

SUSTAINABILITY REPORT

2025

Based on the VSME Standard

(Voluntary Sustainability Reporting Standard)

Precision in every gear, commitment to the future

Manufacturing high-precision power transmission components since 1958.

ENGRANAJES JUARISTI

1 MESSAGE FROM THE GENERAL MANAGER

Founded in 1958, Engranajes Juaristi is an industrial company specialising in the design and manufacture of high-precision power transmission components, including gears, racks, worm gear sets and toothed pulleys.

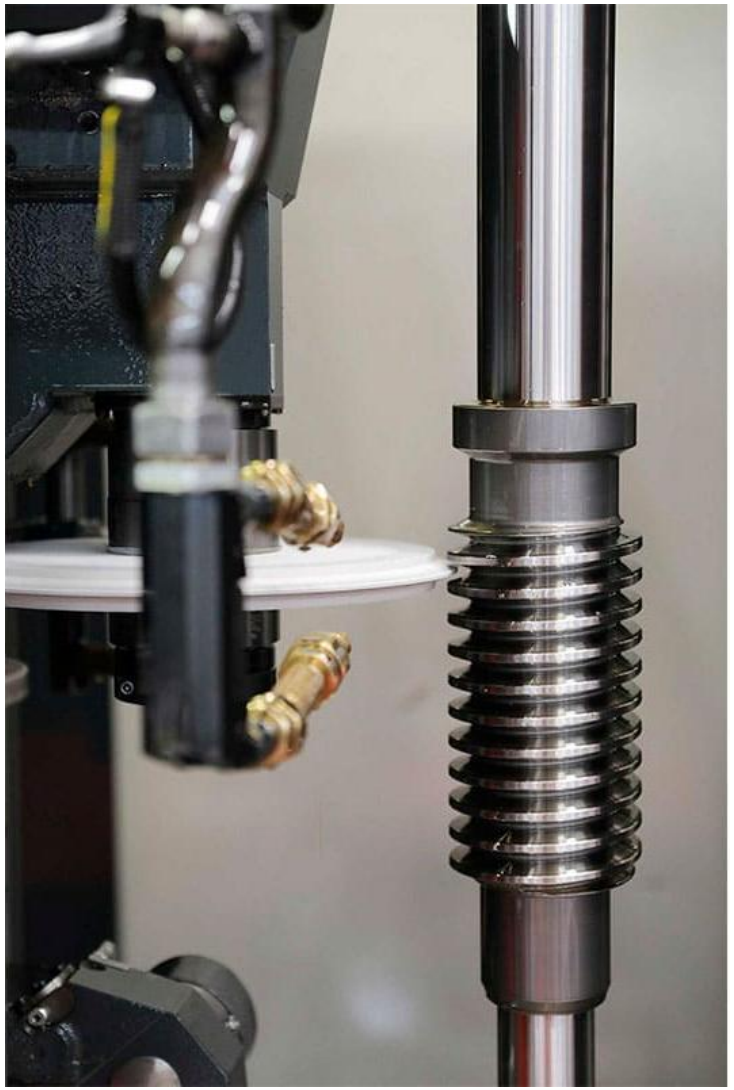
Headquartered in the Basque Country (Spain) and with a presence in international markets, our business model is built on bespoke engineering and machining for highly demanding industrial sectors.

As General Manager, I am proud to present our first Sustainability Report. This document reflects not only the progress we have made over recent years, but also our firm commitment to responsible and sustainable business management.

In line with this commitment, we have taken significant steps forward, including continuous improvements in energy efficiency and waste management, the development and wellbeing of our people, and the creation of a positive impact within the communities where we operate.

These achievements reinforce our commitment to embedding sustainability as a core element of our corporate strategy while advancing towards a more efficient and innovative industry, aligned with the challenges of the 2030 Agenda.

Jokin Juaristi



2

OUR PURPOSE



Mission & Vision

We strive to be recognised for excellence in the gear manufacturing industry by delivering outstanding service to our customers while generating economic, emotional and social wellbeing for the workforce and shareholders of Engranajes Juaristi.

We are committed to respect and equal treatment for everyone.

We are committed to taking meticulous care of our environment.



Values

Respect

Recognising that someone, or even something, has value in itself; accepting and understanding others as they are; looking after what we have at our disposal (health, family, work, relationships, people, the economy, the environment).

Fairness

Recognising each person for what they do and contribute, in line with the rules that govern relationships at Engranajes Juaristi.

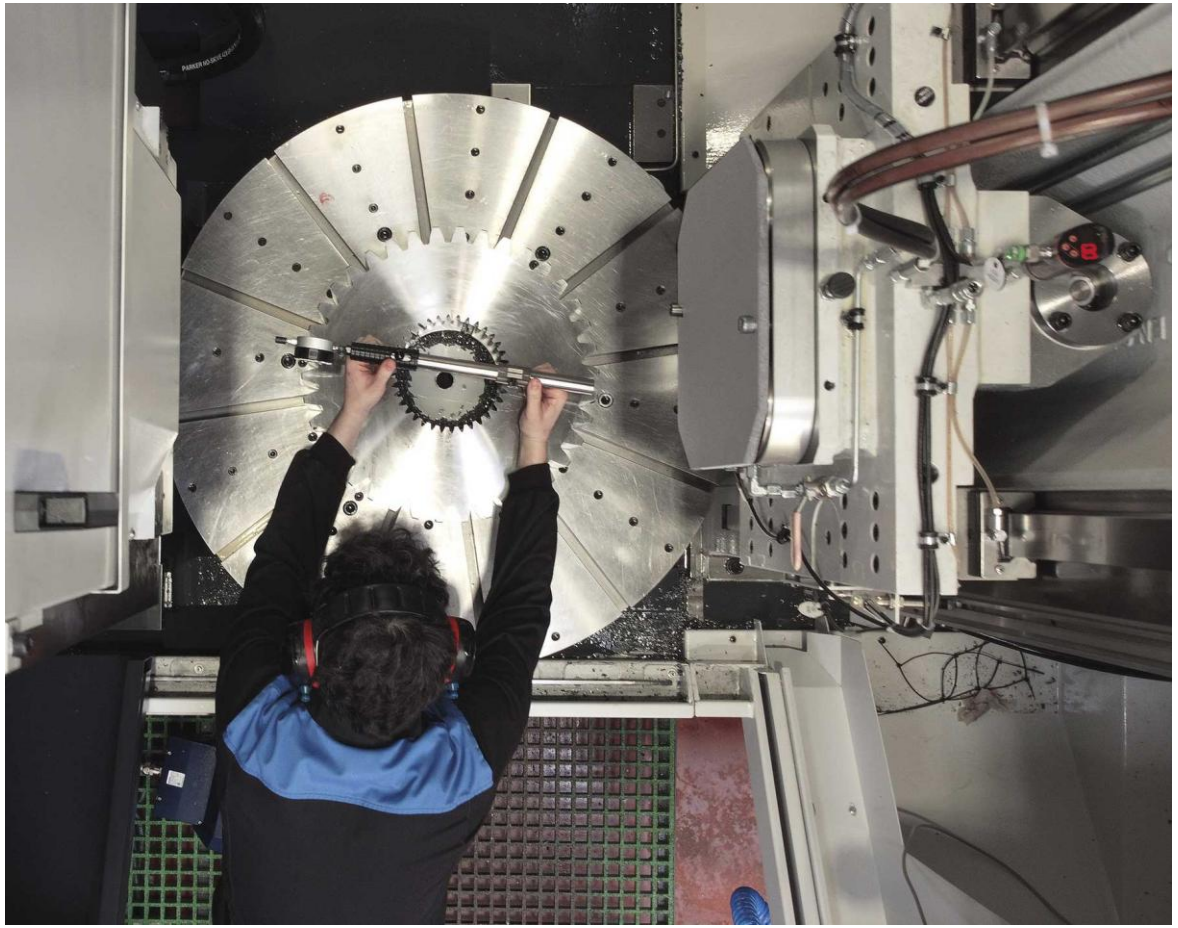
Commitment

Taking responsibility for the objectives and values we have agreed upon.

3 BASIS FOR PREPARATION OF THE REPORT

This sustainability report has been prepared in accordance with the Comprehensive Module of the VSME (Voluntary Sustainability Reporting Standard), providing a full and detailed overview of the company's environmental, social and governance performance.

The reporting period covers the 2025 financial year, from 1 January to 31 December.



4 COMPANY INFORMATION

Company Name	Address	Sector
Engranajes Juaristi, S.L.	Pol. Abendaño, c/ Errotazar 1 20800 Zarautz (Gipuzkoa), Spain	Manufacturing industry



ENGRANAJES JUARISTI AT A GLANCE



€6,778,124
Revenue

20%
Exports

Certifications

E

100% renewable electricity

7.5% self-generated electricity

92% production process water reclaimed

S

Zero work-related accidents

0% employee turnover

19 years average length of service

G

Code of Conduct

Quality, Environmental and CSR Policy

Sexual Harassment Protocol

6 VALUE CHAIN RELATIONSHIPS

We operate in a highly specialised industrial environment where collaboration across our value chain is essential to ensuring the quality, precision and reliability of our high value-added machining solutions.

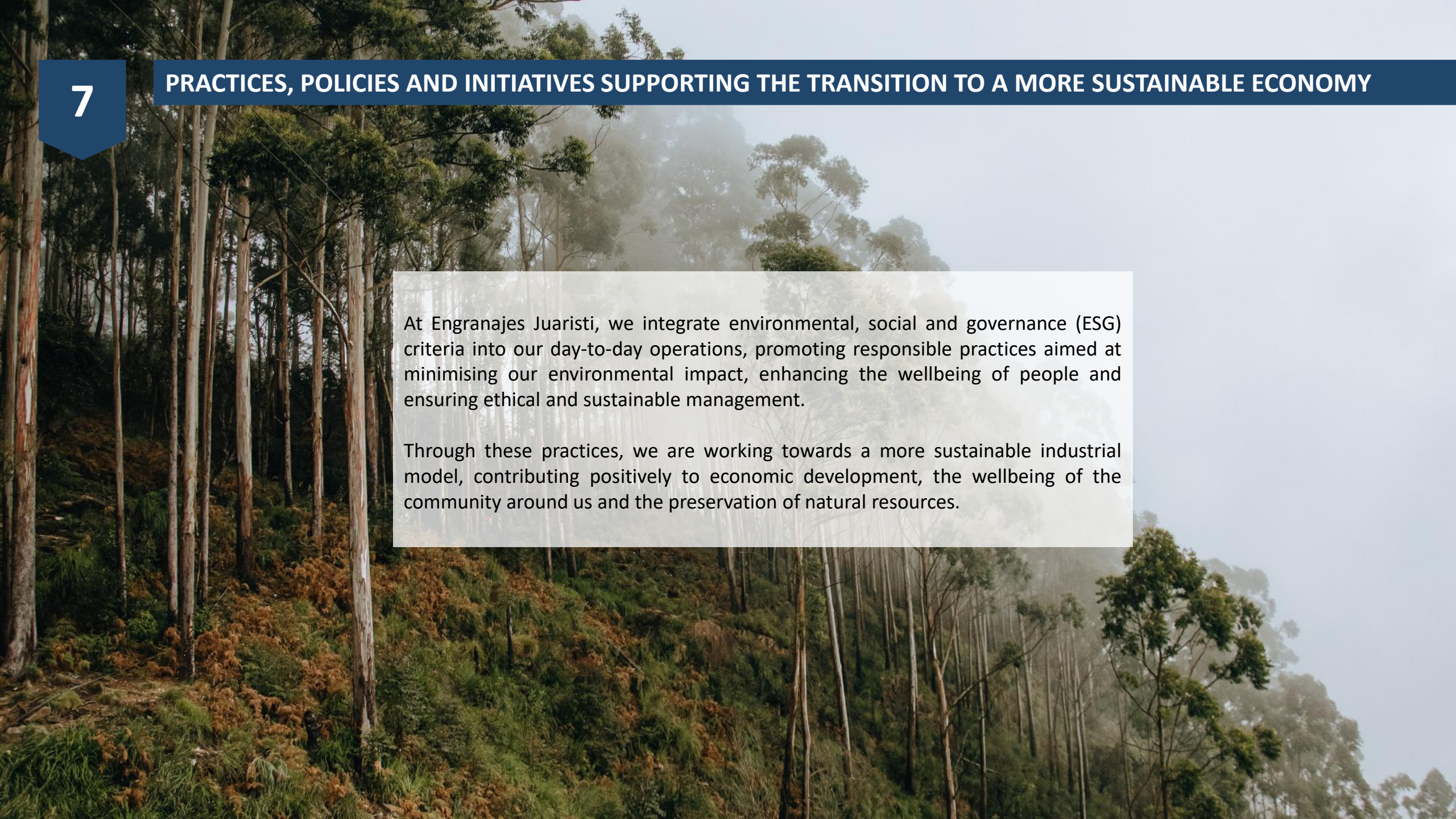
We work closely with domestic and international customers in demanding sectors such as machine tools, energy, aerospace, rail and shipbuilding, delivering bespoke manufacturing projects built to highly stringent technical requirements.

We maintain stable relationships with our suppliers of raw materials and auxiliary industrial services, which are essential to our production processes.

From an ESG perspective, we work with our value chain to ensure regulatory compliance, promote responsible environmental and social practices, and strengthen traceability and efficiency.



7 PRACTICES, POLICIES AND INITIATIVES SUPPORTING THE TRANSITION TO A MORE SUSTAINABLE ECONOMY



At Engranajes Juaristi, we integrate environmental, social and governance (ESG) criteria into our day-to-day operations, promoting responsible practices aimed at minimising our environmental impact, enhancing the wellbeing of people and ensuring ethical and sustainable management.

Through these practices, we are working towards a more sustainable industrial model, contributing positively to economic development, the wellbeing of the community around us and the preservation of natural resources.

7.1 PRACTICES, POLICIES AND INITIATIVES SUPPORTING THE TRANSITION TO A MORE SUSTAINABLE ECONOMY

ENVIRONMENT

Climate Change

- 100% renewable electricity
- On-site solar PV for self-consumption
- LED lighting
- Air-source heat pump
- Progressive replacement of machinery with more efficient equipment
- Local suppliers

Water, Pollution and Biodiversity

- Treatment of contaminated water
- Spill containment systems for potential pollutants
- Full waterproofing of workshop and warehouse

Circular Economy

- Recovery of metal swarf for recycling as secondary raw material
- Reuse of industrial oil
- Use of recycled and recyclable stretch film
- Reuse of pallets
- Reuse of industrial cleaning cloths

7.2 PRACTICES, POLICIES AND INITIATIVES SUPPORTING THE TRANSITION TO A MORE SUSTAINABLE ECONOMY

SOCIAL



People	Value Chain and Community	Customers and Quality
• Training and professional development • Flexible working hours • Occupational health and safety • Measures to prevent harassment and discrimination • Anonymous reporting and suggestion channels	• Promotion of local suppliers • Partnerships with local schools and educational institutions to support internships and employment opportunities • Support for cultural, social and sports initiatives	• Integrated Quality, Health & Safety, Environmental and Corporate Social Responsibility Policy • Commitment to continuous improvement, traceability and customer satisfaction

7.3 PRACTICES, POLICIES AND INITIATIVES SUPPORTING THE TRANSITION TO A MORE SUSTAINABLE ECONOMY

GOVERNANCE



- Mission, vision and corporate values shared by the entire workforce and reflected in decision-making
- Ethical principles and regulatory compliance embedded in day-to-day operations
- Confidential whistleblowing channel with protection against retaliation
- Responsible and transparent engagement with stakeholders

8 ENVIRONMENTAL INFORMATION

Our environmental strategy focuses on reducing the impact of our industrial activities through the efficient management of resources, climate change mitigation and the integration of circular economy principles across all our operations.



Total energy consumption

859.85 MWh

Self-generated electricity

64.25 MWh

SINCE OCTOBER 2025

100%

RENEWABLE ELECTRICITY

8.2 ENVIRONMENTAL INFORMATION

EMISSIONS



Carbon footprint (Scope 1 and 2)

214.25 tCO_2e

Scope 1 → 50.39 tCO_2e
Scope 2 → 163.86 tCO_2e

GHG emissions intensity

0.032 $kgCO_2e$ / € revenue

Equivalent to *

🏠 64 households / year

🚙 31 trips around the Earth by car

✈️ 330 Madrid–New York return flights

* Approximate equivalences, for illustrative purposes. Sources:
· Households: INE, Air Emissions Accounts 2024 and Household Projections 2024–2039
· Car: MITECO, Carbon Footprint Calculator V32, 2025 factors (average of diesel and petrol cars)
· Flights: ICAO Carbon Emissions Calculator, Madrid–New York return, economy class, per passenger

8.3 ENVIRONMENTAL INFORMATION

CIRCULAR ECONOMY

We are committed to reducing our environmental impact by implementing measures focused on prevention, reuse and material recovery, with the aim of moving towards a more efficient and circular model of resource management.

Reduce	Reuse	Recycle
4 m^3 of water saved	Reuse of industrial oil	100% of metal swarf sent to foundries for recycling as secondary raw material
Stretch film made from 60% recycled content and 100% recyclable	100% of pallets reused	92% of production process water reclaimed
	100% of industrial cloths reused	

8.4 ENVIRONMENTAL INFORMATION

Total water consumption

293 m³

Equivalent to *

- 2.5 households / year
- 4,300 showers
- 6 family pools

Production process water reclaimed

92%

Water reused

4 m³



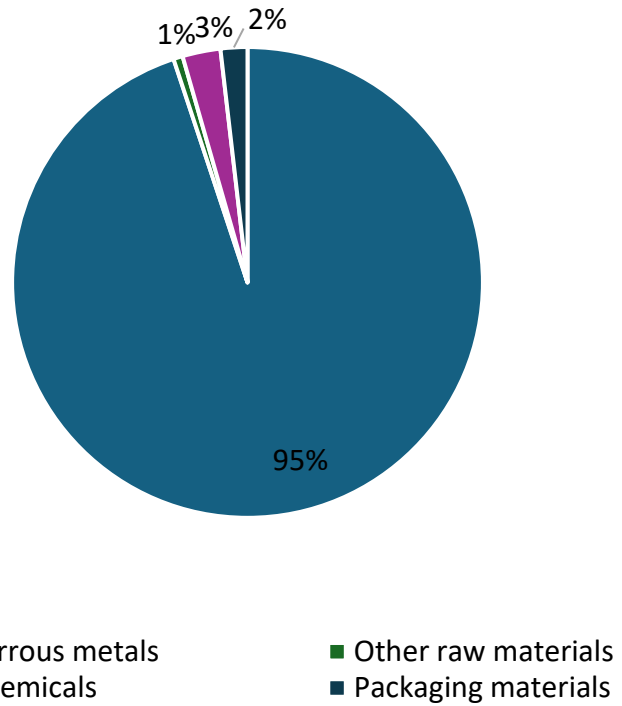
* Approximate equivalences, for illustrative purposes. Sources:
· Households: INE, Survey on Water Supply and Sanitation 2022 and Household Projections 2024–2039
· Showers: EPA WaterSense, average shower
· Swimming pools: ASOFAP, typical family pool sizes

8.5 ENVIRONMENTAL INFORMATION

MATERIALS

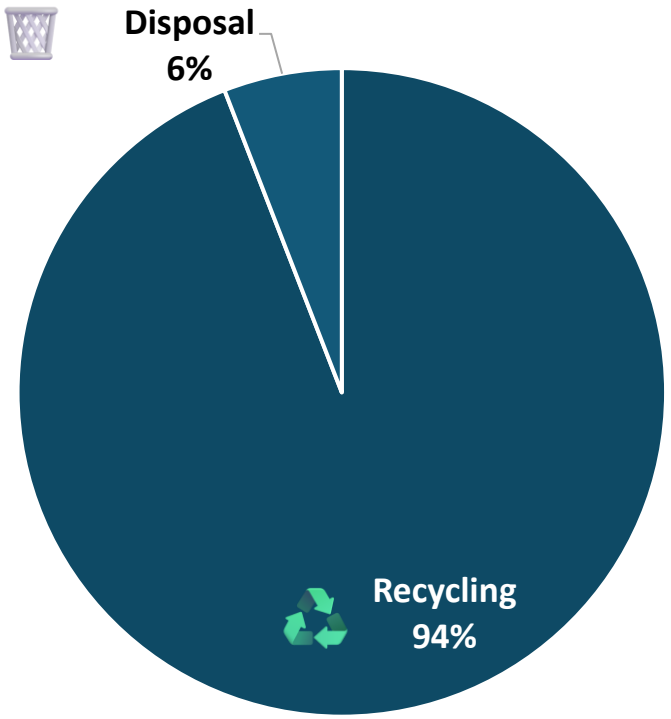
Our manufacturing operations rely primarily on ferrous metals, which account for 95% of the materials consumed.

MATERIALS *	CONSUMPTION
Steel	272.44 t
Stainless steel	1.02 t
Cast iron	1.45 t
Bronze	1.36 t
Aluminium	0.49 t
Engineering plastics	0.01 t
Composite	0.03 t
Cutting oil	4.10 m³
Lubricating oil	3.33 m³
Metalworking fluid	1.01 m³
Stretch film	0.94 t
Cellaire	0.12 t
Cardboard and paper	0.60 t
Wooden boxes and pallets	3.68 t



* Materials contained in customer-owned semi-finished workpieces on which the company performs machining operations (approximately 40% of total production) are excluded.

Non-hazardous waste	110.90 t
Hazardous waste	2.66 t



The high proportion of waste sent for recycling reflects the effectiveness of the measures implemented and our progress in the transition towards a circular economy model based on the recovery and reuse of materials.

9 SOCIAL INFORMATION

We promote an inclusive working environment built on equal opportunities, safe working conditions and the wellbeing of our people, which are fundamental pillars of our corporate culture.



9.1 SOCIAL INFORMATION

Workforce of 36 employees

6 30

Permanent contracts

100%

Employee turnover

0%

Average length of service

19 years



9.2 SOCIAL INFORMATION

STRATEGIC PILLARS

⚖️ Equal Opportunities	📈 Professional Development	🤝 Workplace Wellbeing
Recruitment processes based on objective and non-discriminatory criteria	Ongoing technical and professional skills training	Safe and healthy working environment
Equal access to internal promotion opportunities	Job-specific training programmes	Measures supporting work-life balance
Promotion of diversity across our teams	Promotion of on-the-job learning	Promotion of a positive and participative working environment

These initiatives reinforce an organisational culture founded on fairness, motivation and talent development, contributing to a more inclusive, stable and sustainable workplace.

9.3 SOCIAL INFORMATION

We guarantee that all employees receive remuneration above the applicable statutory minimum wage, in compliance with current labour legislation and the relevant collective bargaining agreements. In this way, we ensure fair and competitive remuneration practices, contributing to decent working conditions and to the wellbeing of everyone in our organisation.

Employees covered by collective bargaining agreements

100%



Total training hours	Training hours by gender		Training hours per employee *	
814	**374**	**440**	**62.33**	**14.66**











* The difference in training hours per employee by gender is due to the fact that all new hires during the period were women.

9.4 SOCIAL INFORMATION

Zero work-related accidents and fatalities

100% of employees trained in Occupational Health and Safety

Continuous improvement system in place

The health and safety of our people is a fundamental value within our organisation. It is embedded across all our operations to ensure a safe, healthy working environment supported by a culture of continuous improvement.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

🧯 Safety Protocols

Risk assessments for all job roles

Specific occupational health and safety procedures

Safety signage and control of operational areas

🎓 Training and Awareness

Initial and ongoing health and safety training

Job-specific safety training

Reinforcement of good preventive practices in day-to-day work

🔍 Monitoring & Improvement

Regular workplace and facility safety inspections

Management of accidents and incidents, and corrective actions

Ongoing review and updating of preventive measures

9.5 SOCIAL INFORMATION

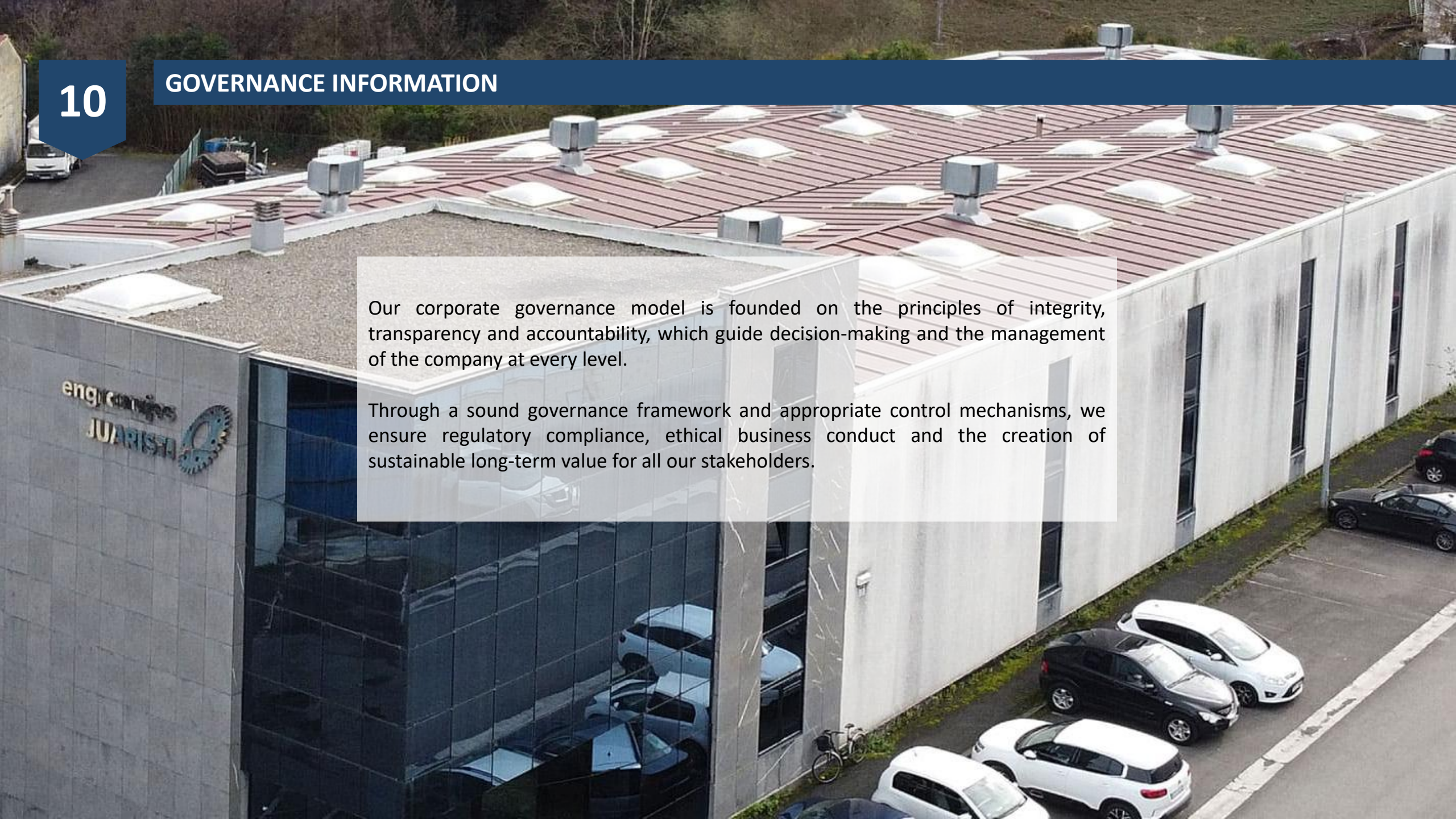
Zero incidents involving human rights violations affecting either our workforce or our value chain

We recognise the importance of respecting and promoting human rights across all our operations, activities and business relationships. To this end, we have policies, procedures and communication channels that ensure a respectful, inclusive workplace aligned with the ethical principles that guide our business.

HUMAN RIGHTS POLICIES AND PROCESSES

🤝 Human Rights	👥 Equality and Non-discrimination	📢 Communication and Grievances
Code of Conduct	Protocol on the Prevention of Sexual and Sex-based Harassment	Confidential whistleblowing channel
Quality, Environmental and Corporate Social Responsibility Policy	Equal access to training opportunities	Suggestion and improvement box
	Professional development based on merit and competence	

10 GOVERNANCE INFORMATION



Our corporate governance model is founded on the principles of integrity, transparency and accountability, which guide decision-making and the management of the company at every level.

Through a sound governance framework and appropriate control mechanisms, we ensure regulatory compliance, ethical business conduct and the creation of sustainable long-term value for all our stakeholders.

10.1

GOVERNANCE INFORMATION

Zero convictions or fines related to corruption or bribery

We operate in accordance with the highest standards of integrity, ethics and compliance, promoting a culture of zero tolerance towards any conduct that is unlawful or contrary to fair competition or the principles governing our organisation.

COMPLIANCE SYSTEM

🚫 Prevention of Misconduct

Our Code of Conduct expressly prohibits any practices that are inconsistent with ethical business conduct, including:

- Corruption and bribery
- Trading in influence
- Fraud
- Conflicts of interest

📢 Whistleblowing Channel and Protection of Reporting Persons

We have a whistleblowing channel through which any irregular conduct or regulatory breach can be reported securely and confidentially.

This mechanism ensures:

- Confidential handling of reports
- Protection against retaliation
- Protection from discrimination or adverse treatment for individuals reporting concerns in good faith
- Diligent handling and follow-up of all reports received

⚖️ Culture of Compliance

We foster a culture based on integrity, transparency and accountability, embedding ethical principles into our decisions and our relationships with employees, customers, suppliers and all other stakeholders.

11 DISCLOSURES NOT INCLUDED IN THIS REPORT

B4 – Air, Water and Soil Pollution
No information is disclosed regarding air, water or soil pollution, as no significant impacts associated with these aspects have been identified in relation to the Company's activities. Accordingly, this disclosure is not considered relevant to our current operations.

B5 – Biodiversity
Information on the number and area of operational sites located in or near biodiversity-sensitive areas is not disclosed, as the Company does not operate facilities within or adjacent to protected areas, high ecological value sites or biodiversity-sensitive locations. Consequently, this disclosure is not considered applicable to our business activities.

C3 – GHG Reduction Targets and Climate Transition
No greenhouse gas emission reduction targets or climate transition targets are disclosed, as none had been established during the 2025 reporting period. The Company intends to develop an emissions reduction and climate change mitigation plan during 2026. Accordingly, this disclosure is not considered applicable to our current operations.

C4 – Climate Risks
To date, the Company has not carried out a specific assessment of physical and transition climate-related risks. Consequently, no detailed information is available regarding potential material impacts associated with our activities. For this reason, this disclosure is not considered applicable to our current operations.

B8 – Workforce – General Characteristics – Country of Employment
Information on employees' country of employment is not disclosed, as 100% of Engranajes Juaristi's workforce is employed in Spain. Accordingly, this disclosure is not considered relevant to our current operations.

C5 – Additional (General) Workforce Characteristics
Information on the gender ratio at management level is not disclosed because, during 2025, this family-owned company undertook a generational succession process in its management, as part of its succession and business continuity plan, involving the appointment of two new members and the reorganisation of its management body. Accordingly, this disclosure is not considered relevant to our current operations.

C8 – Exclusion from EU Reference Benchmarks
Information regarding EU Paris-aligned Benchmarks is not disclosed because the Company is excluded from all of them. Accordingly, this disclosure is not applicable.

C9 – Gender Diversity Ratio in the Governance Body
The gender diversity ratio in the governance body is not disclosed because, during 2025, this family-owned company undertook a generational succession process in its governance body, as part of its succession and business continuity plan, involving the appointment of two new members and the reorganisation of its management body. Accordingly, this disclosure is not considered relevant to our current operations.

12 DISCLOSURE INDEX – BASIC / COMPREHENSIVE MODULE

Disclosure	Disclosure Title	Report section
BASIC MODULE DISCLOSURES		
B1	Basis for Preparation	3, 4, 5
B2	Practices, Policies and Future Initiatives for Transitioning towards a More Sustainable Economy	7.1, 7.2, 7.3
B3	Energy and Greenhouse Gas Emissions	8.1, 8.2
B4	Pollution of Air, Water and Soil	11
B5	Biodiversity	11
B6	Water	8.4
B7	Resource Use, Circular Economy and Waste Management	8.3, 8.5, 8.6
B8	Workforce – General Characteristics	9.1, 11
B9	Workforce – Health and Safety	9.4
B10	Workforce – Remuneration, Collective Bargaining and Training	9.3
B11	Convictions and Fines for Corruption and Bribery	10.1
COMPREHENSIVE MODULE DISCLOSURES		
C1	Strategy: Business Model and Sustainability – Related Initiatives	1, 2, 6, 7
C2	Description of Practices, Policies and Future Initiatives for Transitioning towards a More Sustainable Economy	7.1, 7.2, 7.3
C3	GHG Reduction Targets and Climate Transition	11
C4	Climate Risks	11
C5	Additional (General) Workforce Characteristics	11
C6	Additional Own Workforce Information: Human Rights Policies and Processes	9.5, 10.1
C7	Severe Negative Human Rights Incidents	9.5
C8	Revenues from Certain Sectors and Exclusion from EU Reference Benchmarks	11
C9	Gender Diversity Ratio in the Governance Body	11

13 ALIGNMENT OF VSME TOPICS WITH OTHER STANDARDS

Alignment of the main aspects of the VSME Standard with the leading sustainability reporting frameworks: GRI (Global Reporting Initiative), SDGs (Sustainable Development Goals) and ESRS (European Sustainability Reporting Standards).

VSME Topic	ESG Category	GRI (Global Reporting Initiative)	SDGs (Sustainable Development Goals)	ESRS (European Sustainability Reporting Standards)
Climate Change and Pollution	Environmental	**GRI 302 –** Energy **GRI 305 –** Emissions **GRI 306 –** Waste	**SDG 13 –** Climate Action	**ESRS E1 –** Climate Change **ESRS E2 –** Pollution
Water and Marine Resources	Environmental	**GRI 303 –** Water and Effluents	**SDG 6 –** Clean Water and Sanitation	**ESRS E3 –** Water and Marine Resources
Biodiversity and Ecosystems	Environmental	**GRI 304 –** Biodiversity	**SDG 15 –** Life on Land	**ESRS E4 –** Biodiversity and Ecosystems
Circular Economy	Environmental	**GRI 301 –** Materials **GRI 306 –** Waste	**SDG 12 –** Responsible Consumption and Production	**ESRS E5 –** Resource Use and Circular Economy
Own Workforce	Social	**GRI 401 –** Employment **GRI 403 –** Occupational Health and Safety **GRI 404 –** Training and Education	**SDG 8 –** Decent Work and Economic Growth **SDG 5 –** Gender Equality	**ESRS S1 –** Own Workforce
Workers in the Value Chain	Social	**GRI 414 –** Supplier Social Assessment	**SDG 8 –** Decent Work and Economic Growth **SDG 10 –** Reduced Inequalities	**ESRS S2 –** Workers in the Value Chain
Consumers and End-users	Social	**GRI 416 –** Customer Health and Safety **GRI 418 –** Customer Privacy	**SDG 12 –** Responsible Consumption and Production	**ESRS S4 –** Consumers and End-users
Business Conduct	Governance	**GRI 205 –** Anti-corruption **GRI 206 –** Anti-competitive Behavior	**SDG 16 –** Peace, Justice and Strong Institutions **SDG 17 –** Partnerships for the Goals	**ESRS G1 –** Business Conduct

ENGRANAJES

JUARISTI