



FERSA

SUSTAINABILITY REPORT

2023

Scope
NON-FINANCIAL INFORMATION
PURSUANT TO LAW 11/2018

FERSA

This Non-Financial Information Statement (NFS) Report is prepared by FERSA GROUP and GOING INVESTMENT S.A., with GOING INVESTMENT S.A. being the majority shareholder of FERSA GROUP, and FERSA GROUP represents 93.6% of the assets and 99% of the turnover of GOING INVESTMENT S.A.

The scope and coverage of the information included in this report includes, on a consolidated basis, all the information and data of the companies that make up FERSA GROUP worldwide, within the same perimeter as the financial information of the Annual Accounts.

Includes information on the responsible management of the business in the economic, environmental, social and personnel, human rights, anti-corruption, and social areas, for the fiscal year from January 1 to December 31, 2023.

For this reason and in compliance with Law 11/2018, of December 28, amending the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of July 2, and Law 22/2015, of July 20, on Auditing of Accounts, in matters of non-financial information and diversity, FERSA GROUP and GOING INVESTMENT S.A. has prepared this Consolidated Statement of Non-Financial Information (hereinafter, the "CFS").

For the disclosure of this information, FERSA GROUP has taken as a reference, in most of its indicators, the Global Reporting Initiative (GRI) framework for the preparation of sustainability reports in its GRI Standards version.



Bureau Veritas Certification

declares that As required by the
Law 11/ 2018

The non-financial information has been verified by the independent third-party certification body Bureau Veritas, with respect to its structure, content and sources of information of

GOING INVESTMENT S.A.

And that as a result of this verification process **Bureau Veritas Certification** states that:

- The content of the non-financial report of the organization complies with the requirements set forth in Law 11:2018 on this matter and the regulations referenced in the scope of the report, except for the information indicated in paragraph 5 of the verification report, except for the average remuneration of directors and officers (omitted due to their confidentiality and security nature towards the employee and board personnel, since in each category the number is small and does not guarantee the confidentiality of these data)
- After sample verification, no issues have been identified that would indicate that the information included in the report for the fiscal year JANUARY 2023 to DECEMBER 2023 is materially misstated.

Date of issue: 19/03/24

Fdo: Marta Cubero
ValidatorChief
Bureau Veritas Certification

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Letter from the President

For Fersa, 2023 has been a year in which we have made history. A year in which we have achieved great results, where we have continued to consolidate the growth and international expansion of the group and where our collaborators and internal teams have once again demonstrated that the talent and spirit is the most valuable thing we have in this company. A great year in which to close my time as CEO, handing over the baton, now from my position as President, to Rafael Paniagua, who will help us in 2024 to continue leading the company to reach new and greater milestones, while maintaining our commitment to excellence.

Consolidating our growth

We are starting 2023 by becoming a majority investor in the bearing manufacturer Delux Bearings, going one step further in our growth strategy, our commitment to sustainable technology and our global presence. This will also be reinforced at our headquarters in Jiaying, China, where we have signed a collaboration agreement with the local government through which we are carrying out a joint investment in our new production plant, which will be inaugurated in the next few years. And we closed the year by inaugurating the group's new headquarters in Zaragoza, the new FersaLab, the epicenter of our innovation, where we have the most cutting-edge technologies to create intelligent bearings, special materials and nano-coatings, as well as special solutions focused on the electric vehicle, renewable energy and intelligent mobility sectors; and where this innovation permeates each and every one of our company's processes.

Our commitment to investment in innovation has not only led us to consolidate our leadership, but has also helped us to experience solid financial growth, closing our fiscal year with a 19% increase in our turnover.

Committed to excellence and transparency

The creation of the Compliance area, which reports directly to the Board of Directors, consolidates our firm commitment to ethics and transparency in all our operations. In addition, the implementation of a whistleblower channel reflects our determination to foster a corporate culture based on integrity and accountability.

In addition, we have achieved, for the second consecutive year, to be certified as a Great Place to Work®, being the first industrial company in the community of Aragon to hold this valuable recognition. And the greatest reward for our efforts is that our teams feel proud of the achievements we have made together.

Strengthening partnerships

But our achievements would not be possible without our valuable network of collaborators that we continue to strengthen year after year. An example of this is ITA Innova, with whom we continue to collaborate for another year in the SmoothBearing project, research into new designs and manufacturing technologies for efficient and silent bearings. Tecnalía, the largest technology center in Spain, is beginning to collaborate with us to implement Industry 5.0 in our European plants, through the implementation of flexible robotics and artificial intelligence, as well as in the development of solutions for advanced materials.

What to expect in 2024

Our objectives for 2024 include a strong push toward internationalization, exploring new market opportunities and strengthening our global alliances. We will also continue to work on improving sustainability. We will continue to focus on the sustainability of our supply chains and the reduction of our carbon footprint, aligning ourselves with our sustainable development goals. We will maintain our focus on innovation, exploring new technologies and strategic partnerships to remain a pioneer in our industry.

I would also like to highlight the positive response of our employees to the wellness and professional development initiatives implemented in 2023. The commitment of our team has been fundamental to achieving these successes, and we will continue to invest in their development and well-being in the coming year.

In summary, 2023 has been an extraordinary year for Fersa, but our vision goes beyond that. With the dedication of our employees and the continued support of our partners, I am confident that we will reach new ambitious goals and continue to write together the success of our future.



Carlos Oehling
Chairman



1. Who we are

1.1 Global presence

Fersa was created in 2016 through the merger of two leading European bearing manufacturers: Fersa Bearings in Spain and NKE in Austria. Our worldwide reputation is due to our continuous innovation, meticulous design, efficient production and global distribution of high-performance bearing solutions and electromechanical components tailored to the automotive, energy and industrial sectors.

We serve major OEM and Tier 1 manufacturers of commercial vehicles, truck axles, transmissions, differentials and suppliers of aftermarket components for existing on-highway vehicles. In addition, we are a major supplier to leading wind turbine and gearbox manufacturers, as well as industrial machinery companies.

Our commitment to innovation is the cornerstone of our track record as a recognized name in bearing solutions and a trusted OE supplier.

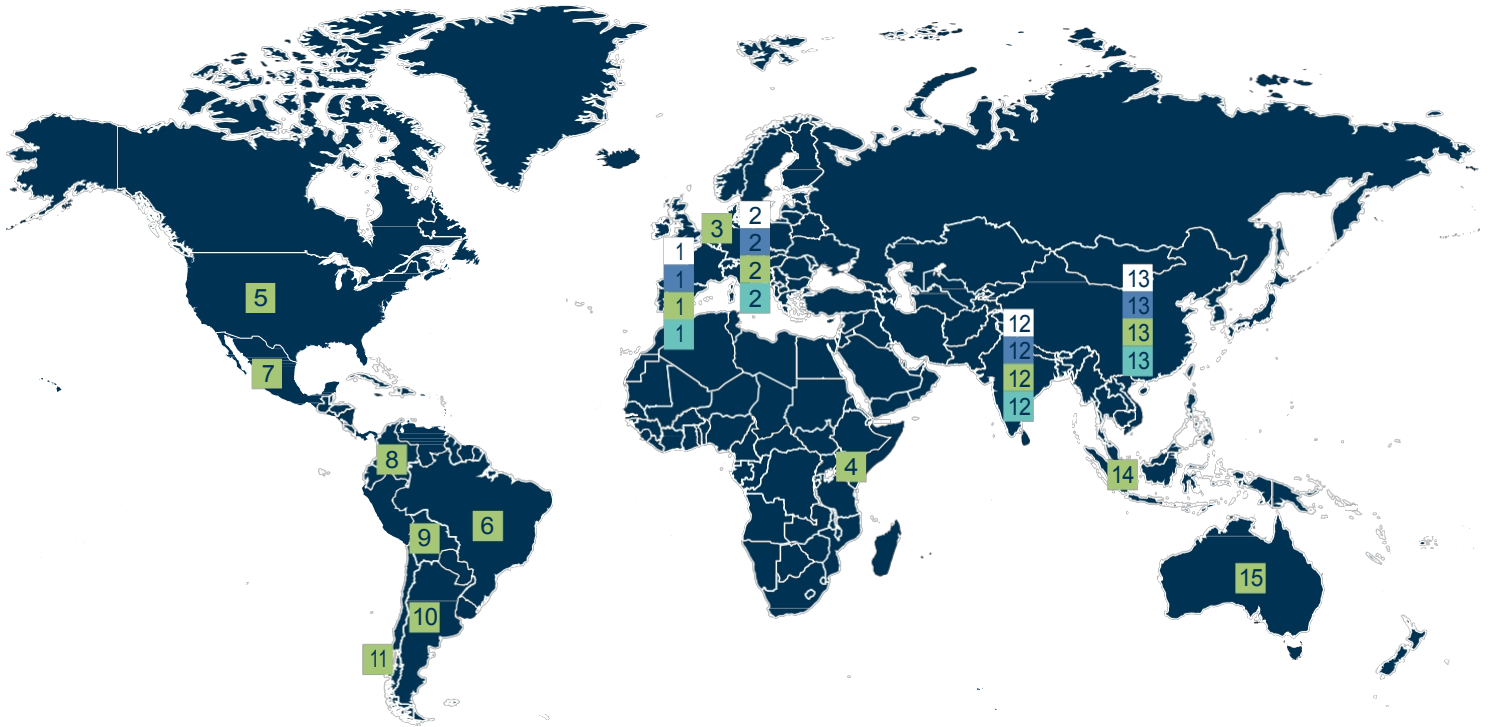
Guided by our focus on innovation, we have adapted to evolving market trends and our customers' needs, while setting new standards in the value chain.

With a comprehensive approach that encompasses bearing improvement and connectivity, our ultimate goal is to create the perfect bearing.

Our path to innovation is based on the principles of performance and efficiency, connectivity and electrification, which has allowed us to pioneer bearing solutions tailored to specific sectors, such as wind energy, rail, light and heavy automotive, among other industries.

<p>6 CENTERS of production</p>		<p>4 CENTERS I+D</p>
<p>18 CENTERS of global distribution</p>	<p>Customers in +100 countries</p>	
		
<p>+600 global distributors</p>	<p>55 YEARS of trajectory</p>	

Our global presence



Customers in
+100
countries

- PRODUCTION CENTER
- R&D CENTER
- DISTRIBUTION CENTER
- QUALITY CENTER

Europe and Africa

- 1. Spain**
General Headquarters
Zaragoza
- 2. Austria**
Steyr
- 3. The Netherlands**
Rotterdam
- Kenya**
Nairobi

America

- 5. USA**
Toledo, Ohio
- 6. Brazil**
Curitiba,
Sao Paulo
- 7. Mexico**
Zapopan-Jalisco
- 8. Colombia**
Bogotá
- 9. Bolivia**
Santa Cruz de La, Sierra
- 10. Argentina**
Buenos Aires
- 11. Chile**
Santiago

Asia and Pacific

- 12. India**
Mumbai
Surendranagar
Rajkot, Pune
- 13. China**
Shanghai,
Shenyang,
Jiaxing
- 14. Singapore**
Pioneer
- 15. Australia**
Melbourne

The companies that make up Fersa in 2023, which are the subject of this report, are:

A&S FERSA BEARINGS EUROPE, S.L.	C/ Bari nº18 Polígono PLAZA, Zaragoza (Spain)
FERSA BEARINGS, S.A.	C/ Bari nº18 Polígono PLAZA, Zaragoza (Spain)
FERSA INNOVA, S.L.	C/ Bari nº18 Polígono PLAZA, Zaragoza (Spain)
A&S FERSA BEARINGS BRASIL COMÉRCIO DE ROLAMENTOS, LTDA.	Rua José Versolato, nº 111, bloco B - 11º andar Cj. 1102 - Sala 5, Centro, Cidade de São Bernardo do Campo, CEP 09750-730/ São Paulo (Brazil)
A&S FERSA BEARINGS BRASIL COMÉRCIO DE ROLAMENTOS, LTDA.	Avenida Maringá, nº 2546, Room 06, Emiliano Pernetá, Município de Pinhais, CEP 83.325-360/ Paraná (Brazil)
FERSA-NKE BEARINGS NORTH AMERICA, INC.	6711 Monroe St. BLVD IV, STE C, Sylvania, Ohio, USA.
FERSA JLC AUTOPARTS (Jiaxing) CO., LTD.	811, Hongye Road. Xiuzhou Industrial Park, Jiaxing City, Zhejiang Province (China)
F E R S A BEARINGS (Jiaxing) CO., LTD.	706, Hongye Road. Xiuzhou Industrial Park, Jiaxing City, Zhejiang Province (China)
FERSA INDUSTRIES ASIA PACIFIC CO., LTD.	9/F., Henan Building, 19 Luard Road, Wanchai, Hong Kong (China)
NKE AUSTRIA GMBH	Im Stadtgut C4, 4407 Steyr-Gleink (Austria)
NKE SHANGHAI BEARINGS SALES CO., LTD.	Building C NO:88 Huanhu West Second Road Nanhui New Town Pudong District, Shanghai. (China)
NKE (SHENYANG) PRECISION BEARINGS MANUFACTURING CO., LTD.	No.91, 25 Road, Economic and Technological Development Zone, Shenyang City, Liaoning Province (China)
PERFECT FIT INDUSTRIES INC	Av. Salvador María Del Carril 2799, Ground Floor, Autonomous City of Buenos Aires (Argentina)
PERFECT FIT INDUSTRIES PTY. LTD	127 Pasley Street, FOOTSCRAY, VIC, 3011 (Australia)
PFI GROUP INC. COLOMBIA BRANCH	CR 20 # 70 - 05, Bogotá (Colombia)
RODAMIENTOS PFI BOLIVIA S.A	Avenida Alemana 8avo Anillo, Call sin nombre, Villa Santa Cruz, Santa Cruz de la Sierra (Bolivia)
PFI DE MEXICO, S.A. DE C.V	AV. Industrial del Agave 136 , Col. Parque Industrial Belenes Norte, Zapopan, Jalisco, C.P. 45145 (Mexico)
PERFECT FIT INDUSTRIES CHILE SPA	AV/ Lira,1014 Y Porvenir 380, Santiago de Chile (Chile)
PERFECT FIT INDUSTRIES OTOMOTIV SAN. TIC. LTD	Sti.Adalet Mahallesi, Manas Blv. No:47 B/2809 Bayraklı İzmir (Turkey)
PERFECT FIT INDUSTRIES (CHINA) CO., LTD	Room #406, 4th Floor YinQiao Building, No #58 JinXin Road, PuDong New District Shanghai, Post code: 201206 China
NINGBO PFI	Area B Standard Workshop, No.6 Cixi Export Processing Zone, Zhejiang Province (China)
PFI GROUP INC	4300 Biscayne Blvd, Suite 203, Miami, FL 33137 (U.S.A.)
PFI INDUSTRIA E COMERCIO DE PEÇAS LTDA	Estado do Paraná, Cidade de São José dos Pinhais, na Rua Rocha Pombo, n.º 2.561, Bloco 5B, Setor QB1, Bairro São Cristovão (Brazil)
PFI BEARINGS KENYA LIMITED	Johari Avenue, Nyayo House, 00501 Nairobi (Kenya)
DELUX BEARINGS PRIVATE LIMITED*	31/A, 32, Mathuradas Mill Compound, Ideal Industrial Estate, Lower Parel Bridge, NM Joshi Marg, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, India Mathuradas Road, N.M.Joshi Marg, Lower Parel, Mumbai- 400 013.
DLXINFINITY DRIVELINE PRIVATE LIMITED	32, Mathuradas Mill Compound, Ideal Industrial Estate, Lower Parel Bridge, NM Joshi Marg, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, (India) GramPanchayat Nighoji, Tal- Khed, Nighoji, Maharashtra - 410501

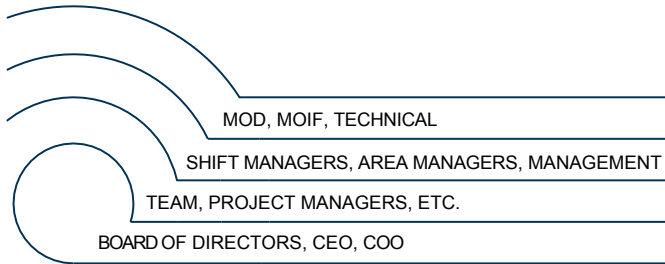


* In 2023, the company acquired Delux Bearings, located in India. With this operation, Fersa covers locations in 19 countries and integrates a workforce of more than 850 employees operating to serve more than 100 countries.

In addition, in November 2023, a merger by absorption takes place and the corporate name of Fersa Innova is absorbed by Fersa Bearings (together with all its personnel), and Fersa Innova disappears as a corporate entity.

1.2 Governance and transparency

At Fersa, the **organization chart** is as hierarchical as possible, so that each person in the company has sufficient responsibility to take an active part in decision making. From the production point of view, the governance of the entity is carried out at plant level, and through a Group management, according to the following organization chart:



Fersa's Board of Directors oversees the correct operation of the organization, the strict compliance with legal obligations and social commitments and the defense of the interests of all stakeholders. It monitors the evolution of the financial statements on a monthly basis and establishes lines of action to achieve the objectives.

For the areas of transparency, anti-corruption and management of the behavior and conduct of all the people who make up FERSA, the Code of Ethics and Good Practices is in force, which was approved at the meeting of the Board of Directors of the Company held on October 22, 2021 .



The content is based on the following chapters:

1. Values of the Fersa Group
2. Principles of action
3. Regulatory compliance
4. Integrity: a fundamental value
5. Social, environmental and safety responsibility
6. The quality and excellence of our products
7. Information
8. Acceptance and mandatory compliance with the Code of Ethics
9. General and specific anti-corruption principles
10. Other standards of conduct
11. Compliance Area

In 2023, local adaptations have been made to disseminate its use throughout Fersa and it has been published on the Fersa website: <https://www.fersa.com/es/valores> and the corporate intranet.


Leadership

Fersa's leadership model is based on our corporate values. We are exemplary in our behavior, competent in our tasks and fully committed to the development of people and the achievement of our objectives.

We believe that Fersa's growth is based on the harmonious development of our capabilities and our well-being. Results are not only the end of what we do, but the logical consequence of our leadership model.

The trust of our customers is the center of gravity of our work; we understand their concerns, we satisfy their needs, we inform them timely and truthfully of our developments, and we accompany them in the pursuit of excellence through the generation of new products.

We are a reference in punctuality, honesty and competitiveness. **We are FERSA.**

<p>Carlos Oehling Chairman of the Board of Directors</p>	<p>Rafael Paniagua Chief Executive Officer</p>	
		
		
<p>Fernando Chóliz Chief Financial Officer</p>	<p>Pedro Pablo Andreu Chief Operating Officer</p>	<p>Hugo Santos Chief Business Development Officer</p>



Miguel Alquézar
General Manager Fersa China



Matthias Ortner
General Manager NKE Austria



Philip Martin
General Manager PFI



Rohan Rathod
General Manager Delux



Fernando Cebrián
GDM Operations



Sergio Santo Domingo
GDM R&D



Laura Garcia
GDM Quality



José Ramón Blasco
GDM Sales



Vinod Venugopal
GDM IT



Alberto de Miguel
GDM Purchasing & Procurement



Carlos Amorós
GDM Supply & Service



Jeremías Osío
GDM Marketing



Julia Faci
Integration Manager

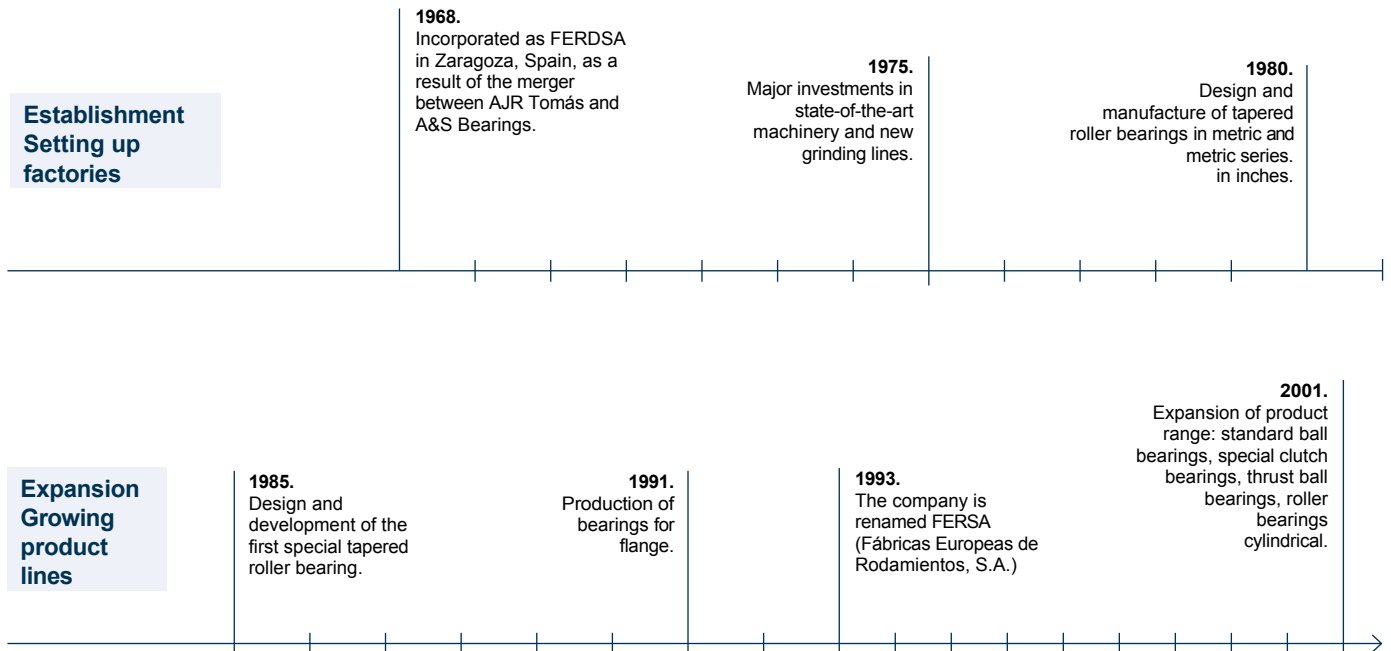


Esther Muñoz
Global Head of ESG & Compliance

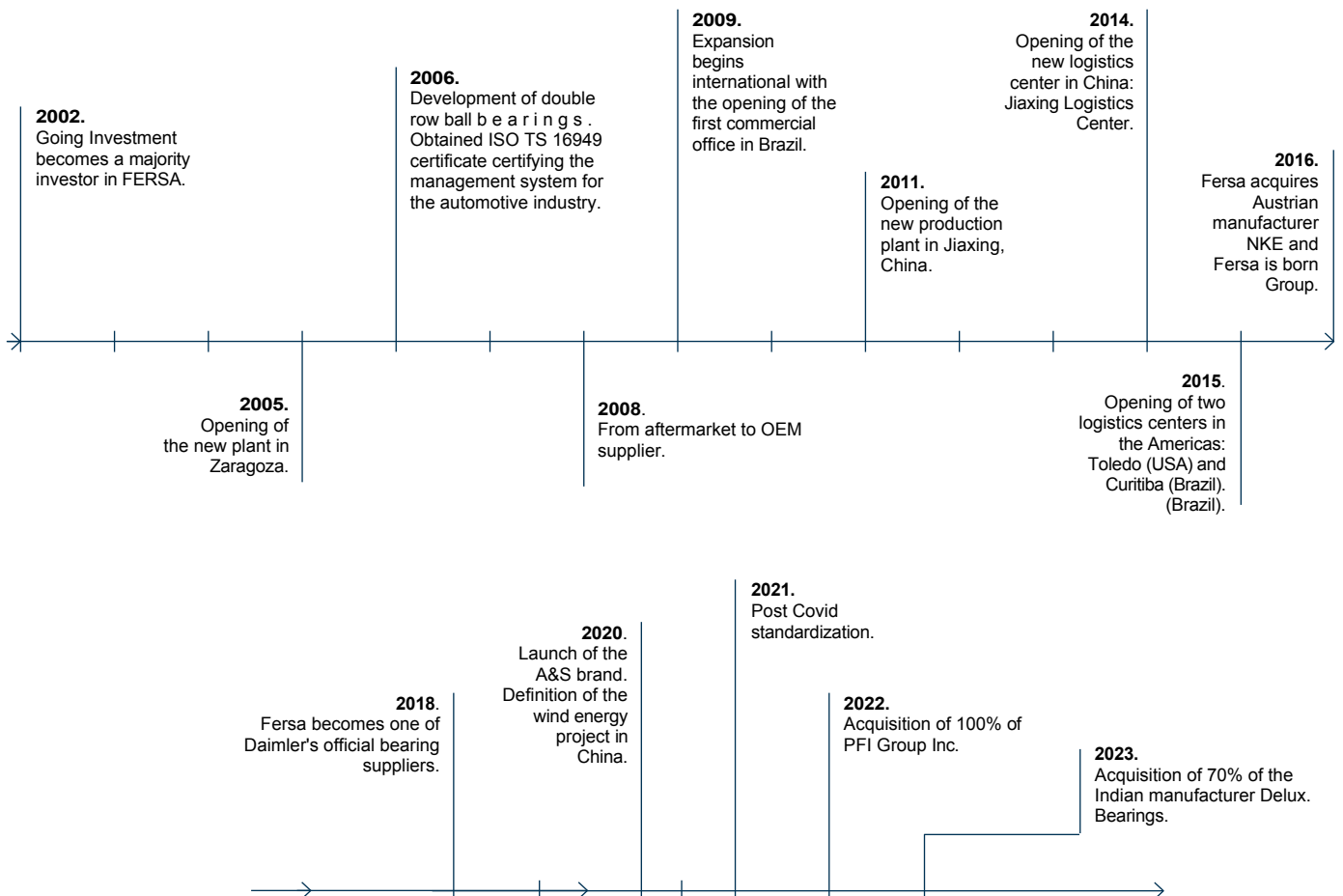


Adrian Lafuente
HRBP - Talent

1.3 A journey to excellence



Excellence // Local presence and innovation



1.4 Milestones

<p>Integration of Delux Bearings, resulting in 14% growth in revenues and 12% growth in earnings</p>	<p>Inauguration of the new FersaLab, innovation center and new headquarters of the group in Zaragoza</p>
	<p>12,6% margin EBITDA</p>
	<p>Strengthening propositions for the wind industry - Strategic partnership with Kugler Bimetal to develop and manufacture sliding bearings for the wind industry</p>
	<p>Strengthening our Powertrain expertise</p>
<p>OEM Closing of major collaboration agreements with original equipment manufacturers</p>	<p>+850 employees</p>
<p>Deepening the industry model 4.0 and working to build automated factories.</p>	<p>Certified Great Place to Work® for the second consecutive year</p>
<p>30% growth EBITDA</p>	<p>Acquisition of line for producing large turbine bearings wind power and other industries</p>
	<p>19% growth in billing</p>

1.5 Strategy

In accordance with the principles and policies of the organization, strategic analysis is considered fundamental, and that is why the definition of Fersa's policy and strategy is carried out with a methodology consolidated over time, which allows its development and monitoring, according to the following process:

At Fersa, strategy is considered as an adaptation mechanism in the value chain, involving the identification of opportunities and threats, alignment with internal and external customer needs, improvement of operational efficiency, innovation, collaboration with partners and the creation of a flexible, agile and sustainable value chain.



Context-sensitive risk analysis

Fersa's management performs risk management to protect the continuity of the business in the long term. Each business process is analyzed highlighting the risks and opportunities that affect it, considering both the internal and external context in which they operate.

As a result of the management carried out, non-financial risks, ESG, are grouped into three groups: those arising from **management and good governance**, those related to **sustainability** and those arising from **society**.

Risk management and control in Fersa is carried out through an annual analysis and management process.



1. An analysis of the context, internal and external environment is carried out to detect relevant factors to be taken into account.
2. Once these factors have been identified, a SWOT analysis is performed to detect risks and opportunities.
3. Risk classification:
 - Financial risks.
 - Operational, environmental and safety risks.
 - Commercial risks.
 - Strategic risks.
 - Legal and compliance risks.
4. Prioritization according to the probability of occurrence and the consequences of the risk.
5. Implementation of the Operational Control Plan through Policies, Strategy and Action Plans.



Below we highlight the main risks of the non-financial statements.

ACTIONS/DECISIONS AFFECTING GOOD GOVERNANCE

RISK	POLICY AND STRATEGY
<ul style="list-style-type: none"> • Absence of Leadership • Deficient transparency • Legal noncompliance • Lack of ethics and honesty in relationships 	<ul style="list-style-type: none"> • Code of Conduct. • Legal compliance. • Compliance with contracts, commitments and alliances.

ACTIONS/DECISIONS AFFECTING SUSTAINABILITY

RISK	POLICY AND STRATEGY
<ul style="list-style-type: none"> • Waste. • Emissions. • Resource consumption. • Legal noncompliance. • Operational risks 	<ul style="list-style-type: none"> • Code of conduct and practices of third parties. • Carbon Footprint calculation. • Monitoring and control of consumption and waste optimization. • Control of legislation • Analysis and implementation of shock measures to adapt to the same.

ACTIONS/DECISIONS AFFECTING SUSTAINABILITY

RISK	POLICY AND STRATEGY
<ul style="list-style-type: none"> • Rotation. • Competencies and talent outflows. • Need for equality and conciliation. • Occupational health and safety (Covid19). • Data protection. • Satisfaction and work environment 	<ul style="list-style-type: none"> • Fortaleza Grupo FERSA. • Human Resources Policy. Code of Conduct. • Equality and work-life balance plans in each group company. • Career plans, promotion and internal and external learning. • Occupational risk prevention service, frequent and controlled follow-ups. • GDPR.

ACTIONS/DECISIONS AFFECTING SUSTAINABILITY

RISK	POLICY AND STRATEGY
<ul style="list-style-type: none"> • Commitments with local communities. • Relationship and commitments to the environment and climate change. • Transparency and honesty. • Responsible use of resources. 	<ul style="list-style-type: none"> • Code of conduct and practices of third parties. • Participation and social engagement plan. • Legal compliance in environmental management.

The year 2023 marked a significant milestone for corporate risk management, due to the creation of a dedicated Compliance area, consolidating the company's commitment to ethics and transparency in all its operations. This new area assumes responsibility for The company is responsible for ensuring compliance with internal and external regulations and policies in all of the group's business activities.

With a proactive approach, Fersa Group's Compliance area will be responsible for identifying and addressing potential legal and ethical risks, implementing robust policies and training programs to ensure the commitment and understanding of all stakeholders. This initiative not only reinforces Fersa Group's reputation as a responsible player in the market, but also strengthens its position in an increasingly regulated and demanding business environment.

Strategically located, the Compliance area is integrated as a centralized function that reports directly to the Board of Directors. This decision reflects the strategic importance the company attaches to regulatory compliance and ethical management, placing compliance as a fundamental pillar in corporate decision-making.

In addition, in 2023, the corporate whistleblower channel will be launched, which will promote the early detection of possible irregularities. Overseen directly by the Compliance area, this system gives employees the confidence to report conduct contrary to ethical and internal policies, thus promoting a work environment based on integrity and responsibility.

The head of the Whistleblower Channel System is Fersa's Global Head of ESG & Compliance, exercising an integrative role, working closely with the different departments to align business practices with ESG principles and current regulations.

Access to the whistleblower channel is through an external platform at the following link: <https://fersabearings.integrityline.com/>.



Definition of stakeholders

FERSA has identified its internal and external Stakeholders, and establishes its strategy taking into account the interests, requirements and expectations of each one of them. The identification of the Stakeholders is carried out according to a team work process, following the following methodology:

- Preliminary analysis
- Identification of stakeholders.
- Identification of stakeholder requirements and expectations.

FERSA's stakeholders are as follows:

SHAREHOLDERS

COMPANY

CUSTOMERS

COMPETENCY

SUPPLIERS
CONTRACTS

WASTE MANAGERS

TRADE UNIONS

EMPLOYEE

MANAGEMENT

OWNERS

PUBLIC
ADMINISTRATION

Within the context of the automotive sector, managing stakeholder requirements and expectations for Fersa Bearings takes on even greater importance, given the complexity and particular demands of this industry.

From the perspective of the aforementioned stakeholders, let's look at how requirements and expectations management in the context of Fersa Bearings' industrial bearings can influence each of these key players:

Group of interest	Requirements	Expectations
Shareholders	Maximization of profitability in the market of mobility solutions, high performance bearings and electromechanical components, complying at all times with current legislation.	Constant product innovation, operational efficiency and compliance with quality standards to maintain and increase market share.
Society	Compliance with environmental and labor regulations in manufacturing.	Development of bearing solutions that contribute to energy efficiency and reduction of environmental impacts. Local economic growth
Customers	Timely supply of high quality bearings.	Collaboration en la optimización de procesos industrial, technical assistance and efficient after-sales service.
Competence	Compliance with quality and technological standards.	Contribution a la innovación en bearings industrial, fair and ethical competition in the market.
Suppliers	Ethical relationships and collaboration to ensure efficient supplies.	Collaboration in the continuous improvement of processes, sustainable practices in the component supply chain.
Waste Managers	Sustainable practices in manufacturing and waste management.	Active participation in recycling and waste reduction programs in the production of bearings.
Unions	Respect for labor rights and safety in the workplace work.	Collaboration in the creation of safe work environments, participation in decisions affecting employees.
Address	Sustained profitability and innovation leadership.	Developing strategies that balance profitability with sustainability, ethical leadership and informed decision making.
Employees	Fair working conditions and development opportunities.	Participation in training programs, safe work environment and opportunities for professional growth.
Investors	Protection de investments y performance financial.	Responsible management that guarantees long-term profitability and transparency in communication.
Public Administration	Compliance with regulations and contribution to economic development.	Participation in government initiatives that promote sustainability and local economic development.

Effective management of requirements and expectations not only benefits Fersa Bearings in terms of profitability and growth, but also strengthens its position as a socially responsible player committed to sustainability in the industry.

Materiality analysis

Materiality analysis is a fundamental pillar for Fersa, playing a crucial role in our commitment to sustainability and responsibility.

corporate social responsibility. By identifying the issues that are most relevant and significant to our operations, we can focus our efforts on areas that truly impact both our performance and the expectations of our stakeholders.

This approach allows us to align our strategies with the most pressing environmental, social and economic challenges, effectively responding to the needs of our key stakeholders. In addition, materiality analysis facilitates proactive risk management by assessing and addressing critical issues in advance, improving our resilience to potential challenges.

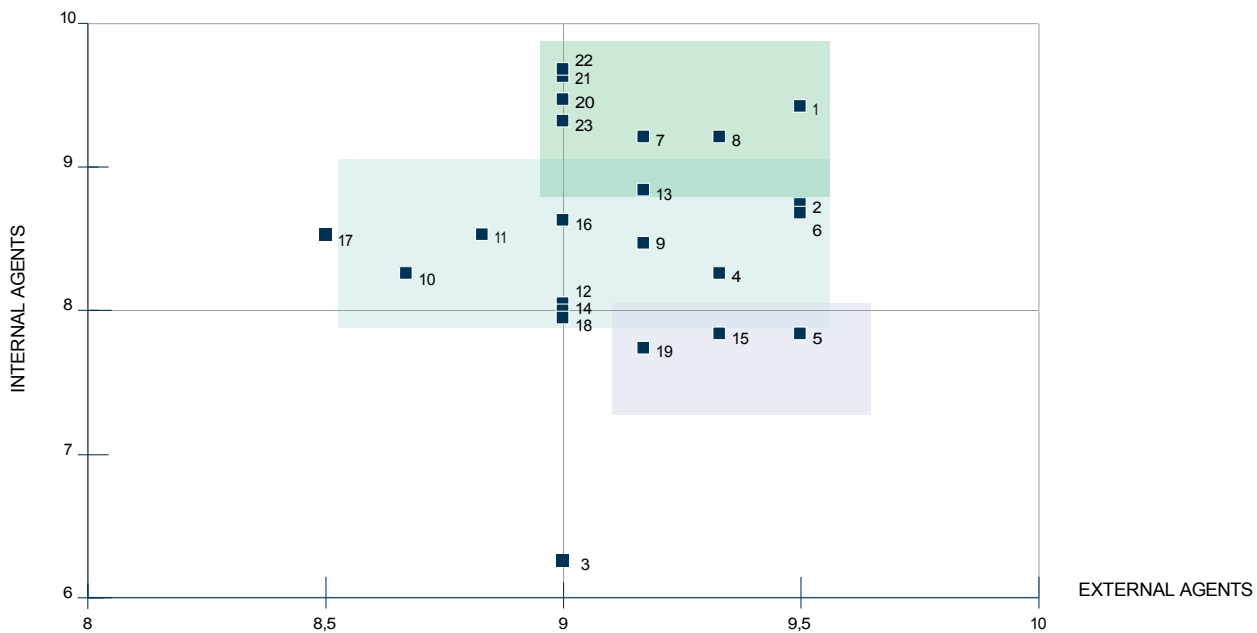
Therefore, materiality analysis is an essential component in our integrated management at Fersa, providing strategic direction, improved decision making and

a solid foundation for our ongoing commitment to sustainability and social responsibility.

At Fersa, we perform the materiality analysis every 3 years, and the methodology is based on identifying the relevant aspects for our stakeholders, on which we can understand their expectations first hand, and establish actions, as well as respond to the requirements of non-financial information based on current regulations.

The analysis of expectations was carried out in January 2024 by means of a questionnaire to verify the interests and concerns of the Fersa Community, considering both internal and external agents, and assessing 23 aspects.

After conducting the analysis, this is the result of the relevant aspects for our stakeholders:

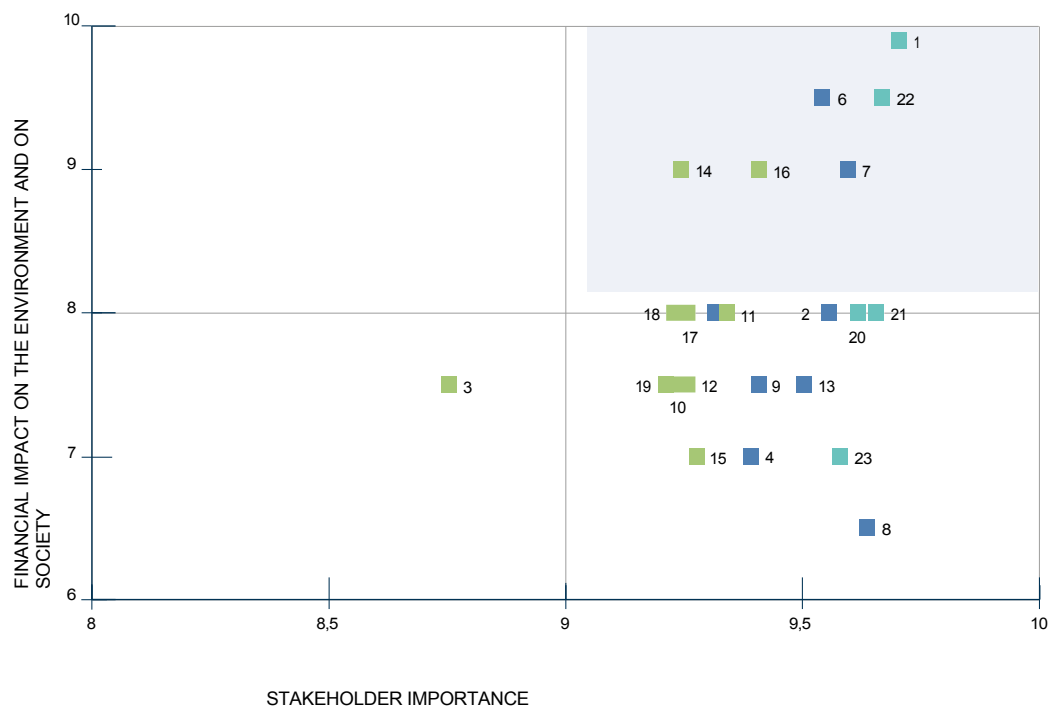


- | | |
|--|---|
| 1. Positive and growing financial results | 18. Prioritization of the use of recycled or recyclable materials |
| 2. Investments in Industry 4.0 infrastructure and equipment. | 19. Supply chain with stringent environmental standards |
| 3. Preferential purchase from local suppliers | 20. Equal opportunities and personal recognition |
| 4. Communication, training and actions against corruption and bribery | 21. Good working environment |
| 5. Ethical behavior and relationship with competitors | 22. A safe and healthy workplace |
| 6. Management, risks and tax obligations | 23. Company communication |
| 7. Safe and quality products | |
| 8. Rapid response in periods of uncertainty | |
| 9. Integrated internationalization process | |
| 10. Efficient product design (eco-design) | |
| 11. Energy efficiency in our facilities | |
| 12. Minimizing water use in services and processes | |
| 13. Exhaustive monitoring of legal compliance with environmental aspects | |
| 14. Calculation and reduction of greenhouse gas emissions | |
| 15. Environmental and social requirements for suppliers of products and services | |
| 16. Reduction of waste generation | |
| 17. Reduction of waste (materials, food, etc.) | |

In line with the materiality analysis, and with the objective of having an evaluation of the impact of operations on the environment, society and economy, the Fersa group seeks a more complete understanding of the impacts it generates, therefore, we have carried out a comparison of the relevant aspects for stakeholders versus the impacts generated on the environment.

The graph below shows the weighting of the Group's various strategic issues, thus enabling more effective management of the risks and opportunities associated with sustainability.

DUAL MATERIALITY ANALYSIS



- SOCIAL DIMENSION
 - ENVIRONMENTAL
 - DIMENSION GOVERNANCE
- DIMENSION

Currently, the aspects following the dual materiality analysis and in accordance with Fersa's growth strategy and essence are as follows:

Dimension	Material aspect No.	ODS	Chapter
Safe, healthy and positive work environment	21,22		Responsibility towards people
Equal opportunity and personal recognition	20	 	Responsibility towards people
Communication	23	 	Responsibility to people
Safe and quality products	7		Consumers
Rapid response in periods of uncertainty	8		Context, Management approach
Financial results and growth	1		Financial responsibility
Exhaustive monitoring of legal compliance with environmental issues Carbon footprint reduction	13		Responsibility with the environment
Investments in Industry 4.0 infrastructure and equipment.	2	 	Context
Risk and liability management	6Organizational context	 	
Reduction of waste generation	16Environmental issues	 	

Definition of mission, vision and values

MISSION

Designs, manufactures and globally distributes high quality bearings primarily for commercial vehicles for the OEM, Tier 1, Tier 2 and aftermarket.

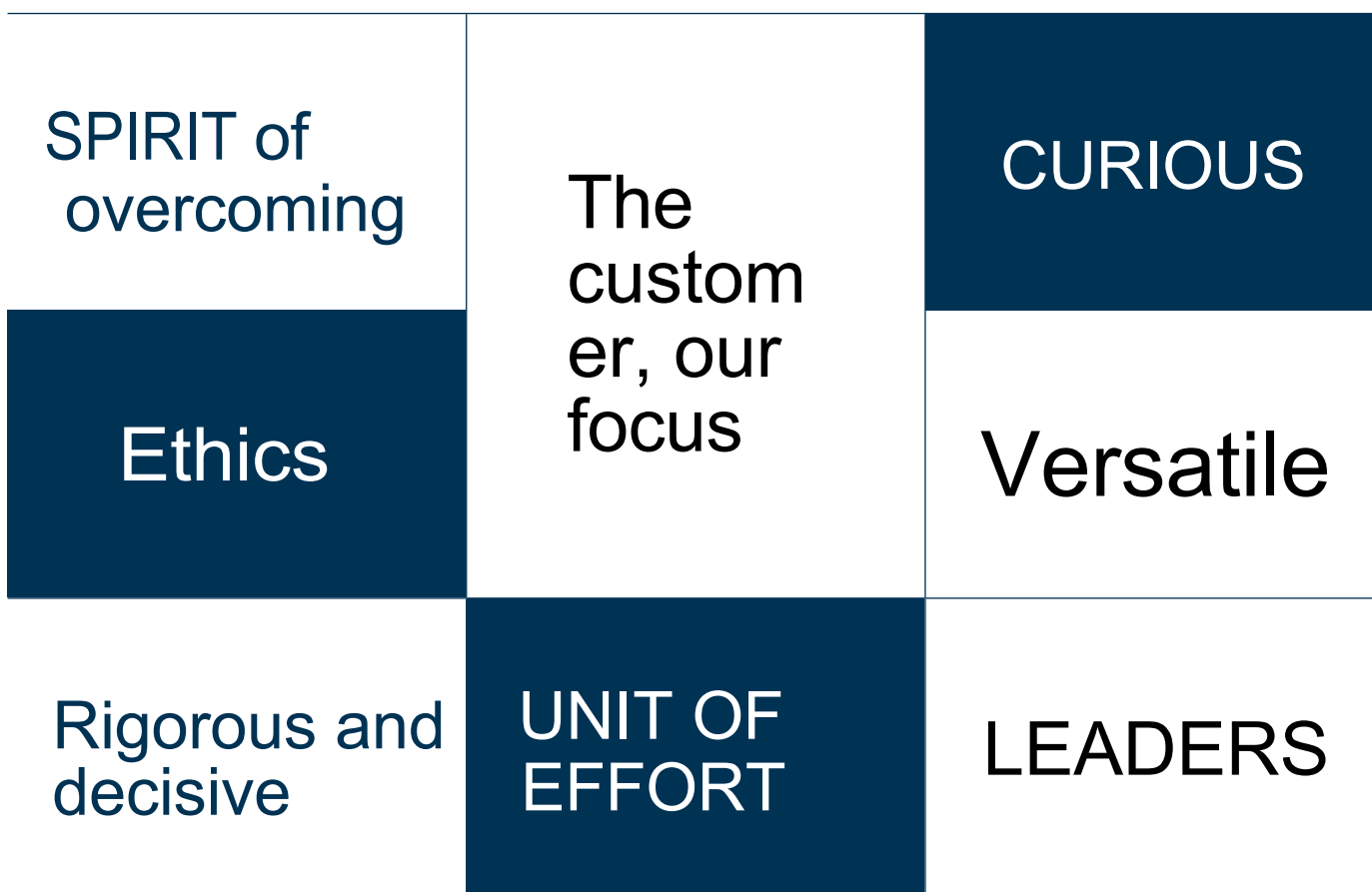
VISION

To be a technologically relevant company, designer and manufacturer of unique and innovative components, supplying the automotive and industrial markets, with excellence and in a sustainable way, through a differential team that enjoys and is fulfilled in its execution.

VALUES

FERSA's values are the fundamental principles and beliefs that guide the company's actions and decisions. These values provide an ethical and cultural compass, shaping the way the organization interacts with employees, customers, partners and the community at large, and are defined in ten principles called **FERSA STYLE**:

Fersa Style

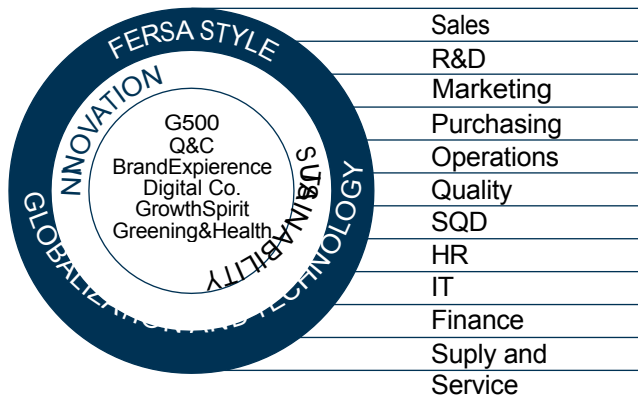


Definition of the strategic framework

FERSA's 2023-2027 Strategic Plan is deployed in the following lines of action managed by the Board of Directors:

- Strategic Management
- Performance Management
- Core Governance & Compliance
- Risk Management
- Culture & Talent Management
- Shareholder & Stakeholder Management
- Sustainability Management

FERSA establishes the Critical Success Factors (CSF) to achieve these strategic objectives, and they are divided into: opportunities, efficiency factors and support factors. They are multi-year in nature, and are reviewed each year in accordance with their structure.



At Fersa, Social Responsibility and Sustainability are intrinsic to the different FCEs and are supported by a corporate culture that internalizes the values in the group's strategy, which are closely linked to the materiality analysis.

This is how FERSA's commitments to the 2030 Agenda and the Sustainable Development Goals of the United Nations came about. Specifically with 6 of them, which are related to the main activities of the organization.

Objectives for a better world



Objective 3: Health and Wellness

- Establish a system of occupational health and safety at work, to comply with legislation, reduce accidents and occupational diseases, always assuming higher standards than the regulatory requirements.
- Carry out safety and hygiene measures to create a healthy work environment.
- Invest in processes that have a positive impact on employee health.
- Psychosocial and ergonomic management as a fundamental part of the occupational health and safety system.

Goal 8: Decent work and economic growth

- Boosting the local economy and culture at all sites by training and hiring local people.
- Apply FERSA's values by the HR department, promoting the right to non-discrimination, so as not to take into account any type of personal characteristic when selecting personnel.
- Provide decent working conditions to employees and contribute with external agents to the dissemination of these principles.
- Open new businesses in emerging countries offering decent and secure jobs to the local population, allowing them to progress socially.

Objective 9: Industry, Innovation and Infrastructure

- Introduce and work on innovation by transforming products, services, production processes and internal management with sustainability criteria.
- Provide access to information and communication technologies (ICT) to all employees.
- Promote the technological capacity and innovation management of small and medium-sized enterprises throughout the value chain.
- Investing in R&D&I

Goal 10: Reduction of inequalities

- Guarantee equal opportunities in the selection processes.
- Facilitate family reconciliation at all levels.
- Promote behaviors that ensure respect for all employees without distinction.
- Equal training opportunities.

Objective 12: Responsible Production and Consumption

- Design products and services for efficient use of natural resources.
- Use biodegradable, recyclable or reusable materials.

Goal 13: Climate action

- Measure the carbon footprint in all activities. Establish short and long term CO₂ emission reduction goals with specific indicators.
- Gradually reduce the use of fossil fuels and replace them with renewable energy sources.
- Integrate the culture of the fight against climate change by requiring environmental certifications and policies from suppliers, calculating their emissions.
- Invest in sustainable and less invasive technologies in terms of greenhouse gas (GHG) emissions.
- Reduce the environmental impact of the company's operations and the use of hazardous chemicals to avoid air, water and soil contamination.



Deployment of plans and activities

Proof of our commitment and contribution to the environment are the following actions in 2023:

Committed to:

- **Occupational safety and well-being:** ORP program, 360° Wellness Program: free physiotherapist and medical service in the company, healthy back training and audits of ergonomic and postural mapping of workstations, fruit in rest areas, occupational safety week.
- **Sports:** participation in activities deTorneo empresarial pádel, Empresa Deporte - Cámara Zaragoza program, Carrera Empresas ESIC, Carrera de la Mujer.
- **Society and the environment:** AECC cancer prevention program - internal dissemination, Partnership with the Cluster Aragonese Automotive Association (CAAR), Donation of clothes. Solidarity market. - Aropa2, bottle cap collection campaign.
- **Internal mechanisms to promote culture, leadership and equality:** Code of Ethics integrated in the headquarters, Training Plan for personal and professional growth in Fersa, Ideas System, Leadership Program, Equality Plan.
- **Environment:** Environmental awareness campaigns, training in waste management and Waste Management and Reduction and Energy Efficiency Plan, Hoop Carpool Carpool Carpool program for a fairer carbon footprint, Plan for sustainable suppliers and supply chain, environmental plan and carbon footprint reduction.
- **Promoting innovation and technology through collaborations and consortiums with centers of excellence.**
technology. We are sure that the presence of advanced technologies can inspire other local companies, generating a positive impact on our community and strengthening the technological capacity of the region; therefore, from Fersa, we invest in technological projects and joint consortiums to lead to the development of new products and sustainable solutions and technological improvements reducing our ecological footprint.

In 2024, Fersa maintains its comprehensive approach, and will continue to prioritize employee health and safety through the OHS Program and medical services, and active participation in sports programs promoting physical activity and teamwork.

Ongoing collaboration with local associations, together with solidarity initiatives, will be one of the commitments to be continued in the social and environmental fields.

Internally, we will work on strengthening the organizational culture and leadership, the integration of good practices of all FERSA's sites. In addition, we will launch environmental campaigns, all of the above through innovative technological practices to advance the sustainable growth of the company.



1.6 Key results (financial and non-financial)

FINANCIAL RESULTS

Benefits obtained	2021	2022	2023
SPAIN	635.910 €	2.102.874 €	8.238.957 €
AUSTRIA	1.209.228 €	1.999.769 €	3.060.687 €
CHINA	4.180.633 €	7.229.562 €	7.876.558 €
USA. USA.	62.010 €	1.282.601 €	3.913.465 €
BRAZIL	871.414 €	2.040.691 €	2.076.423 €
INDIA	-	-	1.618.745 €
LATAM (ARGENTINA, BOLIVIA, COLOMBIA, CHILE, MEXICO)	-	1.065.161 €	1.430.878 €
OTHERS (TURKEY AND KENYA)	-	-	-300.314 €

(*) Income before taxes.

TAXES ON PROFITS PAID

	2021	2022	2023
GLOBAL	1.091.908 €	3.534.336 €	3.638.827 €
SPAIN	1.209.228 €	453.892 €	47.592 €

PUBLIC SUBSIDIES RECEIVED

	2021	2022	2023
GLOBAL	545.374 € ⁹⁴⁶	.264 €	904.186 €
SPAIN	332.635 €	618.148 €	130.276 €

INVOICING VOLUME

	2021	2022	2023
GLOBAL	107.492.515€	167.388.488 €	196.326.436 €
SPAIN	45.286.872 €	64.456.820 €	59.197.035 €

PROCUREMENT

	2021	2022	2023
GLOBAL	59.561.305 €	101.732.682 €	108.471.506 €
SPAIN	14.354.095 €	33.406.792 €	42.507.636 €

	2021	2022	2023
Salaries and wages	17.918.955€	22.504.765 €	25.117.955 €
In Spain	8.766.646€	11.209.398 €	11.062.665 €

NON-FINANCIAL RESULTS

The indicators of FERSA's non-financial statements are highlighted in the following points of the report, the key indicators being the following:

CONSUMPTION PER MANUFACTURED BEARING

	2021	2022	2023
GLOBAL	3,28	3,79	1,96
SPAIN	5,72	6,38	2,98

CARBON FOOTPRINT

Kg Co2/rolling manufactured	2021	2022	2023
GLOBAL	0,58	0,47	0,75
SPAIN	0,52	0,33	0,37

TRAINING

Total hours of training/employee	2021	2022	2023
GLOBAL	16,65	12,63	16,30
SPAIN	16,65	12,63	16,30

ACCIDENT RATE

Total accidents with sick leave	2021	2022	2023
GLOBAL	6	14	12
SPAIN	2	8	1

ACTIVE CONTRACTS

*Year-end referenced

New labor contracts	2021	2022	2023
GLOBAL	514	628	1039
SPAIN	180	211	238

PERSONNEL COMPLAINTS AND GRIEVANCES

	2021	2022	2023
GLOBAL	488	501	716
SPAIN	210	445	218

GOOD GOVERNANCE

Fines/sanctions by the administration	2021	2022	2023
TOTAL	0 €	0 €	62,25€
IN SPAIN	0 €	0 €	62,25€

CERTIFICATIONS

ISO certifications by production or logistics center	Location	ISO 9001	ISO 14001	ISO 45001	IATF 16949
A&S FERSA BEARINGS EUROPE, S.L.	ZARAGOZA				
FERSA BEARINGS, S.A.	ZARAGOZA	X	X	X	X
A&S FERSA BEARINGS BRASIL COMÉRCIO DE ROLAMENTOS, LTDA.	BRAZIL				
FERSA-NKE BEARINGS NORTH AMERICA, INC.	USA				
FERSA JLC AUTOPARTS (Jiaxing) CO., LTD.	CHINA	X	X	X	X
FERSA BEARINGS (Jiaxing) CO., LTD.	CHINA	X	X	X	
FERSA INDUSTRIES ASIA PACIFIC CO., LTD.	CHINA	X	X	X	
NKE AUSTRIA GMBH	AUSTRIA				
NKE SHANGHAI BEARINGS SALES CO., LTD.	CHINA				
NKE (SHENYANG) PRECISION BEARINGS MANUFACTURING CO., LTD.	CHINA				
DELUX BEARINGS PRIVATE LIMITED	INDIA	X	X	X	X
DLXINFINITY DRIVELINE PRIVATE LIMITED	INDIA				

Fersa has implemented management standards, which show the methodology and systematization of the group's activity, which is deployed in each of the organizations that comprise it, always based on a general management strategy and control.



2. Our culture

2.1 Principles

At Fersa, our unwavering commitment to excellence is embedded in the very fabric of our operations. We distinguish ourselves by our principles and our innovation, developing new products and solutions that adapt to the changing demands of our customers. We believe the company is at the forefront of sustainable manufacturing practices, demonstrating its responsibility to the environment. We have a wide range of bearings designed to meet the diverse needs of the industry.



Innovation

Fersa is committed to continuous innovation in bearing technology. Innovation is at the epicenter of everything we do, from product manufacturing to engineering to fostering curiosity. We invest heavily in R&D and have a team of engineers and business developers constantly working to design innovative bearing solutions. We tailor our products to meet the demands of market trends, such as electrification, fuel consumption and performance. Fersa's innovation has resulted in bearings with increased durability, reduced friction and improved fuel efficiency.

Our strengths are advanced engineering, market relevance, competitive advantage, technology integration, efficiency and future-proofing. We are constantly evolving to ensure that we remain relevant and adaptable as the industry evolves towards more efficient and sustainable solutions.



Excellence

At Fersa, we strive daily to achieve excellence in all our operations. We recognize the importance of meeting the demanding standards and requirements of our customers in the automotive and industrial sector, so we work in a collaborative manner to ensure that each step of the process is carried out accurately and efficiently.

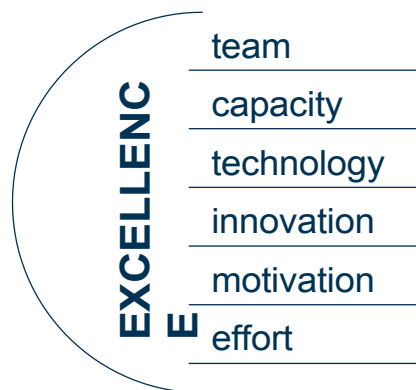
We take pride in manufacturing bearings and industrial applications of the highest quality, knowing that every detail has been carefully reviewed and controlled, maintaining close communication with our customers to understand their specific needs and tailoring our solutions accordingly, ensuring their satisfaction and long-term loyalty.

Our team is composed of highly trained and motivated collaborators, with a proactive attitude and oriented towards continuous improvement. We value creativity and innovation, fostering an environment that promotes the exchange of ideas and the search for new solutions.

Each member of our team plays a key role in our collective success, and we work together in harmony to overcome challenges and achieve our goals, supporting each other, sharing knowledge and experience to drive both individual and organizational growth and development.

We are aware of the importance of keeping abreast of the latest trends and developments in our industry. We invest in training and constant updating to stay at the forefront of the industry. We are committed to adopting sustainable and responsible practices, thus contributing to the care of the environment and the creation of a more sustainable economic, social and environmental future.

We are determined to continue to innovate and exceed our customers' expectations, thus driving the continued success of the Fersa group, applying criticality to excellence in all our operations, combined with our talented and committed team.



Talent

Our team is the key differentiating factor that sets us apart from our competitors. At Fersa, we have a skilled team that embodies the values of the Fersa way, such as customer dedication, problem solving, curiosity and passion. The company has a strong entrepreneurial culture that fosters a start-up environment, This means that our employees work with a lot of autonomy in an encouraging environment that allows them to innovate and take risks. This allows our employees to enjoy what they do and feel a strong sense of ownership of their work.



88%
of our employees believe that Fersa is an excellent place to work.



Work-life balance and flexibility.

83%
of the interns have become part of Fersa's permanent staff.

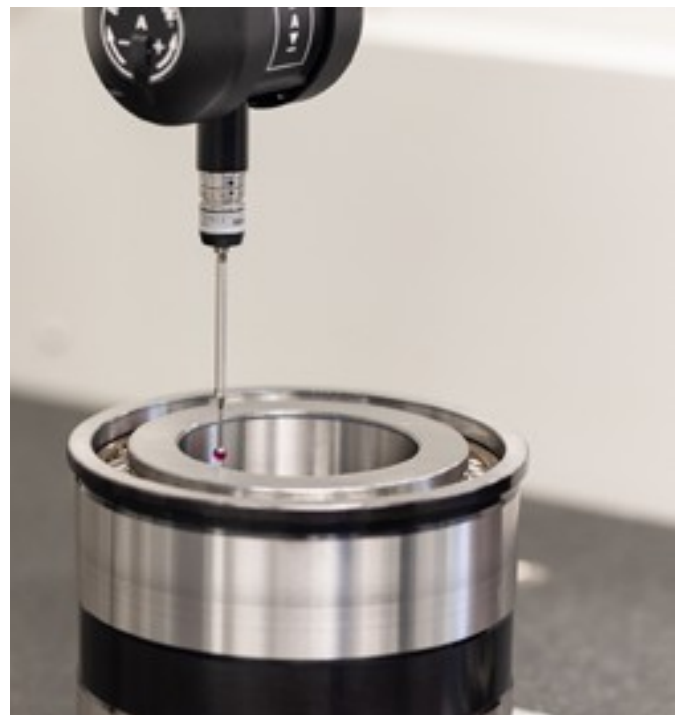
36 years old
(average age)

2%
voluntary departures

Technology

At Fersa, we embrace technology that delves into the realms of big data, AI, machine learning, digital twins, product sensing, etc., to deliver greater value to our customers and navigate the complexities of the modern manufacturing landscape more effectively and efficiently. Our technology innovations are at the forefront of our commitment to the company to offer cutting-edge solutions to customers. By leveraging Industry 4.0, Fersa optimizes its manufacturing processes, reducing lead times and increasing efficiency while ensuring zero defects.

The adoption of digital twin technology allows Fersa to simulate, analyze and optimize operations prior to implementation, resulting in more efficient manufacturing processes and improved product performance. We integrate sensors into bearing solutions, enabling real-time monitoring of performance and operating conditions, providing customers with valuable information about the condition of their bearings. equipment and enables proactive and predictive maintenance, avoiding premature failures and costly breakdowns. This not only enhances the customer experience, but also consolidates our position as a technology leader in the bearing industry worldwide.



2.2 Values

In previous sections we have briefly described Fersa's values, which reflect the identity and culture of our Organization and play an important role in the way in which Fersa relates to its stakeholders.

It is crucial to understand the transformation of values into an attitude and behavior. For this it is necessary to know what each of the values mean and their very essence:

THE CUSTOMER, OUR FOCUS

"Our commitment is to excellence with internal and external customers."

This is a core principle because it must be assumed by all FERSA members and be developed in the following ways

different areas of customer satisfaction. On the one hand, it requires a deep knowledge of the customer in order to be able to correctly assess his expectations. On the other hand, it requires a high level of knowledge of the company's own processes to be able to adapt them to the customer's requirements and, finally, it requires a broad initiative and flexibility to be able to fit each of the customer's realities with which it relates into the organization as a whole.

LEADERS

"Our leadership model is action-oriented. It starts from self-knowledge and we exercise it through commitment, communication, trust and consistency. We spread enthusiasm through our example and, based on our competence, we are a reference and guide for others towards common success".

This term includes direct leadership, operational leadership and strategic leadership. The key in all cases is communication.

UNIT OF EFFORT

"We combine all our capabilities, we communicate fluidly and continuously to share purposes, objectives and goals. Together we are fersa".

This principle aims to provide agility and effectiveness to the group, taking advantage of the knowledge and improvement generated anywhere in the organization. It requires high connectivity, taking advantage of synergies.

PASSIONATE

We are enthusiastic about what we do every day, we work with full commitment and responsibility to provide the best experience for our customers, achieve our objectives and take on new challenges 💡.

This principle is related to performance satisfaction and job quality, the associated value being the ability to deliver.



VERSATILE

◆ We are flexible, agile and effective because we understand the critical importance of speed of adaptation◆.

Adaptation and reaction in a light and flexible way to any type of demand, facing unforeseen events in the most agile and decisive way.

RIGOROUS AND DECISIVE

We are exhaustive in analyzing problems, transforming them into opportunities and acting with determination and precision in execution◆.

These attitudes establish the nature of the organization in the sense that it adheres to regulated normative processes and to its own analysis processes, which are known by all the obligated parties, previously established and strictly followed; that it does not stop at the data, but from its analysis and synthesis it deduces different lines of action and that once the one to be undertaken has been decided, it acts with determination and precision in its execution.

ETHICS

We are responsible, transparent and upright in all our actions.

In all our actions we include integrity, respect, social responsibility and compliance with laws, and a sense of measurement. Its practice contributes to the building a solid reputation and trustworthy and transparent relationships with our employees, customers and society in general.

SPIRIT OF IMPROVEMENT

◆ We are humble, but we think big, dream of ambitious challenges and take risks. we are demanding of ourselves◆.

Ambition with humility and respect.

CURIOUS

We are interested in what we do, we are nonconformists, we develop creative ideas and we innovate. We experiment and capitalize on what we learn◆.

What is sought is the inclination to constantly improve, to open one's eyes to new and unknown realities without fear of experiencing setbacks and disappointments.





3. Value proposition

At the heart of Fersa lies an unwavering dedication to delivering for our customers, shareholders and partners. Our value proposition, the cornerstone of our success, embodies the essence of who we are and what we stand for.

Customer value proposition

At Fersa, we pride ourselves on delivering exceptional value to our valued customers. Our commitment to quality and innovation underpins our value proposition, and we offer:

1. High quality products

Fersa bearings are renowned for reliability and superior quality. By employing manufacturing processes and strict quality control measures, we ensure that our products meet the highest industry standards.

2. Wide range of products

Fersa has a wide range of ball, roller, thrust and linear bearings. This wide range allows us to satisfy a broad spectrum of our customers' needs.

3. Tailor-made solutions

Recognizing that unique challenges demand unique solutions, Fersa offers customized bearing solutions. Our team of experienced engineers are experts in designing and manufacturing bearings precisely tailored to our customers' specific requirements.

4. Global accessibility

Fersa's extensive global sales and distribution network ensures easy access to our bearings worldwide, allowing customers to source Fersa products regardless of their location.

5. Aftermarket Excellence

Our leadership and expertise in the automotive OEM segment translate into strength in our aftermarket positioning. The same commitment to quality and reliability that our OEM customers demand extends to our Aftermarket products, offering customers high-quality options.



With customers in more than **100 countries**, we account for **72%** of our sales in **8 markets**.

Operational efficiency value proposition

Fersa's **operational efficiency and productivity** are hallmarks of our commitment to excellence. Our worldwide manufacturing facilities enable cost-effective production, and our unwavering dedication to continuous improvement drives operational excellence.

Operational efficiency and productivity



COST-EFFECTIVE PRODUCTION

CONTINUOUS IMPROVEMENT



operational excellence



In 2023, our investment in a state-of-the-art manufacturing facility significantly expanded our production capacity, while reducing costs. These facilities also exemplify our commitment to sustainability, as they are environmentally friendly.

Efficient management of the company's resources has contributed to reducing selling, general and administrative expenses. This underscores its efforts to achieve operational efficiency and margin improvement. The acquisition of Delux has been a strategic move that has not only expanded Fersa's presence in the market, but has also led to improved operational efficiency, cost savings and enhanced capabilities, ultimately benefiting both the company and its customers.

Value proposition by product portfolio

Innovation is at the core of Fersa's product strategy. We invest heavily in **research and development** to offer innovative solutions that meet our customers' changing needs. For example, our new line of bearings designed specifically for electric vehicles demonstrates our ability to respond to the emerging demands of the industry. Fersa offers a wide range of complementary products, such as seals, lubricants and tools, designed to help our customers maintain and optimize their bearings.



R & D



innovative solutions

These acquisitions have consolidated Fersa's position as a world leader in bearings and power transmission products.

Fersa's strategic acquisitions have further strengthened our product offering:

DELUX BEARINGS (India)

The acquisition of Delux in India in 2023 has helped to strengthen our product offering by creating a full range of bearings, build expertise in tapered roller bearings and enhance our presence in India to reach and service more customers in this market.

PFI BEARINGS (USA)

Acquired in January 2022, PFI is a leading manufacturer of bearings and power transmission products, enriching our product range and expanding our market presence.

NKE BEARINGS (Austria)

Acquired in 2016, NKE is a leading manufacturer of precision bearings supplying various industries.

The perfect solution for every need



FERSA BEARINGS

At Fersa Bearings we manufacture a wide range of products, from standard bearings to special models, taking advantage of our experience in the design of high-end products and our commitment to innovation and technology, flexibility and dynamism.

Complete range for industrial vehicles. The only brand with more than 90% of the European and North American range. The first manufacturer with the complete range of wheels.

Tapered



Hubs



Kits



Preset Hubs



Pinion modules



Cylindrical



Balls



Differential



Gearbox



Wheel hubF-Box



Maintenance Tools



NKE BEARINGS

NKE designs and manufactures high-precision bearings for the industrial market, focusing on applications renewable energies, such as wind turbines, as well as other industrial applications.

SQ77 is a simple and cost-effective protection against bearing damage caused by current flow.

Insulation eliminates the risk of damage to the raceways and premature aging of the lubricant, which is critical for proper bearing operation.

The aluminum oxide ceramic insulating coating is made by plasma spraying. Guaranteed minimum resistance of 1000 V or 3000 V (AC/DC).

SQ77 electrically insulated bearings are also available in combination with other special features.

Hybrid bearings address the challenges of high speed and noise.

Steel rings are combined with rolling elements.

The balls are rollers manufactured with ceramic materials: Si₃N₄

Advantages: electrical insulation, lower coefficient, lower weight and corrosion resistance.



PFI BEARINGS

PFI offers a wide range of automotive, industrial, agricultural and electrical bearings, mainly ball bearings, tapered roller bearings and needle roller bearings, both in standard and special sizes.

- Product lines: **Bearings for transmissions Bearings for differentials**
- Bearings for electric motors**
- Wheel bearings**
- Air conditioner bearings Clutch bearings Alternator bearings**
- Tensioner bearings**



DELUX

Delux products perfectly combine experience and innovative solutions in the field of bearings and advanced electronic applications, especially for the powertrain of electric and conventional vehicles.

Delux, which complements Fersa's manufacturing capabilities, diversifies the product range and adapts to growing market demands and trends. It helps to offer cutting-edge solutions that improve efficiency and minimize friction in a multitude of applications.





4. Responsibility

4.1 Economic

Growth is key to the sustainability of our business model.

Over the years, we have adopted an economic growth strategy based on expanding our product portfolio and exploring new markets and business models. Our acquisition strategy has played an important role in the growth process, bringing valuable companies into our group. This approach enables us to offer a wider variety of products and solutions, as well as to reach a broader and more diversified customer base in different market segments, which in turn drives the development of our business.

We strive to improve operating efficiency and achieve cost synergies through these acquisitions, with our primary objective being to acquire companies offering complementary products or services or operating in the same geographic areas.

To mitigate risks and secure resources, we study acquisitions in various sectors or geographic regions. In addition, we seek to target companies with specialized expertise or cutting-edge technologies, and which will enable us to develop new, higher value-added products.

Another important aspect of our growth strategy is vertical integration, where we gain control of our supply chain, raw materials and suppliers. This approach is aimed at reducing costs and raising product quality, which further contributes to our company's economic growth.

Therefore, economic growth is essential to ensure the long-term sustainability of Fersa's business by providing stability, increasing revenues, improving profitability and ensuring access to resources and knowledge. to remain competitive in an ever-changing business environment.



About our figures and future

During 2023, the Group's EBITDA experienced remarkable growth increasing by 30% representing 12.6% of our sales, this was due to higher profitability derived from a high value-added product mix, in addition to the integration of PFI, which boosted the Group's profits.

For the 2027 horizon, projections point to an increase in sales, especially in the industrial sector, which could require additional investments in capacity. Despite challenges in the automotive and industrial segment, the group's overall profitability is expected to improve thanks to a strategic mix of segments, with an increased focus on aftermarket.

A medium-term future:▷

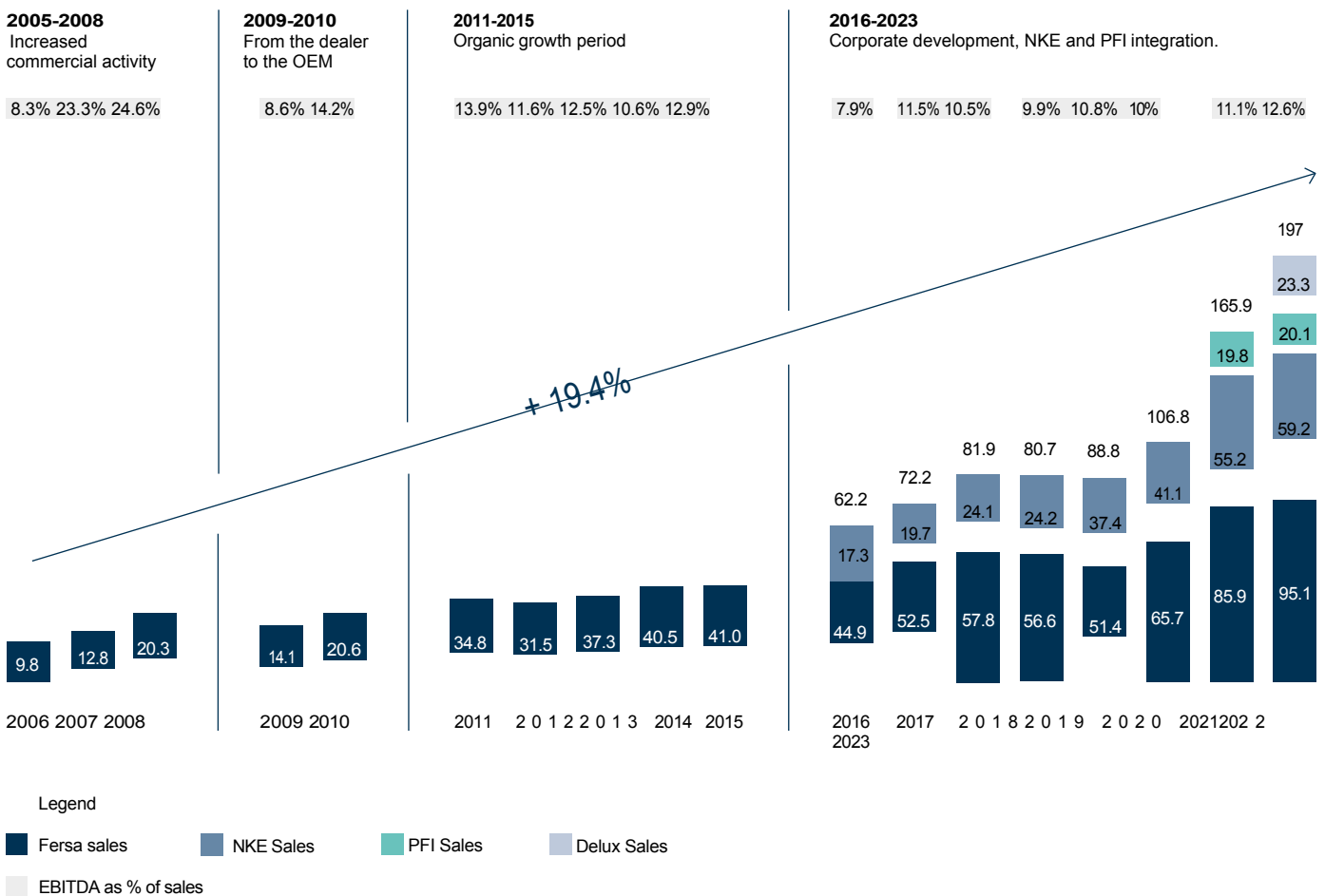
1000 Mill € Turnover▷ 15%
EBITDA

This growth must be accompanied by excellence in innovation, increased productivity in our operations, flexibility in our operations and continuous revision of our strategy to adapt to current and future needs.

In the spotlight and as a critical aspect: we are working for the sustainability of our company by ensuring its profitability and increased value for all stakeholders. We understand sustainability towards society and the environment as a commitment rather than an objective, which not only implies investment in renewable energies and impeccable environmental management, but must also be based on the long-term profitability of the business, generating local wealth and providing economic balance and wellbeing to all FERSA's collaborators.

Group turnover and EBITDA margin (2006-2023)

(in Millions of Euros)



4.2 With people

Human capital is the main potential of Fersa. The Human Resources Department, established at a general level in Spain and transversal for companies around the world, designs and promotes actions aimed at enhancing the participation, performance and well-being of the people who make up the organization. The objective is to respond, in the best possible conditions, to the expectations of the employees, which is the basis for the achievement of the company's objectives and future challenges.

According to the Code of Conduct, at FERSA it is a universal objective to maintain a respectful work environment, free of discrimination and harassment. All employees must be treated fairly and with respect and dignity by their superiors, subordinates and colleagues, recognizing their knowledge, skills, experience and performance.

Personnel selection processes are carried out with equality of conditions and diversity in mind, which is why age, nationality or gender, among other aspects, have never been an obstacle to hiring. In addition, age diversification means a mix of experience and learning that enables the development of the company and facilitates the emergence of talent.

FERSA's human resources policy is based on **integrity in the workplace**, which implies focusing its efforts on:

Fersa strives to:

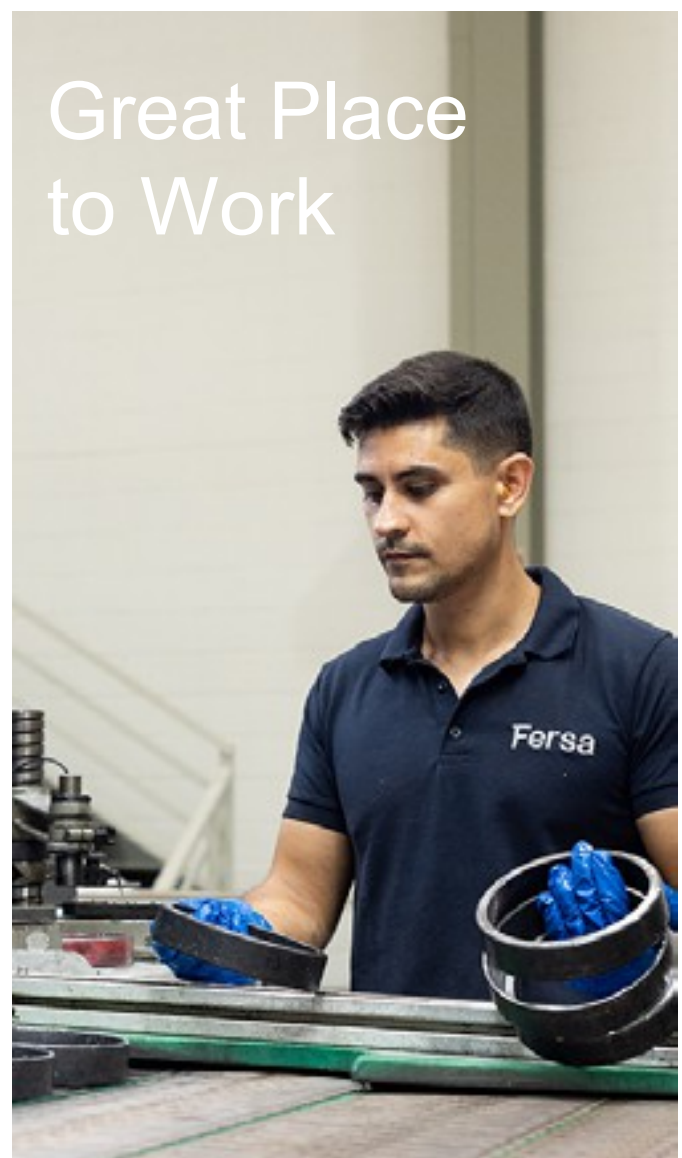
- **Continuous training and career plans.**
- **Efficient and honest selection and reception processes.**
- **Encourage effective teamwork.**
- **System of individual and team objectives, managing performance and evaluating results.**
- **Facilitate communication and participation coupled with recognition and reward policies.**
- **Promote innovation.**
- **Attending to the needs of the workers, environment, motivation, suggestions, measuring satisfaction.**
- **Detect and retain talent, favoring its development and growth in the organization.**
- **Design appropriate compensation and retribution strategies.**

Exceptional commitment and certified work environment

Since February 2022, we have been recognized by **Great Place to Work®** as an excellent place to work, becoming the first company in the industrial sector in Aragon to obtain the **GPTW Certification** awarded by Great Place to Work®.

by the international consulting firm **Great Place to Work®**, leader in the identification and certification of Excellent Places to Work.

The support for what we are has been given to us by our company culture, which we call **Fersa Style** and which motivates us to be curious, to lead and to have a spirit of self-improvement, among other values. It is this culture that makes us bet on people with potential, capacity for growth and willingness to learn, grow and take on responsibilities. This certification endorses us as an attractive employer, capable of attracting, retaining and developing the best talent and professionals, but it also represents a commitment to our team.



4.2.1 Employment

In accordance with the human resources policy, Fersa works to offer quality employment for all the people who make up the organization, through the following pillars:

- Talent management and professional performance. Training and career plans.
- Stability and job satisfaction.
- Implementation and Development of the Code of Conduct.
- Equality, inclusion and commitment.
- Promotion of active prevention strategies in all workplaces.
- Sustainable and legally adequate remuneration systems.

Total number and distribution of employees by gender, age, country and job classification

The staffing profile as of December 31, 2023 is established according to the following information:

- **Distribution of workforce by gender:**

There has been an increase in the number of employees, from 628 to 1039; it should be noted that the bulk of this increase is due to the incorporation of the company Delux into the group.

	2021	%	2022	%	2023	%
total	514	100%	628	100%	1039	100%
men	356	69%	428	68%	806	78%
women	158	31%	200	32%	233	22%

- **Distribution of workforce by gender and age:**

AGES	HASTA 30	2021			2022			2023		
		31-49	50-65	UP TO 30	31-49	50-65	UP TO 30	31-49	50-65	
men	99	222	35	118	252	58	259	446	101	
women	55	95	10	60	126	14	74	143	16	



The cumulative breakdown by country of operation is as follows:

	2021 CHINA	%	SPAIN	AUSTRIA	AUSTRIA	EEUU BRASIL	
total	514	100%	180	77	12	12	233
men 356		69%	147	49	8	6	146
women 158		31%	33	28	4	6	87

	2022	SPAIN	AUSTRIA	USA	BRAZIL	CHINA	ARGEN	AUSTRAL	BOLIV	CHILE	COLOMB	MEXICO	TURKEY	KENYA
total	628	211	87	18	19	263	3	1	3	6	6	9	1	1
men	428	167	55	11	9	165	3	1	2	5	3	6	0	1
women	200	44	32	7	10	98	0	0	1	1	3	3	1	0

	2023	SPAIN	AUSTRIA	USA	BRAZIL	CHINA	ARGEN	AUSTRAL	BOLIV
total	1039	238	97	16	21	288	3	1	3
men	806	50	65	13	9	188	2	1	2
women	233	188	32	3	12	100	1		1

	2023	CHILE	COLOMB	GERMANY	INDIA	MEXICO	PANAMA	POLAND	ROMANIA	ROMANIA	TURKEY	KENYA
total	1039	7	7	1	330	11	7	3	1	0	5	
men	806	6	3	1	312	8	1	2	1		4	
women	233	1	4		18	3	6	1		0	1	

As can be seen in the above breakdown, the increase in personnel is due to the acquisition of Delux, which contributed 330 employees at the end of the year.

At the employee level, the total number and distribution of employees as of 12/31/2023, by gender and professional classification, is as follows:

	2021		2022		2023	
	men	women	men	women	men	women
Management Team (1)	22	7	25	8	39	11
Managers and Area Sales Manager (2)	35	8	52	22	104	21
Technicians and Administrative (3)	89	81	117	99	306	133
Rest (Production, Maintenance) (4)	210	62	234	71	357	68

An overall measure of diversity is **women in the company and women in leadership**. In 2021 and 2022, women made up approximately 31%-32% of the workforce, but with the inclusion of Delux, in 2023, the percentage has dropped to approximately 23%.

FERSA has had **28** different **nationalities** in its workforce in 2023, excluding Spanish nationality, compared to 13 and 27 respectively in 2021 and 2022. The nationalities are:

- German
- Argentina
- Australian
- Austrian
- Brazilian
- British
- Boliviana
- Bosnia
- China
- Chilena
- Colombian
- Ecuatorian
- Slovak
- Slovenian
- Hungary
- India
- Kenyan
- Letona
- Mexican
- Panamanian
- Polish
- Romanian
- Russian
- Salvadoran
- Turkish
- Ukrainian
- American
- Venezuelan

The balance in the **average age** of the workforce is fundamental for any self-respecting organization. The mix of seniority and youth, experience and new knowledge, favors personal and professional growth that ultimately results in the development of the company.

FERSA in 2023, maintains practically all staff levels, betting on the incorporation of junior and senior talent and accompanied by an improvement in the qualification of workers.

In 2021 and 2022 the average age of the company is 35 and 36 years, respectively, and in 2023 the average age of the group remains at 36 years.

YOUNG TALENT

At Fersa, we want to support young talent by offering opportunities for professional development and progression, thus reducing the brain drain and strengthening our knowledge and skills base within the country.

Retention of local talent	2022	2023
% Young scholarship recipients hired	80%	83%

36 years old
(average age in 2023)



Total number and distribution of employment contracts by age and gender.

Below are the contracts made during 2023 according to whether they are permanent or temporary and segmented by age and gender; in addition to the data for 2021 and 2022:

FERSA is committed to flexibility in order to adjust production capacity to the demands and fluctuations of demand, while at the same time maintains the goal of sustained and sustainable employment.

NO. OF CONTRACTS	2021	SPAIN		AUSTRIA		USA		BRAZIL		CHINA	
	670	202		88		25		13		342	
		H	M	H	M	H	M	H	M	H	M
CONT. TEMPORARY	59	17	3	0	0	0	0	0	0	25	14
Up to 30	36	9	1	0	0	0	0	0	0	19	7
31-49	23	8	2	0	0	0	0	0	0	6	7
50-65	0	0	0	0	0	0	0	0	0	0	0
CONT. INDEFINED	611	148	34	55	33	19	6	7	6	194	109
Up to 30	184	23	4	15	10	9	2	1	1	73	46
31-49	378	107	28	28	16	8	4	6	5	115	61
50-65	49	18	2	12	7	2	0	0	0	6	2

NO. OF CONTRACTS	2022 SPAIN AUSTRIA				USA		BRAZIL		CHINA		ARGEN AUSTRAL BOLIV				CHILE COLOMBIA MEXICO TURKEY KENYA											
	264		99		34		20		325		3		1		3		9		6		9		1		1	
	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M
CONT. TEMPORARY	63	38	8	3	2	0	0	0	0	6	5	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0
Up to 30	40	25	6	0	2	0	0	0	0	5	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31-49	21	13	1	3	0	0	0	0	0	1	2	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0
50-65	2	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CONT. INDEFINED	712	174	44	59	35	22	12	9	11	197	117	3	0	1	0	2	1	7	1	3	3	6	3	0	1	1
Up to 30	211	35	9	15	9	9	6	1	3	77	43	0	0	0	0	0	0	0	0	2	1	0	1	0	0	0
31-49	422	117	32	28	18	9	6	6	8	109	72	2	0	1	0	2	1	5	0	0	1	3	2	0	0	0
50-65	79	22	3	16	8	4	0	2	0	11	2	1	0	0	0	0	0	2	1	1	1	3	0	0	1	1

NO. OF CONTRACTS	2023 SPAIN AUSTRIA USA				BRAZIL CHINA ARGEN AUSTRAL BOLIV				CHILE COLOMBIA MEXICO TURKEY KENYA																				
	1247		275		127		32		25		351		4		1		3		7		7		16		1		5		394
	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	
CONT. TEMPORARY	57	17	10	14	1	0	0	0	0	12	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Up to 30	37	9	9	9	0	0	0	0	0	9	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
31-49	17	8	0	4	1	0	0	0	0	3	1	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	
50-65	3	0	1	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CONT. INDEFINED	1190	197	51	73	39	20	12	11	14	222	114	3	1	1	0	2	1	6	1	3	4	12	4	0	1	4	1	372	
Up to 30	383	49	14	21	12	5	3	1	5	84	31	0	1	0	0	0	1	0	1	1	1	1	1	0	0	0	0	144	
31-49	667	126	33	34	20	11	9	6	8	126	80	2	0	1	0	1	1	3	1	1	2	8	2	0	0	2	1	180	
50-65	140	22	4	18	7	4	0	4	1	12	3	1	0	0	0	1	0	2	0	1	1	3	1	0	1	2	0	48	

Average annual number of permanent contracts, temporary contracts and professional classification, number of dismissals by sex, age and professional classification.

The average annual number of contracts by type is as follows:

	2021	2022	2023
TOTAL EMPLOYMENT CONTRACTS	670	775	1247
PERMANENT CONTRACTS	611	712	1190
TEMPORARY CONTRACTS	59	63	57

The percentages at group level, between permanent and temporary employment at the end of the year, in 2021 and 2022 were 92% permanent employment and 8% temporary employment. In 2023, the percentages of permanent employment have increased by 2% to 94% permanent employment and 6% temporary employment.

If we perform the analysis by professional classification, regions and companies:

2021	Spain				Austria
	FERSA BEARINGS	FERSA INNOVA	A&S FB EUROPE	INVESTMEN	NKE AUSTRIA
PERMANENT CONTRACTS	138	42	0	2	88
Management Team (1)	8	5	0	1	7
Managers and ASM (2)	20	9	0	1	7
Technicians and administrative (3)	25	26	0	0	36
Rest (production, maintenance, etc.) (4)	85	2	0	0	38
TEMPORARY CONTRACTS	15	5	0	0	0
Management Team (1)	0	0	0	0	0
Managers and ASM (2)	0	0	0	0	0
Technicians and administrative (3)	2	4	0	0	0
Rest (production, maintenance, etc.) (4)	13	1	0	0	0

2022	Spain				Austria
	FERSA BEARINGS	FERSA INNOVA	A&S FB EUROPE	INVESTMEN	NKE AUSTRIA
PERMANENT CONTRACTS	164	50	2	2	94
Management Team (1)	10	5	0	1	6
Managers and ASM (2)	19	11	2	1	15
Technicians and administrative (3)	31	32	0	0	37
Rest (production, maintenance, etc.) (4)	104	2	0	0	36
TEMPORARY CONTRACTS	42	4	0	0	5
Management Team (1)	0	0	0	0	0
Managers and ASM (2)	0	0	0	0	0
Technicians and administrative (3)	6	4	0	0	3
Rest (production, maintenance, etc.) (4)	36	0	0	0	2

2023	Spain				Austria
	FERSA BEARINGS	FERSA INNOVA	A&S FB EUROPE	INVESTMEN	NKE AUSTRIA
PERMANENT CONTRACTS	244	0	2	2	112
Management Team (1)	12	0	1	1	10
Managers and ASM (2)	31	0	0	1	9
Technicians and administrative (3)	76	0	1	0	50
Rest (production, maintenance, etc.) (4)	125	0	0	0	43
TEMPORARY CONTRACTS	27	0	0	0	15
Management Team (1)	0	0	0	0	0
Managers and ASM (2)	0	0	0	0	0
Technicians and administrative (3)	15	0	0	0	
Rest (production, maintenance, etc.) (4)	12	0	0	0	9

2021	USA		BRAZIL	
	FERSA NKE BEARINGS NORTH AMERICA, INC.	PFI GROUP INC.	A&S FB BRAZIL COMÉRCIO DE ROLAMENTOS, LTDA.-SAO PAULO	A&S FB BRAZIL COMÉRCIO DE ROLAMENTOS, LTDA.-CURITIBA
PERMANENT CONTRACTS	25		1	12
Management Team (1)	0		0	1
Managers and ASM (2)	3		1	1
Technicians and administrative (3)	4		0	10
Rest (production, maintenance, etc.) (4)	18		0	0
TEMPORARY CONTRACTS	0		0	0
Management Team (1)	0		0	0
Managers and ASM (2)	0		0	0
Technicians and administrative (3)	0		0	0
Rest (production, maintenance, etc.) (4)	0		0	0

2022	USA		BRAZIL		ARGENTINA	BOLIVIA	CHILE	COLOMBIA	MEXICO	
	FERSA NKE BEARINGS NORTH AMERICA, INC.	PFI GROUP INC.	A&S FB BRAZIL COMÉRCIO DE ROLAMENTOS, LTDA.-SAO PAULO	A&S FB BRAZIL COMÉRCIO DE ROLAMENTOS, LTDA.-PARANÁ	PFI INDUSTRIA E COMERCIO DE PECAS, LTDA.	PFI INC ARGENTINA SUBSIDIARY	PFI BOLIVIA SA BEARINGS.	PFI CHILE S.P. A	PFI GROUPS INC., COLOMBIA BRANCH OFFICE	PFI DE MEXICO, S.A. DE C.V.
PERMANENT CONTRACTS	22	12	1	13	6	3	3	8	6	9
(1)	1	1	0	1	0	0	0	0	0	0
(2)	7	0	1	1	1	1	2	3	2	2
(3)	2	11	0	11	5	1	0	3	2	4
(4)	12	0	0	0	0	1	1	2	2	3
TEMPORARY CONTRACTS	0	0	0	0	0	0	0	1	0	0
(1)	0	0	0	0	0	0	0	0	0	0
(2)	0	0	0	0	0	0	0	0	0	0
(3)	0	0	0	0	0	0	0	0	0	0
(4)	0	0	0	0	0	0	0	1	0	0

2023	USA		BRAZIL		ARGENTINA	BOLIVIA	CHILE	COLOMBIA	MEXICO	
	FERSA NKE BEARINGS NORTH AMERICA, INC.	PFI GROUP INC.	A&S FB BRAZIL COMÉRCIO DE ROLAMENTOS, LTDA.-SAO PAULO	A&S FB BRAZIL COMÉRCIO DE ROLAMENTOS, LTDA.-PARANÁ	PFI INDUSTRIA E COMERCIO DE PECAS, LTDA.	PFI INC ARGENTINA SUBSIDIARY	PFI BOLIVIA SA BEARINGS.	PFI CHILE S.P. A	PFI GROUPS INC., COLOMBIA BRANCH OFFICE	PFI DE MEXICO, S.A. DE C.V.
PERMANENT CONTRACTS	21	11	1	17	7	4	3	7	7	16
(1)	2	3	0	1	0	0	0	0	0	0
(2)	2	3	1	2	1	1	2	2	2	4
(3)	6	5	0	14	6	2	0	2	3	6
(4)	11	0	0	0	0	1	1	3	2	6
TEMPORARY CONTRACTS	0	0	0	0	0	0	0	0	0	0
(1)	0	0	0	0	0	0	0	0	0	0
(2)	0	0	0	0	0	0	0	0	0	0
(3)	0	0	0	0	0	0	0	0	0	0
(4)	0	0	0	0	0	0	0	0	0	0

2021	CHINA			
	FERSA JLC AUTOPARTS (JIAXING)	FERSA BEARINGS (JIAXING)	NKE SHANGHAI BEARINGS SALES	NKE (SHENYANG) PRECISION BEARINGS MANUFACTURING
PERMANENT CONTRACTS	28	264	11	0
Management Team (1)	1	7	1	0
Managers and ASM (2)	3	0	4	0
Technicians and administrative (3)	24	64	4	0
Rest (production, maintenance, etc.) (4)	0	193	2	0
TEMPORARY CONTRACTS	0	38	0	1
Management Team (1)	0	0	0	0
Managers and ASM (2)	0	0	0	0
Technicians and administrative (3)	0	0	0	1
Rest (production, maintenance, etc.) (4)	0	38	0	0

2022	CHINA				AUSTRALIA	TURKEY	KENYA	
	FERSA JLC AUTOPARTS (JIAXING) CO., LTD.	FERSA BEARINGS (JIAXING) CO., LTD.	NKE SHANGHAI BEARINGS SALES CO., LTD.	NKE (SHENYANG) P.B. MANUFACT. CO., LTD.	PFI (CHINA) CO. LTD.	AUSTRALIA-PFI PTY LTD	PFI TURKEY	PFI KENYA
PERMANENT CONTRACTS	30	247	12	0	25	1	1	1
(1)	1	7	1	0	1	0	0	0
(2)	3	0	4	0	5	1	1	1
(3)	26	72	5	0	3	0	0	0
(4)	0	168	2	0	16	0	0	0
TEMPORARY CONTRACTS	1	6	0	2	2	0	0	0
(1)	0	0	0	0	0	0	0	0
(2)	0	0	0	0	0	0	0	0
(3)	1	1	0	2	1	0	0	0
(4)	0	5	0	0	1	0	0	0

2023	CHINA				AUSTRALIA	TURKEY	KENYA	INDIA		
	FERSA JLC AUTOPARTS (JIAXING) CO., LTD.	FERSA BEARINGS (JIAXING) CO., LTD.	NKE SHANGHAI BEARINGS SALES CO., LTD.	NKE (SHENYANG) P.B. MANUFACT. CO., LTD.	PFI (CHINA) CO. LTD.	AUSTRALIA-PFI PTY LTD	PFI TURKEY	PFI KENYA	Delux Bearings Private Limited	Dlxinfinity Driveline Private Limited
PERMANENT CONTRACTS	32	260	14	2	28	1	1	5	376	17
(1)	1	7	1	0	1	0	0	0	11	1
(2)	3	0	5	0	5	1	1	2	73	0
(3)	27	78	8	2	3	0	0	2	184	14
(4)	1	175	0	0	19	0	0	1	108	2
TEMPORARY CONTRACTS	7	8	0	0	0	0	0	0	0	0
(1)	0	0	0	0	0	0	0	0	0	0
(2)	0	0	0	0	0	0	0	0	0	0
(3)	7	0	0	0	0	0	0	0	0	0
(4)	0	8	0	0	0	0	0	0	0	0

By professional classification, at group level (according to Agreement):

	2021	EUROPE	NORTH AMERICA	SOUTH AMERICA	ASIA
PERMANENT CONTRACTS	611	270	25	13	303
Management Team (1)	31	21	0	1	9
Managers and ASM (2)	49	37	3	2	7
Technicians and administrative (3)	193	87	4	10	92
Rest (production, maintenance, etc.) (4)	338	125	18	0	195
TEMPORARY CONTRACTS	59	20	0	0	39
Management Team (1)	0	0	0	0	0
Managers and ASM (2)	0	0	0	0	0
Technicians and administrative (3)	7	6	0	0	1
Rest (production, maintenance, etc.) (4)	52	14	0	0	38
Rest (production, maintenance, etc.) (4)	13	1	0	0	0

	2022	EUROPE	NORTH AMERICA	SOUTH AMERICA	ASIA	AFRICA	OCEANIA
PERMANENT CONTRACTS	712	312	34	49	315	1	1
Management Team (1)	35	22	2	1	10	0	0
Managers and ASM (2)	83	48	7	13	13	1	1
Technicians and administrative (3)	245	100	13	26	106	0	0
Rest (production, maintenance, etc.) (4)	349	142	12	9	186	0	0
TEMPORARY CONTRACTS	63	51	0	1	11	0	0
Management Team (1)	0	0	0	0	0	0	0
Managers and ASM (2)	0	0	0	0	0	0	0
Technicians and administrative (3)	18	13	0	0	5	0	0
Rest (production, maintenance, etc.) (4)	45	38	0	1	6	0	0
Rest (production, maintenance, etc.) (4)	13	1	0	0	0		

	2023	EUROPE	NORTH AMERICA	SOUTH AMERICA	ASIA	AFRICA	OCEANIA
PERMANENT CONTRACTS	1191	360	32	62	731	5	1
Management Team (1)	52	23	5	1	23	0	0
Managers and ASM (2)	152	42	5	15	87	2	1
Technicians and administrative (3)	489	127	11	33	316	2	0
Rest (production, maintenance, etc.) (4)	498	168	11	13	305	1	0
TEMPORARY CONTRACTS	57	42	0	0	15	0	0
Management Team (1)	0	0	0	0	0	0	0
Managers and ASM (2)	0	0	0	0	0	0	0
Technicians and administrative (3)	28	21	0	0	7	0	0
Rest (production, maintenance, etc.) (4)	29	21	0	0	8	0	0
Rest (production, maintenance, etc.) (4)	13	1	0	0	0		

The number of casualties by sex, country and age:

2021	Men	Women	Up to 30	31-49	50-65
TERMINATED CONTRACTS GROUP	100	49	58	87	4
SPAIN	11	3	4	9	1
FERSA BEARINGS	8	3	2	8	1
FERSA INNOVA	3	0	2	1	0
A&S FERSA BEARINGS EUROPE	0	0	0	0	0
GOING INVESTMENT	0	0	0	0	0
AUSTRIA	6	4	2	6	2
USA. USA.	11	2	1	11	1
BRAZIL	1	0	0	1	0
A&S FERSA BEARINGS BRAZIL COMÉRCIO DE ROLAMENTOS - SAO PAULO	0	0	0	0	0
A&S FERSA BEARINGS BRAZIL COMÉRCIO DE ROLAMENTOS - CURITIBA	1	0	0	1	0
CHINA	71	40	51	60	0
FERSA JLC AUTOPARTS (JIAXING)	71	37	49	59	0
FERSA BEARINGS (JIAXING)	0	3	2	1	0
NKE SHANGHAI BEARINGS SALES	0	0	0	0	0
NKE SHENYANG	0	0	0	0	0

2022	Men	Women	Up to 30	31-49	50-65
TERMINATED CONTRACTS GROUP	74	40	51	53	10
SPAIN	16	3	8	9	2
FERSA BEARINGS	14	1	6	8	1
FERSA INNOVA	2	2	2	1	1
A&S FERSA BEARINGS EUROPE, S.L.	0	0	0	0	0
GOING	0	0	0	0	0
AUSTRIA, NKE AUSTRIA GMBH	7	6	4	6	3
USA. USA.	11	5	10	4	2
FERSA NKE BEARINGS NORTH AMERICA, INC.	11	4	9	4	2
PFI GROUP INC.	0	1	1	0	0
BRAZIL	0	1	0	1	0
A&S FB BRAZIL COMÉRCIO DE ROL LTDA.-SAO PAULO	0	0	0	0	0
A&S FB BRAZIL COMÉRCIO DE ROL, LTDA.-PARANÁ	0	1	0	1	0
PFI INDUSTRIA E COMERCIO DE PECAS, LTDA.	0	0	0	0	0
CHINA	38	24	29	32	1
FERSA JLC AUTOPARTS (JIAXING) CO., LTD.	1	3	3	0	1
FERSA BEARINGS (JIAXING) CO., LTD.	34	19	24	29	0
NKE SHANGHAI BEARINGS SALES CO., LTD.	2	0	1	1	0
NKE SHENGYANG	1	0	1	0	0
PERFECT FIT INDUSTRIES (CHINA) CO., LTD.	0	2	0	2	0
ARGENTINA-PFI, INC. ARGENTINA SUBSIDIARY	0	0	0	0	0
AUSTRALIA- AUSTRALIA-PFO PTY LTD	0	0	0	0	0
BOLIVIA- RODAMIENTOS PFI BOLIVIA S.A.	0	0	0	0	0
PERFECT FIT INDUSTRIES CHILE S.P. A	2	1	0	1	2
COLOMBIA- PFI GROUPS INC., COLOMBIA BRANCH OFFICE	0	0	0	0	0
MEXICO- PFI DE MÉXICO, S.A. DE C.V.	0	0	0	0	0
TURKEY- PERFECT FIT INDUSTRIES OTOMOTIV SAN. TIC. LTD	0	0	0	0	0
KENYA- PFI BEARNINGS KENYA LIMITED	0	0	0	0	0

2023	Men	Women	Up to 30	31-49	50-65
TERMINATED CONTRACTS GROUP	170	40	88	94	28
SPAIN	18	7	10	7	1
FERSA BEARINGS	18	7	10	7	1
A&S FERSA BEARINGS EUROPE, S.L.	0	0	0	0	0
GOING	0	0	0	0	0
AUSTRIA, NKE AUSTRIA GMBH	22	7	13	10	6
USA. USA.	7	3	0	8	2
FERSA NKE BEARINGS NORTH AMERICA, INC.	4	2	0	5	1
PFI GROUP INC.	3	1	0	3	1
BRAZIL	2	2	1	2	10
A&S FB BRAZIL COMÉRCIO DE ROL LTDA.-SAO PAULO	0	0	0	0	0
A&S FB BRAZIL COMÉRCIO DE ROL, LTDA.-PARANÁ	2	1	0	2	1
PFI INDUSTRIA E COMERCIO DE PECAS, LTDA.	0	1	1	0	0
CHINA	52	15	29	36	2
FERSA JLC AUTOPARTS (JIAXING) CO., LTD.	5	0	2	2	1
FERSA BEARINGS (JIAXING) CO., LTD.	45	12	23	30	0
NKE SHANGHAI BEARINGS SALES CO., LTD.	2	0	0	2	0
NKE SHENGYANG	0	0	0	0	0
PERFECT FIT INDUSTRIES (CHINA) CO., LTD.	0	3	0	2	1
INDIA	64	4	32	25	11
DELUX BEARINGS PRIVATE LIMITED	63	4	31	25	11
DL XINFINITY DRIVELINE PRIVATE LIMITED	1	0	1	0	0
ARGENTINA-PFI, INC. ARGENTINA SUBSIDIARY	1	0	0	1	0
AUSTRALIA- AUSTRALIA-PFO PTY LTD	0	0	0	0	0
BOLIVIA- RODAMIENTOS PFI BOLIVIA S.A.	0	0	0	0	0
PERFECT FIT INDUSTRIES CHILE S.P. A	0	0	0	0	0
COLOMBIA- PFI GROUPS INC., COLOMBIA BRANCH OFFICE	0	0	0	0	0
MEXICO- PFI DE MÉXICO, S.A. DE C.V.	4	1	0	2	3
TURKIA- PERFECT FIT INDUSTRIES OTOMOTIV SAN. TIC. LTD	0	1	0	0	1
KENYA- PFI BEARNINGS KENYA LIMITED	0	0	0	0	0



During 2023, we have had 210 departures in the company, at the group level compared to 114 in 2022.

Specifically, they were as follows:

- Retirement: 11
- Voluntary leave: 133
- For death: 1
- Disability: 1
- Failure to pass probationary period: 3
- Dismissals or termination of contract: 60

The following is the classification by age, sex and professional classification of the finishers:

	2022					MOTIVE					
	Men	Women	Up to 30	31-49	50-65	RETIREMENT	VOLUNTARY RESIGNATION	DEATH	DISMISSAL	DISABILITY	PERIOD. TEST
TERMINATED CONTRACTS GROUP	74	40	51	53	8	3	83	1	22	0	4
Management Team(1)	0	0	0	0	0	0	0	0	0	0	0
Managers and ASM (2)	7	0	2	3	2	1	4	0	2	0	0
Technicians and administrative (3)	15	28	22	17	5	1	32	0	9	0	1
Rest (production, maintenance, etc). (4)	52	12	27	33	3	1	48	1	11	0	3

	2023					MOTIVE					
	Men	Women	Up to 30	31-49	50-65	RETIREMENT	VOLUNTARY RESIGNATION	DEATH	DISMISSAL	DISABILITY	PERIOD. TEST
TERMINATED CONTRACTS GROUP	170	40	88	94	28	11	134	1	60	1	3
Management Team(1)	3	1	0	1	3	2	1	0	1	0	0
Managers and ASM (2)	25	2	3	16	8	2	16	0	8	0	1
Technicians and administrative (3)	62	16	42	26	10	7	48	0	20	1	2
Rest(production, maintenance, etc). (4)	80	21	43	51	7	0	69	1	31	0	0

It should be noted that 53% of the total number of leaves of absence are voluntary.

LAYOFFS OR TERMINATION OF CONTRACT 2023(*)			
	MEN	WOMEN	TOTAL
Management Team(1)	1	0	1
Fair Dismissal-o End of contract	1	0	1
From 50	1	0	1
Managers and ASM (2)	6	2	8
Fair Dismissal-o End of contract	6	2	8
From 31-49	4	0	4
From 50	2	2	4
Technicians and administrative (3)	13	7	20
Fair Dismissal-o End of contract	13	7	20
Up to 31	6	3	9
From 31-49	4	2	6
From 50	3	2	5
Rest(production, maintenance, etc). (4)	23	8	31
Fair Dismissal-o End of contract	23	8	31
Up to 31	10	0	10
From 31-49	8	7	15
From 50	5	1	6
Grand total	43	17	60

(*) The data shown refer to the distribution of dismissals or terminations of contracts, segregated by gender, age and professional classification.

Average salaries and their evolution disaggregated by gender and professional classification or equal value

The compensation system for Fersa's personnel is established taking as a reference the regulations of each country, with the objective of paying at least according to the legislation in force. In the group, the individual salary is developed according to the person and the position.

In Spain, the average salary by gender is as follows:

SPAIN	2021	2022	2023
Wages and salaries	Average	Average	Average
Male Salary	37.271€	36.880€	39.464€
Salary Woman	34.240€	35.950€	37.152€

The average salary for the year 2023, in Spain, has been calculated based on actual earnings, adjusted:

- Salaries at 100% of the people who have not been with the company for the entire year,
- Salaries of persons on reduced working hours,
- The salaries of persons who have had periods of care for the birth of the child,
- They have not been taken into account for adjustment in this average:
- The differences generated by common illness or occupational accident.



The distribution according to professional classification, gender and age for the year 2023 throughout FERSA is as follows:

AVERAGE FERSA SALARIES 2023(*)			
	MEN	WOMEN	TOTAL
Management Team(1)	103.081,58€	76.022,22€	97.007,03€
Under 31	70.112,59€	-	70.112,59€
Between 31-49	90.804,69€	76.022,22€	85.723,22€
Greater than 50	138.303,21€	-	138.303,21€
Managers and ASM (2)	28.234,14€	42.803,99€	30.580,96€
Under 31	19.598,43€	30.216,03€	21.014,11€
Between 31-49	28.130,76€	45.581,14€	31.010,92€
Greater than 50	32.893,96€	38.396,85€	33.781,53€
Technicians and administrative (3)	18.292,87€	21.726,71€	19.294,12€
Under 31	12.649,89€	17.656,41€	14.080,32€
Between 31-49	21.583,43€	24.142,06€	22.338,44€
Greater than 50	27.112,42€	26.956,98€	27.065,79€
Rest (production, maintenance, etc). (4)	18.705,55€	16.440,08€	18.313,45€
Under 31	14.419,59€	18.064,21€	14.810,82€
Between 31-49	19.869,92€	14.959,34€	18.750,84€
Greater than 50	27.880,48€	33.527,82€	28.341,49€
Grand total	23.153,69€	24.016,16€	23.345,97€

(*) Average number of men and women in the group companies in 2023. Fersa Innova which has been absorbed in merger by Fersa Bearings.

They include the salaries provided by the different companies that have been converted into equivalent annual salaries and converted at the average annual exchange rate of 2023 of the currency of each country to convert them into euros. For confidentiality reasons, salaries of directors and senior management in Spain (C-Suite) are not included.



Pay Gap. The remuneration of jobs that are equal or similar to the same job, average remuneration of the company, the average remuneration of directors and executives, including variable remuneration, allowances, indemnities, payments to long-term savings schemes and any other payments disaggregated by gender.

As detailed in the previous section, it is necessary to analyze whether there is a wage gap at the corporate level, since the amounts indicated in the previous section in Spain include different companies and data on fixed salaries, variable salaries, etc. that must be analyzed separately in order to be able to perform a detailed analysis. In this way it will be possible to establish what the situation is in terms of salary gap in the company.

In Spain, for the company Fersa Bearings, the remuneration of the jobs, according to the industry, technology and services agreement for the metal sector in the province of Zaragoza, is above the minimum wages established by the aforementioned agreement.

The minimum remuneration of jobs, according to the agreement, compared to the Fersa average in production jobs is as follows:

Year 2022 SPAIN	Man	Woman
Minimum wage agreement	17.432€	17.432€
Minimum production salary	21.000€	21.000€

Year 2023 SPAIN	Man	Woman
Minimum wage agreement	19.952€	19.952€
Minimum production salary	21.000€	21.000€

The salary difference at Fersa complies with the provisions of Royal Decree 902/202 of October 13, 2002, on equal pay for men and women.

The salary data of directors, administrators and senior managers are omitted for confidentiality and security reasons for employees and board members, since the number of employees in each category is small and does not guarantee the confidentiality of this data.

Implementation of work disconnection policies

FERSA is an industrial company, and as such, today, it has not been necessary to regulate the disconnection from work. Since 2020, and as a labor flexibility measure, teleworking has been carried out, but with an initially established work schedule.

Labor relations are framed within the current legislation applicable to labor activities, as set forth in the Collective Bargaining Agreements applicable to all employees of Fersa.

Employees with disabilities

FERSA's Human Resources management standard is compliance with current legislation. In this line, compliance with the legal employability quota of 2% of the permanent workforce for people with disabilities, is This is evidenced by the contracts of 3 full-time and 1 part-time employees in Spain.

In addition, we have had 2 more people on staff, but due to the termination of one contract and the other due to voluntary resignation, they have not continued in the company.

Another point to note is that we have had 5 more people through secondment contracts who have worked for Fersa during the year.

FERSA promotes the integration of people with disabilities, as stated in the Code of Conduct.



4.2.2 Work organization

Organization of working time

The organization of working time is framed within the current legislation, embodied in the collective bargaining agreements that applied to all FERSA personnel.

Fersa Bearings, are within the current legislation in Spain and by the agreement of the industry, technology and services of the metal sector in the province of Zaragoza.

In Spain, the annual workday is 1,760 hours, distributed over 220 working days from Monday to Friday. Terminals are available at the entrance to the facilities to record the working day for clocking in.

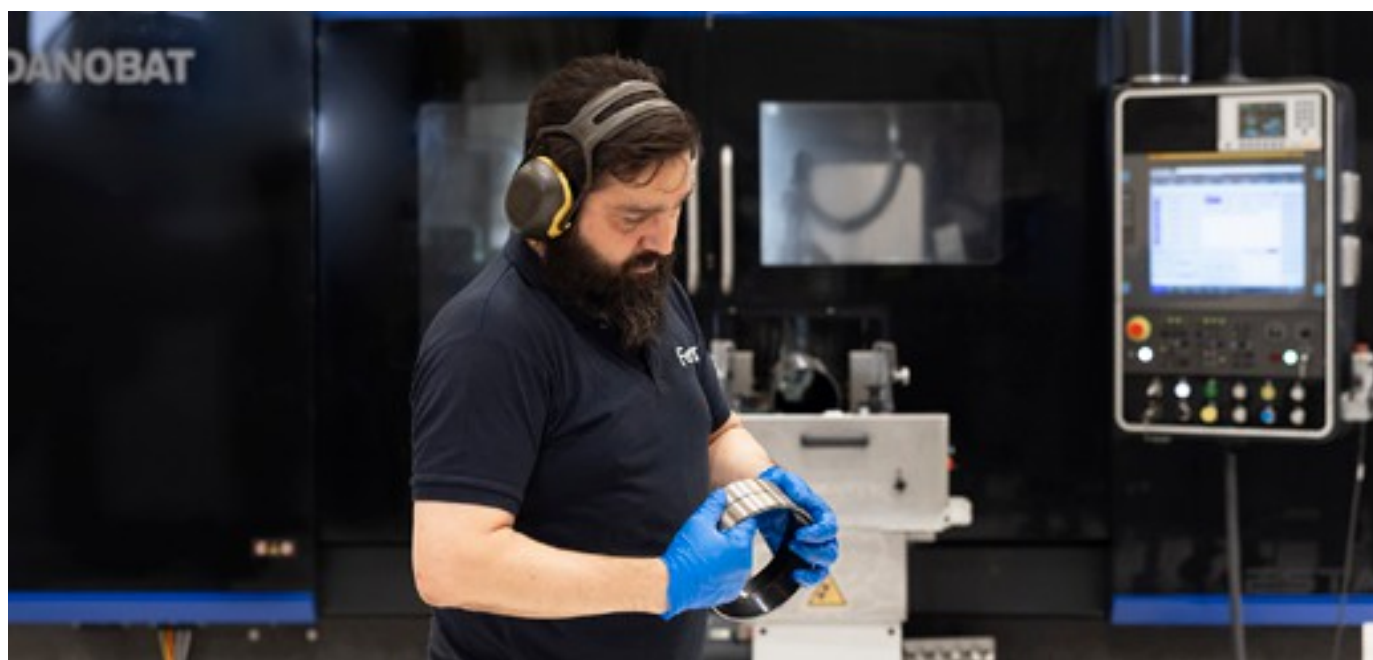
There are temporary conciliation measures for office staff, flexible working hours from 7 to 9 am and from 4 to 6 pm. In addition, since the pandemic, spatial flexibility is being enhanced with the possibility of teleworking, according to needs, although by internal agreement there are fixed 12 hours per week on average. Finally, there is a catering service provided by the company.

Factory personnel work rotating morning, afternoon and night shifts, with 8h/day shifts.

Number of hours of absenteeism

Fersa efficiently manages absenteeism through the Human Resources Department, by monitoring the absences of employees, recording them through a control support, and considering absenteeism hours as those caused by occupational illness, non-occupational illness and childbirth leave.

	TOTAL 2021	HORAS ABSENTISMO	TOTAL 2022	HORAS ABSENTISMO	TOTAL 2023	HORAS ABSENTISMO
ABSENTISM	2,69%	23.065	3,32%	37.399	2%	39.324



Measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of work-life balance by both parents.

The measures adopted to facilitate the enjoyment of work-life balance and encourage the co-responsible exercise of both parents are carried out through work disconnection policies, which act as levers to increase satisfaction and motivation in the workplace. and to foster the loyalty of the organization's talent.

Labor relations are framed within the current legislation applicable to labor activities, as set forth in the Collective Bargaining Agreements applicable to all employees of Fersa.

As stated in the different diagnoses of the equality plans of the companies that make up the group, Fersa's objective is based on promoting a culture that facilitates the reconciliation of personal and professional life and co-responsibility, ensuring that the exercise of these rights does not have negative consequences in the professional sphere.

We highlight the most relevant measures to promote co-responsibility and make it compatible with organizational and productive needs:

- Leaves of absence
- Paid leave in accordance with the law
- Reduction of working hours
- Adaptation of the work shift



4.2.3 Training

Policies implemented in the field of training

The Human Resources area, with the approval of each department head and in line with the general guidelines, determines the competencies of all job positions in the organization, in order to assign the most appropriate professional to the needs of each position.

The present or future training needs are established by the Management together with the HR Department, to be subsequently included in the Training Plan.

Training at the group's three major sites in Spain, Austria and China. Due to the small size of the workforces in Brazil and the USA, no training monitoring indicators have been established for the time being.

Once the training needs in each area have been detected by means of the Performance Evaluations carried out annually and reviewed every six months, together with the conclusions obtained by the heads of the different Departments, activities and actions are proposed for the following areas help to reinforce the knowledge and skills necessary in the organization to correctly develop its process, then these are evaluated to check their effectiveness and are followed up through the Training Plan.

In addition, activities are periodically included to involve, raise awareness and sensitize people about the importance of their activity for the organization and how it contributes to the achievement of the organization's objectives.

Total number of training hours by professional category

On-the-job training and education are crucial to the development and success of Fersa's employees. In a dynamic business environment, constant updating of skills and knowledge is essential to maintain relevance and operational efficiency.

At Fersa, focusing on training enables employees to adapt to technological changes and contribute to the growth of the organization. It also fosters a learning environment that encourages talent retention and promotes innovation. In an ever-changing business world, continuous training is not only strategic, but essential to Fersa's continued success.

OVERALL INDICATOR OF TOTAL FERSA TRAINING HOURS_ 2023

Total employees FERSA	Total training hours in 2023	Hours/ Worker
858	13919	16,22

INDICATOR OF TOTAL FERSA TRAINING HOURS BY SITE 2023

Zaragoza Headquarters

Hour/worker ratio	FERSA SPAIN 2022	FERSA SPAIN 2023
Training hours	2.904	3.913
No. Workers	230	240
Hours/ Worker Ratio	12,63	16,3

	2022		2023	
	Man	Woman	Man	Woman
By professional category and gender				
Management Team (1)	159	53	105	44
Managers and Area Sales Manager (2)	316	94	368	325
Technicians and Administrative (3)	570	630	1.149	831
Rest (Production, Maintenance, etc.) (4)	969	113	1.011	80

China Headquarters

Hour/worker ratio	FERSA JAIXING 2022	FERSA JIAXING 2023
Training hours	--	4.854
No. Workers	--	237
Hours/ Worker Ratio	--	20,48

	2022		2023	
	Man	Woman	Man	Woman
By category professional and gender				
Management Team (1)	--	--	60	50
Managers and Area Sales Manager (2)	--	--	60	50
Technicians and Administrative (3)	--	--	1.110	600
Rest (Production, Maintenance, etc.) (4)	--	--	1.894	1.030

India Headquarters

Hour/worker ratio	FERSA INDIA 2022	FERSA INDIA 2023
Training hours	–	3.069,6
No. Workers	–	262
Hours/worker ratio	11,72	

By professional category and gender	2022		2023	
	Man	Woman	Man	Woman
Management Team (1)	–	–	257	40
Managers and Area Sales Manager (2)	–	–	457	0
Technicians and Administrative (3)	–	–	573,5	32,5
Rest (Production, Maintenance, etc.) (4)	–	–	1.606,1	103,5

Headquarters Austria

Hour/worker ratio	FERSA AUSTRIA 2022	FERSA AUSTRIA 2023
Training hours	–	1.667
No. of workers	119	
Hours/worker ratio	14,01	

By professional category and gender	2022		2023	
	Man	Woman	Man	Woman
Management Team (1)	–	–	264,25	117,5
Managers and Area Sales Manager (2)	–	–	91,5	63,55
Technicians and Administrative (3)	–	–	191,25	548,26
Rest (Production, Maintenance, etc.) (4)	–	–	363,25	27

Due to the size of the workforce, no training records are available for the rest of the sites.

4.2.4 Accessibility

Universal accessibility for people with disabilities

As established by current legislation, the organization's Occupational Risk Prevention management has an action protocol that guarantees the protection of workers with disabilities, in terms of this area considered as a "particularly sensitive worker".

To this end, risk assessments include a section on particularly sensitive workers.

This protocol includes the communication to the External Prevention Service, the risk assessment of the employee's position with the existing limitations, as well as the adaptation of his or her job position as appropriate in each case.

Likewise, possible difficulties that may exist in relation to their access to the workplace and use of facilities, and their application of the Emergency Plan in force in the company, are contemplated and evaluated in order to make the necessary adaptations and changes if necessary.

In other countries, the certification of plants to the Safety and Health Management standard, ISO 45001:2018, establishes the methodology and systematicity for compliance with requirements.



4.2.5 Equality

In Spain and by virtue of the provisions of the Organic Law 3/2007 of March 22nd for the effective equality between men and women, which recognizes that equality is a universal legal principle on human rights, obliging to promote working conditions that avoid harassment situations, establishing procedures for its prevention and providing a channel for complaints, the Equality Plan, which has legal obligation, will establish some actions aimed at each and every one of the areas of Fersa.

Equality plans (Chapter III of Organic Law 3/2007, of March 22, 2007, for the effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for people with disabilities.

In accordance with Spanish legislation, FERSA began the preparation of the Equality Plan in 2021-2022, "Ley Organic Law 3/2007 and Royal Decree-Law 6/2021 of March 1, on urgent measures to guarantee equal treatment and opportunities between women and men in employment and occupation", and to developments in the social sphere.

The purpose of the Equality Plan is framed within the measures aimed at promoting the culture of equality in the company, and in case of detection of need, balancing the participation of women and men and ensuring equal treatment and employment opportunities, as well as ensuring mutual respect internally and externally, and non-discrimination for any reason.

In the year 2023, a merger by absorption of the company Fersa Innova takes place. For this reason, in November 2023, these workers are transferred to the company Fersa Bearings.

In 2023, a diagnosis of the plan of both companies and measures to present the plan of both companies for 2022 are carried out, but at the request of the labor authority. and in order to obtain a real picture of the merger situation, it was decided to carry out a new plan with the inclusion of all the workers that now make up the company.



Measures taken to promote equal treatment and opportunities between women and men

Among the **preliminary measures to be implemented and which should be included in the Equality Plan, once the new diagnosis is carried out, with the merger**, we highlight:

- Ensure the use of non-sexist language and stereotyped images in the procedures for disseminating job offers in all areas of the company, both internally and externally.
- Ensure the use of recruitment channels that make it possible for information to reach men and women equally.
- The persons responsible for hiring shall report when equality between women and men is not guaranteed.
- The company will implement affirmative action with measures to correct the underrepresented sex.
- In equal conditions of suitability, preference for promotion shall be given to the person of the sex less represented in the position in question, provided that it is less representative.
- Review, correct and monitor the language and images used in communications and publications produced by the group, both for internal and external use, in order to eliminate sexism.
- Guarantee that, when hiring people with disabilities, the company will facilitate their integration into the workplace by taking the necessary actions to adapt the job if necessary.
- Ensure that the staff is aware of the principles and measures regarding Equality and Prevention of Harassment.
- Contribute to the protection of female workers who are victims of gender violence.
- The company will implement affirmative action with measures to correct the underrepresented sex.

In the case of **maternity**, workers who are on maternity leave and this situation coincides with the pre-established vacation periods, may take their vacations immediately after the end of this situation, always at their choice and interest. In the case of paternity, the worker may join the vacation period of the calendar year in which the birth takes place to the rest derived from this situation, provided that the circumstances allow it.

In addition, the **breastfeeding** stage of a child under nine months of age is facilitated, being entitled to one hour of absence from work, which may be divided into two fractions. The employee may choose to use this leave in the indicated manner or to accumulate it in two fractions.

the time resulting from the maternity leave and enjoy it after the maternity leave. This leave may be used indistinctly by the mother or by the father in the event that both work.

Finally, the group allows the right to a period of leave of absence of no more than three years to care for each child (natural and adopted).



Policy against all types of discrimination and, where appropriate, diversity management.

Fersa's Code of Conduct ensures the working conditions of employees and establishes requirements against all types of discrimination and, where appropriate, diversity management, by means of Business Principles, such as:

- **NORMATIVE COMPLIANCE**, ensuring compliance with the law and human rights, showing **TRANSPARENCY** in our internal and external processes; and **CONFIDENTIALITY** of the information entrusted to us by our customers and suppliers and which is essential in our activity. In particular, Fersa ensures compliance with the provisions of the Spanish Criminal Code or within the framework of the criminal regulations that may be applicable in any of the sites that make up the Fersa.
- **INTEGRITY**, which generates trust, a fundamental value of FERSA, each one of us assuming our functions with the necessary dedication; and being responsible with the consequences that our actions and decisions have on others, which together with the **INVOLVEMENT** of all the members of FERSA is the key to achieve an ethical environment.
- **CARE** for our employees, through **RESPECT FOR PEOPLE**, for their dignity and fundamental rights, and for the **CULTURAL DIVERSITY** of the places where we operate and for the diversity of our members.
- **RESPECT FOR THE ENVIRONMENT, OCCUPATIONAL SAFETY AND RESPONSIBILITY SOCIAL**, since the performance of our business and human activities in a way that respects the environment, the law and ethics, contributes to the achievement of a better world and a safe and sustainable environment.
- The **QUALITY and EXCELLENCE** of our products and services to obtain the loyalty of our customers.



4.2.6 Information on respect for human rights

Management approach

FERSA establishes as a fundamental principle, to guarantee compliance with the laws and postulates on the respect of human rights, for the benefit of people, customers, shareholders... in general of all stakeholders, and prevents the risks of human rights violations by establishing mechanisms and policies such as the one mentioned above:

Our commitment:

- Create a hiring culture that attracts diverse talent and allows you to hire the right person for a position without diversity being an obstacle.
- Invest in programs to develop and retain a diverse workforce.
- Audit rules, processes, policies and inequalities that lead to situations of exclusion.
- Provide opportunities for employees to learn about their unconscious biases and to learn and accept the differences of others.
- To help all employees feel physically and psychologically safe.
- To support and improve the local communities in which we work and live.

Fersa's **corporate principles and values** are established through the **Code of Conduct**, a general guideline of behavior or action, with respect to all business and social agents, for regulatory compliance and responsible practices, mandatory for all companies and individuals that make up the organization.

The monitoring and control of compliance with the Code of Conduct is the responsibility of senior management, which establishes the guidelines for application and sanction, if applicable, within the local legislation in force.

Human rights management: prevention of risks of human rights abuses and, where appropriate, measures to mitigate, manage and redress possible abuses committed

At Fersa, Ethics and transparency, our core value, is what makes us make the difference. The Code of Conduct defines what it means to act with integrity at Fersa and provides guidelines on the company's policies and The company's support resources provide a roadmap for dealing with situations where business decisions may not be so straightforward or obvious.

The organization has carried out an extensive and thorough analysis of all its procedures.

The aim is to evaluate the risks inherent in each area of activity, with the objective of implementing measures to achieve a preventive and proactive position that demonstrates effective control against behaviors that may pose a risk.

The objectives established in the Code of Conduct are inspired by the fundamental principles of the International Labor Organization (ILO) and consider, in addition to national legislation, ILO Convention Nos. 29, 87, 98, 100, 105, 111, 138 and 182, which we summarize as:

- Free choice of occupation
- No to discrimination
- No to child labor
- Freedom of association
- Remuneration
- Working hours
- Labor, health and environmental protection
- Qualification



Complaints of human rights violations

During 2023, the organizations that make up FERSA have not received any claim or complaint related to the violation of human rights and discrimination through any of the channels enabled for this purpose.

Promotion and enforcement of the provisions of the fundamental conventions of the International Labor Organization related to: Respect for freedom of association and the right to collective bargaining; Elimination of discrimination in respect of employment and occupation; The elimination of forced or compulsory labor; The effective abolition of child labor.

As established in the Code of Conduct, Fersa applies due diligence procedures in human rights, aligned with the promotion and compliance of the provisions of the fundamental ILO conventions, related to respect for freedom of association and the right to collective bargaining, the elimination of discrimination against women and the elimination of discrimination against women. discrimination in respect of employment and occupation, the elimination of forced or compulsory labor, and the effective abolition of child labor.

It is the Management's objective to deliver and raise awareness of the Code of Conduct throughout the company's value chain.

In this way, in relation to Human Rights, the organization complies with the required standards, in accordance with current legislation, so that both managers and employees, as well as all agents involved in its value chain, perform their duties with responsibility, diligence and transparency, ensuring an adequate control system to prevent and detect compliance risks.

Its scope focuses on different aspects of non-compliance: harassment or intimidation, bribery or kickbacks, product quality issues, accounting or financial issues, environmental, health or safety issues, theft, any other violation of our Code of Conduct or the law.



4.2.7 Information related to the fight against corruption and bribery

Management approach

FERSA's business model is based on corporate principles and values, which translate into a commitment to the customer, collaboration with suppliers, mutual respect with employees, the timely information to shareholders and commitment to society, establishing a corporate culture that recognizes the organization.

FERSA understands that honesty and responsibility is an indispensable requirement to guarantee and safeguard the integrity and the balance between objectives and stakeholder expectations. For this reason, the Code of Conduct contains the basic criteria for action and commitments related to the fight against corruption and bribery, and is mandatory for the performance of professional activities of all employees and managers.

Anti-corruption and anti-bribery management: Measures taken to prevent corruption and bribery and to combat money laundering

The specific behavioral criteria for each of the groups and persons with whom FERSA deals with are as follows. The company's business activities are inspired and applied in accordance with the strictest compliance with the legal system and an honest and responsible behavior.

Measures to prevent corruption and bribery and to combat money laundering, has as its main objective to ensure compliance with the rules, and internal policies and regulations relating to:

1. The application and dissemination of the Code of Conduct.
2. Crime prevention and the fight against corruption and bribery.

The Work Plan, which is established with the implementation and deployment of the Code of Conduct, is focused on the following prevention, training and dissemination of the principles, for the mitigation of risks and potential non-compliance by means of:

- Identification of risk activities.
- Implementation of policies and procedures.
- The establishment of controls.
- Responsible performance evaluation.

In this way:

- Under no circumstances offer or authorize a payment to influence a business decision, obtain or retain business, or secure an unfair advantage;
- In no case, personally accept cash or cash equivalents from a supplier or customer;
- We ensure that employees never use supplier relationships for personal gain;
- Control the people who collaborate, including agents who do not work directly for FERSA;
- Record all transactions and payments accurately and truthfully;
- Maximum diligence and rigor with government officials and authorities.

Bribery is defined as giving or offering something of value to a decision-maker in order to influence or in appreciation of a favorable business outcome. We must always avoid any action that could be construed as bribery, and this includes actions taken by third parties working on behalf of the company in any capacity.

Contributions to foundations and non-profit entities.

At FERSA, one of our core values is to be part of the community, with the desire and responsibility to support the communities in which we operate. works and lives, a strategic instrument for the development of the environment.

(*) See section on Relations with local community stakeholders and modalities of dialogue with them.



4.2.8 Health and Safety

FERSA's Health and Safety Policy guarantees a reference framework for the reduction of occupational risks, and takes on new challenges such as health promotion, thus contributing to the improvement of the physical and mental state, which favors the quality of life of the company's employees.

All activities related to Health and Safety are strategic in Fersa, and are aimed at substantially increasing the company's culture in preventive matters.

Each group company is responsible for integrating prevention into the daily performance of its activities. To achieve this, the group is developing a continuous and transversal awareness-raising effort, focused on the identification of risks to the health and safety of workers, the implementation of preventive measures to eliminate or reduce these risks, and the identification and correction of unsafe behavior.

In order to guarantee the achievement of this objective, FERSA integrates Health and Safety at all levels and processes by means of:

- Identification and risk assessment of all jobs.
- Planning of the preventive activity.
- Training and promotion of safe behaviors and habits.
- Adequate communication to encourage employee participation.
- Integration of suppliers and contractors.
- Collaboration with Public Administrations.
- Compliance with legislation.

Occupational health and safety conditions

Each of the organizations that make up FERSA have defined health and safety conditions at work in accordance with the legislation that regulates this aspect in each country. In Spain, Fersa has The corresponding Prevention Plan, which establishes a prevention organization based on the constitution of an External Prevention Service for the four prevention specialties: Occupational Safety, Ergonomics and applied psycho-sociology, Hygiene, Occupational Health and Safety and Occupational Safety. Industrial, and Health Surveillance. Likewise, and in accordance with Article 28 of the Occupational Risk Prevention Law, it has a Health and Safety Committee.

In this way, both when process changes are planned, and when new tasks or new products are implemented.

projects, the implementation of preventive measures to ensure the safety and health of workers is a priority.

In 2023, the following preventive work was carried out by FERSA's Health and Safety area:

- Risk assessment and/or re-evaluation of all jobs and workplaces.
- Implementation of improvements and measures applied according to the risk assessment,
- Investigations and reports of accidents, incidents and risk situations occurring in the company.
- Training and information for workers in Health and Safety and emotional management.
- Information on how to act in the event of an emergency, according to the Emergency Plan, as well as the performance of drills and tests.
- Health surveillance of workers, planning and carrying out medical examinations, as well as health monitoring in special risk jobs.
- Safety week.
- Launching of a working group: Safety Champions in the production and logistics areas, to actively identify risks in the workplace and propose measures to eliminate or reduce them. At 2023 50 unsafe situations were reported through this group.
- Launch of the Wellness 360° program, with the main objective of employee care and with support to comprehensive management of employee health, from the detection of unsafe situations to preventive and proactive monitoring of health status.
- Ergonomic mapping of workstations, and implementation of ergonomic improvements in manual pushing and pulling operations.
- Air conditioning of productive areas to avoid thermal stress.
- Installation of air quality improvement equipment.
- Implementation of a laundry service, as a measure to improve the internal management of personal work clothes and reduce the carbon footprint (collective washing cycles vs. individual washing cycles).

Accidents at work, in particular their frequency and severity, as well as the occupational diseases, disaggregated by sex

FERSA ACCIDENT RATE INDICATOR BY SITE_ 2023

Zaragoza Headquarters

	2021	2022	2023
Occupational accidents with sick leave	2	8	1
Occupational accidents without sick leave	5	11	9
In-itinere occupational accidents	0	2	2
Frequency rate (Number of accidents with sick leave per million hours worked)	8,66	25,65	3,27
Incident rate (Number of accidents per thousand workers)	15,06	39,91	5,25
Severity rate (Days lost p e r thousand hours worked)	0,73	1,17	0,01
Average duration index (Number of days lost per accident)	84,5	45,87	4
Occupational diseases	0	0	0

At the Zaragoza site, 100% of the accidents occurred to men.

China Headquarters

	2021	2022	2023
Occupational accidents with sick leave	2	1	2
Occupational accidents without sick leave	9	4	3
In-itinere occupational accidents	0	0	0
Frequency rate (Number of accidents with sick leave per million hours worked)	5,1	2,04	2,89
Incidence rate (Number of accidents per thousand workers)	938,97	7,69	13,33
Severity rate (Days lost p e r million hours worked)	0,37	2,04	0,03
Average duration rate (number of days lost per accident)	7	1	10
Occupational diseases	0	0	0

At the China site, 100% of the accidents occurred to men.

Headquarters Austria

	2021	2022	2023
Occupational accidents with sick leave	2	5	4
Occupational accidents without sick leave	3	2	3
In-itinere occupational accidents	2	7	7
Frequency rate (Number of accidents with sick leave per million hours worked)	3,2	7,8	25,88
Incident rate (Number of accidents per thousand workers)	606,06	136,9	63,49
Severity rate (Days lost per thousand hours worked)	3,39	0,35	0,14
Average duration index (Number of days lost per accident)	106	4,49	5,33
Occupational diseases	0	0	0

At the Austrian site, 85.70% of the accidents occurred to men, and 14.30% occurred to women.

India Headquarters

	2021	2022	2023
Occupational accidents with sick leave	—	—	5
Occupational accidents without sick leave	—	—	3
In-itinere occupational accidents	—	—	6
Frequency rate (Number of accidents with sick leave per million hours worked)	—	—	0,57
Incidence rate (Number of accidents per thousand workers)	—	—	14,29
Severity rate (Days lost per thousand hours worked)	—	—	0,05
Average duration rate (number of days lost per accident)	—	—	9
Occupational diseases	0	0	0

At the India site 100% of the accidents occurred to men.

There have been no occupational accidents or occupational diseases at the rest of the group's sites.

There have been no occupational accidents in Brazil, nor have there been any in the USA.

4.2.9 Social relations

Organization of social dialogue, including procedures for informing and sponsoring personnel and negotiating with them

As it could not be otherwise and as recognized in the Mission, Vision and Values document, FERSA is committed to "ETHICAL" values. We are transparent and upright in all our actions". Proof of this can be seen in the constant collaboration of the top management with the Workers' representatives through the Workers' Committee and Labor Unions, the result of understanding over the years.

Labor relations are framed within the current legislation that applies to activities in the labor field, mainly embodied in the Collective Bargaining Agreements, in the applicable countries.

In accordance with the activity, Fersa complies with all the labor legislation that affects all the employees of the entity, in Spain the general statute of workers and the specific agreement of application.

The members of the Works Committee are present in all the committees required by current legislation, mainly Health and Safety.

Percentage of employees covered by collective bargaining agreements by country

The Collective Bargaining Agreements and the Workers' Statute applied to all personnel dependent (100%) on Fersa. In countries where there are no Collective Bargaining Agreements, local regulations are adhered to.

Review of collective bargaining agreements, particularly in the field of occupational safety and health

In Spain, the collective bargaining agreements of Fersa's plants do not establish specific clauses related to occupational health and safety, urging compliance with current legislation (Law 31/95, Law 54/2003, RD 39/97...).

As it has been shown, Fersa has set up an External Prevention Service that assumes all the preventive specialties. In addition, it promotes health, safety and well-being at work, as one of the basic programs for monitoring and controlling the condition of the workers.

In the rest of the countries whose headquarters have factories, all of them are certified under the ISO 45001:2018 Occupational Health and Safety Standard.



4.3 With the Environment

Aware of the importance of sustainability in the management of companies, FERSA has a specific area for the control and coordination of all environmental activities.

The field of sustainable development is very important for FERSA, which understands sustainability as the fact of satisfying present needs without compromising the possibilities of future generations.

Environmental protection occupies a prominent place in the management policy, not only in terms of caring for the natural environment, but also in terms of reducing the impact caused by the business activity throughout the entire life cycle of the products.

Fersa assumes the commitment to preserve and protect the environment promoted by the group to which it belongs, as a strategic factor of the company that is taken into account in all its activities, developing its business in a responsible manner, and in compliance with safety, health and environmental legislation.

This commitment is based on the basic principles defined by Fersa, which each plant and its management assume as their own, and which are defined below:

- Give top priority to the health and safety of employees, contractors and visitors, in the belief that all incidents are preventable.
- Adopt sustainable business practices to minimize energy and water consumption, environmental emissions and waste generation.
- Continuously improve, as a world leader, our performance in the areas of health, safety and environment.
- Collaborate with customers, suppliers and contractors to promote excellence in health, safety and environmental matters.
- Contribute to and support the communities in which we work and live.

Compliance with these basic principles in a constant and diligent manner is the basis for protecting, preserving and improving the environment in which we work and live, always seeking the involvement and participation of the different stakeholders with whom Fersa interacts, so that such improvements are beneficial for all involved.

In order to achieve the business objectives, the commitment to sustainability and the fight against climate change, FERSA establishes:

1. Environmental protection and conservation as a priority objective.
2. Compliance with existing legislation and regulations.
3. The promotion of environmental responsibility among all employees.
4. Monitoring and control of the environmental aspects of production processes and products throughout their life cycle.
5. Calculation of the organization's carbon footprint, disclosure and consideration of the same in the evaluation of environmental impacts.
6. Awareness and constant communication.

FERSA's Environmental Management System is certified according to ISO 14001 version 2015 in all of the group's production plants.

EUROPEAN TAXONOMY

Regarding taxonomy, we are not considered as an eligible activity in the 2023 period, since our activity is not included in the activities described in Annex 1 of the delegated regulation 2021/2139, therefore it is not applicable in this report.



4.3.1 Contamination

Measures to prevent, reduce or remediate carbon emissions that seriously affect the environment.

Fersa works in the efficient management of energy in its work centers, as well as in the quantification and management of its greenhouse gas emissions. Therefore, each year the Carbon Footprint of the different plants is calculated and measures are established to reduce it, both in scope 1 and 2 (direct and indirect emissions), and with projection of calculation of scope 3 in 2024-2025.

GOING INVESTMENT	2021	2022	2023
Range 1 (Kg-CO2e)	0	0	0
Scope 2 (Kg-CO2e)	1.461	1.022	1.066,24
Scope 1 + 2 (Kg-CO2e)	1.461	1.022	1.066,24

ZARAGOZA PLANT	2021	2022	2023
Scope 1 (Kg-CO2e)	15.388	17.311	0
Scope 2 (Kg-CO2e)	603.788	465.519	542.430
Scope 1 + 2 (Kg-CO2e)	619.176	482.830	542.430

AUSTRIA PLANT	2021	2022	2023
Scope 1 (Kg-CO2e)	42.087	31.258	0
Scope 2 (Kg-CO2e)	159.178	168.326	209.448
Scope 1 + 2 (Kg-CO2e)	201.265	199.584	209.448

CHINA PLANT	2021	2022	2023
Range 1 (Kg-CO2e)	0	0	0
Scope 2 (Kg-CO2e)	1.046.919	1.017.844	1.831.507
Scope 1 + 2 (Kg-CO2e)	1.046.919	1.017.844	1.831.507

INDIA PLANT		2022	2023
Scope 1 (Kg-CO2e)	N/A	N/A	6.674
Scope 2 (Kg-CO2e)	N/A	N/A	1.311.917
Scope 1 + 2 (Kg-CO2e)	N/A	N/A	1.318.592

FERSA GROUP	2021	2022	2023
Scope 1 (Kg-CO2e)	57.475	48.570	6.674
Scope 2 (Kg-CO2e)	1.811.344	1.652.710	3.896.368
Scope 1 + 2 (Kg-CO2e)	1.868.819	1.701.280	3.903.042

As can be seen, total emissions amounted to 3,903 tons of CO2 equivalents, with a total of 1,660 tons of CO2 equivalent.

emissions increased by 2,201 tons of CO2 compared to last year, for three main reasons:

- The Indian plant is incorporated into the FERSA Group in 2023.
- The conversion factor of China's production center is almost five times that of Spain's, and India's is twice as high.
- In 2023, the calculation of the carbon footprint is standardized with a common calculator, therefore, the data is more comprehensive.

For the calculation of the indirect emission due to energy consumption, the local market data were used by In Austria, national average values were used, and in China and India, estimates were made using data provided in government communications. In the carbon footprint section, no mention is made of the rest of the sites because they do not provide data due to their structure.

Measures to prevent, reduce or remediate any form of activity-specific air pollution, including noise and light pollution.

In 4-year cycles, external noise measurements are performed at prominent emission points along the factory perimeter. The last measurement is for the year 2022. Sometimes noise measurements not only warn of environmental contamination, but can also serve to prevent problems in facilities where higher-than-usual noise is a symptom of a problem in the operation of the facility. Given the legal compliance with environmental noise values, no actions are planned to act on this pollutant.

Outdoor lighting at FERSA corresponds to the illumination of roads and passageways, for reasons of security in the absence of natural light. Likewise, the factory identification lighting is used only in the absence of natural light. Since the lighting is directed towards the interior of the facilities, there is no light pollution, and therefore no actions are required for this type of pollution.

Resources dedicated to preventing pollution and environmental hazards

The most relevant environmental improvements undertaken by Fersa Zaragoza in 2023 amounted to 232,400 €, mainly materialized in the installation of photovoltaic panels in the new FersaLab building, change of lighting and enclosure of the production area with a refrigerated panel. In addition, not only have these material investments been made, but also audits have been carried out. of compressed air leaks with ultrasonic equipment, in order to subsequently implement the associated corrective measures.

In the rest of the sites corresponding to the PFI Group subsidiaries, no hazardous waste is generated and non-hazardous waste is treated as urban waste, so there is no management cost. There are also no expenses in fees, audits and measurements due to the fact that there is no production process.

Likewise, Fersa has a civil liability insurance with a coverage of 15,000,000 € for environmental risks.

2023	Fersa Bearings Zaragoza	NKE Austria	Fersa Bearings China	Delux India
Cost of waste management	146.791,18 €	24.512,28 €	55.012,53€	15.127 €
Cost of fees, audits and measurements	28662,36 €	16.572 €	19.958,03 €	62.073€

*transportation and management, not including human resources. The calculation of costs and fees is based on the exchange rate in effect. In addition, the cost of the audits includes both ISO 45001 and ISO 14001.



4.3.2 Circular economy, waste prevention and management

Waste prevention, recycling, reuse, other forms of recovery and disposal measures

Fersa's Environmental Management System promotes responsible consumption, as well as compliance with waste management legislation, and to this end, quantifies and controls the waste generated by the activity, differentiating between non-hazardous waste and hazardous waste:

- Non-hazardous waste sent to an authorized manager: This waste is assimilable to solid urban waste as a result of the general operation of the plant (organic waste, plastic containers, etc.), as well as other fractions derived from the production process, such as non-conforming parts, cardboard and paper generated, or scrap metal.
- Hazardous waste that originates mainly from the production process itself, as well as from infrastructure and facility maintenance tasks.

The consumption and waste produced in 2023 and its comparison with 2021 and 2022 are detailed below. The rest of the sites do not generate hazardous waste and non-hazardous waste is treated as urban waste, for which reason no data is available.



GOING INVESTMENT	2021	2022	2023
ENERGY	TOTAL(Kwh)	TOTAL(Kwh)	TOTAL(Kwh)
Electricity	7.153	5.109	3920
REFRIGERATION	Kg	Kg	
Refrigerant gas	0	0	0

ZARAGOZA PLANT	2021	2022	2023
NON-HAZARDOUS WASTE	TOTAL(Kg)	TOTAL(Kg)	TOTAL(Kg)
Total scrap	79.680	81.720	141.000
Industrial waste	10.980	12.427	18.114
Generic wood	302.608	396.872	372.586
Paper and cardboard	45.380	70.920	51.340
Iron shavings	1.060	2.920	1.800
HAZARDOUS WASTE	TOTAL(Kg)	TOTAL(Kg)	TOTAL(Kg)
Protective oil	4.665	5.652	2.324
Aerosols	33	51	66
Water cleaning process	182.043	246.418	257.634
Electronic components	560	1.028	280
Contaminated metal containers and drums	6.325	7.744	2.553
Contaminated plastic containers (materials)	29.027	25.461	22.664
Fluorescent	106	119	20
Machining sludge	142.360	162.600	160.020
Contaminated materials (rags)	3.387	7.729	6185
Batteries and accumulators	106	80	28
Contaminated soils (sepiolite)	345	149	257
Coolant	0	0	1020

ZARAGOZA PLANT		2022	2023
ENERGY	TOTAL(Kwh)	TOTAL(Kwh)	TOTAL(Kwh)
Electricity	3.061.667	3.708.601	3.240.460
REFRIGERATION	Kg	Kg	Kg
Refrigerant gas (R-410-A)	8	9	0

AUSTRIA PLANT	2021	2022	2023
NON-HAZARDOUS WASTE	TOTAL(Kg)	TOTAL(Kg)	TOTAL(Kg)
Scrap	0	0	10.020
Industrial waste	6.000	163.900	7.300
Cardboard	22.640	19.800	20.800
Metal chips	28.055	9.533	111.730
Wood	35.320	45.500	43.620
HAZARDOUS WASTE	TOTAL(Kg)	TOTAL(Kg)	TOTAL(Kg)
Grinding sludge	1.890	8.110	3.591
Contaminated material	12.400	196	1.200
Used oil	2.285	1.705	1.580
Aerosols	30	50	50
Electronic components	0	0	315,59
Batteries and accumulators	0	0	2,2

AUSTRIA PLANT	2021	2022	2023
ENERGY	TOTAL(Kwh)	TOTAL(Kwh)	TOTAL(Kwh)
Electricity	761.615	805.368	757.822
HEATING	m3	m3	m3
Natural gas	208.350	154.743	159.947
REFRIGERATION	Kg	Kg	Kg
Refrigerant gas	0	2	2

CHINESE PLANT	2021	2022	2023
NON-HAZARDOUS WASTE	TOTAL(Kg)	TOTAL(Kg)	TOTAL(Kg)
Scrap	0	20.000	21.000
Industrial waste	0	5.000	4.800
Cardboard	217.700	3.000	3.000
Wood	8.900	80.000	80.000
Metal chips	0	0	0
HAZARDOUS WASTE	TOTAL(Kg)	TOTAL(Kg)	TOTAL(Kg)
Grinding sludge	145.000	139.007	136.000
Contaminated material	0	700	1.600
Fluorescent	0	100	80
Electronic components	0	25	10
Used oil	8.500	2.652	4.290
Aerosols	103,6	134	93
Batteries	0	0	1

CHINESE PLANT	2021	2022	2023
ENERGY	TOTAL(Kwh)	TOTAL(Kwh)	TOTAL(Kwh)
Electricity	3.350.140	3.257.100	3.211.500
REFRIGERATION	Kg	Kg	Kg
Refrigerant gas	0	0	24

INDIAN PLANT*	2021	2022	2023
NON-HAZARDOUS WASTE	TOTAL(Kg)	TOTAL(Kg)	TOTAL(Kg)
Total scrap	0	0	480
Iron shavings	0	0	21.050
HAZARDOUS WASTE	TOTAL(Kg)	TOTAL(Kg)	TOTAL(Kg)
Protective oil	0	0	2.360
Contaminated metal containers (drums)	0	0	1.974
Machining sludge	0	0	31.500

INDIAN PLANT	2021	2022	2023
ENERGY	TOTAL(Kwh)	TOTAL(Kwh)	TOTAL(Kwh)
Electricity	0	0	1.410.664
REFRIGERATION	Kg	Kg	Kg
Refrigerant gas	0	0	0

PFI SUBSIDIARIES	2021	2022	2023
ENERGY	TOTAL(Kwh)	TOTAL(Kwh)	TOTAL(Kwh)
PFI Group USA	0	11.843	8.083
PFI Argentina	0	4.510	3.186
PFI Bolivia	0	2.048	2.759
PFI Brazil	0	0	N/A
PFI Chile	0	4.661	7.150
PFI Colombia	0	2.712	2.477
PFI Mexico	0	17.125	8.689
PFI China	0	46.496	48.377

PFI Brazil's electricity consumption is included in the rental value of the facilities, so this data is not available. The subsidiaries in Australia, Turkey and Kenya are teleworking.

Among the metrics used in the group for environmental performance, there is the ratio of sludge produced, CO2 emitted and KWh of electricity consumed per bearing manufactured at the production centers, the results of which are shown in the following table. Bearings are not manufactured at the group's other sites, so these indicators cannot be presented in this section.

	Kg sludge/rod 2021	Kg sludge/rod 2022	Kg sludge/rod 2023	Kg eq CO2/rod 2021	Kg eq CO2/rod 2022	Kg eq CO2/rod 2023	KWh/rod 2021	KWh/rod 2022	KWh/rod 2023
Zaragoza	0,12	0,11	0,11	0,52	0,33	0,37	2,58	2,58	2,25
China	0,07	0,06	0,07	0,52	0,47	0,96	1,67	1,5	1,69
Austria	0,6	1,66	1	0,02	40,92	58,35	241,63	165,13	211,15
India	—	—	0,017	—	—	6,24	—	—	0,42
FERSA GROUP	0,26	0,61	0,29	0,35	13,9	0,36	81,96	56,4	53,88

FERSA establishes Good Environmental Practices, based on the principle of the three Rs:

- **Reduction:** Reduction involves reducing the use of materials at source: less resources are consumed and less waste is generated.
- **Reuse:** This practice involves extending the life cycle of a product through similar or similar uses. alternative use of the material, reducing both the consumption of resources and the generation of waste.
- **Recycling:** This involves the recovery of a resource that has already been used to generate a new product. Recycling is a good option for resource management as opposed to landfill disposal and abandonment or the acquisition of new materials. Within the non-hazardous waste fraction, the only waste that is landfilled is the general waste fraction. The rest of the non-hazardous waste is managed as an alternative to landfill, being recycled or recovered.

3xR

Reduce
Reuse
Recycle

Annually, reduction targets are established for the generation of the main significant wastes, through reduction projects in the different plants.



Compared to 2022, the increase in production has led to an increase in waste managed and electricity consumed at the Zaragoza plant. At the plants in China and Austria, production has increased and the amount of waste generated has been reduced.

	ZARAGOZA			CHINA			AUSTRIA			INDIA		
	No. of bearings	Kg RP	KWh Electricity	No. of bearings	Kg RP	KWh Electricity	No. of bearings	Kg RP	KWh Electricity	No. of bearings	Kg RP	KWh Electricity
2020	803.024	253.368	2.292.424	1.401.913	84.056,20	283.010	3.950	20.560	734.865	—	—	—
2021	1.185.385	378.335	3.061.667	2.006.184	153.603,60	3.350.140	3.152	16.605	761.615	—	—	—
2022	1.436.961	456.631	3.708.601	2.170.197	142.618	3.257.100	4.877	10.061	805.368	—	—	—
2023	1.439.943	453.051	3.240.460	1.900.757	142.074	3.211.500	3.589	6.739	757.822	1.822.629	35.834	1.410.664
Variation	0,21%	-0,78%	-12,62%	-12,42%	-0,38%	-1,40%	-26,41%	-33,02%	-5,90%	N/A	N/A	N/A

	Bearings	PR (kg)	Electricity (Kwh)
2020	2.208.887	357.984	3.310.299
2021	3.194.721	548.543	7.173.422
2022	3.612.035	609.310	7.771.069
2023	5.166.918	637.698	8.620.446
Variation	43,05%	4,66%	12,40%

In 2023, continuous improvement in the production area of the grinding process along with proper waste management has played a crucial role in minimizing the increase in hazardous waste, despite the increase in bearing production.

Firstly, improvements in the grinding process have led to greater efficiency in the use of materials, significantly reducing waste generated during production. The optimization of tooling and machinery used in grinding has contributed to minimize material losses and, therefore, the generation of unwanted waste.

Additionally, in the area of waste management, the efficient segregation and proper handling of hazardous waste has prevented environmental contamination and has complied with environmental regulations, thus contributing to the sustainability of the production process and the reduction of waste generation.

This shows us that the combination of improvements in the grinding process and waste management have been fundamental to maintain a sustainable balance between increasing bearing production and minimizing environmental impact, demonstrating that it is possible to achieve higher levels of efficiency without compromising environmental responsibility.

Actions to combat food waste

Fersa has a company office in each of its headquarters, which is an internal service for lunch or snacks, with tables and vending service. In a normal situation, Fersa has a catering service that offers food to the workers.

In Fersa Zaragoza, as a main action to combat food waste, a personal menu selection and control system has been implemented to monitor consumption and leftovers generated after the end of the service.

All of the organization's sites have special waste garbage cans for waste segregation.

4.3.3 Sustainable use of resources

Fersa monitors the consumption of natural resources and raw materials as an end in itself, within the strategic guidelines and, therefore, of the company's environmental management.

Water consumption and water supply in accordance with local constraints

Water consumption in Fersa is carried out from the local supply network in the different sites where the company's activity is located.

The detailed analysis of the water consumption points is observed through the meters of the water supply system, which provide the following consumption values for the year 2023.

(m3)	2021	2022	2023
Spain	1.999	1.691	2.582
Austria	444	456	514
China	3.899	3.300	4.515
India	—	—	6.520
United States	8,8	30,01	26
PFI Chile	-	71	93
PFI Colombia	-	48	91
PFI Mexico	-	81	230
PFI China	-	433	526
TOTAL	6.351	6.110	15.097

The rest of the subsidiaries do not appear in the table because they perform teleworking or the water consumption is included in the rent of the headquarters and therefore the data is not available.

The Good Housekeeping Practices established by FERSA to reduce its water consumption are as follows:

- Use water rationally, avoiding unnecessary consumption and contamination. Reuse it whenever possible. Do not use the toilet as a wastebasket.
- Turn off faucets when not in use. Do not waste water
- If a leak is detected, notify Maintenance immediately.
- It is strictly forbidden to pour chemical products down the plant's drains and sewers: each waste has its specific management.

Consumption of raw materials and measures taken to improve the efficiency of their use

All the actions of the production process are aimed at optimization, resulting in less rejected product and a lower consumption of material per piece, which means an improvement in the environmental impact relevant to the company. The raw materials used by FERSA to carry out its activity are the following:

ZARAGOZA PLANT	2021	2022	2023
Raw Materials	TOTAL(Kg)	TOTAL(Kg)	TOTAL(Kg)
Steel	6.737.278	8.900.017	4.167.502
Other metals	-	22.054	57.590
Plastic	16.500	225.730	27.856
Taladrin	14.630	13.201	6.390
Oils and fats	2.285	3.403	33.657
Aluminum	—	—	237

CHINESE PLANT	2021	2022	2023
Raw Materials	TOTAL(Kg)	TOTAL(Kg)	TOTAL(Kg)
Steel	3.313.712.442	4.031.199	4.007.774
Plastic	296.451	26.532	27.858
Other metals	—	—	—
Taladrin	—	13.600	12.000
Oils and fats	93.200	33.200	63.300
Aluminum	—	—	0

AUSTRIA PLANT	2021	2022	2023
Raw Materials	TOTAL(Kg)	TOTAL(Kg)	TOTAL(Kg)
Steel	28.055	387.320	30.804
Plastic	6.000	912	39
Coatings	-	17	3
Other metals	660	46.878	2.226
Taladrin	1.230	44	390
Oils and fats	2.285	3.467	1.800

INDIAN PLANT	2021	2022	2023
Raw Materials	TOTAL(Kg)	TOTAL(Kg)	TOTAL(Kg)
Steel	—	—	1.242.645
Plastic	—	—	46.323
Taladrin	—	—	386.580
Oils and fats	—	—	20.190

The remaining sites are not bearing manufacturing centers, so the raw materials listed in the tables above are not consumed.

In fiscal year 2023 and in coordination with the purchasing department and suppliers, we have worked intensively to reduce the amount of steel required in the forge for bearing production. Although this optimization has resulted in a notable reduction in costs, it should be noted that it is not yet directly reflected in the reduction of kilograms arriving at Fersa.

With regard to minimizing coolant consumption, improvements have been made to the slurry compactor. This improvement has allowed the sludge to be more drained, thus reducing the amount of wasted coolant. In addition, the automatic coolant dispenser on the small filter has been repaired to ensure a more accurate and efficient use of coolant.

With respect to the consumption of oils and fats, a more comprehensive view of the use of these products is being addressed. The information provided for the year 2023 includes not only maintenance data, but also the consumption of product greases for this reason, the figure has been increased. In addition, leaks have been identified and corrected in machines, specifically in seals and filter tubes, reducing oil loss.

A, in turn, uses raw materials such as paper, cardboard, toner, etc. associated with the company's administrative tasks, although in recent years consumption has been significantly reduced with the application of Information and Communication Technologies (ICT).

The raw materials in the tables above refer to those required to manufacture bearings; since there is no production process at the other sites, data on raw material purchases are not presented.

Good practices employed:

- Avoid their use whenever possible. Up to 90% of the waste generated in an office is paper waste.
- Save documents in digital format. Share information instead of generating copies for each person. Take advantage of the possibility of intranet, e-mail...
- Use electronic means of communication as much as possible to reduce the use of printers and faxes.
- Optimize the number of copies required
- Preferably use recycled paper as far as possible.

- Avoid printing unnecessary documents, and if printing is necessary, make sure that the document is correct by using the "preview" tool.
- When photocopying and printing, use both sides of the paper whenever possible. All internal documents shall be printed double-sided.
- Reuse all paper that has been printed on one side only for printing drafts or taking notes.
- Print in draft quality to avoid wasting ink and facilitate reuse, especially in the case of internal documents.
- Recycle unusable paper by making use of the exclusive containers for cardboard and paper.



Direct and indirect energy consumption, measures taken to improve energy efficiency and the use of renewable energies

Fersa's energy consumption is mainly produced by the following energy sources:

1. Electricity consumption
2. Natural gas consumption

Fersa constantly strives for responsible environmental management, compliance with environmental and contractual requirements, as well as a preventive approach to environmental risks.

All actions are aimed at optimizing the production process, and this involves determining and implementing actions aimed at controlling direct and indirect energy consumption.

Energy consumption in 2023:

KWh	2021	2022	2023
EUROPE	3.823.282	4.519.078	4.002.202
CHINA	3.350.140	3.303.596	3.212.026
AMERICA	-	42.899	109.451
INDIA	—	—	1.410.664
TOTAL	7.173.422	7.865.573	8.734.343

Gas m3	2021	2022	2023
EUROPE	208.350	154.743	159.947
TOTAL	208.350	154.743	159.947

Since its beginnings, FERSA has been committed to reducing energy consumption, based on improving the efficiency of its production processes.

Likewise, since the beginning of FERSA's activity, the following actions have been carried out:

- Improving the efficiency of production processes, working on the reduction of line waste and process optimization.
- Installation of photovoltaic panels.
- Optimization of air conditioning systems (heating/air conditioning).

The recommendations included in the Good Housekeeping Practices are as follows:

Office equipment:

- Set the computers to "energy saving".

- Choose dark backgrounds for the desktop; consumption is about 25% lower than that of a white one.
- Turn off the computer, printers and other electrical appliances at the end of the workday. This measure is even more important on weekends and holidays.
- Use of air conditioning:
 - Use these devices only when necessary. Whenever possible, take advantage of natural temperature regulation.
 - Turn off or minimize heating or air conditioning systems in unoccupied offices or rooms: empty meeting rooms, outside working hours, ...
 - Properly understand how heating and cooling systems work to maximize the efficiency of air conditioning equipment.
 - Make sure that doors and windows are closed while the air conditioning equipment is operating, to prevent losses and waste.

Use of lighting:

- Take advantage of natural lighting
- Ensure proper management of fluorescent tubes and light bulbs, as they are special waste.
- Turn off lighting when it is not going to be needed for a long period of time. Do not turn fluorescent tubes on and off frequently, since the highest consumption is made when they are switched on.
- Clean lighting systems regularly to improve their performance.

Productive areas:

- Turn off lighting when it is not going to be needed for a long period of time. Do not turn the lighting on and off frequently, since the highest consumption is made when it is switched on.
- Clean lighting systems regularly to improve their performance.
- Disconnect the equipment from the power supply during long periods of non-use.
- Adjust the lighting to the needs of the workplace, both in quality and intensity.
- Use air conditioning systems only when necessary.
- Check for compressed air leaks. In case of detection, notify maintenance.

4.3.4 Climate change

Climate Change has a specific space in FERSA's strategy and that is why, in the deployment of the strategy, sustainability and climate action appear as a fundamental milestone.

To this end, it establishes the "**carbon footprint calculation**", which is intended to provide information on the GHG emissions (Greenhouse Gases) of the Company and thus favor that this environmental impact of the activity can be considered and minimized in business decision making.

Significant elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces.

Scope 1, direct emissions from sources owned or controlled by the company:

- Natural gas consumption
- Refilling of fluorinated gases

Scope 2, indirect emissions associated with electricity:

- Electricity consumption

Measures taken to adapt to the consequences of climate change

FERSA promotes actions that improve the environmental management of the business and therefore the impact on climate change, thus increasing the energy efficiency of facilities and processes.

In 2023, the following actions were carried out:

- Carbon footprint calculation.
- Focus on more efficient processes to reduce energy and raw material consumption.
- Creation of a working group to promote a sustainable supply chain.
- Focus on processes for monitoring the production process in the generation of waste, and proposal of measures for waste reduction.
- Installation of photovoltaic panels on buildings, and promotion of the use of renewable energies.
- Construction of operational infrastructures with insulating coatings.

- Plans for the electric industrial vehicle, implementing plans towards the electric industrial vehicle, through innovation with lighter materials, to reduce consumption and monitoring of components to extend their useful life.
- Use of returnable packaging.
- Plan to increase recycling and recyclability of our product packaging.
- Reuse of imported supplier packaging with raw materials.

Aware of the relevance for the organization and our environment, training courses on waste management and segregation are held annually.



Voluntary reduction targets established in the medium and long term to reduce gas emissions. greenhouse gas emissions and the means implemented

The medium and long-term goals established to reduce greenhouse gas emissions have been defined in two aspects:

1. Improving **energy efficiency**.
2. Improving the **efficiency of production processes**.

The following are the most relevant ones:

Zaragoza plant:

- Improved energy efficiency through monitoring, quantification and minimization of losses in compressed air systems, air conditioning, etc.
- Improved energy efficiency through the installation of photovoltaic panels.

Austrian plant:

- Improved energy efficiency based on the following projects:
 - Improved efficiency of the plant's industrial refrigeration system.
 - Improved consumption measurement and control system.
 - Implementation of a shutdown plan for facilities during weekends and plant closing periods.
- Continuous improvement of production processes to reduce scrap (NOK parts) generated in the different production lines, thus reducing waste generation.

4.3.5 Biodiversity protection

Actions taken to preserve or restore biodiversity

Due to our activity and location, FERSA does not carry out activities or operations in protected areas.

Impacts caused by activities or operations in protected areas

Due to our activity and location, FERSA does not carry out activities or operations in protected areas.



4.4 With the environment

Social commitment in the development of activities and for the benefit of all stakeholders is an inseparable part of Fersa's business model.

Since its origins, the company has maintained a commitment to society that has led it to become actively involved and participate in the environment in which it operates. The relationship with society is materialized in the generation of added value for stakeholders through different lines of action.

This is why FERSA is committed to the economic, cultural, social and environmental development of the communities in which it is present and whose objectives are related to the Sustainable Development Goals.

4.4.1 Technological and sustainable responsibility

In response to the market drivers, technological challenges and social trends, FERSA develops and strengthens continuously the product range with innovative factors, establishing the Innovation Management model, which is finally materialized in a **Technological Development Plan**.

Sustainable challenges in the technological development plan

To carry out the Technological Development Plan, the management of alliances and collaboration in regional, national and European programs, with universities, technology centers and local companies, provide a differential value, establishing in turn, an open innovation network with the FERSA ecosystem.

Processes

Fersa carries out its activity by processes, in each of its plants, according to its value proposition. To support the productive activity, the Operations Map reflects the value chain in which 5 large blocks of value contribution stand out.

- Analysis of customer needs, analyzing as a whole the solution to obtain a product or service that covers the broad spectrum of needs.
- The supplier network. A quality raw material with high standards allows us to reduce risks in the manufacture of bearing solutions and meet customer expectations, for which collaborative work is key to grow together and ensure compliance with human, labor and environmental principles.
- The production process. The development of technology, based on the paradigms of Industry 4.0, allows us to optimize our production processes, to be able to manufacture with very demanding standards, which ensure product quality, in addition to achieving the reduction of waste and non-conforming products. throughout the entire process, within a sustainable environment.
- The delivery of bearing solutions. The location of all FERSA's headquarters, warehouses and commercial offices ensures a distribution network that ensures compliance with delivery deadlines, while being close to customers.
- Continuous improvement. Technological challenges and new market needs mean that each of the solutions provided is never the latest version, as there is a process of continuous review and improvement of both products and processes, in order to offer the best version at the time.

9 INDUSTRIA,
INNOVACIÓN E
INFRAESTRUCTURA



4.4.2 Company commitments to sustainable development

Impact of the company's activities on employment and local development, on local populations and on the territory.

Fersa carries out its activities in the local area, where its plants are located, which is why the impact on employment and local development is proportional to its growth and consolidation.

As it could not be otherwise, the challenge for the local territory is evident in Fersa, with numerous actions that generate shared value between the company and the environment, sensitive to the needs of the communities and participating in their development to the extent possible.

Economic value generated and shared by FERSA during 2023:

Economic value generated	Economic value distributed
Net sales 196,312,372 € 196,312,372 €	Suppliers 107,280,847 € 107,280,847
	Employees 35.184.308 €
	Public sector 4,354,654 €.

Relationships maintained with local community stakeholders and the modalities of dialogue with them.

In line with the values and internal commitments that govern Fersa's activities, principles and initiatives are defined that cover different areas of the company's social reality in the search for adhesions and alliances, as a sign of the relationships maintained with local community stakeholders and the dialogue with them.

FERSA has always been willing to collaborate with public bodies, networks, platforms or other entities, in order to share actions that result in a significant and positive impact on the environment, with an innovative perspective, to respond to emerging social needs. We highlight the most representative ones in 2023:

- Collection of bottle caps in collaboration with Seur.
- Facilitate antigen and antibody tests for Fersa employees and families.
- Participation in the Red Cross Gold Drawing.
- Collaboration with the purchase of tickets for Aspanoa's soccer match against childhood cancer.
- Financial donation to the Zaragoza Symphony Orchestra and sponsorship of the New Year's Concert.
- Collaboration with the Auditorio de Zaragoza-Club de Empresas in the Great Concerts Season 2022-2023.
- Collaboration with AECC in the VIII Walk against Cancer (donation of 600€ plus the inscriptions of the Fersa participants)
- Clothes collection in collaboration with ARopa2
- Collection of school supplies in the VII Pencils and Smiles Campaign of CAAR.
- Participation in the XIX Circuit of the "Central Lechera Asturiana" Women's Race.
- Collaboration in the II Solidarity Paddle Tennis Tournament for Companies organized with CEOE and Atades, with a donation in kind.
- Participation in the Imprescindibles program of Fundación Down and Fundación Sesé.

As mentioned above, the management of alliances and collaboration with technological partners provide a differential value, in turn establishing an open innovation network with the FERSA ecosystem. In 2023, these are collaborations, projects carried out and main conclusions:

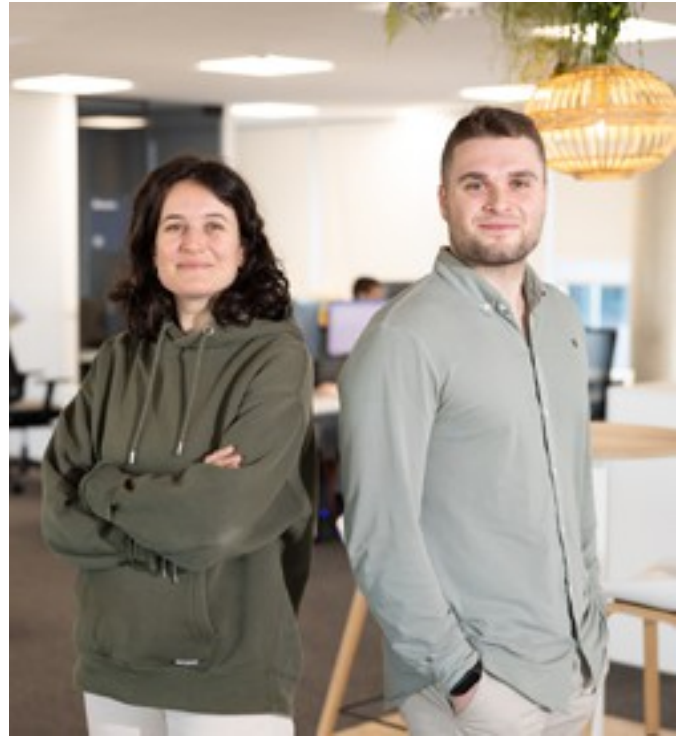
Partners	Objective and synergy with FERSA	Status or main conclusions
<p>FER Hydro</p> <p>Azterlan Technological Center Project financed by the Government of Spain</p>	<ul style="list-style-type: none"> • Development of a lightened aluminum wheel hub with improved mechanical properties for heavy-duty vehicles • Development of a new hydro-solidification casting process that allows to obtain large parts with complex geometry and superior performance in terms of mechanical properties and weight for demanding applications. • Promoting the replacement of heavy components with lighter ones through the use of alternative materials to traditional ones in commercial vehicles. • Improved efficiency and consequent decarbonization of the automotive sector. • Strategy for more efficient and less energy-intensive products 	<p>Project completed and validated by the Center for Technological and Industrial Development (CDTI).</p> <p>New aluminum casting technology validated</p>
<p>Smooth Bearing</p> <p>ITAINNOVA Technological Center Project financed by the Government of Aragon</p>	<ul style="list-style-type: none"> • Research into new designs and manufacturing technologies for efficient and quiet bearings, • Compliance with new requirements in terms of NVH (Noise, vibrations and harshness). • Applied to new vehicles for sustainable mobility. • Strategy for more efficient and less energy-intensive products 	<p>Project completed and validated by the Government of Aragon.</p> <p>Noise analysis protocols</p> <p>Significant features of a low-noise bearing</p>
<p>MAS4AI</p> <p>Tecnia</p>	<p>Generation of simulation models from the raw material data, quality data and historical process parameters provided:</p> <ul style="list-style-type: none"> • optimal machine parameters • optimal manufacturing grinding wheel for order • updated planning using the simulation provided by the model 	<p>Project finalized and validated by the European Commission</p>
<p>Dat4Zero</p> <p>Ideko ITAINNOVA Technology Center</p>	<p>Development of Quality simulation models that, based on real machine data, including parameters and real time measurements of temperature, vibration, vision, concentration sensors, allow to identify the generation of quality defects: burns, harmonics, twist, dimensional errors. It allows to generate optimal parameters in real time, which avoid these defects.</p>	<p>Project in completion phase. All sensors are operational and the models are developed and are in the optimization phase, for closure in March 2024.</p>



Partnership or sponsorship actions

Fersa's commitment to the local and national level is evidenced in the promotion of activities and support to solidarity and aid programs. During the 2022 fiscal year, the following sponsorship has been developed:

- Sponsorship of the **City of Zaragoza Symphony Orchestra**, to support young musical talent. The quantification in 2023 has been €2,500.
- Sponsorship of the **VIII March against Cancer of AECC in Zaragoza**, as "Collaborators". The donation was €600.
- Collaboration in the **II Solidarity Paddle Tennis Tournament** for Companies organized with CEOE and Atades, with a donation in kind.
- Collaboration with **ATADES**, 210€.
- Collaboration with **Obra Social Ibercaja**: €12,000.
- Sponsorship **Asociación Taller de Talento Matemático**: 2.000€.



4.4.3 Subcontracting and suppliers

Fersa's business model is based on ethical and responsible principles of commitment to its value chain in general and to its suppliers in particular. Thus, it manages the purchase of products and services through manufacturing companies that provide and transform raw materials for distribution and sale, and suppliers, with whom it maintains a stable and long-lasting commercial relationship.

This type of commercial relationship translates into a climate of trust, in terms of meeting deadlines, of expectations of the product and advice on the coverage of needs.

Inclusion of social, gender equality and environmental issues in the purchasing policy. Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.

FERSA, in its experience over the years, has always sought to work with suppliers in accordance with its policy, especially with regard to the sense of responsibility, in order to carry out its activity correctly, in a sector where controls are essential.

The Purchasing Process is designed with the purpose of centralizing the process and making the most of resources.

The most significant entry requirements are as follows:

- Centralizing the purchasing function, and increasing control and profitability of operations.
- Complementing and increasing, if necessary, the controls in accordance with strict legal compliance.
- Drafting, approval and implementation of Purchasing Policies and Processes, applicable to the entire Company.
- Centralized negotiation and approval of suppliers.
- Establishment of sourcing criteria with environmental, social, ethical, equality and social responsibility requirements in general.

Acknowledgement by the supplier of a responsible declaration with the Code of Conduct. FERSA's objective in its procurement is to include, as we have shown, environmental protection and social responsibility, and good governance of all parties that are related to product and service.

This is why an important task to be carried out is the search for alternatives for the purchase of products or services.

services that perform the same function or have the same characteristics but whose production, processing or distribution has been carried out in an environmentally friendly manner, in accordance with the requirements of the supplier approval evaluation.

Euros	2021	2022	2023
Global volume of operations	59.808.493€	66.338.984€	101.593.038€
Volume of operations in Spain	14.614.856€	20.513.865€	20.778.303€
Volume of operations in Austria	7.854.389€	10.502.763€	9.069.015€
Volume of operations in China	37.339.248€	35.322.356€	53.347.945€
Volume of operations in India	—	—	17.271.016€
Volume of operations in the USA	—	—	1.126.760€

The percentage of purchases made in Spain that have been made from local suppliers in the Autonomous Community of Aragón is as follows:

(*) Expenditure in %.	2021	2022	2023
Premises	70%	64%	50%

The data and percentages detailed in the tables have considered the operations carried out by Fersa's manufacturing subsidiaries corresponding to: Fersa Bearings, Fersa Jiaying, NKE Austria and Delux, considering purchases made from third parties.

Monitoring and auditing systems and audit results

Complementing the existing methodology in procurement supervision and audits, control measures are established, inefficiencies or weaknesses in the measures implemented are detected, and action plans are developed. The objective is to standardize and provide the highest level of quality to all areas of the purchasing function. This is why the aforementioned system bases its process on the following phases:

1. Supplier Qualification. Company information and data.
2. Supplier Performance Evaluation. Criteria contained in general and/or specific questionnaires on its Management System and the corresponding certificates.
3. Supplier Approval
4. Contracts and related agreements: supply conditions, economic aspects, quality assurance of supplied products.
5. Verification of agreements.
6. Supplier risk assessment.
7. Checks, evaluations and/or audits of the supplier.

The number of audits performed on suppliers, according to the V.D.A. standard, are shown below. All of them have led to the creation of improvement action plans with the objective of executing a solid approval process for new suppliers or to promote an adequate process of continuous improvement and supplier development for suppliers already approved and under review audit process.

	2021	2022	2023
Audits performed	7	14	16
Satisfactory audits of total realized	7	14	16

Ongoing supplier evaluation has yielded the following results:

	2021	2022	2023
Suppliers removed from the list of evaluated suppliers	0	0	1

*The only supplier that has been removed from the list, in 2023, is due to the lack of minimum requirements to develop in the supply chain.

In addition, as set forth in the entry requirements above, the application of the Code of Conduct to suppliers is evidenced as a means of evaluation in the recognition of good practices in the following matters:

Compliance with human rights.

- Child labor and young workers.
- Salaries and benefits.
- Respect for working hours.
- Modern slavery (i.e. slavery, servitude and forced or compulsory labor and human trafficking...).
- Freedom of association, including collective bargaining.
- Harassment and non-discrimination
- Health and safety.
- Corruption, extortion and bribery.
- Privacy and data protection.
- Fair competition and antitrust.
- Ethical business practices.
- Conflicts of interest.
- Environmental activity permits.
- Sustainable resource management and waste reduction.

In an ongoing commitment to sustainability and corporate responsibility, a comprehensive pre-audit will be conducted in 2024 targeting our suppliers with the greatest impact on our value chain. This process aims to assess the degree of compliance with the requirements established in the environmental, social and governance (ESG) criteria.

The pre-audit not only seeks to ensure adherence to ESG standards, but also to encourage continuous improvement among suppliers, promoting more responsible business practices. By driving this comprehensive assessment, Fersa seeks to strengthen its position as an industry leader, move towards a more sustainable business model and establish stronger, more ethical relationships with our supply chain partners. This proactive approach reflects Fersa's long-term vision, where sustainability and business excellence go hand in hand.

CONSUMERS

FERSA aims to be the best valued and recognized group within the sector, both for the quality of its products and for the excellence in the interaction with its stakeholders, mainly its customers. To this end, its efforts are focused on integrating sustainability and social responsibility criteria into its processes.

Within the framework of our corporate responsibility, we develop an integrated vision of Quality, through quality and continuous improvement plans that have a substantial impact on the sustainability and safety of both our products and the environment.

Quality plans are the backbone of our business philosophy, guiding us towards excellence at every stage of the production cycle. These quality and continuous improvement plans begin with the selection and development of our suppliers, passing through our production processes and ending in an integrated project management with our customers. This approach translates into final products that not only meet the most rigorous quality standards, but also guarantee user safety and minimize their environmental impact. These plans not only seek operational efficiency, but also align with our social and environmental responsibility.

In particular, the implementation of a ppm (parts per million) defect reduction plan has proven to be an essential component of our commitment to sustainability. The reduction of ppm not only optimizes production processes, it also significantly reduces the risk of defects in our products. This has a direct impact on user safety and, at the same time, contributes to the preservation of the environment by minimizing waste and resources used.

In addition, it is crucial to highlight how these quality plans not only transform the technical aspects of our operation, but also positively influence the mindset of our operations of our employees. The culture of continuous improvement

fostered by these plans creates an environment conducive to innovation, creativity and individual commitment to sustainability. Employees become not only process executors, but active agents who internalize the importance of their actions in achieving our sustainable objectives.

We are convinced that the effective implementation of quality and continuous improvement plans not only strengthens the competitive position of our company in the marketplace but also makes a significant contribution to sustainability and safety, while shaping a corporate mindset that values operational excellence and respect for the environment. This integrated approach reflects our ongoing commitment to corporate responsibility and the creation of sustainable value for all our stakeholders.

Measures for the health and safety of consumers

FERSA's Management System guarantees the traceability of the value chain from raw materials to products, identifying each component with a unique code that guarantees its physical characteristics and technical properties, in accordance with customer specifications.

The manufacturing batches are controlled and the revision indexes of the production processes are respected. It also guarantees the information included with the product and/or its packaging.

The Management System complies with the requirements defined by ISO 9001 and ISO IATF standards for the systems related to Fersa Bearings S.A.U. and Fersa JLC.

Aware that the future lies in offering positive experiences to customers, FERSA makes the quality of its products, the main axis of the activity, offering a different service and committed to:

- Ensure that the most appropriate, safe and high quality products are offered to customers.
- To value everything that is valued by customers.

Safety and customer satisfaction are the main responsibility, therefore, periodically, products are subject to internal and external review, which allows us to identify areas for improvement.

Product

The factories guarantee the control and care of the raw materials and the complete information provided to the customer. For this reason, FERSA carries out a systematic preventive process to guarantee the highest level of quality in all its products and processes.

In addition, FERSA guarantees the traceability of the value chain of the service provided through all its control and verification records, both of raw materials and product reception records.

Similarly, technical data sheets are available with more extensive information on the product that both the customer and the end consumer can request at any time, even guaranteeing traceability of the required products.

Transparency of information

FERSA is transparent in its management, especially with customers and employees. For this purpose, it has several systems in place, such as occasional communications to inform about news, e-mail accounts, videoconferences, telephone, which facilitate communication and transparency of information with customers, and which are known from the beginning of the management of the service.

On the other hand, weekly meetings are held in the Purchasing Department, where market news are heard and concerns are raised, in addition to continuous audits to ensure that all requirements are met to guarantee product quality.

Quality Policy

Quality is a core value at FERSA. "We strive to establish key quality objectives that must be transmitted and understood at all levels of the company."

The commitment:

- Achieve quality results in products, processes, designs and services that exceed the expectations of external and internal customers.
- Expand the culture of continuous training and learning.
- Establish a list of strategic supply partners who share the quality expectations.
- Ensuring a culture of defect prevention and avoiding such failures in the next phase
- Comply with legal and regulatory obligations
- Promote innovation, continuous improvement and quality management systems that help to meet the objectives in this regard.



Complaint systems, complaints received and their resolution

With customer satisfaction as a priority, Fersa establishes in the strategic range, the correct follow-up and resolution of complaints arising from its relationship with the customer.



Management of claims and complaints, in order to efficiently manage each claim, complaint or suggestion, is defined within a system of prioritization of claims according to their seriousness, with the objective of providing an agile response to the customer.

The 8D tool is very useful in the resolution of nonconformities, search for root causes using 5WHY, Ishikawa, standardization of solutions and failure prevention. By means of a work methodology systematized and in a multidisciplinary team, allows to improve the organization's systems, optimize processes, and prevent both future customer nonconformities and internal failures.

Statement of claims and complaints for the total fiscal year of FERSA:

	2021	2022	2023
Total claims customer	488	501	503
Product	263	284	341
Service	225	217	163

Total customer complaints data in Spain for the period 2023 total 218, categorized into 207 product complaints and 11 service complaints. With respect to Fersa Jiaxing, there were 4 product complaints and 0 service complaints, and finally, in Austria, product complaints totaled 95 and service complaints 146.

In 2023, customer complaints have increased due to the addition of those of the Delux (India) subsidiaries, with 40 in total, corresponding to 35 product complaints and 5 service complaints.





5. The future of sustainability at Fersa

In a world increasingly aware of the importance of sustainability, we are in a key position to lead initiatives that not only have a positive impact on our operations, but also contribute to the well-being of the planet and society. With a forward-looking approach to sustainability, we have the opportunity to integrate ESG (Environmental, Social and Governance) principles holistically into our comprehensive and cross-cutting strategy, setting a path towards sustainable excellence.

As global awareness of environmental and social challenges intensifies, we need to take a proactive role in creating a positive impact. This approach is not only essential from an ethical perspective, but has also become critical to maintaining long-term viability and acceptance in the global business community.

In this context, 2024 will be a year focused on strategically integrating ESG principles throughout our value chain, fostering the circular economy, driving sustainable innovation and, crucially, internationalizing best practices among our subsidiaries. This comprehensive approach will not only strengthen FERSA's position as a leader in its industry, but will also contribute positively to sustainability globally.



ESG MISSION 2024-2026

Improve governance (G):	Implementation of sustainable practices (S)	Stakeholder Engagement (E)	Responsible investment (I)	Information and transparency (T)
<p>Improving the governance of the company, adapting the governance structure</p> <p>corporate, transparency in decision making and accountability, establishing and integrating clear policies and processes</p> <p>risk management that promote integrity and ethics at all levels of the organization.</p>	<p>Implement practices sustainable in all our products operations, including the</p> <p>technology adoption cleaner and more efficient in power generation, waste reduction and emissions, and the promotion of diversity and inclusion in its workforce.</p> <p>Without forgetting products more efficient and less contaminants.</p>	<p>Continuous commitment and open with the parties interested. Involving</p> <p>our employees, customers, suppliers, shareholders and other key stakeholders in decision making related to issues related to</p> <p>ESG.</p>	<p>Promote investment responsible in the industry. This involves developing</p> <p>select and partner with suppliers and partners commercials that share the same values and are committed to the</p> <p>sustainability.</p> <p>In addition, we consider the integration of criteria ESG in our process of decision making of investment, seeking to projects and initiatives that generate a social and economic impact environmental positive.</p>	<p>Periodic reporting of our actions, achievements and challenges in the area of sustainability, sharing this information mainly with all the Fersa Group, and parts interested.</p> <p>WEB space destined to the transparency and reporting.</p>

FERSA

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