the change in use of hybrid cars starting with the commercial fleet (Spain ,UK, France, Italy). We calculate Co2 emissions for own fleet of vehicles for significant key companies on a yearly basis	Define final plans for all key companies in Europe and North America focused on the use of hybrid & electric cars (Some of the them in place by the end of 2021 & 2022)	Implementation of the Plan and deployment to the rest of key items		
		Optimized structure of travel costs	S&P is strongly established worldwide so that travelling by any means of transportation is unavoidable. For a long time before the COVID-19 pandemic, the way in which we manage our business (practically, bureaucratically, time-efficiency), directly supports a goal of optimizing travel costs that lead to consolidated travel costs significantly lower than the average of other peers. Almost 95% of our travel costs derive from domestic travel and are performed only by limited executives of the corresponding country, predominantly in the sales teams. Country to country travel costs are extremely low compared to other peers and reserved to a limited number of executives. The focus on virtual meetings was already widely extended before the outbreak, however, that has been also extended especially throughout our commercial teams. This has further reduced the cost of travel and environmental impact.				



Significant Sustainability Matters	UN's global goals for sustainable development	Goals (Road to 2040)	Already met	Year 2023	Year 2025	Year 2035	Year 2040: S&P CONTRIBUTES AND HAS THE FUNDAMENTALS TO PLAY A FUTURE ROLE IN A SUSTAINABLE SOCIETY
4. Energy efficient ventilation solutions	   	Global sales (residential and commercial business) will come from the highest class of energy efficient ventilation solutions ( products which provide energy savings once installed in their application) that both protect people 's health and our environment .	<p>We provide a wide range of customized solutions that contribute to healthy and safe environments in all of our business segments and adapted to our countries. Regulation framework is tightening, especially in European countries, and bringing an increasingly heavy focus on energy consumption in our business. We are constantly innovating new solutions to reduce energy consumption and adapt our products to the regulations in each market. Our energy efficient range of products reduce carbon emissions, that fact is verified through national calculation methods or recognised schemes for improving energy efficiency of buildings. In our European companies these are driven by the Energy Performance of Buildings Directive with every local jurisdiction having their own national calculation methods.Out of UE, we comply with each stand-alone country legislation. In addition to this,our decentralised and empowered management model ensures that we continue to have local focus within our regions. Our important presence worldwide, combined with the localism, enables us to play active roles within our trade associations ensuring that we help form the response from our industry at a national level, as well as communicating the valuable achievements that the valuable role ventilation plays in delivering low-carbon buildings within the national frameworks.</p> <p>We have specific strategic plans that will be developed in the coming years to reach our mid-long term goal</p>	<p>S&amp;P has a strong history of innovation in the ventilation market. Our brand, S&amp;P, has achieved worldwide recognition. Over the company's history, S&amp;P has registered 80 patents, more than 20 industrial models and over 120 utility models.Our strategic plan 2022-2024 states very significant investments in R&amp;D, most of it focused on developing solutions that address the challenges presented by the new trends and regulations, specifically energy efficient products, sustainable and digitally connected . Deployment of the Strategic Plan : Residential , Commercial, Industrial product portfolios</p>	<p>Our contribution to society is closely linked to our way of understanding the business. S&amp;P educates communities about the importance of ventilation for people 's health, safer buildings, compliance of regulatory framework ..This is done throughout the distribution chain, reaching the final consumer. We have multiple examples in this regard, such as our various channels of technical advice, our product selection tools, our blogs and presence in networks with multiple digital content, the diverse educational activity of our technicians around the world (e.g. our research activity for the community has significantly soared during this pandemic period). That will be more than ever our line in the coming decades.</p>		
5. Sustainable products (materials)	 	Our Products will be sustainably efficient by maximizing the use of recycled materials	<p>We have started an important project in our strategic plan for the use of recycled plastics affecting, initially, our residential range of products. In addition, there are considerable initiatives to reduce packaging materials in the supply of our ventilation solutions to the market. In addition to this,a significant percentage of our sheet metal, aluminum and cooper used in our production centers comes from recyclable sources and we expect to continue increasing it throughout the concrete guidelines agreed with our suppliers</p> <p>We work intrinsically at European level to recycle most of the material associated with our products sold in the residential and commercial businesses, based on the EU applicable regulation. Additionally we perform annual audits by third parties to certify compliance with the scope according to the applicable European Directive (e.g. in Spain the process is managed through Ambiamfe, which provides the effective solution to recycle the products that we put on the market according to the imperatives of the REEE II legislation , RD 110/2015 on electrical and electronic equipment.</p>	<p>Deployment of the strategic plan and extension to other key markets</p> <p>Continue complying and auditing our plan. Widening to US and Asia based on future local requirements.</p>			

Significant Sustainability Matters	UN's global goals for sustainable development	Goals (Road to 2040)	Already met	Year 2023	Year 2025	Year 2035	Year 2040: S&P CONTRIBUTES AND HAS THE FUNDAMENTALS TO PLAY A FUTURE ROLE IN A SUSTAINABLE SOCIETY
6. Sustainable workplace	 	<p>Our workplace will be ready to face the challenges of our changing society. We aspire to create an inclusive workplace, that encourages everyone to bring their authentic selves to work.</p>	<p>S&amp;P group is firmly committed to our human capital as our best asset and the key to our success, and follows a social model that fosters professional excellence and quality of life. Our commitment is to create a working environment where all people feel represented and valued for their differences and where there are opportunities for everyone to realise their full potential. This is achieved by fostering a culture based on meritocracy, equal opportunity, non-discrimination and the promotion of diversity and inclusion as a strategic priority for sustainable growth. We promote the contribution of knowledge, experiences and abilities of the Group's professionals, regardless of any personal circumstances; we foster a sense of inclusion within the Group that seeks to ensure that S&amp;P's values, principles, and objectives are assumed by the employees as their own; in the realm of gender equality, strengthening the promotion and empowerment of women; recognizing generational and cultural diversity as a source of continuous and decisive enrichment of the group; and take into consideration existing limitations that might be an obstacle for performing some tasks.</p> <p>We strive to create a favourable environment that facilitates equal opportunity, non-discrimination and the reconciliation of personal and working life. Each company within the Group understands the importance of being a contributing member of society and its impact on the long-term development and sustainability of the business. Each business takes responsibility for managing its relationship with its local community. S&amp;P has an important contribution in terms of value creation to the community and supports a wide range of community activities in various countries.</p>	<p>We are committed to the continuous recruitment of diverse talent at S&amp;P worldwide, driving inclusion. The key to inclusion is to listen and learn, and to focus on education and training of leaders and employees across the organization through our different channels. Our strategic decisions on HR are taken at Group level and local companies adapt these to their local plans. We will continue deploying our "zero tolerance" for any form of discrimination, and we provide employees anonymous reporting channels to report incidents.</p>			
7. Talent management		<p>To "have the right person in the right place". To have the Team ready to lead the business through their own self-strategic view and contribute to changing the business by themselves.</p>	<p>At S&amp;P, we firmly believe attracting, developing and retaining talent is a key factor for our long-term success. We empower a relatively decentralized model at the human resources level, where the heads of the business areas of each company have the decision-making power in hiring people, together with the support of their local human resources managers, always within the framework of the ethical values that make up the S&amp;P culture. In the process of attracting talent, we strive to attract people who can take responsibility, have the attitude and are capable to lead change by themselves, and in this context S&amp;P offers them the best opportunities to grow (proof of this is that a very high percentage of S&amp;P's top executives have grown within the group). We have customized annual training and development plans for our employees based on plans designed at local level.</p>				

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8. Health & Safety practice	 	Our overall goal is to be an injury-free workplace and we use training, monitoring and goal setting to move towards this objective.	<p>Our response to Covid-19: We're proud how our leaders and employees have responded to the pandemic. Across our facilities worldwide, the health, safety and well-being of our teams and business partners was the priority from the beginning of 2020. We drove a comprehensive set of actions to establish our new normal way of operation that was deployed locally by our subsidiaries: deploying a hygiene program, limiting travel, establishing guidelines for our employees, restricting access to facilities and finding the balance between work on site and remote. Our operations and service to clients, based on our main KPI, was developed based on high standards and similar levels to those we had before. We can say our strength as a Group at all levels, including health &amp; safety practice became even more reinforced after this period.</p>				
			At S&P, providing a safe and healthy working environment is a business priority and is core to our values. Health and safety are an essential part of a broader workforce strategy that reduces the risk of harm to employees and helps them remain healthy, engaged and productive. To build and sustain a culture related to these principles, our commitment to safety and health is incorporated into the incentive structure for our key managers. Our employees are our greatest asset and therefore, protecting their well-being is a priority. Our guiding principles to achieve this goal are for our leadership and local managers to:	We will continue monitoring the Health & Safety key performance indicators for Key Plants ( European, American, Asia) and maintain the top class safety matrix.			
			<ul style="list-style-type: none"> <li>• Provide the safest workplace environment possible and look for ways to continuously improve upon the safety in our locations. We develop constant vigilance and control measures, including internal &amp; external audit plans in all our plants, which is key to maintaining a safe working environment. We manage it locally, plant by plant</li> <li>• Actively engage and demonstrate their commitment to an injury-free workplace.</li> </ul> <p>We understand that for an idea to be successfully adopted and implemented, management must fully support the initiatives and provide examples that enables employee growth. Empower employees to become accountable for their own actions. Our employees have the right and duty to stop unsafe situations without retaliation. We measure, follow up and take action against risks, near-accidents and accidents in a methodical process and can also share various solutions from one factory to another. We have implemented specific internal reporting systems to be used mandatory, in order to detect and prevent new accidents in our plants, as well as detailed training plans to continue striving for the excellence in this field .</p>	Plan already ongoing to carry out internal audits for Key Plants worldwide			
				<p>Each focus area is linked to a specific goal and sub-goals. We also conducted an analysis of the UN's Global Sustainable Development Goals to identify the goals where our operations have the greatest impact. By actively focusing on these global goals, we will be able to play our part in creating more sustainable development in our society.</p> <p>We have reviewed the material issues that impact our sustainability and prioritised them around the Group's and stakeholders' needs.</p>			

## MANAGEMENT OF OUR SUSTAINABILITY STRATEGY



The management of our global sustainability strategy is developed through the “**Sustainability Committee**”, formed by the Group CFO, the Group heads of R&D, Industrial, Supply Chain, Human Resources, Marketing and Quality (the “Sustainability Group Management”), the latter acting as the Sustainability Committee Coordinator. The Sustainability Committee meets regularly and is in charge of the strategic sustainability matters at Group level that are reported directly to the S&P Ventilation Group Board through the Group CFO.

Our Country General Managers are responsible for channeling the objectives locally, including the definition of their own local objectives adapted to their market requirements. Consequently, there is a line of communication and a line of reporting from our subsidiaries to our “Sustainability Committee”, mentioned below.



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