



Non-financial information statement

2022

Urbaser

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1. Together for real change

Conversation with the CEO

GRI 2-2 GRI 2-14

1. Let's Change 2025 is Urbaser's new ESG Plan. How did this plan come about? What are its objectives and why is it important for the company?

As part of the company's transformation process, we have launched a three-year plan, with milestones that we are already fulfilling, which is Let's Change 2025. We have organised a large part of this transformation around ESG objectives, from which multiple actions flow.

It's a plan that must make us a better company, a leading company in sustainability, in circular economy, and in governance. Moreover, it is fully cross-cutting: all areas are involved and must participate in the Plan, as it implies changes for all.

Let's Change 2025 includes numerous areas of action: from **environmental protection** (e.g., a more sustainable fleet, more integrated waste management, a more comprehensive biodiversity strategy, plans to better measure carbon footprint KPIs), to **caring for people**, based on the idea that, when we care for the planet, we care for people, whilst also including specific aspects of Urbaser's activity. This entails, for example, improving diversity, listening more to colleagues, conducting balanced and fair appraisals, among other initiatives that will enable us to access the best talent. Within Let's Change 2025 we are also reinforcing **social action**, being clear that the best social action for Urbaser to perform is to grow and invest in communities.

On the other hand, there is the whole **governance** part, which puts the focus not only on what we do, but also on how we do it, which is what makes the difference in this transformation. We have to be leaders, with a culture of compliance based on ethics, integrity, and strict adherence to the law, which has many implications for the organisation both internally and in the relationship with our value chain to make it more sustainable and responsible.

In short, Let's Change 2025 is an ambitious plan, with more than 30 initiatives underway. More importantly, everyone is involved in it: the management team is leading it, and we all believe in it.

*"Let's Change 2025 must make us a better company:
a leading company in sustainability, in circular
economy, in governance"*

2. 2022 was a decisive year in the fight against greenwashing, with a "regulatory tsunami" demanding that companies make real commitments to overcome lack of trust. It was also the year in which the war in Ukraine jeopardised progress on the sustainable agenda, and in which we became familiar with terms such as "polycrisis". How does Urbaser cope with this reality? What are the challenges for the company?

At Urbaser we are well aware of all these changes. So aware that we have proposed the **cultural transformation** we need in order to adapt to the current context, to anticipate as far as possible, and to lead this change.

We also know that the regulatory pressure is significant and will continue to be so in the coming years. And because we are well aware of this reality, we can better manage our capacity for seeing and planning ahead. All with a view to being a better company: we are already leaders in waste treatment, but we also want to be leaders in the circular economy. To achieve this, we need to continue investing in technology and helping our customers to take a more holistic approach to waste treatment.

At Urbaser we are getting the whole team to understand this context and to share the need for transformation. And this starts from the top: our shareholder strongly believes in this vision and drives it forward, as does our CEO, and the entire management team. And it is precisely this: all of us at Urbaser share this conviction.

Moreover, it should not be forgotten that the **investment community** —to which we regularly turn— now bases its assessments on ESG criteria. All companies have an ESG score and, if we fail to reach a minimum level (which increases every year), investments will cease. Therefore, everything points to this demanding situation continuing, especially in our sector, which is becoming more sophisticated, and is a sector that provides an essential service for cities and makes citizens' day-to-day lives easier.

As a company, we aspire to grow more, to invest more, and to be able to offer a better service to our customers and citizens. And this context helps us and pushes us in that direction.

3. You were talking just now about the company's process of cultural transformation. In the last year, this process has materialised in the new positioning of Urbaser. How has this new positioning been formulated? What does it mean for the organisation and all the people in it?

We've talked about the external context, but Urbaser's internal context has also changed: As you know, we have a new shareholder and a new CEO. What's more, this is a big moment for the circular economy and, although we've always been part

of it, we need to refocus the way in which the company operates in order to make the circular economy the focal point of our transformation.

Therefore, we have updated our purpose and changed our values. We also have a new mission, which sets us apart: "**Making circularity real.**" The explosion of the circular economy is attracting many new players and increasing the number of competitors in a sector that we practically founded. As founding partners, we have the capacity and the obligation to be leaders in this field, hence this new positioning.

In addition to "*Making circularity real*" as our mission, our new purpose is "**Together for real change**". We are very much involved with our customers, with citizens, and employees... And there is not a hint of *greenwashing*, because protection of the environment is intrinsic to our business. We believe that, by being close to the citizens, our work has a real impact.

“As ‘founding partners’ of the circular economy, we have the capacity and the obligation to continue to lead, hence this new brand positioning”

4. Going back to the 2022 balance sheet, apart from the company’s new positioning, what have been the key factors of Urbaser’s performance over the last year? What milestones or achievements would you highlight?

First of all, what I’d like to highlight is the **great involvement in the change process** and the commitment of everyone at Urbaser. We’ve made a lot of progress and have launched many initiatives, some already completed and others that run their course. We’ve continued to focus on innovation and operational excellence, with a new strategy of continuous improvement and innovative projects in bioplastics, for example. Another important project has to do with growth in the area of industrial waste, with greater diversity than in the past.

We’re also changing procedures for performance appraisal and the recruitment of new talent. And we’re relaunching our social action and involving our employees in it. And we can’t forget our actions in governance: we’ve made the Compliance area independent, and it now reports directly to the Audit Committee of the Board of Directors; we’ve updated our Code of Conduct, and we’ve presented it at the first Ethics Day in the history of Urbaser. All in all, a great balance sheet, but we are aware that we have a great deal ahead as well.

“A great balance sheet, with much progress, but we are aware that we have a great deal ahead as well”

5. So far, we’ve talked about past and present, but to conclude, I’d like us to look to the future: to the immediate future in 2023, as well as to the medium to long term. What is Urbaser’s vision for the future?

We’re clear about where we want to go and we’re putting in place the means to get there. We have the capacity and the vocation to be leaders in the circular economy. To be an exemplary company in this, consistent with what our customers and the citizens we serve deserve. We want to be a sustainable company, with a real impact on society and the environment. The fact is that this sector —and Urbaser in particular— has a great capacity as a driving force among our stakeholders, an opportunity to be a reference and a model for them.

We’ve already started on the road to that future, but there’s still a long way to go, of course. Among those bricks that we have to keep laying to put the building up, there are issues where we need to keep moving forward, such as the Integrated Management System. It’s also important to have the most accurate measurement indices to identify our starting point and to set targets. And all of this without neglecting profitability: **No company can be sustainable without being profitable**, and the best social action, again, is to grow, to generate wealth and create jobs.

We are therefore facing a challenge that is as necessary as it is exciting, which all our people are assuming as their own, and which will make us a better company.



2. Building a better future

2.1. ESG Plan: Let's Change 2025

Focused on **transparency** and **continuous improvement** in its performance, Urbaser has a model for monitoring and managing its commitments that, since 2022, has been led by an ESG Committee as the body responsible for actions in this area.

The Corporate Sustainability Department forms part of this ESG Committee and is the area that, reporting directly to the Management Committee, organises and promotes initiatives and commitments in this area. Urbaser has been on the road to sustainable governance for some time: since 2017, the contents of the Sustainability Report have been subject to review and approval by the governing bodies. In addition, we have sustainability partners in important markets for the company, such as Chile, Argentina, India, and Colombia. This allows us to obtain direct knowledge of the social and environmental context in the different international markets, as well as achieve greater coordination in the implementation of the initiatives put in place.

In 2022, following the progress made with the Sustainability Action Plan 2018-2021, Urbaser has focused its efforts on drawing up a new ESG plan 2022-2025, with the involvement of all the company's corporate areas, as well as the two large business areas.

The result is **Let's Change 2025**, a three-year roadmap that seeks to strengthen Urbaser's sustainability performance, consolidate the company as a leader in the circular economy, and capitalise on that leadership to generate a **real impact on the planet and people**.

The plan is divided into two main areas of action: *People & Planet Health*, and *Governance Excellence*. In both of these, the company has come up with more than 30 initiatives, with their corresponding actions and specific commitments that we are already at work implementing.



People & Planet Health. This area revolves around the idea that, by taking care of the planet, we also take care of the people who inhabit it. Therefore, from this premise, two types of initiatives are grouped together.

- **Fight against the climate emergency and protection of the natural environment:** this includes various initiatives, such as the setting of decarbonisation objectives, the transformation of the fleet into sustainable vehicles, the implementation of a global integrated management system, and the definition of a biodiversity strategy, among others.
- **Care for the people** who form part of Urbaser or with whom it relates in the performance of its activity: in which various initiatives can be found, such as the development and attraction of talent, the promotion of diversity and equality, the reinforcement of health and safety at work, or the drawing up of a new social strategy with a global scope, among others.



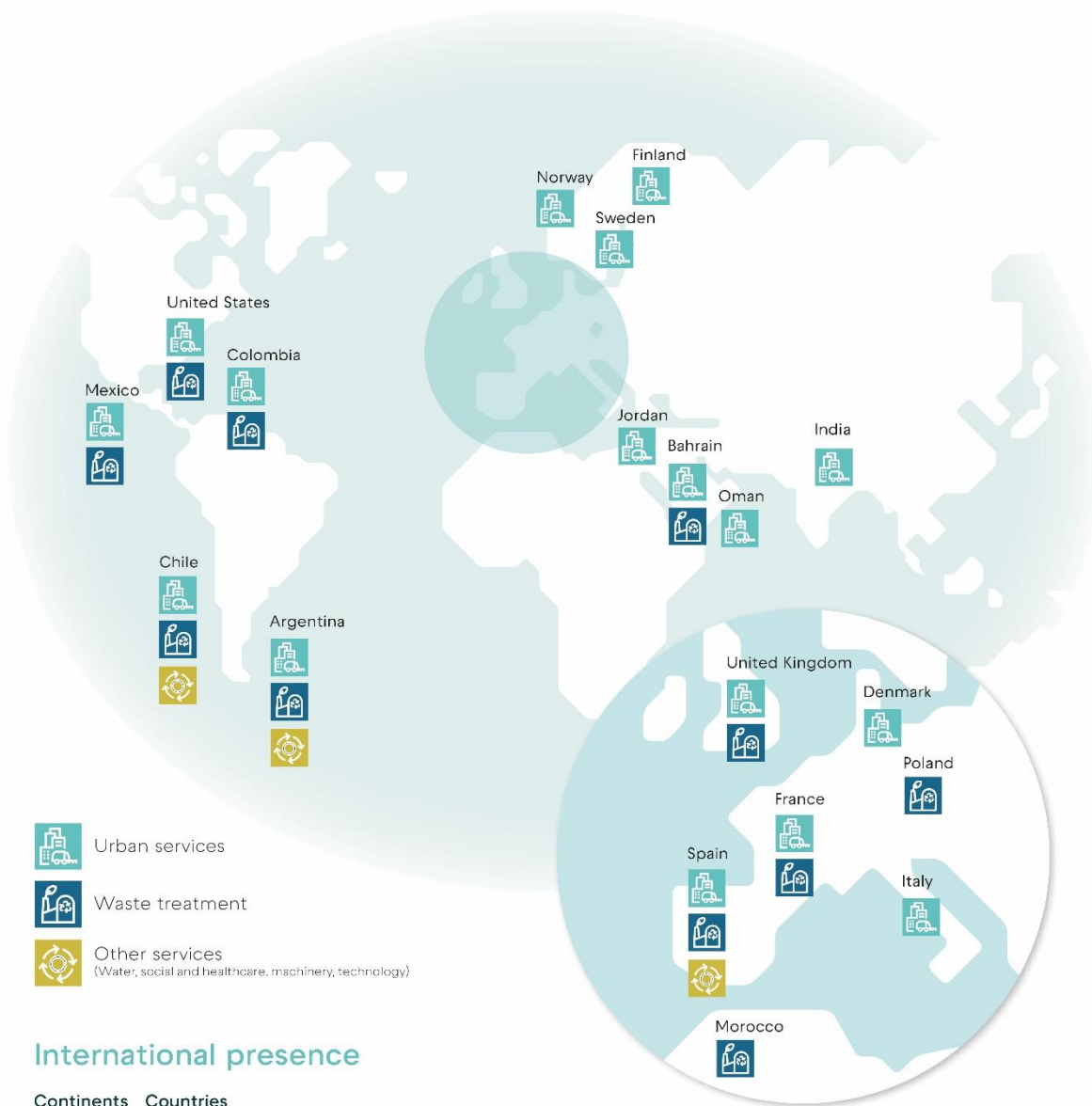
Governance Excellence. This pillar starts from the fundamental principle that what a company does is important, but how it does it is what really makes the difference. Urbaser's path is based on excellence, regulatory compliance, and the integration of ESG aspects at the core of its decision-making.

- **Promotion of a corporate culture based on ethics, integrity, and compliance:** reinforcement of compliance policies, creation of a single whistleblower channel and the development of a strategic cybersecurity plan, among others.
- **Development of a responsible supply chain:** extension of human rights commitments in the value chain, evaluation and approval of suppliers in terms of ESG, and training for the main suppliers, among others.
- **Consolidation of ESG risk governance:** project aimed at establishing an ESG risk system and governance model to ensure the prevention and control of ESG risks, and appropriate action plans for the mitigation and remediation of the same.

2.2. A model with global impact

GRI 2-6

Urbaser in the world



International presence

Continents Countries

4 19

Employees

2022 50137
2021 59719

Turnover

2022 €3,037M
2021 €2,551M

	2021	2022
Investment in R&D&I	€10.5M	€8.8M
Energy generated	2,885 GWh	2,753 GWh
Renewable energy consumption	29%	25%
Managed waste	31.6 Mt	33.1 Mt
Avoided emissions	2.2 MtCO ₂ e	2.7 MtCO ₂ e

2.3. Integrated solutions model

Urbaser offers a **comprehensive model of environmental solutions** to make circularity a reality. With these services, the company aims to consolidate its position as a key player in the circular economy worldwide, and management of the same helps towards achieving the goal of zero waste.

Urbaser's solutions (urban cleaning, green area management, waste collection, waste treatment and resource recovery) have a direct impact on improving the **quality of life** of millions of citizens in 19 countries around the world.

Likewise, its solutions contribute to the advancement of **innovation** in the sector, since, as a leading company in the circular economy, it is at the forefront with respect to the monitoring and application of the latest technological developments at all times.

All operations —whatever the solution— are carried out under a local regulatory framework and pursuant to the clauses agreed in each contract, thus complying with the existing legislation in all the places in which Urbaser operates and deploying the corresponding procedures in environmental, labour or social matters. And Urbaser always does so with the ambition to go beyond what is circumscribed by the legislation and apply the same requirement at a global level.



2.3.1 Urban cleaning

GRI 2-6

Urbaser works to make cities, beaches, and parks cleaner and more sustainable. Combining the work of people with technological developments, urban cleaning solutions are subject to the strictest quality controls.

One of the milestones of 2022, and a great example of what Urbaser's urban cleaning solutions can offer, was the **renewal of the emergency cleaning service contract (SELUR)** in Madrid for the next 8 years for a value of more than 20 million euros. To provide this service, the company has a **sustainable and renewed fleet** of 110 vehicles and machines, of which eight are electric, five are hybrid and 35 are CNG.

Through SELUR, Urbaser undertakes a number of emergency cleaning services, including:

- New service for cleaning and removal of graffiti, cleaning up following natural disasters, natural phenomena, public acts or events, demonstrations and rallies, terrorist acts, traffic accidents, and events in private areas through subcontracting.
- Special clean-up operations following meteorological phenomena, of areas of substandard housing, cleaning of homeless people's shelters and occasional cleaning of elements not included in other contracts, transport of confiscated goods to the PTV technological park in Madrid.
- Removal and transport of hazardous and non-hazardous waste, construction, and demolition waste (CDW), furniture and furnishings affected by pests, abandoned electrical batteries, abandoned waste containing asbestos or fibrocement, glass, and tyres.
- Support to firefighters in removing waste, support in Snow Plan activations and treatment of ice patches.
- Collaboration in disinfecting streets and furniture in a state of alarm.

In addition to the emergency cleaning service in Madrid, other major **concessions awarded** to Urbaser in 2022 were the street cleaning services in **Paris, Chiclana** (Cádiz), **Vilassar de Mar** (Barcelona), as well as in the Chilean communes of **Lota and Padre Hurtado** (where Urbaser was also awarded the collection service), and **Recoleta** (the company was also awarded the collection and garden services).



Urbaser also collaborates with green space maintenance services in several major cities both nationally and internationally. These solutions have a comprehensive vocation, ranging from **management and cleaning** to the execution of works related to **gardening or construction**.

In 2022, Urbaser was awarded several concessions, including the Chilean municipality of Recoleta. By virtue of the 2022-2026 Parks and Gardens contract, the company is responsible for the maintenance of the four million square metres of green spaces and landscaped areas in the Cantabrian capital. Urbaser also looks after the 34,000 trees in the city, as well as the care and upkeep of the children's playgrounds, bio-healthy parks, drinking fountains and ornamental fountains. All of this with the support of a sustainable fleet of 261 new vehicles.

2.3.2 Waste collection

Urbaser has the capacity to efficiently collect **any type of urban or industrial waste**, using all the systems available on the market. The company is a pioneer in the use of clean energy (gas, electricity) and in the application of technology to real-time service control systems.

With its solutions, Urbaser draws attention to the importance of waste collection as a key factor for future **smart cities** and its contribution to **SDG 11: Sustainable cities and communities**, specifically target 11.6: *“By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste”*.

In this area, Urbaser is clearly committed to the **selective collection** (or door-to-door collection) model, which makes it possible to collect the largest possible number of fractions. Always driven by the idea that the better the waste collection, the more efficient and economical will be the treatment.

2022 Milestones

Among the main waste collection concessions awarded to Urbaser is the **waste collection and transport service in Madrid** (through a joint venture with other company), which provides coverage for **more than one million citizens** in the capital and an annual collection of around 350,000 tonnes of waste. As an example of Urbaser's commitment to innovation in order to provide the best solutions, this service includes fleet management by means of an on-board computer system, which enables waste collection routes to be optimised and improves the safety of employees and citizens. Real-time GPS data is also incorporated for the constant control and measurement of the service, as well as volumetric sensors to monitor the filling capacity of the paper-cardboard containers.

Other important concessions obtained in 2022 are for collection services in the following locations:

- Vilassar de Mar (Barcelona)
- Mancomunidad del Alto Deba (Guipúzcoa)
- Aarhus (Denmark)
- Stockholm (Sweden)
- Asker (Norway)



+21 Mt of waste managed

2.3.4 Waste treatment

GRI 2-23

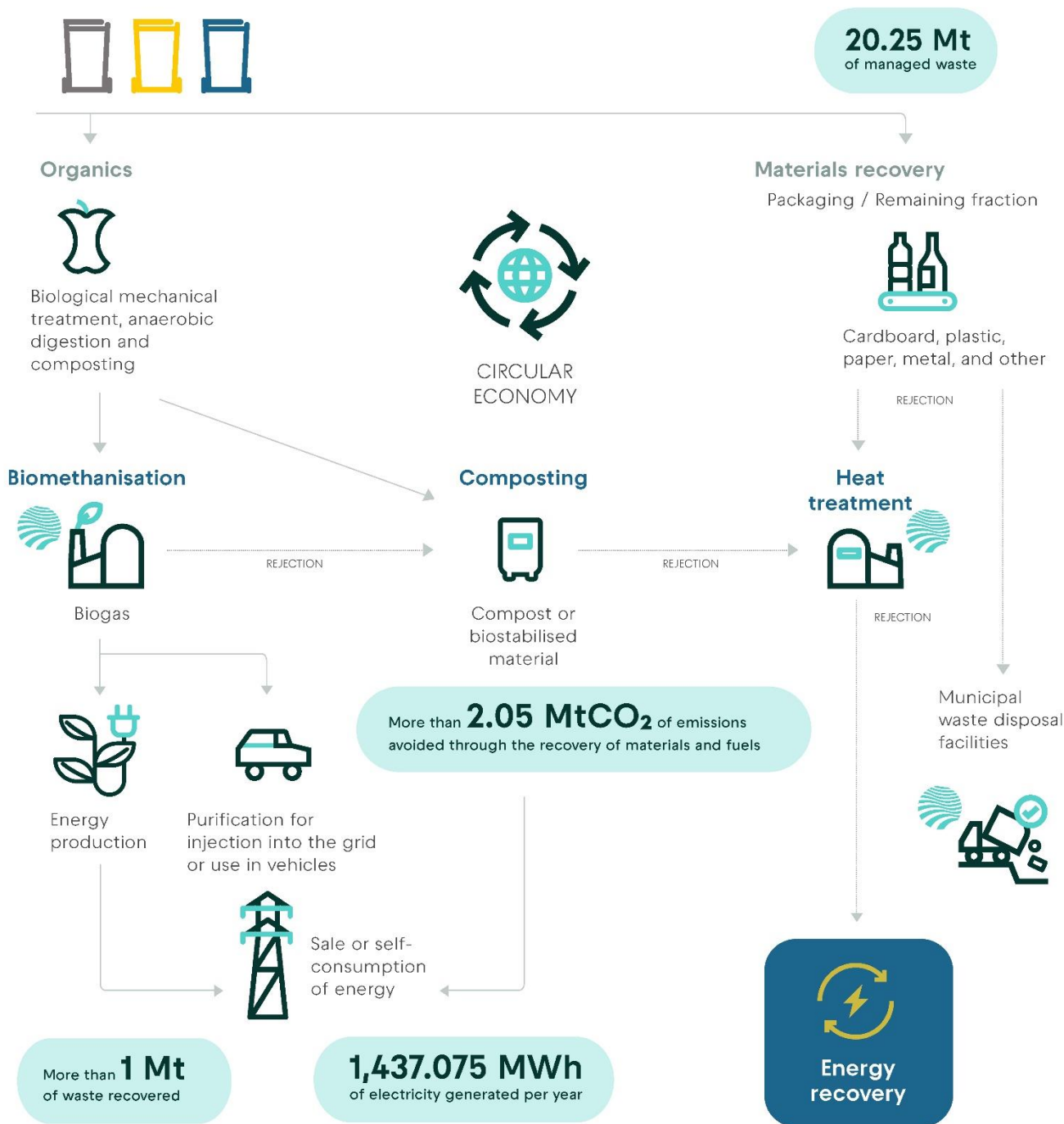
Urbaser is a leader in **waste management and treatment**, through the development of design, construction, commissioning and maintenance of treatment and recycling facilities, mechanical biological treatment, including anaerobic digestion and composting, energy recovery, transfer stations and municipal and industrial waste disposal facilities.

Within the solid waste management for cities, the company is in charge of the operation and maintenance of the facilities included in its portfolio. On the other hand, in the case of new projects, it also carries out the design, construction and commissioning of the installations. And, if necessary to optimise design and operation, it also undertakes to apply the appropriate modifications and updates in order to adapt the installations to current regulations.

In all of these processes, Urbaser takes the utmost care to comply with the legal regulations of each country and the contract specifications; and always within the general framework of waste management determined by European legislation. The so-called "circular economy legislative package" amends the previous legislation¹ to establish a **management hierarchy** that prioritises waste reduction, followed by reuse and recycling, material recovery, energy recovery and, as a less desirable option, disposal.

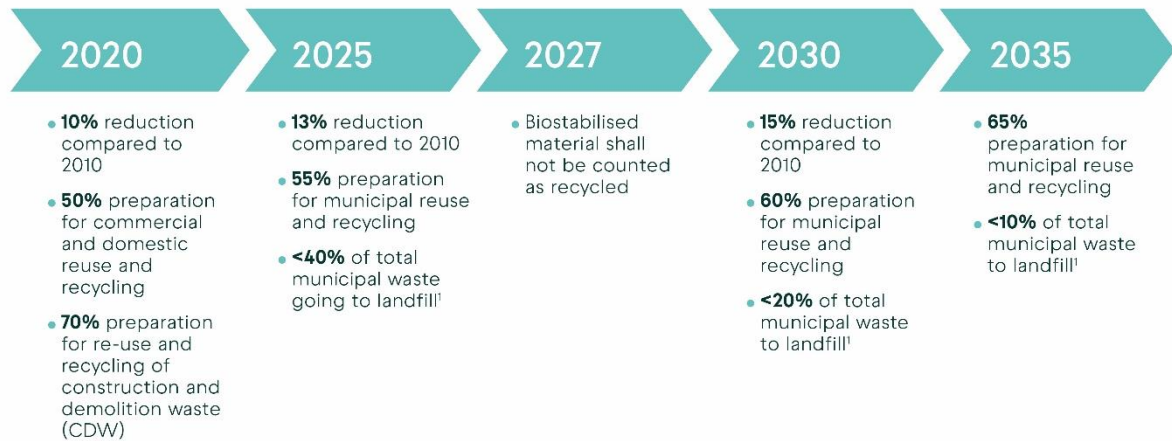
¹ Directive 2008/98/EC on waste, Directive 1999/31/EC on landfills and Directive 94/62/EC on packaging and packaging waste with Directives 2018/851/EC, 2018/850/EC and 2018/852/EC

Urban waste treatment



In line with this hierarchy, the European Union circular economy package sets waste management targets for all their member states. With its activity, Urbaser is a key element to support its clients in achieving these objectives. A major part of Urbaser's activities are linked to activities requested by its public clients in specifications. Urbaser provides its clients with environmental solutions to meet their objectives and operates within the framework established in the specifications.

Waste management objectives



The activities carried out by Urbaser within the urban waste treatment solutions focus on waste sorting, maximising the separation of recyclable waste for subsequent transformation into new products and their return to the market, as well as the recovery and/or elimination of rejects as established in each contract.

Urbaser promotes the continuous improvement of processes through the analysis of the latest trends, and their development and incorporation into new projects as a key lever to maximise the use of waste. In this regard, in 2022 the company approved the launch of a new **continuous improvement strategy based on operational excellence**, a global standard in industries around the world and now presented as a fundamental pillar to drive forward efficiency and performance in the coming years.

Through operational excellence, Urbaser aims to create a **flexible and autonomous organisation**, where all employees contribute - as a team and individually - to the company's goals. To this end, it plans to implement a new operational management system to increase staff involvement, capacity, and flexibility, through a series of tools and methodologies that ensure that the objectives reach all levels of the organisation equally.

2022 Milestones

- **Renewal of the operation and maintenance of the packaging sorting facility (55,000 t/year) in Romainville (France).** This plant receives selective collections from 16 municipalities in the Sycotom territory (the organisation in charge of municipal solid waste treatment in the Ile-de-France area of Paris), serving 1.3 million inhabitants. Completely modernised in 2015, this is Sycotom's largest sorting centre, with an operational capacity of 55,000 tonnes a year. Waste is sorted and separated by material type before being sent to the final recyclers. It is a fully automated plant, with state-of-the-art triage lines and more than 200 sorting units, which allows a recycling rate of more than 80% to be achieved.
- **Award of the contract for the renovation of the packaging sorting plant (27,000 t/year) in Benidorm.** One of the most modern plants in Spain, as it has fully automated container selection processes. With this renovation, an automatic transport system will be incorporated into the facilities to transport already sorted and pressed materials to their place of collection. In this way, Urbaser is once again committed to innovation in its services. The works will be carried out for 1.6 million euros a year.
- **Award of the contract for the renovation of the packaging sorting plant (20,000 t/year) in Colmenar Viejo.** With this award, Urbaser aspires to maintain the Colmenar Viejo packaging plant as a national benchmark for this type of facility. As this is an already automated plant, new equipment will be incorporated to maximise the smooth running of the process, so that the material is sorted several times, obtaining such high yields that a sorting efficiency of close to 100% can be achieved. In addition, a flow analyser will be incorporated in order to know its composition at all times and to evaluate the performance of the plant. The contract has a duration of two years (extendable for a further two years) and an estimated turnover of 1.5 million euros.

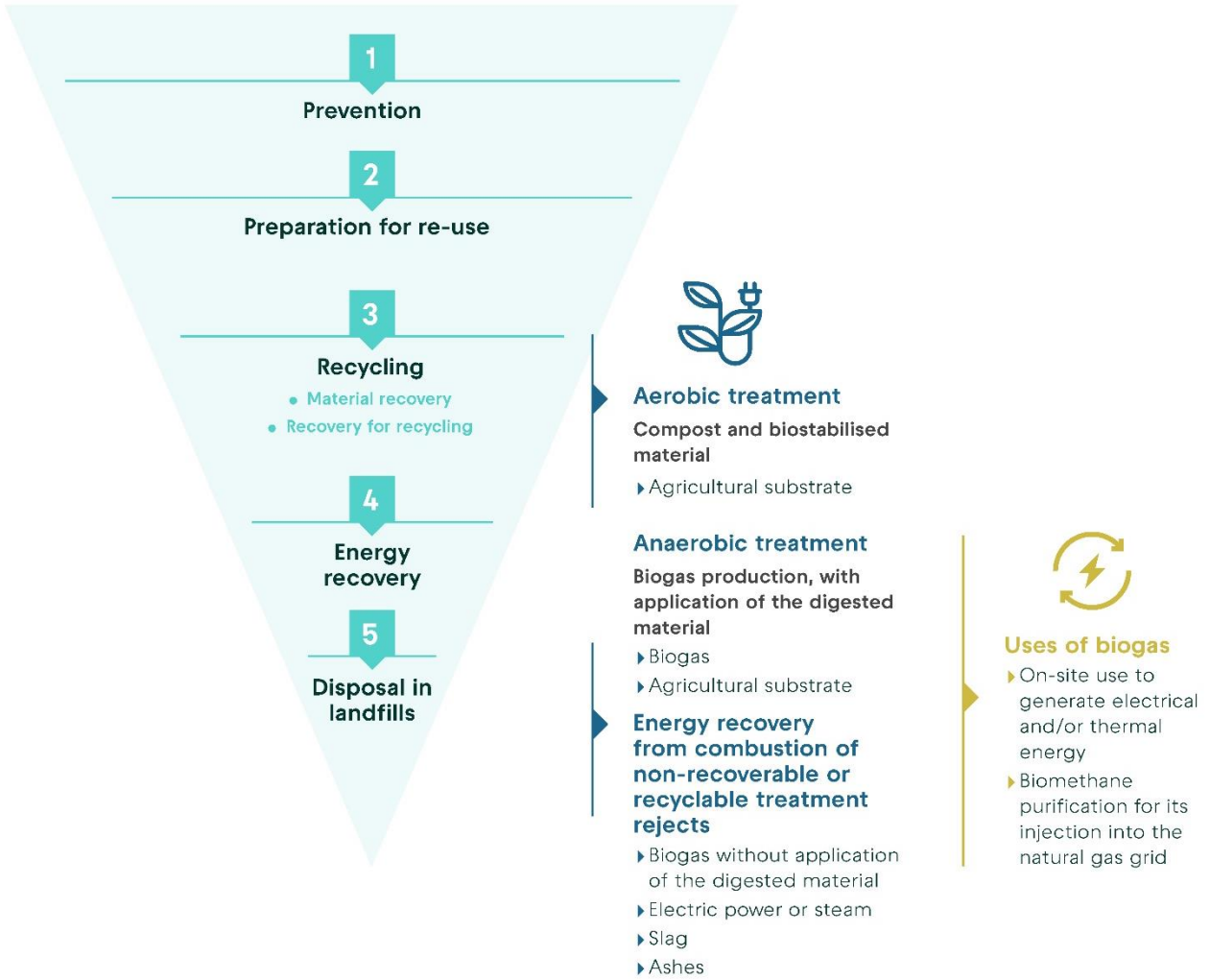
In this Madrid town, Urbaser has already completed the construction of the new cell at the Colmenar deposit, marking a milestone in the start of operations at this facility.

- **Construction and operation of a new controlled deposit cell in the municipality of Talca (Chile).** Urbaser, through a joint venture between its two Chilean subsidiaries KDM and RESAM, will continue to provide services to 632,000 inhabitants in the Talca district, as it has done since 2004. Thus, for the next 10 years, this joint venture will operate the landfill and the new composting plant, which is expected to receive 300,000 t/year of waste and a turnover of around 47 million euros. In line with Urbaser's global commitments, the contract includes improving the working conditions of the workforce, as well as their remuneration, with a direct impact on their quality of life.

Integrated urban waste treatment plant

Once the waste has been transferred to an integrated treatment plant, the ultimate goal is to send as little as possible to landfill. The various treatment processes carried out in these plants follow the so-called "**waste hierarchy**".

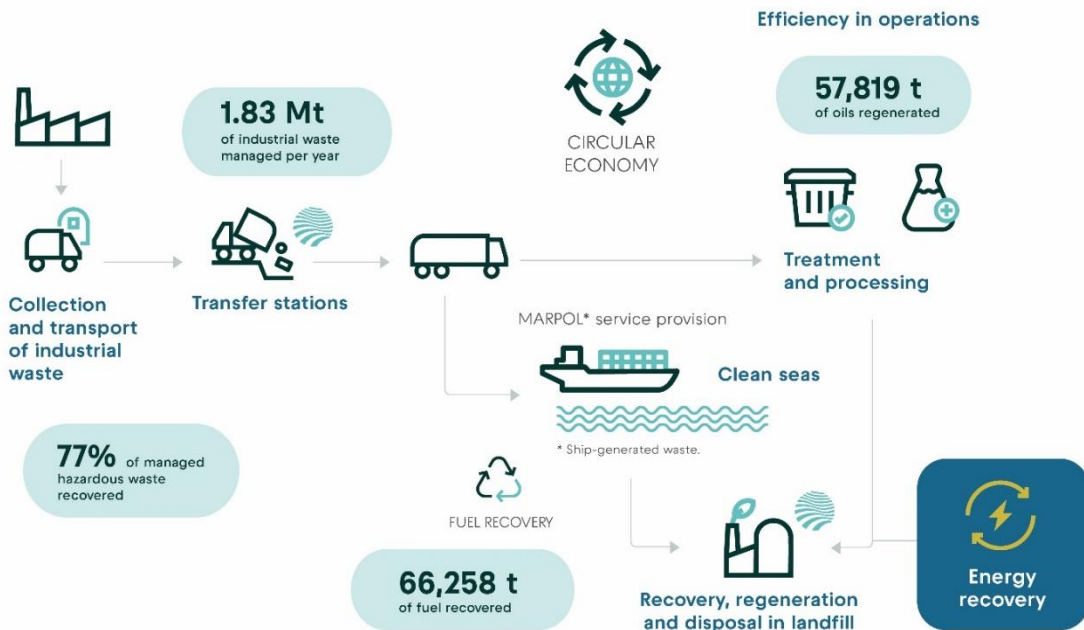
Waste hierarchy



INDUSTRIAL WASTE TREATMENT

GRI 2-23

Treatment of industrial waste



Sertego is a company belonging to Urbaser and dedicated to the integral and sustainable management of industrial, hazardous and non-hazardous waste. It deals with all phases of the management cycle, from collection and transport to the development of processes for the recovery, recycling, recovery, regeneration and disposal industrial waste. Sertego is currently the **leading company in oil regeneration** and the **manufacture of fuels from waste**.

The company provides different solutions that cover these activities among other:

- Regenerated lubricant bases: treatment of used oils to obtain bases that are converted into new types of industrial lubricants.
- Fuel recovery: collection of fuels of MARPOL origin in more than 32 state-owned ports in Spain and Tangiers for their cleaning and treatment, obtaining a recycled fuel.
- Waste collection and transport: management and treatment of industrial, hazardous and non-hazardous waste, from its collection from the producer, its classification and minimisation of its volume, until it is sent to the final manager.
- Waste treatment and disposal: through treatment and sorting plants and waste landfills.

Through the operations carried out by Sertego, Urbaser is **strategically positioned to drive the concept of zero waste in industry**, by means of innovative solutions that place science and technology at the service of major environmental challenges, such as ocean pollution. These innovative projects notably include the research and development of new technologies, such as biomethanation, pyrolysis and gasification.

In this way, the company contributes to **SDG 14: Life below water life through performance** and **SDG 12: Sustainable production and consumption**, whose target 12.4 serves as a roadmap for this business area: *"By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment"*.

2022 Milestones

- Creation of the company **Novolitio**, in collaboration with Endesa, for the construction and development of the **first electric vehicle battery recycling plant on the Iberian Peninsula**. Once the environmental permit application has been submitted, it is expected to obtain all the authorisations in 2023 in order to start building and operating the plant.
- Start of operation of the new Algeciras plant, which allows Urbaser to extend its treatment portfolio to other marine waste that was not previously managed, and thus offer a global service.
- Approval of plans to improve the performance of the oil plants, and promotion of a hydrogenation plant and another for the treatment of asphalts, which will place Urbaser in a prominent position in Europe. It was also the year for consolidation of the plant in Morocco.

2.3.4 Waste recovery

Recovery of resources is one of the main axes of the circular economy. Urbaser is committed to recovery solutions throughout the value chain, both in urban and industrial waste. Within the framework of these services, Urbaser offers each customer the best technical treatment available to maximise the recovery of the different waste fractions.

Recovery processes focus on the energetic use of treatment rejects (non-recyclable waste), either in the form of biogas without application of the digested material, electrical energy or steam, slag or ash. The biogas generated is used on site to generate electricity and thermal energy, or is purified into biomethane for injection into the natural gas grid. Thanks to the biodegradable material content, 50% of this energy is of renewable origin.

Proof of Urbaser's strength in recovery is its participation in the **PLASTICE** project (details given in 4.1 Green Innovation Management), whereby the company will work on different plastic recovery routes to obtain sustainable raw materials with which to produce new plastics, as well as other products with a high added value for industry.

Within the scope of these solutions, it should also be noted that, in 2022, Urbaser was awarded the operation and maintenance of the **energy recovery plant in Dudley (United Kingdom)** for a period of 3 years, plus a possible extension up to a total of 5 years. Built in 1998, the Dudley plant has the capacity to treat 105,000 t/year and has two boilers, each capable of producing up to 18 tonnes of steam per hour, with the capacity to generate 7 MW of electricity. The fuel used in the plant is mainly mixed municipal waste, which will be supplemented with private waste up to the plant's capacity. The scope of the contract includes the operation and maintenance of the facilities, as well as the treatment of the rejects generated there and the recovery and export of electricity. Given the current volatile situation in the electricity market, a mechanism has been incorporated into the contract to share the responsibilities associated with the commercialisation of energy with the public contracting entity (Dudley Metropolitan Borough Council).

Thanks to this new contract, Urbaser strengthens its waste treatment activity in the United Kingdom, where it is already in charge of waste recovery plants in Gloucestershire (Javelin Park) and Herefordshire (Mercia), among others.

2.3.5 Other Urbaser solutions

Sustainable mobility

Public bicycle lending services (*bikesharing*), *carsharingservices*, *carpooling* and all kinds of mobility solutions based on sustainability, as well as advanced urban logistics systems, studies of sustainable urban mobility plans, management of smart charging networks and all kinds of mobility proposals for the *smart city*.

Water

Services that contribute to closing the water cycle, promoting the circular economy and generating new materials and tools associated with the efficient management of this natural resource.

Social and health care

The objective of this area is to contribute value to society through different lines of business aimed at improving people's quality of life. Among them, the Home Help Service (SAD) carries out work in old people's homes, family mediation, integration of minors, social mediation, actions against gender violence, etc.

Surveillance and security

Integral surveillance, protection and security solutions for individuals, companies and institutions under an integrated security concept focused on professionalism, technology, efficiency, flexibility and commitment to the customer.

2.3.6 Channelling trends to generate opportunities

GRI 2-6, GRI 201-2

There is no doubt that the global socio-economic panorama affects the evolution of the economies of countries, of companies and, therefore, also that of Urbaser. In 2022, the **macroeconomic context** has been marked by high inflation, rising commodity prices, supply chain disruptions and rising interest rates. The geopolitical context has also been convulsive due to the armed conflict between Russia and Ukraine, and its consequences have been the increase in energy prices. Together, this has led to a moderation in economic growth around the world.

On the other hand, according to the World Economic Forum's Global Risks Report 2023, **social and environmental risks are already in the top 5**. In the short term (over the next two years) the most risks of most concern are those associated with the cost of living, natural disasters and extreme weather, as well as geopolitical and economic confrontation, the failure of climate action, and social erosion and polarisation.

The top ten in the World Economic Forum's survey also includes major environmental incidents, as well as failure to adapt to climate change or cybersecurity, natural resource crises and large-scale forced migration. By contrast, when looking at the long term, environmental risks emerge as the most serious risks for the future.

Faced with these global circumstances, which entail challenges and, in turn, opportunities for companies, Urbaser - as a multinational present in 19 countries - wishes to anticipate the challenges, identifying the opportunities that arise, and designing action plans at a global level to overcome them. In this way, the company, with its extensive international presence and in collaboration with other actors, will play an **active part in providing the solution to the current risks** in society.

However, Urbaser's action should not only focus on solving short term risks, but also on projecting its vision for the long term, for the next 10 years, and on the leadership that the European Union has taken on climate issues in the international arena.

In this regard, it is worth highlighting - in line with the Sustainable Development Goals - the **EU's Strategy on Climate Change Adaptation**, presented in February 2021 with the objective of achieving climate neutrality by 2050, or the new **European Green Deal**, with which the European Union marked out a roadmap towards sustainability in 2019. In addition, the new EU taxonomy for sustainable activities was approved in 2020, as well as the EU's new Corporate Sustainability Reporting Directive (CSRD), ratified by the European Parliament in November 2022 and aimed at achieving a greater commitment from companies.

Among the measures of the European Green Deal, the European Climate Law, which aims to achieve climate neutrality by 2050, and the European Climate Pact, which aims to create a commitment to climate action by citizens and public-private actors, stand out. To this end, with the support of the European Investment Bank, 25% of the EU budget is to be earmarked for this fight.

Urbaser is aware of the importance of **channelling its capital towards sustainable and resilient activities** that contribute to the Sustainable Development Goals set out in the 2030 Agenda. In line with these policies, the company is implementing energy efficiency projects, for example, through street lighting maintenance activities, installations in buildings and the installation of electric vehicle charging points, as well as the purchase of energy from renewable sources.

It also assumes that a **smarter adaptation of infrastructures and businesses to cutting-edge science and digital transformation** is needed in order to obtain better data on climate change-related risks and losses, which is crucial for improving the accuracy of the assessments. Investment in this area amounted to €8.4m in innovation projects.

Urbaser is aware of the importance of channeling its capital towards sustainable and resilient activities that contribute to the Sustainable Development Goals

Moreover, in view of the global risk of resource scarcity, Urbaser's activity is closely linked to progressing towards a **circular economy**: more than 72.12% of innovation is directed towards the circular economy, which is at the heart of the company's business. And the targets are set in line with the **European Union's Circular Economy Action Plan**, which establishes a recycling rate of 65% of municipal waste and a reduction of landfilling to 10% by 2035 and, before that, a recycling target of 55% of municipal waste by 2025. In this way, through Urbaser's commitment, the ambition of sustainability leadership in Europe extends to all the countries in which the company is present.

Other actions that demonstrate Urbaser's commitment to the ecological transition are, for example, the implementation of R&D&I projects in which the transformation of waste into new raw materials is studied, or participation in sectoral associations for the development of technical studies and consultations on European and national legislative proposals on the circular economy. Furthermore, the roadmap drawn up by "**Let's Change 2025**" is set to reinforce Urbaser's contribution to sustainable development over the next three years.

On this map, faced with the indicated risks, the opportunities are located in different key drivers. On the one hand, the **promotion of technologies and infrastructures** will maximise the recovery of resources contained in waste by means of recycling plants. The role of technology in the development of industrial recycling and recovery infrastructures capable of producing more and better secondary raw materials (SRMs) will also be decisive. Not forgetting the improvement of the selective collection of organic, textile, cooking oil or hazardous waste, which will require new fleets.

In short, Urbaser is not only aware of today's global risks and how they may affect its business and the people who make it possible but is also an active part of the solution and would like to be even more so. For this reason, the pages of this Non-Financial Information Statement give an account of the projects that build on this commitment and work towards a more sustainable future.

2.4 Materiality and stakeholders

2.4.1 The materiality of Urbaser

This study enables the company to understand the importance of issues related to the business strategy and to identify the expectations and needs of stakeholders.

In 2022, Urbaser took its first steps towards double materiality following the recommendations of the new Corporate Sustainability Reporting Directive (CSRD), as well as the indications on the materiality assessment established by the European Financial Reporting Advisory Group (EFRAG) in the European Sustainability Reporting Standards (ESRS).

METHOD OF THE ANALYSIS PROCESS: THE FIRST APPROACH TO DOUBLE MATERIALITY

The main objective of the 2022 materiality analysis focused on the double impact perspective: **financial impact**, through the analysis of the company's risks, and **non-financial impact**, with the evaluation of the impact of Urbaser's activity on its environment and stakeholders. This analysis has been carried out by means of a research and social intelligence process consisting of the following stages:

1. Identification and updating of material issues. By means of a sector benchmarking of competitors and the review of internal company documentation (risk catalogue, press clipping, Let's Change 2025 (ESG Plan) in accordance with SGE21 and ISO 26000 standards, as well as the GRI Standards Reporting Guidelines.

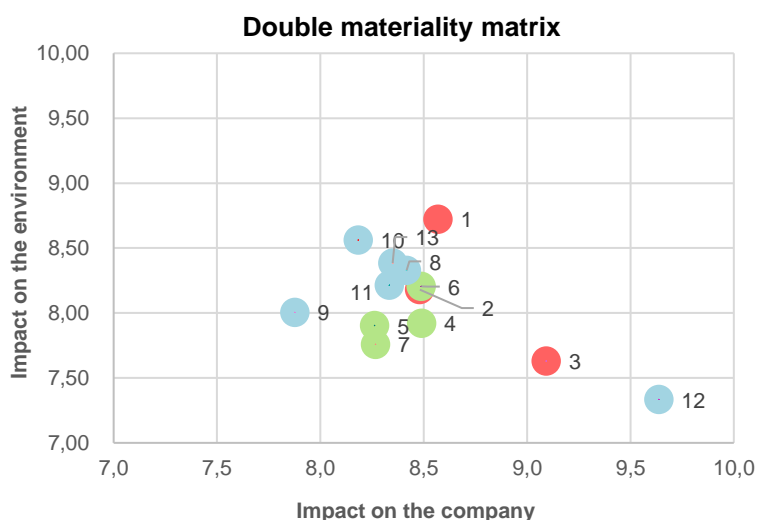
2. Internal and external non-financial assessment: impact materiality. This phase assesses the impact that material issues have on the company (internal stakeholders, such as members of the Management Committee, corporate area managers, and country and area managers) and on the environment (external stakeholders, such as customers and suppliers). This impact assessment was carried out by means of an online statistical survey of employees and external stakeholders, in which they were asked to evaluate the consequences (positive or negative) of the company's activity on the environment and on the company itself. The materiality analysis thus incorporates the internal and external views of the different stakeholders on material issues, applying the principles relating to the content of the GRI report, according to Standard GRI-1, Foundation.

3. Financial assessment. To this end, the various corporate risks (identified and assessed according to their likelihood and severity) were linked to the related material issues in order to provide a financial perspective as a first approach to the double materiality to be developed in 2023.

4. Prioritisation, according to the assessment of points 2 and 3, of the most significant impacts on which the company is required to report.

MATERIALITY MATRIX: APPROACH TO DOUBLE MATERIALITY

The issues located in the upper right quadrant of the matrix are the most relevant, both from the point of view of their impact on the company (financial) and on the environment (non-financial).



Materiality

Scope	Material issues ¹	Impact on the company	Impact on the environment
Business	1. Responsible governance, business ethics and risk management	8.57	8.72
	2. Stakeholder engagement and reputation management	8.48	8.18
	3. Economic strength and sustainable business growth	9.09	7.63
Environmental	4. Climate emergency and protection of natural capital	8.49	7.92
	5. Innovation and digitalisation	8.26	7.91
	6. Circular economy: effective integration and impacts	8.49	8.21
	7. Eco-system solutions and biodiversity protection	8.27	7.76
Social	8. Talent management	8.42	8.33
	9. Equality and diversity	7.88	8.01
	10. Health, safety and well-being environment	8.18	8.56
	11. Base operations around the protection of human rights	8.33	8.22
	12. Sustainable supply chain	9.64	7.34
	13. Community engagement and local development	8.35	8.39

1. Of the additional requirements requested by Law 11/2018 of 28 December, aspects such as "Food waste" and "Measures for the health and safety of consumers" do not apply to Urbaser's activity, as well as "Consumer complaint procedures" in which, taking into account its main business activity, Urbaser is not in direct contact with the consumer. Customers have specific complaint procedures set out in their contractual conditions, and the company makes complaint channels available to its stakeholders, including the ethical channel.

Main conclusions

The *"Responsible governance, business ethics and risk management"* aspect of the business areas located in the centre of the graph as the one with the highest score from the non-financial perspective and with a gap of only 0.15 compared to its impact assessment in the company. Meanwhile, *"Stakeholder engagement and reputation management"* scored slightly higher in the financial area, with a 0.30 difference between the two. In contrast, the area of *"Economic strength and sustainable business growth"* showed the highest significant variation of all the topics, with a gap of 1.46. The assessments of the first two business issues are framed in their cross-cutting nature, the management of which has a direct impact from both perspectives (income statement and environment). Likewise, the third material issue of economic solvency is eminently that of internal impact on the company, as can be seen by the fact that it is the second material issue with the highest impact score in the company.

From this internal perspective of the (financial) impact on the company, the material issue with the highest score is that of the *"Sustainable Supply Chain"*. This material issue, with a score of 2.30, is also the one with the largest gap in relation to impact on the environment and is therefore represented in the lower right quadrant of the graph. This assessment corresponds to the high risk detected in Urbaser's supply chain, for the management of which the company has deployed various procedures, as described later in this document.

From the (non-financial) environmental impact perspective, the second highest rated material aspect is that of *"Health, safety and well-being environment"* followed by *"Community engagement and local development"*. These issues stand out in the environmental impact variable due to the business model of the company, whose activities are directly related to the living conditions of the final recipients of the services (waste collection and management, street cleaning, etc.) or the creation of employment. As well as in the working environments of employees and subcontracted personnel in the 19 countries where the company operates.

It is worth noting that some material issues, such as *"Base operations around the protection of human rights"* or *"Circular economy: effective integration and impacts"* are drivers of other material issues, whose impacts may be both the cause and consequence of others. In this way, the protection of human rights is linked to supply chain management or health and safety, just

as the circular economy is the cornerstone of Urbaser's environmental management, and thus of the material business aspects.

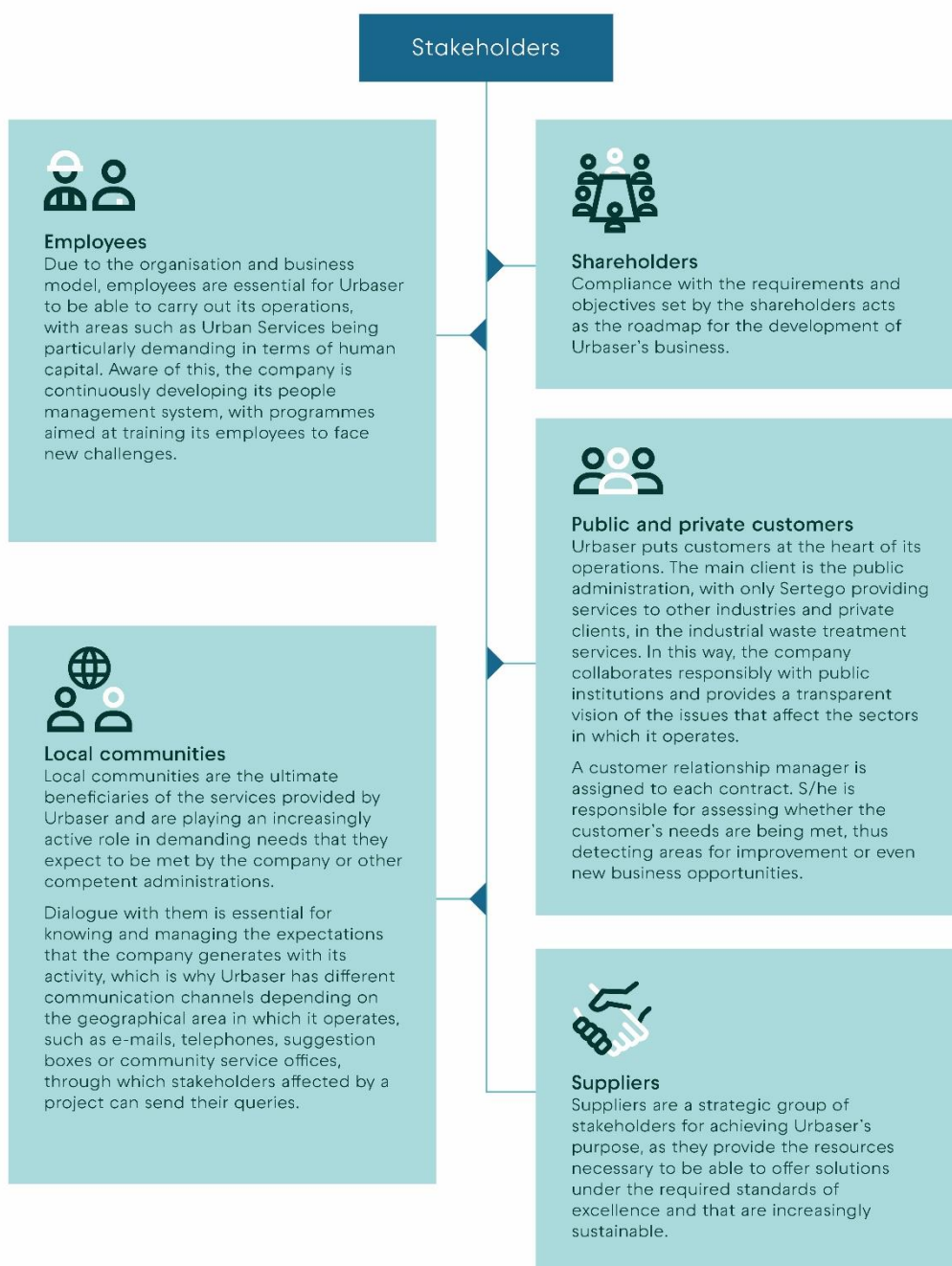
As can be seen in the graph, the rest of the ratings do not show very significant variations between the two perspectives. This similarity in scores highlights the interdependence between both impacts, specifically in the social and environmental spheres, and therefore a correct management of the company's impacts on the environment entails, in turn, the management of financial risks in terms of impact on the company.

This approach to dual materiality allows Urbaser to set the starting point for the dual materiality that will continue to be worked on in 2023

This approach to double materiality allows Urbaser to establish the starting point for double materiality that it will continue to work on in 2023, which will take into account the CSRD guidelines as well as the official guidelines that are available to date. Furthermore, the analysis carried out, which integrates the needs and expectations of stakeholders, allows the company to establish priorities and strategic objectives around Let's Change 2025, the company's ESG plan that will guide actions in terms of sustainability and Agenda 2030 (Sustainable Development Goals).

2.4.1 Stakeholder relations

GRI 2-29



Faced with a new reality characterised by citizens that demand more in terms of corporate social responsibility and also demand a two-way conversation - due, in part, to the accessibility and immediacy of current communication channels - Urbaser maintains a process of continuous improvement to increase the positive impact of its solutions, while at the same time generating resources that enable a constant dialogue with all of its stakeholders in order to meet their expectations.



3. Responsible leadership and ethical governance

3.1. With ethics as the banner of our management

3.1.1 Regulatory compliance model

GRI 3-3, GRI 2-26

At Urbaser, ethics and business are inseparable. The company's governance is governed by the principles of efficiency and transparency in decision-making in order to contribute to the profitability and sustainable growth of the company. It is also organised according to different corporate rules, policies, and procedures, with the aim of making responsible decisions to ensure that it operates smoothly. In this way, Urbaser provides a **model of responsible leadership** in those countries where it is present.

Thus, it is [Urbaser's Code of Conduct](#) that lays down the guidelines for the behaviour of all people who make up the company, and ensures that they perform their day-to-day work in an ethical, professional and honest environment, both internally, with regard to all its employees, managers and administrators in the exercise of their functions, and externally, in the market and with its competitors.

In 2022, in line with the desire to promote a **corporate culture based on ethics and compliance**, Urbaser updated the Code, reorganising the company's ethical principles and establishing the following as fundamental principles: compliance with the law, integrity, respect for people, health and safety at work, protection of the environment and protection of information.

Urbaser's principles and values as set out in the Code of Conduct

 <p>1. Compliance with laws and ethical standards</p>	 <p>2. Integrity</p> <ul style="list-style-type: none"> • Anti-bribery and corruption • Conflicts of interest • Free competition • Money laundering and terrorist financing • Accurate accounting records and reliable information • Fraud 	 <p>3. Respect for people</p> <ul style="list-style-type: none"> • Equality and diversity • Respect for human rights • Promoting the work- life balance • Relations with citizens 	
	 <p>4. Occupational health and safety services</p>	 <p>5. Environmental protection</p>	 <p>6. Protection of information</p>

The Code of Conduct applies to all the company's subsidiaries and investee companies or joint ventures in which Urbaser is the majority shareholder or partner, or in which the company has a controlling interest. It is therefore mandatory for all employees and managers, regardless of the type of contract that governs their professional or employment relationship.

The **Chief Compliance Officer** is responsible for safeguarding the company's ethical principles. For this purpose, the Chief Compliance Officer appoints Regional Compliance Officers, who are responsible for providing training on this Code of Conduct to ensure that all staff in their region are aware of its existence and familiar with its contents. The Regional Compliance Officer is also the point of contact for any queries.



2022 Milestone

In order to reinforce the importance of ethical behaviour, the company's Ethics Day was held in 2022 to present the updated Code of Conduct at a corporate level and to raise awareness among all employees about the importance of compliance.

CORPORATE GOVERNANCE AND POLICIES

GRI 2-23, GRI 2-24

At Urbaser, the different corporate policies and procedures establish the framework for action, with a preventive approach, that guarantees responsible decision-making, regulatory compliance, and the smooth running of the company.

Urbaser's compliance body oversees compliance with the company's internal regulations. To this end, the Chief Compliance Officer is supported by Regional Compliance Officers to oversee the effective implementation of policies in the different countries in which the company operates.

Furthermore, in order to ensure the effectiveness of internal policies and procedures, a disciplinary system has been set up, whereby breaches are reported to the local Human Resources department, which will adopt the appropriate disciplinary measures depending on the seriousness of the breach and in accordance with both the applicable labour legislation and the disciplinary procedures established in the collective bargaining agreements.

The **corporate policies** designed to establish this framework have been approved by the Board of Directors or its Chief Executive Officer and are applicable to all companies in which Urbaser is a shareholder or majority shareholder or has a controlling interest. The internal and external publication of these policies reinforces the company's commitment to good corporate governance practices and transparency as a key lever for strengthening trust and having a positive impact in the environments in which it operates.

- **Corporate Procurement of Goods and Services Policy**
- **Corporate Anti-Corruption Policy**
- **Corporate Quality, Health and Safety, Environment, Quality and Energy Policy**
- **Corporate Human Rights Policy**
- **Corporate Training and People Development Policy**
- **Corporate Equality and Diversity Policy**
- **Corporate R&D&I Policy**
- **Corporate Information Security Policy**
- **Corporate Sustainability Policy**
- **Ethical Channel Corporate Policy**
- **Suppliers' Code of Ethics**

Urbaser intends that the people and companies related to it, especially its main customers, and business partners linked to its chain of activity, comply with the same ethical standards and principles established by its policies. For this reason, the company informs the most relevant third parties about the provisions of those related to its sphere of activity.

The areas responsible at the corporate level for matters regulated in the different corporate policies are also responsible for ensuring that these reflect international recommendations and best practices, and for proposing modifications and updates that contribute to their development and continuous improvement. They are also responsible for disseminating and ensuring compliance with the requirements set out in the policies by means of the necessary specific procedures. They are also responsible for setting objectives that are in line with business needs and for implementing and monitoring them.

Furthermore, Urbaser promotes training for company personnel, always according to their level of exposure to risk, the knowledge of their ethical principles and obligations derived from both the Code of Conduct and corporate policies.

ETHICAL CHANNEL

GRI 2-9, GRI 2-13

All employees, customers, suppliers, partners and members of the communities in which Urbaser operates can make use of the ethical channel to facilitate the reporting of any possible irregularity, non-compliance or behaviour that is contrary to the ethics, legality and internal rules governing the company.

In 2022, Urbaser worked on **unifying the whistleblowing channels in the different countries**, for the purpose of setting up a single **ethical channel** located on the corporate website (<https://www.urbaser.com/en/ethics-box/>). This channel can be used for reporting any possible irregularity, non-compliance or behaviour that is contrary to the ethics, legality and internal rules governing the company.

The internal rules governing the operation of the ethical channel are aligned with Directive (EU) 2019/1937 on the protection of persons who report breaches of EU law. These rules are set out in the **Ethical Channel Corporate Policy**, available on the corporate website.

In 2022, a total of 116 communications were received through the complaint channels, of which 110 were admitted for processing. Of these, 21 were confirmed cases and three communications were pending resolution (in 2021, 27 were received and 24 were resolved).

In response to these confirmed cases, a number of disciplinary measures were adopted, including the formalisation of four dismissals, strengthening of training and the review of certain processes.

Received Communications

Type of complaint/country	Spain	Colombia	Argentina	Finland	UK	India	Mexico	Norway	Bahrain	Total
Corruption	0	0	0	0	0	0	0	0	0	0
Internal fraud	2	2	0	0	0	1	0	0	0	5
Harassment	6	0	0	1	0	1	1	0	0	7
Human rights	0	0	0	0	0	0	0	0	0	0
Medical and environmental damage	0	0	0	0	0	0	0	0	0	0
Competition	0	0	0	0	0	0	0	0	0	0
Occupational risk prevention	2	0	0	0	0	0	0	0	0	2
Personal data protection	1	0	0	0	1	0	0	0	0	2
Other inappropriate behaviour	88	0	2	0	2	4	0	1	1	98
Total	99	2	2	1	3	6	1	1	1	116
Accepted for processing	93	2	2	1	3	6	1	1	1	110
Confirmed cases	11	1	0	1	0	5	1	1	1	21
Could not be confirmed	5	0	1	0	2	0	0	0	0	8
Dismissed cases	74	1	1	0	1	1	0	0	0	78
Pending resolution	3	0	0	0	0	0	0	0	0	3

GOVERNANCE STRUCTURE

GRI 2-12, GRI 2-11, GRI 2-12, GRI 2-13

Shareholders

100% of the shares of Urbaser S.A.U. are owned by Luna IV Servicios Ambientales, S.L., which in turn is indirectly owned indirectly owned by a investment vehicles of certain private investment funds sponsored and ultimately controlled by Platinum Equity, LLC (together with its affiliated investment vehicles, "Platinum").

Urbaser's governing bodies

The governing bodies that represent and administer Urbaser are as follows:

General Meeting

The General Meeting is the representative body for shareholders through which decisions are taken on matters that, in accordance with the Company's Articles of Association and applicable law, fall within the competence of the General Meeting.

Board of Directors

Urbaser's Board of Directors is the company's supreme management and representative body. In 2022, the Board of Directors held 12 meetings. The functions of the Board of Directors extend to all matters not expressly reserved, by law or the Articles of Association, to the General Meeting. The main functions performed by the Board of Directors include the following:

- Judicial and extrajudicial representation of the company.
- Management and administration of all matters related to the corporate purpose of the company and its assets and affairs. In this sense, the Board of Directors is the highest body responsible for approving the company's strategy and policies related to its sustainable development.

Currently, the Urbaser's Board of Directors comprises:

- Mary Ann Sigler, Director-Chairwoman of the Board of Directors.
- Fernando Abril-Martorell Hernández, Director-Vice-Chairman of the Board of Directors.
- Miguel Liria Plañiol, Board Member.
- Ignacio Pallarés Capdevila, Non-Member Secretary.

These meetings were held under article 248 of the Capital Companies Act, i.e., in writing and without a meeting. The three members of the Board of Directors represent the sole shareholder; two of the three members are executives; two were appointed on 21 October 2021 and one on 15 June 2022.

Chair

Urbaser's Chairman or Chairwoman, elected by the Board of Directors from among its members, represents the company.

Management Committee

The Management Committee, made up of seven members with extensive multidisciplinary experience, manages the company in accordance with the guidelines and strategies approved by the Board of Directors. It also serves as a link to communicate shareholder guidelines to all employees.

Following the indirect acquisition by Platinum, an ESG Committee was set up in which the CEO, the Management Committee, the company's ESG officer and the shareholder participate. This ESG Committee meets on a quarterly basis and establishes the appropriate mechanisms for managing the organisation's impacts by approving sustainability strategies and initiatives, as well as reviewing their proper implementation.

Sustainability decisions are taken at the highest level, as the Sustainability area reports directly to a member of the Management Committee.

The compliance body and the supervisory internal audit function develop and ensure the good governance of the company through the implementation of rules and controls in order to always guarantee the best performance of the company.

3.1.2. ESG risk governance

RISK MANAGEMENT SYSTEM

GRI 3-3, GRI 3-3, GRI 2-25, GRI 3-14

The **risk management system** currently in place at Urbaser is developed through a model of **three independent levels of defence** that act in a coordinated manner. The first of these falls on the **business areas**, while the second and third levels correspond to the **cross-cutting areas of the organisation**, with specific responsibilities for supervision and internal control at the corporate level.

The risk management procedures and, where appropriate, the mechanisms that ensure that risks are kept within accepted levels are validated and approved by Urbaser's Management Committee. The Chief Executive Officer is responsible for approving corporate policies and the corresponding control system.

The main function of the **Internal Audit** area, an independent body reporting directly to the Board of Directors, is to support the **Management Committee and the Chief Executive Officer** in their tasks of surveillance, supervision, monitoring, and verifying the effectiveness of the controls in place and mitigating risks on a reasonable and regular basis. To this end, it prepares reports with recommendations and conclusions on the effectiveness of the controls, which are communicated both to Urbaser management and to those responsible for the evaluated areas, which are monitored periodically.

Risk management system



In addition, the Internal Audit area supports the rest of the company in the effective fulfilment of its responsibilities and objectives, including other functions, such as:

- Reviewing the **accuracy, reliability and completeness** of financial and operational information.
- Making recommendations to correct weaknesses detected in the performance of its function, producing **regular reports** for both the Management Committee and the audited parties, and following up on them.
- Evaluating the **degree of compliance with the company's internal rules, instructions and procedures** and proposing the necessary updates to improve processes and mitigate associated risks.
- **Reviewing internal regulations** before final approval.
- Carrying out **analyses or investigations** commissioned by the Compliance area.
- Periodically **reporting to the Audit Committee**, which includes the Chair of the Board of Directors and the Vice-Chair, who is also the Chief Executive Officer.

The Audit Committee reviews the Non-Financial Information Statement (NFIS) annually, so that this sustainability report is approved at the highest level of governance of the company.

Although risks have been efficiently managed by reducing their impact through controls and mitigation measures, before 2022 Urbaser did not have a formally constituted risk function. Risk management was fully decentralised to the company's business units (first line of defence) and, at the centralised level, risk management was limited to certain controls, such as the financial reporting internal control system (FRICS), or the crime prevention model.

Therefore, in compliance with one of the commitments of Let's Change 2025, Urbaser is carrying out a **project to establish an ESG risk management system at corporate level, as well as its governance model**. Launched in the last quarter of 2022, the project counts on the collaboration of independent subject matter experts and has so far completed the **risk identification and prioritisation** phases.

The identification of risks is structured according to different criteria that seek to better understand the nature of the risk, such as the company's resources that are affected by these risks (financial, productive, human, intellectual, social and environmental), the timeline and type of action required (strategic governance for the company's long-term structural risks, and operational for short-

term structural risks) or the origin of the risk (external or internal to the company). This structure makes it possible to cover all relevant aspects in the current regulatory, market and company context including, for example, climate change or human rights.

The identified risks have been assessed by the management team in terms of probability and impact in order to establish a prioritisation that has resulted in the company's ESG risk map.

At the closing date of this report, Urbaser is in the phase of identifying and documenting the controls and mitigation measures currently in place in order to perform a GAP analysis that will enable the design of any necessary response plans. The project is scheduled for completion in the first quarter of 2023.

The risk factors to which Urbaser is subject as a consequence of changes in competitive, economic, political, legal, regulatory, social, environmental, business and financial conditions are described below.

RISKS INHERENT TO THE ACTIVITY

The market is currently facing a context of change, which demands adaptation and transformation. This change has presence in different spheres: legislative (with increasingly restrictive environmental regulations on waste, water, climate change and climate emergency measures), cultural and social in aspects such as diversity, social and labour integration, equality and inclusion, among others.

Moreover, in recent years there has been a paradigm shift in which the management of risks and opportunities for companies has been placed at the centre of their strategy and management and, in particular, everything related to sustainability and the circular economy.

In this context, the entry of new investors has raised the bar for Urbaser. The company has drawn up a new strategic plan in which risk management in general, and ESG risks in particular, are one of the priorities.

In order to ensure an adequate control environment that keeps critical risks within the levels accepted by the company's Board of Directors and to generate a culture that assumes this function as a differentiating strategic factor, Urbaser has a risk management system based on the **design** and **implementation** of controls aimed at detecting and mitigating aspects **that may affect the company's ability to achieve its business objectives due to the materialisation of risks related to strategy, operations or compliance**, such as misconduct or non-compliance with applicable regulations.

Principles

- **Integrate the vision of risk**, both at the level of the governing bodies and in business management.
- **Ensure compliance with the laws and values** set out in the Code of Conduct, under the principle of "zero tolerance" towards the commission of unlawful acts.
- Define basic guidelines in order to **homogenise operating criteria** in the different business areas and achieve an adequate level of internal control.
- **Involve the different businesses that make up the company** and corporate areas as risk management units with different levels of responsibility.
- Establish **mechanisms for the identification, evaluation, analysis and reasonable control** and reporting of the different risks to which our activities are exposed.
- **Maintain an adequate level of independence** between risk-taking areas and those responsible for risk analysis, control and supervision.

Objectives

- **Promote continuous improvement** to gain efficiency and responsiveness
- **Protect the company's reputation** and results, generating confidence and offering guarantees to our stakeholders
- **Analyse strategic objectives** with managed volatility



STRATEGIC RISKS

GRI 3-3, GRI 2-25

These are those risks that affect **Urbaser's long-term market positioning**, such as competitive intensity, the entry of new competitors, internationalisation, innovation and development of new businesses or services, investments or, in more general terms, everything that guarantees the company's adaptation to its changing environment.

In this respect, the main strategic risks for Urbaser are:

Competitive intensity

Competition with other waste management and urban services companies is exerting more and more pressure with respect to prices in public tenders and private contexts, which is particularly relevant in those cases where financial criteria are more heavily weighted in the award decision. Reduced or lost margins on contracts may result in a lower cash generation and lead to higher borrowing requirements.

Control mechanisms: Mitigation policies and measures

Urbaser works to develop a value-added offer to its customers and the communities in which it operates, and the introduction of operational efficiency measures to help it optimise costs without impacting the quality of services. In this way it is possible to ensure the highest quality with an optimal cost structure.

Digitalisation and cybersecurity

The application of technologies in the area of the Internet of Things (IoT), Big Data and Artificial Intelligence (AI) make it possible to improve the efficiency and effectiveness of services through, for example, better route planning, better demand management, or the automation and robotisation of processes. In short, an adequate digitalisation strategy can help companies in the sector to increase the value of their services and reduce their costs.

In this context, cybersecurity and data protection risks are also becoming more important. Companies are increasingly exposed to external and internal risks to their technology infrastructure that threaten business continuity.

For this reason, an inadequate digitalisation and cybersecurity strategy on the part of Urbaser could result in a progressive loss of its competitiveness and productivity or an increased vulnerability of its operations.

Control mechanisms: Mitigation policies and measures

Urbaser considers information to be a strategic resource, and is therefore committed to guaranteeing the protection and security of the information of the company, its customers, subcontractors and suppliers, products and services, in the face of various cyber threats.

Given the current context of cybersecurity risk, Urbaser continues to strengthen the area, reviewing existing procedures and controls and implementing new measures to maximise the protection of information systems, adapting to the strictest information security protocols on the market for the protection of all company assets that handle sensitive information or are key to the business.

The company also continues to make progress in improving the management of ICT-related risks at the corporate level. By regularly reviewing, updating, and reinforcing security policies, regulations and procedures, Urbaser is able to intervene, react and protect its information assets in the event of security incidents that may affect the company, as well as to align all its activities

and services with the most demanding local and international information security guidelines.

The company intends to obtain certification in the National Security Scheme for GE Smart and SensIoT services in 2023, as well as certification of the Information Security Management System, according to ISO 27001, for the Urban Services business process in Spain. It also plans to publish an updated **Corporate Data Protection Policy** in 2023.

Climate change

In the long term, climate change could affect the company in aspects such as: an increase in legal requirements with respect to energy efficiency that could entail large investments; a tightening of regulations regarding payment for emissions; an increase in accident rates and productivity of professionals; or an increase in damage to infrastructures and equipment, among others.

Control mechanisms: Mitigation policies and measures

In this context, Urbaser is working on various initiatives to improve the resilience of its business in the face of climate change, which include: improving the energy efficiency of its processes; replacing its fleet of vehicles with those of lower emission intensity; the use of renewable energies; adapting its business processes; and reviewing its contracted insurance coverage.

OPERATIONAL RISKS

At Urbaser these risks are those directly **associated with the key business processes**, such as: risks associated with the contracting or tendering of services, the quality of the same, relationships with stakeholders, financing, environmental risks arising from the activity, procurement or outsourcing, as well as other risks associated with business processes such as those relating to human resources and health and safety.

Within these operational risks, the organisation is subject to specific risks related to the business, such as: urban and industrial waste collection, waste treatment, the management and organisation of operations, and other risks deriving from the human resources that make up the workforce, of which health and safety risks are particularly relevant.

Specifically, in subsidiaries based within the European Union, in accordance with Law 26 /2007 and EU Directive 2004/35/EC on Environmental Liability, Urbaser has carried out environmental risk assessments (ERA) in those facilities subject to Integrated Environmental Authorisations (IEA) in order to assess whether or not to provide a financial guarantee to cover the environmental risk and submit the corresponding responsible declaration to the competent authority within the deadlines established for this purpose. In accordance with the regulatory timetable, all of the ERAs have been carried out. In addition, all relevant financial guarantees (10 in total) have been provided.

Financial risk

Urbaser considers financial risks to be those arising in the financial markets that could have negative consequences for the organisation. These risks include inflation (including also energy prices increase), interest rate, exchange rate and market risks.

In the current context, the most relevant financial risk for the company is the **interest rate risk**, since, due to Urbaser's financing needs, especially those associated with the development of new facilities and the acquisition of specialised technical equipment, it may increase the financial cost of the company's outstanding debt or condition its capacity to increase the level of leverage.

Another risk with a potential impact for Urbaser is inflation risk, which directly affects the costs related to the acquisition of goods and services, and supplies such as energy and fuel, which are necessary for the normal performance of its activity.

In the longer term, and in the European regulatory context, a potential financial risk may be access to capital markets, due to the new sustainability requirements imposed by the European Commission in the framework of the Sustainable Finance Disclosure Regulation (SFDR), or the EU Taxonomy.

Control mechanisms: Mitigation policies and measures

A significant proportion of Urbaser's contracts with its public customers include price review clauses that take inflation into account, and so price increases affect to a lesser extent business margins, as the increase in costs is offset by an increase in revenues due to an upward revision of the contract. In addition, the price increase also affects the energy and by-products that Urbaser sells, thus positively affecting revenues.

Rising interest rates have a negative impact on Urbaser's costs. In order to cope with the current rise, Urbaser has opted to strengthen the balance sheet, optimize its borrowing and repay its loans in an attempt to reduce its financial costs.

What's more, as discussed with respect to the risks associated with climate change, the company is adapting its operations to meet new and future regulatory requirements on sustainability, so that its financing capacity is not affected.

Pollution and climate change

In the course of the company's business, this risk could arise from exposure to **climate change risks**. On the one hand are those deriving from the failure to adapt technologically to comply with regulations aimed at reducing polluting gases, by the prices of Greenhouse Gas (GHG) emissions, and by new modes of transport with an impact on the business plan; and on the other hand, it is also worth mentioning extreme weather events that can affect Urbaser's infrastructures, as well as employees while performing their duties outdoors.

Control mechanisms: Mitigation policies and measures

Urbaser, through its Corporate Policy on Quality, Health and Safety, Environment and Energy, is committed to protecting the environment by preventing pollution, contributing to the mitigation of climate change through its energy strategy and by reducing its carbon footprint.

To this end, it has implemented **measures to mitigate** atmospheric emissions and supports the use and generation of clean energy and renewable gas in its business activities, whenever technically and economically feasible. One example of this is that the company was the first to obtain the "Compensa" seal awarded by the Climate Change Office. A seal is awarded in recognition of the mitigation measures put in place to reduce and offset GHGs.

As waste management company, Urbaser's activities that are potentially most polluting for the atmosphere are subject to regular controls, carried out internally by means of self-monitoring at the different emission sources, as well as by means of the adequate maintenance and technical inspection of machinery, generators, air conditioning installations and compressors. In addition, external controls are also carried out by the administration's control bodies, which take the measurements established in the regulations.

In compliance with current legislation, Urbaser carries out **the sealing and degasification of waste landfills** (as the first source of emissions derived from the company's activity), sending the captured biogas for combustion in a flare, in a boiler or in electricity generation engines. Urbaser continuously analyzes possibilities for environmental optimization at its landfills and discusses alternatives with its clients in those cases where they are publicly owned.

Projects are also being developed **to optimise the capture of biogas** in order to minimise the environmental impact caused by its emission into the atmosphere, as it has a global warming potential 28 times greater than CO₂. Although the company advises and makes its technology available to all of its customers to carry out these processes, the decision and the final destination of the captured gas depends on the organisation that has contracted the company's services, with the latter being responsible for managing the climate risk.

With regard to noise pollution, Urbaser has established procedures for taking the measurements, and performing the proper maintenance and technical inspection of mobile equipment in order to minimise any noise pollution that could arise from its activities.

Occupational risk related to the safety and health of employees

Urbaser considers occupational risk to be any risk related to the health and safety of employees at work that may cause injury or illness and that has consequences for the physical or emotional well-being of individuals and their families in the short- or long-term.

Control mechanisms: Mitigation policies and measures

This objective is specified in the **Corporate Policy on Quality, Health and Safety, Environment and Energy**.

The implementation of a Management System guarantees the correct application of **Health and Safety for employees**. In this way, the monitoring of indicators makes it possible to take measures and decisions in cases where improvement or revision is required, as well as to establish staff training measures to improve performance indicators.

ISO 45001 is the first international standard that determines the basic requirements for implementing an Occupational Health and Safety Management System. Urbaser's Health and Safety Management System complies with this standard and its implementation and certification implies the organisation's commitment to go beyond the strictly legal requirements, thus strengthening the principles of protection for all employees.

In 2022, a project was started to develop a corporate tool that will enable risk assessments to be carried out, analysing probability and severity, applicable to the entire organisation and in any country where Urbaser operates.

Sustainable use of resources

This risk could arise from changes in energy regulations that lead to higher costs or depletion of raw materials, making them more expensive and leading to the search for new solutions.

Control mechanisms: Mitigation policies and measures

Urbaser considers the **efficient consumption of energy and the natural resources it uses** to be of paramount importance, as reflected in the Corporate Policy on Quality, Health and Safety, Environment and Energy.

With the aim of improving energy performance and efficiency, as well as strengthening its commitment to the mitigation of climate change, the company has an Energy Management System in some of its centres, for drawing up plans and actions to be taken.

As regards the consumption of water resources, the activities that Urbaser carries out (waste collection and treatment) are not associated with a high water consumption, thus translating into a low risk for the company. As for street cleaning and gardening activities, where water consumption is higher due to street sweeping and garden watering, the company has good practices for the use of recycled water or devices for reducing consumption, among other things.

Related to adaptation to the environment and to sustainable development

This risk may be generated by a lack of adaptation to changes in the legislation of the autonomous communities where the organisation operates, which may favour decentralisation and the promotion of local markets (local suppliers, local materials, local staff, etc.). For this reason, we work to favour the proximity factor, provided that technical and financial solvency and all the requirements set out in the company's policies are guaranteed.

Control mechanisms: Mitigation policies and measures

With a view to contributing to the development of the communities in which it operates, Urbaser has a **Corporate Sustainability Policy**, through which it determines the actions to be taken in order to generate a positive impact on the environments in which it is present, with **its relations with the communities being guided by shared values and respect**.

This **policy** establishes the guidelines and principles for action in this area, ensuring compliance with the current legislation and reflecting ethical commitments. As a result of this policy, corporate procedures and controls have been implemented in order to regulate the approval and monitoring of opportunities for collaborating with public bodies or private organisations in social action projects that may arise within the company.

REPUTATIONAL RISKS

These risks arise as a consequence of a failure to meet stakeholders' expectations of the company. Thus, all the risks analysed above have an impact on the company's reputation, including operational, environmental, social and compliance risks, as well as risks related to ethics and compliance.

In the case of Urbaser, operational risks due to obsolete infrastructures or risks related to ethics and non-compliance by third parties without operational control by the company, as well as cybersecurity risks and those related to biodiversity, are of particular importance. The cultural change of society, in which citizens play a much more conscious role, is also an important factor in the company's reputation.

Of all these factors, the following stand out:

Ethics in the supply chain

Whilst we are aware that it is impossible to exercise absolute control over the actions of the third parties with whom we maintain contractual relationships, Urbaser upholds the objective and underscores that all individuals and companies comply with the same ethical standards and principles, especially those suppliers, agents, consultants and companies that manage outsourced operations.

For this reason, the company has a **Corporate Policy on the Procurement of Goods and Services**, which defines the framework for action and the basic guidelines that must govern purchasing, and which regulates the guidelines for the selection of suppliers. This process includes objectives such as compliance with current legislation, award processes based on criteria of competitiveness and transparency, and the development of relationships of trust and compliance with international agreements.

Urbaser has been working to disseminate its **Suppliers' Code of Ethics**, which extends the company's values and principles to all suppliers, contractors and collaborators. The Suppliers' Code of Ethics helps to strengthen and establish stable and lasting business relationships based on honesty, transparency and trust, avoiding any conduct that could damage the company's reputation and generate adverse consequences for the company or its environment.

Urbaser also has a purchasing management system for registering, standardising and evaluating suppliers, carrying out a complete analysis with the aim of minimising risks under the criteria defined in the Purchasing Policy and Procedures.

By means of this approval and evaluation of suppliers, Urbaser aims to ensure that any third party that supplies goods or services to Urbaser is qualified in accordance with the standards of transparency and business ethics, human and social rights, health and safety, quality, environment and energy.

In order to minimise supply chain risks, Urbaser relies on the Achilles platform to gain in-depth knowledge of its suppliers during the procurement process and to be able to successfully carry out an ESG analysis and monitoring.

Protection of biodiversity

This risk could arise from company operations that may have a significant impact on biodiversity and on the environment in which they are performed. These include possible discharges or spillages that may occur as a result of the execution of works, the operation of plants and landfills or the management of industrial waste, such as oils and waste of MARPOL origin (mainly hydrocarbon waste).

Control mechanisms: Mitigation policies and measures

To mitigate these possible situations, Urbaser has an **Environmental Management System**, which sets out the guidelines to be followed in the event of occasional spills and discharges, for the relevant intentional discharges to obtain the relevant authorisation, for the proper management of the storage of hazardous substances, or for the performance of regular water quality controls, etc.

Sertego, a company belonging to the Group, carries out MARPOL waste treatment activities in different ports in Spain, avoiding

spillages from ships at sea, in accordance with the provisions of the International Convention for the Prevention of Pollution from Ships. In order to prevent any risks of accidental spills, regular maintenance checks are carried out on the equipment, and procedures and controls are put in place to be followed during the performance of these services and, more specifically, at the moment of coupling the MARPOL extraction hose.

With the proper implementation of these controls, the likelihood of a risk of causing contamination of marine ecosystems is low. However, due to the significant impact this would have, contingency measures have been put in place that describe in detail how to act in the event of spills at sea occurring during the provision of the MARPOL service. These controls are set out in Maritime Interior Plans (PIM for their Spanish initials), in accordance with Royal Decree 1695/2012 of 21 December, which approves the National Marine Pollution Response System, approved by the Maritime Authorities of each Port Authority.

In addition, according to the impact studies carried out in many installations, there is an obligation to establish mitigating measures to minimise the risk. In these cases, Urbaser seeks to provide biodiversity-friendly solutions by creating value and going beyond what is purely mandatory.

Human and labour rights

Although these risks have not traditionally been operationally relevant for Urbaser, the emerging requirements being developed by the European Commission and the Spanish government could turn them into a legal compliance risk for the company.

It follows that Urbaser's difficulty to establish adequate due diligence mechanisms along its entire value chain could result in the corresponding legal sanctions.

Control mechanisms: Mitigation policies and measures

True to the commitment made in its Code of Conduct, Urbaser has continued to work on the management of risks related to human rights, implementing corporate controls adapted to the new countries and aimed at reducing the company's exposure to the main threats detected in this regard.

The **Corporate Human Rights Policy** was created to encompass all of Urbaser's commitments, respecting and promoting the internationally recognised standards in this area (especially those that directly affect its business activity and the operations performed by its workers) and was shared with all employees.

Anti-corruption, anti-bribery and anti-money laundering (regulatory compliance risk)

GRI 2-23, GRI 2-26, GRI 205-3

In order to strengthen measures to prevent corruption and bribery, especially in relation to public officials, Urbaser's **Corporate Anti-Corruption Policy** was updated in 2022. This new version includes specific rules on gifts, meals and invitations to third parties, as well as a system of control for charitable contributions and advertising sponsorship.

A **Corporate Third Party Diligence Policy** has also been created. This policy implies that all business partners, intermediaries with the public sector, and Urbaser's most relevant suppliers must undergo a due diligence procedure in which publicly available information about the third party is reviewed, identifying the existence of a history of corruption or money laundering.

As regards Urbaser's customers, in 2022 a **Corporate Money Laundering Prevention Policy** was also drawn up, which establishes a KYC (Know Your Customer) process that the company's relevant customers must undergo.

These three policies describe in detail conduct that may constitute acts of corruption, bribery or money laundering, and they also facilitate the identification of suspicious behaviour, as they include lists of red flags with respect to these offences.

On the other hand, Urbaser has a **Crime Prevention Model** in Chile and Spain, with the aim of mitigating or exempting legal entities of any criminal liability for crimes committed by company employees or managers, in accordance with the country's criminal code. These models mitigate the risks of committing those offences that may give rise to criminal liability for the company, including corruption and money laundering offences.

Furthermore, in France in 2022, the company was working on an anti-corruption programme for the identification, assessment and control of specific corruption risks. Its approval and implementation will take place over the next year.

During 2022, no confirmed corruption cases were received through the ethical channel.

Ethics and compliance training

In 2022, Urbaser's Compliance area provided specific training on the **Code of Conduct and the Corporate Anti-Corruption Policy** to 1,053 managers and employees in Spain, Chile, Argentina, France, United Kingdom, Oman and Bahrain. In the first half of 2023, this training is expected to continue in the rest of the countries where Urbaser is present.

In total, 6,448 people have received training in ethics and compliance.

100% of the members of the Urbaser Management Committee (7 people) have been informed and trained on the Code of Conduct and the Corporate Anti-Corruption Policy.

Finally, more than 12,600 people have been informed about the existence of the **Code of Conduct and/or the Anti-Corruption Policy** and formalized in writing its acceptance:

Ethics and compliance training and information²

Country	No. of people informed	% of employees informed	No. of people trained	% of employees trained
Argentina	732	22%	833	25%
Chile	3,079	67%	73	2%
Colombia	1,679	86%	1,355	69%
Bahrain	-	-	210	15%
Oman	-	-	812	237%
Denmark	345	55%	776	125%
Spain	5,090	23%	1,059	5%
United States	2	7%	-	-
Finland	-	-	108	39%
Sweden	18	5%	236	67%
Norway	-	-	145	38%
France	-	-	122	9%
United Kingdom	-	-	454	35%
India	1,415	13%	165	2%
Italy	-	-	0	-
Jordan	-	-	100	25%
Morocco	-	-	-	-
Mexico	243	96%	-	-
Poland	-	-	-	-

The breakdown by professional category of the training provided on the Code of Conduct and Corporate Anti-Corruption Policy (only available for Urbaser Spain) is as follows: 61 directors, 192 middle managers, 463 technical, 87 administrative and 7 operational managers.

Performance in 2022

In addition to the aforementioned risks, Urbaser has detected other risks inherent to the activity, which have a low probability of occurrence or a very limited impact thanks to the controls put in place, and are therefore currently classified as "low risk" for Urbaser:

- Circular economy and waste prevention and management
- Social relations
- Universal accessibility for people with disabilities.
- Publichealth
- Equality
- Respect for human rights
- Shortage of staff with adequate technical skills

Following the exit of the Socamex company, Urbaser's public health risk has been reduced and is not significant for the content of this report.

² Trained persons are considered to be those who have attended or completed a course, with a specific structure and duration (on-site or online). Meanwhile, informed persons refer to those who have been informed of the existence of the Code of Conduct and Anti-Corruption Policy and have formalized their acceptance in writing (normally this is done with new recruits).

3.2 Human rights: a pillar of our corporate ethos

GRI 406-1, GRI 2-23, GRI 406-1, GRI 407-1, GRI 408-1, GRI 409-1, GRI 2-23, GRI 2-26

Urbaser is aware of the responsibility of companies to defend human rights in the workplace, not only in its business but also in their entire activity chain. In this respect, it undertakes to respect the human rights recognised in the Declaration on Fundamental Principles and Rights at Work and Conventions of the International Labour Organisation, the United Nations Universal Declaration of Human Rights and the Principles of the United Nations Global Compact. It rejects any form of abuse or violation of human rights among its employees, and in all its business partners and subsidiaries, and upholds the fulfilment and protection of these rights in all of its activities and the geographical areas where it is present. Thus, respect for human rights is an essential pillar in the various operations of all the countries in which it is present.

In particular, Urbaser requires its main suppliers and contractors to respect internationally recognised human rights throughout its supply chain, adopting the measures strictly necessary for doing so, as established both in the Suppliers' Code of Ethics of the Company and in its Let's Change Strategic Sustainability Plan.

In this regard, Urbaser selects appropriate and legitimate Third Parties according to social criteria, reasonably ensuring that they have no inappropriate or suspicious connections or shareholdings and are not likely to be involved in inappropriate, unethical, corrupt or illegal activities. To this end, Urbaser performs a reasonable and risk-based due diligence on the most relevant Third Parties.

Urbaser intends that the people and companies related to it, especially its main customers, partners, suppliers, agents, consultants and subcontractors, comply with the same ethical standards and principles related to its Policies. Furthermore, in order to ensure that the third parties (business partners, subsidiaries, employees, etc.) related to Urbaser comply with the same ethical standards and principles, the company informs critical third parties of the provisions of the Policies applicable to them.

The organisation's commitment to human rights is set out in its Code of Conduct, as well as in its Sustainability, Equality and Diversity and Human Rights Policies, all approved by the Chief Executive Officer.

In 2022, Urbaser modified the **Corporate Human Rights Policy** by extending its scope of application to all persons and companies related to Urbaser, including customers, partners, suppliers, agents, consultants and subcontracted companies, so that they comply with the same ethical standards and principles contained therein. It is also committed to ensuring respect for human rights in the communities in which it operates, respecting local laws, culture and customs, engaging in open dialogue with stakeholders and paying particular attention to the most vulnerable groups. The Company recognises the culture and historical value of indigenous people and acknowledges their specific rights in the regions and countries in which it operates.



In this regard, the company takes into account the Directive on due diligence in the area of human rights and the environment that the EU member states gave the green light to in December 22, and which contemplates, among other obligations, the setting up of monitoring mechanisms to avoid breaches of human rights in the chain of activity of the company and its subsidiaries.

Urbaser promotes respect for these human rights and the right to collective bargaining, as well as preventing any form of forced labour or child labour among its contractors and suppliers through the dissemination of its Code of Conduct for Suppliers, the Good Practice Handbook for Sustainable Procurement or the ESG supplier approval process.

To ensure that the company's human rights commitments are respected and that there is no discrimination of any kind, the company has set up control mechanisms and a six-monthly self-assessment procedure for Urbaser's subsidiaries, which is supervised by the Internal Audit Area. It also performed controls to assure compliance with the human rights standards that ensure the well-being of migrant workers in the services provided by the company. Furthermore, although there are some countries that are not signatories to international conventions of the ILO (International Labour Organisation), Urbaser is committed to respecting the human rights of people belonging to the most vulnerable groups in its activities in these countries, regardless of where they are located.

In this regard, and despite not having detected any potential risk related to child labour, international guidelines on the age of recruitment were established three years ago and specific control measures applicable to all countries were drawn up.

In line with its commitment to Human Rights, Urbaser is governed by its **Corporate Policy on Equality and Diversity** to achieve a working environment based on equal treatment and opportunities between men and women and to promote inclusion and diversity in the workforce, fostering working environments of understanding and acceptance, in which all people are respected and where there is zero tolerance for any type of discrimination.

In addition, all new contracts with partners include clauses to ensure that these stakeholders respect our Corporate Human Rights Policy.

In order to promote awareness and responsibility among its employees, and in keeping with one of Urbaser's main commitments within Let's Change 2025, the company provided specific training on human rights management for different job positions in 2022 in all the countries in which it operates.

The company provides its stakeholders with a communication and complaint channel to collect, identify and respond to human rights violations. This channel is governed by the Ethical Channel Corporate Policy and is accountable, confidential, offers adequate protection against retaliation and is transparent.

All employees, customers, suppliers, partners and members of the communities in which we operate can use the Urbaser ethical channel available on our website www.urbaser.com to send notifications related to non-compliance with the principles set out in the Code of Conduct. During 2022, no communications related to violations of human rights were received through the ethical channel or other formal grievance mechanisms.

Urbaser monitors and corrects any abuses of human rights, and reports regularly to the Board of Directors, via the Audit Committee, on the communications received and the resolution thereof.












4. 360° innovation to make the circular economy a reality

4.1 Green Innovation Management

GRI 3-3

Urbaser's ability to systematically innovate, by developing and applying innovative solutions focused on the efficiency and improvement of processes, generates added value for all its stakeholders. In line with this commitment, Urbaser has a sustainable innovation model, structured through its **Technological Innovation Master Plan 2019-2023**, which includes the main lines of research related to the circular economy, smart cities and the culture of innovation.

 Strategic lines of innovation	
<p>Line 1</p>  <p>Processes for waste treatment under the concept of the circular economy</p>	<ul style="list-style-type: none">  URBIOFIN Demonstration of an innovative integrated biorefinery for the transformation of municipal solid waste into new bio-based products  CIRCULAR BIOCARBON Converting carbon from complex municipal organic waste streams into value-added products  ICAREPLAST Integrated catalytic recycling of plastic waste into chemical products  SEALIVE Circular economy strategies and advanced bio-based solutions to keep our lands and seas alive from plastics contamination  VRADESPIR Recovery of bitumen from distillation in the regeneration of waste oils by pyrolysis  PLASTICE Demonstration of the feasibility of sustainable routes for the recovery of plastic and textile waste  CEUS Circular economy for the recovery of municipal plastic waste  NICER BIOFUELS Steps towards the circular economy: bio-waste recycling to obtain heavy transport fuels
<p>Line 2</p>  <p>Solutions for sustainable mobility in urban services</p>	<p> Sustainable mobility</p> <p>Development and implementation of sustainable mobility solutions through electric propulsion, CNG, LPG or hybrid vehicles as an alternative to those powered by polluting fossil fuels</p>
<p>Line 3</p>  <p>Technologies to reduce environmental impacts</p>	<ul style="list-style-type: none">  Renewable energies in Colombia's environmental parks Photovoltaic lighting in three Colombian environmental parks  INCINOVA20 Study of new designs and alternatives to obtain systems capable of optimising the waste incineration process
<p>Line 4</p>  <p>Innovative solutions for the management of urban spaces</p>	<p> SIRECON</p> <p>Design and development of a system based on artificial intelligence for the automatic detection of waste bins</p>

In particular, for waste treatment, Urbaser continued its research activity in 2022 in accordance with the priorities set out in the plan, both in the area of the organic fraction of municipal waste for the development of a biorefinery, and in the line of research into thermochemical processes, the main objective of which is to transform plastic waste from the residual fraction into value-added by-products for the petrochemical industry.

In 2022, the company also succeeded in adapting the **R&D&I Management System** certificate (available in Spain) to the new version of the UNE 166002:2021 standard. This management system provides the guidelines necessary for an efficient organisation and management of R&D&I, and continuous improvement in order to develop innovative actions. Another key element of the innovation model is the **Corporate Technical Project Monitoring Committee**. Composed of the technical and operational departments of the different business areas, its objective is to disseminate the project portfolio, foster a culture of open collaboration, and generate high quality knowledge to be applied in R&D&I projects.

Based on the four strategic lines that form the backbone of the plan as a roadmap, in 2022 progress was made in different innovation projects, with a special focus on actions aimed at transforming waste into resources, fully representing the circular economy.

Innovation management in the company not only cuts across all business areas, but is also participatory, as it encourages collaboration among employees, public administrations, scientific organisations, and citizens. We are all united in the search for joint solutions.

The quality of R&D&I at Urbaser continues to be reflected, among others, in the financial support from the European Commission for the development of projects through aid programmes such as Horizon Europe. In 2022, investment in innovation reached €8.45 million, with 36 innovation actions under development, structured along 4 strategic lines.

In addition to first-class facilities and technological equipment, the organisation has a highly qualified multidisciplinary team and promotes a culture of innovation among all of them. In this way, along with the experts dedicated exclusively to research activities, technicians and operators from other areas also spend part of their working day carrying out these activities. In 2022, the Urbaser team spent an average of 40,000 hours developing innovation projects.

L1. Processes for waste treatment under the concept of the circular economy

GRI 3-3

URBIOFIN - Europe. Business Areas Municipal Waste Treatment / Horizon 2020 Programme

This project, co-funded by the European Commission via the H2020 Programme, seeks the most innovative and profitable, as well as environmentally sustainable processes that are aligned with the circular economy, in other words, aimed at generating products with a higher value in their second life in order to reduce the amount of waste deposited in landfills.

The aim of the Urbiofin project is to demonstrate the technical and economic feasibility of the **urban biorefinery** concept, in which organic waste is not seen as waste, but as a raw material that can be transformed into a variety of usable products: new materials, additives, essential components for the chemical industry, biomaterials, etc.

The biorefinery, installed at the "Alfonso Maíllo" Innovation Centre (CiAM), has a two-stage anaerobic digestion system with a 100 m³ hydrolytic digester to produce volatile fatty acids and a 60 m³ methanogenic digester to produce biogas and digestate (to obtain solid fertilisers). The biogas line has an anoxic biofilter system for the elimination of hydrogen sulphide and a 286 m² photobioreactor in which, based on a symbiotic process of microalgae and bacteria, the biogas is converted into biomethane, reaching a purity of 95% methane.

CIRCULAR BIOCARBON - Europe. Business Area Urban Waste Treatment / Horizon 2020 Programme

The Circular Biocarbon biorefinery is a project that transcends traditional waste treatment processes to convert biowaste produced in the city into valuable sources of building blocks and intermediate products. The aim is to obtain high added-value end products from environmentally-friendly bio-based materials, sustainable local raw materials and circular production processes. With the participation of eleven partners from five European countries, this initiative is aligned with the European Union's commitment to promote the circular economy and achievement the 12 SDGs.

In 2022, samples of urban organic waste and sludge were taken for characterisation, with the aim of advancing in the drafting of the basic project for the biorefinery and moving on to the construction project phase as soon as possible. In 2023, construction of the lines planned in Spain will begin at the "Alfonso Maíllo" Innovation Centre and the Zaragoza Urban Waste Treatment Complex (CTRUZ), operated by Urbaser.

This project is intended to lay the foundations for demonstrating, at a commercial level, the viability of a biorefinery from which municipal organic waste will be used and recovered to obtain high quality products and the demonstration of **a new waste treatment model for cities**.

SEALIVE - Spain. Business Area Urban waste treatment / Horizon 2020 Programme

SEALIVE is an innovative action project funded by Horizon 2020, granted €10.26 million from the European Union, which aims to reduce plastic waste and pollution on land and sea, through the use of biomaterials and the promotion of the circular economy.

Decoupling plastic production from fossil raw materials and creating a circular economy for plastics are essential to achieving the EU's climate, energy and sustainability goals. Approximately 12 million tonnes of plastic waste ends up in our oceans and pollutes our land every year.

Although there has been a recent shift towards the use of bio-based plastics, these materials have limitations and are not easy to recycle with the current technologies. SEALIVE addresses all these challenges with the vision of reducing plastic waste and pollution on land and sea by promoting the use of biomaterials and contributing to the circular economy with unified bioplastics strategies.

VRADESPIR - Spain. Business Area Industrial waste treatment / CDTI R&D Projects

The VRADESPIR project, co-funded by the Centre for the Development of Industrial Technology (CDTI), ended in 2022. Its objective is characterised by the innovation of processes for waste treatment under the circular economy concept, responding to the need to reduce the asphalt waste produced in the regeneration of lubricating oils and to give a new use to this type of waste.

The project is focused on reducing the environmental impact derived from the management of asphalt waste from used oil regeneration plants, through its reuse as hydrocarbons and other by-products in other production systems and, therefore, reducing the demand for natural resources.



SUCCESS STORIES

PLASTICE Project

In 2022 Urbaser started its participation in the European project PLASTICE, funded by the Horizon programme together with 23 European partners.

The main objective of the project is to demonstrate the feasibility of sustainable routes for the recovery of plastic and textile waste. Specifically, Urbaser will carry out industrial tests in the pilot plant located in the Zaragoza innovation centre to obtain pyrolysis liquids, which will subsequently be transformed into new plastic materials.

To this end, three different plastic recovery routes will be developed and implemented in real demonstration sites, covering different types of post-consumer waste mixtures, and obtaining sustainable raw materials for the subsequent production of new plastics and other high added-value products of industrial interest.

- Route 1: microwave-assisted pyrolysis + hydrothermal liquefaction: this process is more efficient compared to conventional pyrolysis, as energy will be provided and therefore the energy consumption of the process will be optimised, achieving a fully renewable approach
- Route 2: gasification + syngas conversion
- Route 3: enzymatic hydrolysis and fermentation

Recycling of lithium batteries from electric vehicles: Spain and Portugal

In 2022, Sertego (Urbaser), in collaboration with Endesa, created the company Novolitio, which plans to build and develop the activity of the first electric vehicle battery recycling plant on the Iberian Peninsula. The new facility, for the construction of which 14 million euros are planned to be invested, responds to the current need for a circular economy solution for the recovery and recycling of lithium battery components for electric vehicles, and constitutes a firm commitment to sustainable development and environmental protection.

Novolitio would be responsible for managing the collection of electric batteries in Spain and Portugal, storing them and transporting them to Cubillos del Sil, for their subsequent treatment in the new facilities where those batteries that cannot be reused will be electrically discharged, dismantled and subjected to a separation and shredding process that will allow the materials present to be recycled. The proposed plant will allow the reuse, recycling and recovery of 90% of the managed batteries.

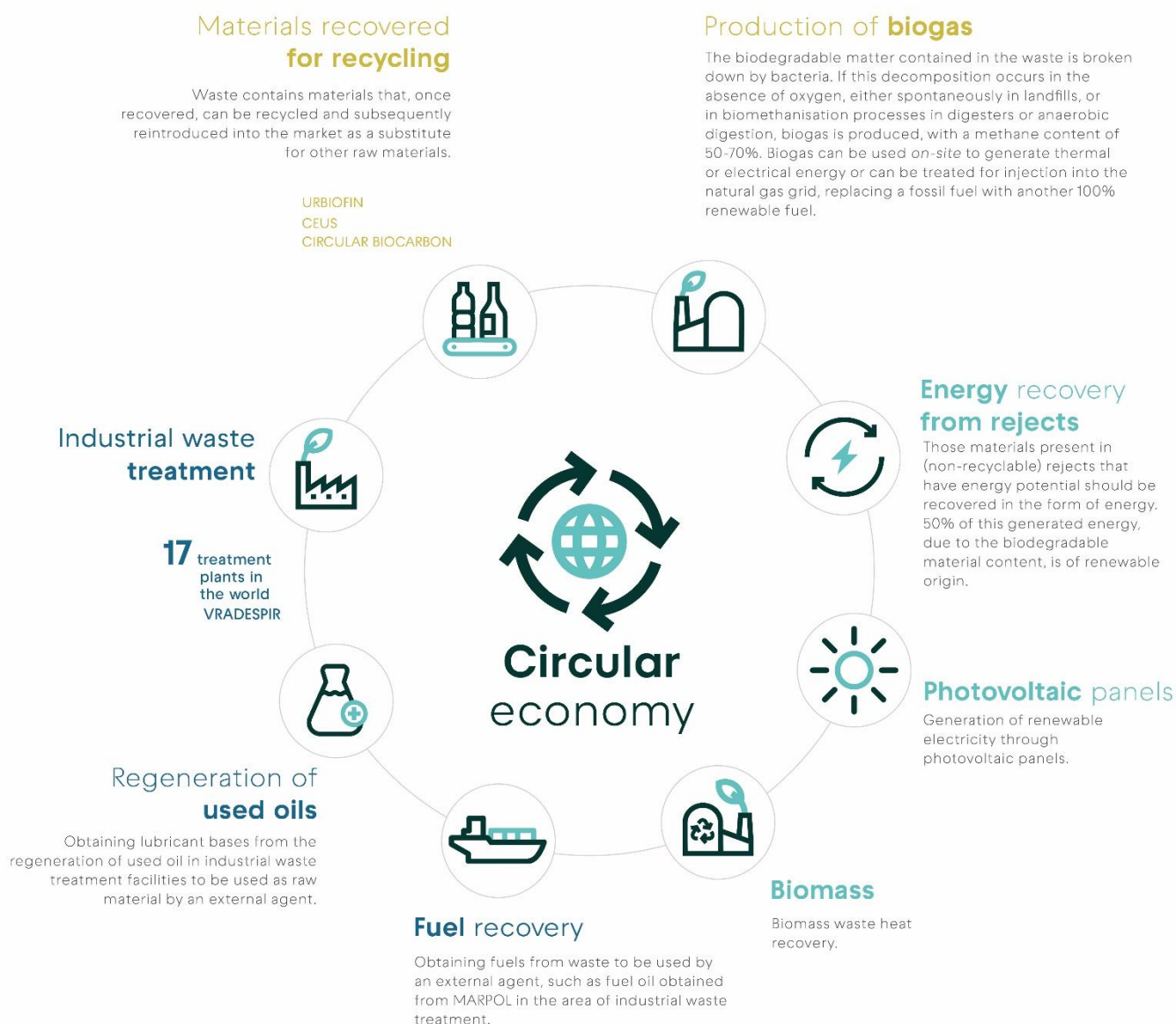
CLOSING THE CIRCLE: URBASER INNOVATION

GRI 3-3, GRI 306-1, GRI 306-2

The circular economy is the backbone of Urbaser's sustainable development and acts as a catalyst for its culture of innovation. This concept is integrated into the company's different business areas, resulting in solutions that contribute to the energy transition and climate action.

Aware of this reality, Urbaser invests significant resources to lead this transformation and reaffirm its position as a benchmark company in the design, financing, construction and management of facilities dedicated to the treatment, recovery of waste and energy efficiency during the processes:

- 74.66% of the investment in innovation in 2022 was allocated to R&D&I geared towards the circular economy.
- In Spain, Urbaser is part of the Pact for a Circular Economy promoted by the Spanish Government, with the aim of contributing to the fulfilment of the objectives established by the European Union in this area.



CiAM: at the forefront of innovation

the innovation model is the "Alfonso Maillo" Waste Technology Innovation Centre (CIAM), located in Spain. With a surface area of 5,000 m², semi-industrial scale equipment and pioneering facilities, R&D&I projects are deployed in this centre in order to test and validate their technical and economic viability.




In the development of new techniques for waste treatment are several factors that complicate the processes, including the heterogeneity of the waste itself, its seasonality (variations in type and quantities) or the need to have large quantities of waste so that the effectiveness of a particular process can be evaluated. CIAM responds to this need by researching new models of integrated and sustainable waste management to minimise rejects and add value to by-products.

Its multidisciplinary team of researchers, its facilities equipped with cutting-edge technologies and the availability of large-scale waste, convert CIAM into an opportunity for clients, administrations or research centres to develop projects with sustainable investments.

This collaborative model thus provides technically and economically viable results, as well as being an example of good practice in attracting European R&D&I funding.

Urbaser also assumes its role as a strategic player in driving the energy transition and the fight against climate change. It therefore actively participates in various working groups related to renewable energy and waste and performs outreach work on these issues through the various forums and associations to which it belongs, such as: The Association of Public Cleaning and Urban Environmental Care Companies (ASELIP), the Association of Renewable Energy Companies (APPA), the Spanish Biomass Platform (BIOPLAT) or the Forum of Waste-to-Energy Generators (fGER).

Tests at CIAM

	Thermal processes (biofuels, CSR, energy recovery, etc.)
	Biological processes (biorefineries, anaerobic digestion, composting, odour treatment, leachate treatment, etc.)
	Physico-chemical analysis

L2. Solutions for sustainable mobility in urban services

SUSTAINABLE MOBILITY - Europe. Business area Urban Services / Own financing

This line includes the performance of innovative actions to develop 100% sustainable mobility solutions in urban services, through the implementation of alternative propulsion vehicles to replace those powered by fuels. This will help to improve the environmental quality of cities and to advance in the commitment to attaining carbon neutral cities by 2030.

In 2022, Urbaser focused its efforts on developing large tonnage electric vehicles (18 Tn and 26 Tn) for the provision of urban municipal waste collection and transport services.

The company is also collaborating in the development and demonstration of < 3,500 Kg vehicles powered by 100% Autogas or BioAutogas engines with EURO VI liquid injection for use in street cleaning activities, especially in low-emission areas where it intends to reduce suspended particulate matter and NOx levels by more than 90%, as well as to achieve noise levels below 50% compared to those emitted by diesel vehicles.

L3. Technologies to reduce environmental impacts

Renewable Energy Lighting in Colombia's Environmental Parks

In order to reduce environmental impact, in 2022 Urbaser launched several projects for the transformation and efficient use of energy resources in environmental parks, aimed at migrating to photovoltaic energy in access roads, common areas and green areas:

- **Andalucía environmental park:** located in the municipality of Montenegro, Quindío, progress was made on the solar lighting project, which consisted of replacing 100% of the electricity network in access roads, common areas and green areas of the environmental park with solar-powered lamps. 51 solar-powered LED lamps were installed.
- **Los Picachos environmental park:** located in the municipality of Popayán, Cauca, 100% of the electricity network in access roads, common areas and green areas of the environmental park was replaced with solar-powered lamps. 32 solar-powered LED lamps were installed.
- **Pirgua Ecological Park:** located in Tunja, installation of 26 panels that operate in the park, with an autonomous generation of 8 days and an electrical capacity of 3KVA.

INCINOVA20

The main objective of the project is the study of new designs and alternatives to obtain highly efficient systems made up of technologically advanced equipment capable of optimising the waste incineration process. For this purpose, an analysis was carried out for each of the Best Available Techniques (BAT) indicated in Commission Implementing Decision (EU) 2019/2010 for waste incineration, in order to find new solutions. Based on the lines of improvement identified, each point where it is necessary to optimise the process has been studied, as well as the operation of the equipment and the current limitations of the plant itself, specifying the technical characteristics and requirements that the following equipment must have:

- The water cooling hopper
- Thermographic control in the furnace-boiler
- Baghouse leak detection system

Finally, new equipment has been designed and implemented to optimise the combustion processes and subsequent gas treatment at the TIRME energy recovery plant.

L4. Innovative solutions for the management of urban spaces

SIRECON - Spain. Urban Services Business Area / Own Financing

Focused on improving the efficiency of the service that Urbaser offers to its customers, this project sought to design and develop a system, based on artificial intelligence, for the automatic detection of waste bins.

The system was envisioned as a software application that reads and processes all of the images as a sequence of photos and, using models learned about the bins present in the sequence, returns a subset of images smaller than the total number of images in the original sequence.



SUCCESS STORIES

Innomad Innovaciones street cleaning (Madrid, Spain)

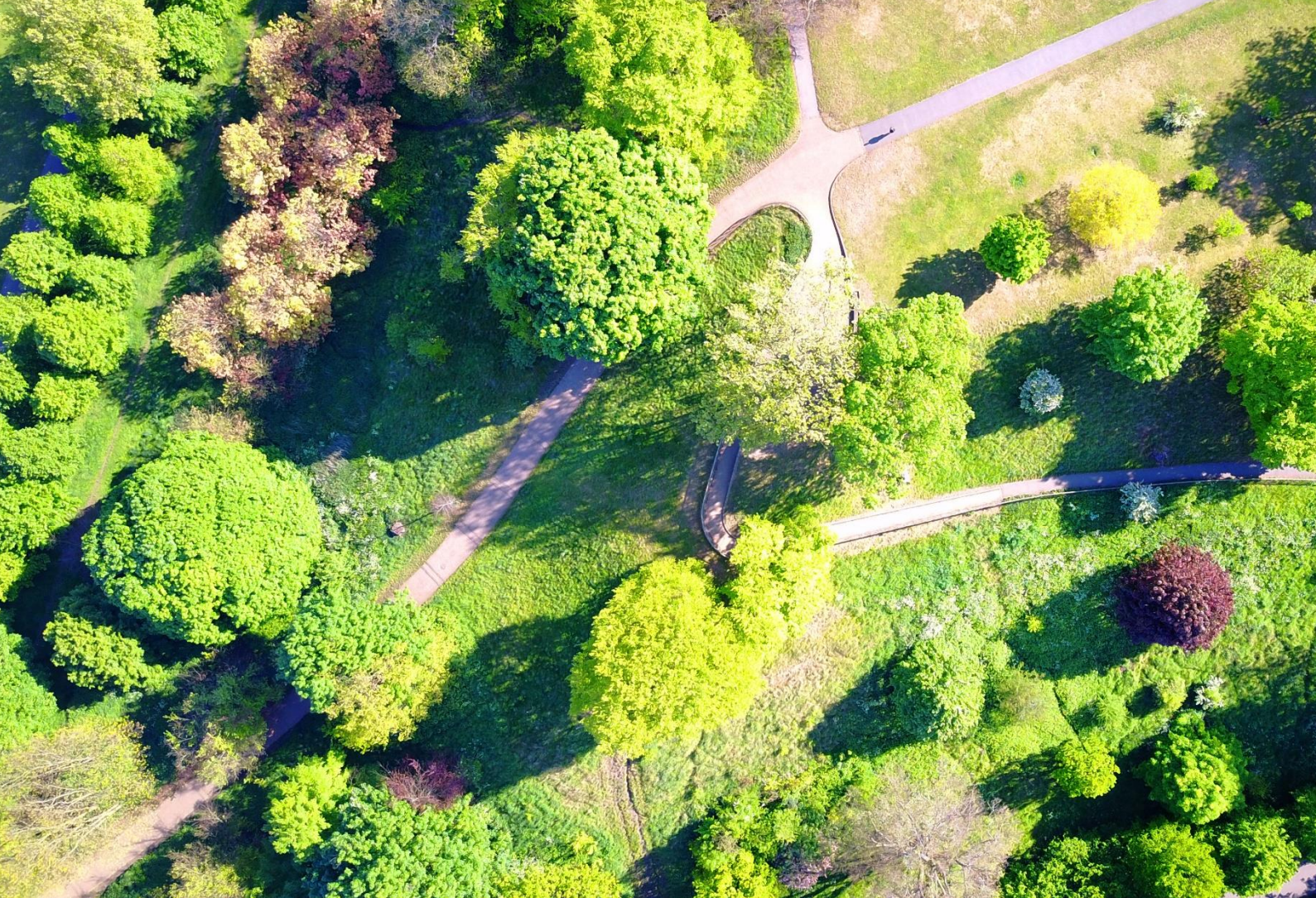
Development of different innovative solutions for the public spaces cleaning service in Madrid. Among the three solutions developed is a new design of street sweeper vehicle that includes changes that make it easier to manoeuvre and adapt to the current needs of the operator and, in general, of the cleaning service.

This new street sweeper vehicle for Madrid received a BID22 award. It has electric technology that makes it easier to drive, it is versatile, and is suitable for different functions, such as sweeping, spray-washing, disinfection and snow ploughing, among others. Its modular design allows it to be disassembled in a few minutes at the cleaning stations and adapted to the use required on that day.

Eco-centric initiative to reduce emissions: Chennai, India

In 2022, Urbaser deployed 3,000 electric vehicles for door-to-door selective collection, covering seven areas that house 92 districts, the largest operation of its kind due to the high number of non-polluting vehicles.

It is estimated that this initiative will prevent 35 tonnes of carbon emissions over a five-year period.



5. The environment, at the heart of the operations

5.1. Integrated Management System

GRI 2-23, GRI 2-24

Urbaser has an environmental strategy in line with its commitment to its stakeholders. This strategy has an internal perspective of efficiency in the management of the company's direct impacts; and an external dimension focused on the search for solutions that integrate sustainable innovation as the backbone of all operations, in order to contribute to reducing the external impacts related to the different business areas: Urban services, urban and industrial waste treatment, and other community service activities.

Integrated Management* System



- 61.19% of sales covered by ISO 14001 Certification or other environmental certification (67.5% in 2021)
- 3 internal audits related to the Energy Management System (3 in 2021)
- 0 energy audits (19 in 2021)
- 237 sites internally audited in environment (203 in 2021)
- 213 sites externally audited in environment (173 in 2021)
- 28 environmental complaints received and duly resolved (35 in 2021)
- 233 centres externally audited and 269 centres internally audited on quality

This new model makes it possible to:



* During the first quarter of 2022, a corporate tool for reporting environmental incidents and final sanctions was designed and implemented. Significant non-conformities are those that entail a firm sanction by the competent administration, which are notified to us by the latter, and the service proceeds to communicate them to the corporate area of CAPMA (Quality, Prevention and Environment) through the corporate app set up for this purpose. During 2022, 16 environmental sanctions were recorded, amounting to €11,000 (in 2021, 12 environmental sanctions were recorded).

**The coverage of each ISO is based on different parameters: total number of employees in the case of ISO 45001, and turnover in the case of ISO 14001 and ISO 9001.



Management of environmental impacts according to the activity

Climate change

- Carbon footprint and air emissions mitigation measures
- Energy efficiency and the generation of clean energy and renewable gas in business activities
- Regular self-checks at the different emission sources, and maintenance and technical inspection of the machinery, generators, air conditioning installations and compressors.
- Sealing and degassing of waste landfills, sending the captured biogas for combustion in flares, boilers or power generation engines.
- Projects for optimising biogas collection available to all its customers.

Ecosystem pollution: biodiversity

- Impact studies in installations, mitigation measures and biodiversity-friendly solutions.
- Use of advanced systems of efficient and high-performance applied environmental technologies that reduce emissions of particulate matter harmful to ecosystems.
- Guidelines to be followed in case of occasional discharges and spillages, in the storage of hazardous substances or regular water quality controls, etc.
- Regular reviews of equipment maintenance, procedures and controls for treatment of waste of MARPOL origin.
- Contingency measures in case of MARPOL spills at sea, contained in Inland Maritime Plans (PIM).

Sustainable use of resources

- Energy Management System for devising plans to improve energy performance and efficiency
- Good practices in the use of recycled water and water-saving devices for street cleaning and gardening activities
- Good practices related to the proper maintenance of the company's assets, such as vehicles or tyres, in order to extend their useful life, thus reducing the consumption of resources related to the same.

Noise pollution

Procedures for the measurement, maintenance and technical inspection of mobile equipment in order to reduce the noise pollution arising from their activities as much as possible.



Management of social impacts according to the activity

Employee health and safety

- Organisational procedure for communicating about health and safety matters, with channels through which workers are informed and their concerns and needs regarding these issues are channelled, facilitating prevention and care work.
- Implementation of the ISO 45001 Standard, with the basic requirements that must be included in an Occupational Health and Safety Management System, its implementation, and certification of a goal that goes beyond what is strictly established by the laws of each country.
- Corporate Management Handbook listing all the basic procedures for action in health and safety matters to be developed by corporate management and applicable to all countries, or by the country or company management.
- International Risk Assessment Project: for the preparation of risk assessments by specialised personnel at any Urbaser work centre.

Urbaser's environmental management model is based on the principles of improving environmental performance, and establishes a common framework of action to coordinate the management system. Through the company's environmental management system, potential negative impacts relating to carbon emissions and other harmful gases, waste, discharges, resource consumption, as well as the impact of light and noise, are identified, assessed and minimised.

This search for solutions is the backbone of the **Corporate Policy on Quality, Health and Safety, Environment and Energy**, which sets out a series of principles to ensure maximum quality in the provision of services and guarantee customer satisfaction, as well as environmental protection, pollution prevention, respect for the value of natural resources and the conservation of biodiversity.

In 2022, the company approved an **Integrated Management System** for its progressive global implementation in the company's different subsidiaries in the countries where the organisation operates, explaining its structure and operation, and the adaptation and implementation period required to comply with the established commitments. This **Integrated Quality, Health and Safety, Environment and Energy Management System** assures the monitoring of objectives and continuous improvement in accordance with standards ISO 9001 (coverage 57.3%; 59.60% in 2021), ISO 14001 (coverage 61.19%; 62.19% in 2021³), ISO 45001 (coverage 49.03%; 40.3% in 2021)⁴. The rest of the centres not included in this system have their own systems, applying the common framework of action established by the company. Likewise, the Energy Management System, in accordance with the ISO 50001 standard, helps to improve energy performance, increasing efficiency and reducing the environmental impacts that may derive from the activity in those facilities in which it is implemented.

As part of the implementation of this new Integrated Management System, work started in 2022 on the development of environmental and health and safety training, which will be disseminated to all of the organisation's employees in 2023. Work has also begun on the design of the new internal environmental and health and safety awareness campaigns for workers, to be disseminated during 2023. In environmental matters, the aim is to reinforce awareness-raising around ESG aspects, focusing on the points of greatest environmental risk by business area and on the importance of acting with environmental responsibility in decision-making and in the day-to-day running of Urbaser's facilities and offices. External awareness-raising campaigns aligned with the company's environmental objectives are also to be launched.

The Integrated Management System also has a universal organisational procedure for health and safety communications. Although Urbaser has different communication channels, this procedure acts as a specific channel for channelling communications related to the health and safety system.

The responsibility for properly managing communications and establishing channels for participation and consultation rests with the OHS Officers in each country or company and ultimately with the Head of each of the operating projects.

ENVIRONMENTAL PROVISIONS AND GUARANTEES

GRI 3-3

Urbaser has contracted an environmental liability insurance programme, issued in accordance with Law 11/2014 (26/2007), European Union Directive 2004/35/EC and current environmental regulations. Its geographical scope of warranty extends and is limited to liability for bodily injury, property damage, emissions, nuisance or obstruction, damage to the environment and consequential and/or direct damages occurring at all of Urbaser's subsidiaries worldwide.

This insurance programme covers all activities carried out by the companies in accordance with the information contained in the annual report and/or in the corporate purpose (articles of association) of these companies and/or the supplementary information provided, as well as all new activities that are subsequently incorporated during a given year (under the coverage).

These activities fall under integrated waste management (collection, treatment, recovery and/or disposal in landfill, of urban, household and industrial waste, operation of treatment and disposal plants, etc.) and the promotion and operation of all types of services (cleaning and repair of buildings and integrated maintenance of facilities and buildings, urban furniture, management of the water cycle, design, conservation and maintenance of parks and gardens, preservation of natural resources, etc.), among many other areas.

The indemnity/compensation limits for each of the two layers of the insurance programme are €35,000,000 and €25,000,000 (in excess of €35,000,000), respectively.

The amount of Urbaser's environmental provisions at 31 December 2022 was €80.16 million (in 2021, €76.48 million).

³ Data modified due to an internal review of the information.

⁴ The decrease in ISO coverage is due to changes in the reporting perimeter of the company's non-financial information and asset sales.

5.2 Managing our environmental impact

5.2.1 Pollution

GRI 3-3, GRI 305-7

AIR POLLUTION

In order to guarantee compliance with the law on emissions and minimise the negative impact of its activity on the environment, Urbaser counts the significant pollutant emissions generated at its facilities that affect air quality, in order to monitor them and assess the development of new alternative solutions.

Other significant emissions

In tonnes	2022	2021
NOx	1,568.25	1,963.79
SOx	271.58	384.03
Particles	145.35	179.76
Other gases	2,602.48	2,770.44

In addition, among other ozone-depleting emissions, the following were emitted in 2022 43.39 tonnes of HFCs (hydrofluorocarbons).

NOISE AND LIGHT POLLUTION

Urbaser has environmental management systems in place, certified under the ISO 14001 standard, which ensure that the levels of the current regulation regarding noise and light pollution are not exceeded, and which help to prevent and improve the management of the company's environmental impacts, risks and opportunities.

Within the documentation of the Environmental Management System is a procedure to identify potential noise-pollution activities and, taking into account the existing legislation in each locality, the need to control noise emissions is established.

Due to the nature of some of its activities, which require Integrated Environmental Authorisations to be obtained, the minimum distance that must be kept from urban centres in order to avoid any type of noise and light pollution is established in the processing of these authorisations. Urbaser complies with all these legal requirements, at state, regional and local level.

In those activities with a significant noise impact or where the corresponding licences or authorisations so stipulate, noise measurements representative of the activity are carried out during the time slots in which this activity takes place.

On the other hand, operational control over the mobile machinery used is ensured by a good maintenance of the engine, transmission, bodywork and other elements that can cause noise.

5.2.2. Sustainable use of resources

GRI 303-1, GRI 3-3

Total water consumption

Given the nature of Urbaser, its activities are not particularly intensive in the consumption of natural resources, apart from water. However, the company guarantees the **control and measurement of resource consumption** in order to optimise its uses as much as possible.

To control water consumption, a series of general guidelines exist that must be complied with, ranging from individual rules of conduct (turning off taps and hydrants when they are not being used) to control mechanisms (installation of flow limiting devices and other water-saving systems in the facilities), as well as the use of rainwater.

In m ³	2022*	2021
Groundwater or well water	2,715,828.79	2,174,444.61
Mains water	7,552,928.22	4,448,661.47
Rainwater	171,813.55	230,261.00
Water from sewage treatment plant	444,004.00	243,271.64
Demineralised water	4,948	5,513.00
Total consumption	10,889,522.55	7,102,151.72
Of which water reused in service or plant	263,657.35	341,481.09

The increase in water consumption with respect to the 2021 data is mainly due to the improvement of the information reported in 2022, so the data comparability is limited.

In 2022, 2% of the total water consumed was reused, 3 percentage points less than in 2021. Reused water is the sum of rainwater and water consumed from wastewater treatment plants managed by Urbaser. The consumption of rainwater in 2022 has decreased with respect to 2021 mainly due to two reasons:

- Rainwater comes directly from water captured from rain and in 2022, a lower amount has been captured, a fact attributable to lower rainfall in the areas where the contracts in which the company operates are located.
- As for water from wastewater treatment plants, it should be noted that the lower collection is due to the sale of the company SOCAMEX by Urbaser, which affects its comparability.

Total water discharges

Urbaser needs to collect and discharge water to carry out certain activities:

1. Waste treatment in plants
2. Supply of drinking water through drinking water treatment plants (DWTP), in wastewater treatment plants (WWTP)
3. Execution of works

For this reason, both the company and the environmental administration establish **preventive measures** to minimise possible effects on species that may be found in the river ecosystems. Such measures include respect for the environmental flow regime and other technical requirements established by the administration itself.

In m ³	2022*	2021
Wastewater generated in operations	2,350,635.09	531,347.82
Water content of landfill waste	1,018,845.97	988,978.6
Total discharge	3,369,481.06	1,520,326.45

The increase in wastewater discharges compared to 2021 is mainly due to improved reporting in 2022 and the increase in the scope of reported information, so the data comparability is limited.

Consumption of raw materials

Urbaser is committed to the efficient use of raw materials, as the rational use of resources and the search for maximum efficiency is a basic principle in the reduction of impacts on material resources, the territory and ecosystems.

	2022	2021
Potash (t)	2,954.38	3,357.96
Wire (t)	2,480.54	2,412.38
Lubricants (t)	2,944.71	2,157.91
Wheels (t)	1,635.82	1,478.87
Rubbish bags (millions)	49.37	40.98

Urbaser is working to find solutions to replace the plastic bags in street bins with other materials, so as to reduce the company's plastic consumption and, at the same time, prevent them from ending up as waste in the sea.

Generated waste

Like any other industrial activity, Urbaser generates waste derived from its own activity. This includes waste from the maintenance of installations and machinery, such as used oil, batteries, contaminated cloths, contaminated packaging, etc. The company guarantees the correct management and treatment of this waste, both hazardous and non-hazardous, which is collected by an authorised manager previously selected by Urbaser.

In 2022, 20,768.05 tonnes of hazardous waste and 13,330 tonnes of non-hazardous waste were generated (in 2021, 23,148.34 and 8,087.08 tonnes respectively), both arising from its activities. **In 2022, 73% of hazardous waste was recovered (in 2021, 75%).**

Within the performance of the company's activity, there is also leakage control, with special control of the leachate from the managed waste, as well as the leakage of volatile compounds that may occur in the installations.

Urbaser minimises the amount of waste generated in all activities, prioritising reuse, recycling and energy recovery as waste management methods. When this is not possible, they are handed over to an authorised waste manager for optimal treatment.

Hazardous waste generated, by activity and management type

In tonnes (Tn)	2022	2021
Landfill	3,746.19	5,682.48
Recovery	15,214.31	16,557.23
Sludge for sewage treatment	1,807.55	908.62
Total hazardous waste	20,768.05	23,148.33

5.3 Committed to the climate

5.3.1 Climate change mitigation

GRI 305-4, GRI 305-5

The transition to a low-carbon economy is an essential process in the fight against climate change. This decarbonisation requires **immediate commitments** by countries and companies **to reduce greenhouse gas (GHG) emissions** in order to comply with the agreements reached at the Paris Climate Summit: to limit the increase in the Earth's temperature to less than 2°C compared to the pre-industrial era.

Urbaser fully shares this commitment and, with the ambition to reduce its GHG emissions, has been **calculating the carbon footprint** of the entire organisation on a voluntary basis since 2013. To this end, it has developed the necessary collection, quantification and dissemination mechanisms, in order to know, study and communicate its impact; the main objective being to identify the sources and activities that generate the highest emissions, so it can develop actions to mitigate this.

The company calculates the three scopes of the carbon footprint by applying methods, such as the GHG and EpE Protocols, and emission factors recognised at the international and national levels by the IPCC and the INE (Spanish Statistical Office) respectively. To this end, it adopts a control approach for preparing the inventory, whereby 100% of the emissions of companies in which it has operational control are quantified and declared. To this end, it has developed its own tool, **Urge CO2@**, to calculate the emissions of its activity by business areas, services, and even processes.

The environmental targets reported in 2021 in the framework of Let's Change 2025, taking 2020 as the base year, integrated the water business within Urbaser. Following the sale of Socamex, which represented a high percentage of electricity consumption, the company is already making progress in setting new targets that will be integrated into a new decarbonisation strategy.

And with this strategy in mind, work was carried out on a methodological review of emissions calculations in 2022, making it possible to establish a starting point for future targets, always under the guidance of the criteria set out in the known methodologies: CDP Climate Change, TCFD, SBTi.

IMPLEMENTATION OF ENERGY EFFICIENCY MEASURES IN FACILITIES AND SERVICES

GRI 3-3, GRI 302-5, GRI 305-4, GRI 302-3

Urbaser saves energy in the management of the facilities thanks to measures such as the sectorisation and monitoring of electricity consumption, which makes it possible to detect areas with higher consumption in order to optimise use, replace less efficient equipment, or rethink the process, gradually replace conventional luminaires with LED technology and install thermal insulation at critical points.

In the area of vehicle fleet management, the organisation applies measures such as route optimisation, the installation of telemetry equipment, automatic tyre pressure monitoring, the use of ECO tyres and efficient driving courses, among others.

Urbaser's energy intensity in 2022 reached 0.73 GWh/€million invoiced (0.92 in 2021)

In 2022 Urbaser managed to reduce its energy consumption by 316 MWh (946 Mwh in 2021) thanks to energy efficiency measures.

The waste treated at Urbaser's facilities constitutes a source of energy that can be used in the company's various energy recovery processes, both for self-consumption and for the export of electrical and thermal energy.

The different processes of energy recovery, including biogas, recovery from the material rejected from the municipal solid waste plants and biomass, make it possible to generate electricity (which represents most of the energy consumed by the Group in its waste and water treatment activities, and fossil fuels for the fleet of vehicles) during its processes.

In the process of material recovery (see "waste hierarchy" section in section 2.3), two types of activities at Urbaser should be highlighted:

- **Biogas production:** through the natural degradation of organic matter (anaerobic digestion) in landfills or industrially, through accelerated biological processes. Methane released during decomposition can be used to produce methane:
 1. Capture at the same time to generate electricity and/or thermal energy.
 2. Purify and obtain a biomethane that is reintroduced into the natural gas networks.
- **Waste to energy:** where electricity is produced from the combustion of waste. The electricity generation process in a waste-to-energy plant can be explained in the following steps:
 1. The waste is fed into a combustion chamber where it burns and releases heat.

2. Heat turns water into steam in a boiler.
3. High-pressure steam turns the blades of a turbine to produce electricity.
4. A flue gas cleaning system removes pollutants from the flue gas before they are released through a stack.
5. Ash and slag are removed from the boiler and the flue gas cleaning system.

Of this generated electricity, 73% of which is of renewable origin (64% in 2021), **15% is used for self-consumption and the remaining 85% is exported** (19% self-consumption and 81% exported in 2021). Self-consumed energy is 12.5% higher than the energy purchased from the grid; likewise, exported energy is 4.6 times the total electricity purchased from the grid.

Energy generated

In GWh	2022	2021
By source		
Electricity	1,437.07	1,528.61
Heat	1,318.14	1,356.98
By origin		
Renewable	1,722.41	1,669.30
Non-renewable	1,030.75	1,216.29
By destination		
Self-consumed	844.19	897.73
Exported	1,910.35	1,957.89

RENEWABLE ENERGY CONSUMPTION IN INSTALLATIONS

GRI 3-3

Urbaser generates renewable energy through **waste-to-energy** and photovoltaic installations that also contribute to this. Of this generated renewable energy, the treatment facilities themselves consume a part, thus contributing to the reduction of GHG emissions.

In turn, through its electricity supplier in Spain, the Urbaser Group has contracted 100% of energy with a guarantee of renewable origin, which means that all the electricity consumed under this contract in Spain has been generated from renewable energy sources and therefore has a zero-emission factor. Urbaser also continues to implement this framework agreement with new supplies, with the aim of ensuring that 100% of the energy consumed in Spain is included and is, therefore, emission-free. Similarly, in France, Guarantees of Origin (GdO) have been purchased to neutralise emissions from electricity consumption in France. The consumption of grid electricity with guarantee of renewable origin results in a substantial reduction of GHG emissions annually, this being one of the main measures in achieving the goal of reducing its carbon footprint.

The target set for 2022 was for 183,000 MWh of electricity purchased to have GdO. 191,000 MWh was achieved, exceeding the target by 8,000 MWh.

Energy consumed

En GWh	2022	2021
Direct consumption (fuels, self-consumed electricity and self-consumed heat)	2,420,53	2,368,57
Of which, of renewable origin	509,30	713,32
Indirect consumption (grid electricity)	274,44	265,14
Of which, of renewable origin	173,99	144,70

USE OF ELECTRICITY AND ALTERNATIVE FUELS IN THE VEHICLE FLEET

GRI 3-3, GRI 305-4, GRI 201-2

The company carries out a gradual and continuous renewal of the fleet, in which it is committed to zero- and low-emission vehicles. Urbaser is therefore committed to incorporating as many eco-friendly vehicles as possible into its fleet worldwide, setting a strategic target of 29% by 2022. In 2022, the target was exceeded, achieving a 33.46% eco-friendly fleet.

Urbaser continues to accumulate knowledge and experience in both the procurement and management of green vehicle contracts. The Group currently has 1,683 low-emission vehicles and 4,242 zero-emission vehicles (in 2021, 1,670 and 3,959, respectively), and the largest private NGV refuelling centre in Spain. As a result of this renewal, the zero-emission fleet increased by 7% in 2022 compared to 2021.

Worldwide fleet distribution

	2022	2021
Fleet powered by traditional fossil fuels	11,784	12,108
Fleet powered by eco-friendly fuel ⁵	5,925	5,629

Active low-emission and zero-emission fleet

	2022	2021
Electric	4,242	3,959
CNG	1,087	919
LPG	331	470
Hybrid	265	281

Global challenges to be face

Urbaser will face great challenges to implement green fleet projects in all of the 19 plus countries where it is present, due to their varying levels of local socio-economic development, legislation, and even culture. By region, these are some of the main challenges facing the company:

- **Central and South America.** Regulations on pollutant emissions can be more or less active depending on the country. However, they have in common a strong tendency to use vehicles powered by traditional fossil fuels rather than eco-friendly vehicles.
- **Middle East.** Most of these countries' economies depend on the export of oil and oil products. The use of traditional fossil fuels is linked to their low price in this region.
- **Asia.** This is the most asymmetric region, ranging from countries with significant technological development and high environmental awareness to countries with a low level of socio-economic development, where traditional fossil fuel vehicles are the only alternative.



Outstanding projects in sustainable mobility

Monitoring driver behaviour using telemetry

Through good driving practices, this project aims to achieve a reduction in energy consumption and associated pollutant emissions. The various pilot tests carried out have shown that a reduction in fuel consumption could be achieved through a process of continuous improvement in the management and monitoring of driver behaviour.

Adhesion to the CEPSA- BEGAS agreement for the use of BIOPROPANE

With this agreement, Urbaser commits to the use of BIOPROPANE in heavy vehicles, thus contributing to the decarbonization and reduction of the carbon footprint.

5.3.2 Measuring our footprint

GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 302-1

The increase in the consumption of renewable energy, both in facilities and the fleet, derived from the application of the measures described above, and the participation in Climate Projects, resulted in a 13.5% reduction in 2022 of the intensity of Scope 1 and 2 emissions for the period 2021-2022, reaching 0.088 tCO₂e/€k invoiced.

Moreover, with 33.46% of its fleet being green, the company has already exceeded the target set for 2022 (29%). This measure, together with the generation of energy from renewable sources, the recovery of materials and fuels and the recovery of compost, has made it possible to avoid the emission of 2,677,171.9 tCO₂e into the atmosphere in 2022 (2,213,695.57 tCO₂ in 2021), which

⁵ The reporting perimeter on the green fleet in 2022 excludes data from Ecuador, as well as all non-financial information reported. The effective date of the data exclusion is from 01/01/2022, not affecting 2021 data.

represents an increase of 21% in avoided emissions compared to 2021.

Urbaser has a high amount of Scope 3 emissions mainly linked to the landfills and incinerators it manages for its customers. Although its scope of action is more limited in these assets, in a regulatory environment of increasing recycling targets especially in the European Union for the coming years, Urbaser is committed to providing solutions to its customers to reduce these emissions.

Urbaser's global carbon footprint (tCO₂e)*

	2022	2021
Scope 1	233,704	198,830
Scope 2	33,207	20,955
Scope 3	6,863,099	6,787,628

* The GHGs included in Urbaser's carbon footprint are CO₂ of fossil origin, CH₄ and N₂O. Other GHGs such as HFCs, PFCs and SF₆ are excluded due to the low levels they represent or because they do not apply to Urbaser's activity.

** With regard to the Urbaser Group's emissions data for 2022, it should be noted that the scope of AENOR's external audit for the UNE-EN ISO 14064:19 standard has been extended to a global level, unlike the 2021 data, which was audited only in Spain. Regarding the 2022 data for Scope 1 emissions, emissions from combustion in stationary and mobile sources with operational control, the increase compared to the 2021 data is due to the increase in contracts with operational control. On the other hand, the scope 2 emissions data for 2022, emissions from grid electricity consumption, is based on the location method, as it is not yet audited by the market method (with guarantees of renewable origin), hence the increase compared to the 2021 data.

Carbon footprint calculation method

In order to implement the carbon footprint, Urbaser has adopted recognised international methodologies: GHG Protocol's Corporate Accounting and Reporting Standard for GHG Emissions, and the EpE Protocol, a guide to the specifics of the waste sector. Both are compatible with ISO 14064:2019. In addition, calculations have been based on the IPCC Guidelines for National Greenhouse Gas Inventories.

Phases implemented for collection and calculation

Firstly, Urbaser carried out data reporting using a centralised collection system, which ensures the uniformity of carbon footprint calculations between contracts and/or facilities for the same emission source⁶.

1. Through this system, the activity data necessary for performing the calculations are collected at the contract level when the customer is the public administration, or at the facility level when the customer is in the private sector. These are transmitted to Urbaser's corporate level after an initial quality control by the Plant or Contract Manager.
2. Then, there is a second filter at the corporate level, which consists of verifying that the fields required for the calculations have been filled in correctly and that the order of magnitude of the reported data is not incoherent.
3. Calculations are then performed for each facility or contract and for each area of activity. In this respect, a series of calculation tools have been created that can be modulated using macros in which all of Urbaser's activities and the processes executed in each one of them are integrated.

Secondly, for the data to be more consistent and uniform, collection criteria have been designed in the form of a protocol that has been distributed to all plant and contract managers. This protocol, implemented globally in Urbaser and for each of its areas of activity, sets out:

- How to report according to the level of disaggregation or aggregation of the requested data.
- The recommended sources of data collection.
- Default data or estimation methods to compensate for missing data or difficult data collection.
- Guidance and deviation alerts to address potential reporting errors.
- Specific precautions relating to the tool's operation.

Finally, once the data report has been completed, we proceed to the review, analysis, monitoring of data quality and assurance through studies of the evolution of historical data using the Power BI tool or also a review based on environmental indicators (GRI) to obtain Urbaser's consolidated carbon footprint at a global level.

Modifications in the calculation of the 2022 carbon footprint

To calculate the Urbaser group's emissions, the modification of the BS ISO 14064:2019 standard on greenhouse gases has been taken into account. This standard establishes reporting limits with emissions classified by categories and subcategories. Compared to the scopes of the previous version of the standard, the scope has also been extended at a global level, so that the base year for comparison with future carbon footprint reports is established as 2022. The categories and activities relating to other

⁶ The sources of emission factors and auxiliary data used come from: Spanish National Emission Inventory (INE) (2021 Edition); MITECO (OECC July 2022); IPCC Guidelines, 2006; Spanish energy sector federations; IPCC Fifth Report, 2007; European Environmental Agency (EEA); FNADE; Eco Invent database (SimaPro); Prognos database; EPA (2006); UK Government conversion factors for Company Reporting-DEFRA 2022; RD 61/2006; HOFSTETTER degassing company; Base Carbone® database; Urbaser

indirect GHG emissions (scope 3) included in the calculation are:

- **Category 1. Direct GHG emissions and removals.**
 - Direct emissions from stationary combustion source with operational control
 - Direct emissions from operationally controlled mobile combustion source
- **Category 2. Indirect GHG emissions caused by imported energy.**
 - Indirect emissions from consumption of grid electricity using the market method (with operational control)
- **Category 3. Indirect GHG emissions caused by transport.** It includes the following subcategories:
 - Indirect GHG emissions from upstream transport
 - Indirect GHG emissions from downstream transport
 - Indirect GHG emissions from commuting journeys
- **Category 4. Indirect GHG emissions caused by products used by the organisation.** Includes the following subcategories:
 - Emissions from water consumption
 - Emissions from fuel consumption
 - Emissions from consumption of operating and maintenance consumables
 - Emissions from the purchase of mobile machinery
- **Category 5. Indirect GHG emissions associated with the use of the organisation's products.** Includes the following subcategory:
 - Emissions from the use of compost and biostabilised compost as fertiliser
- **Category 6. Other indirect emissions**
 - Emissions from stationary combustion source without operational control
 - Emissions from mobile combustion source without operational control
 - Emissions from grid electricity consumption with the location-based method (no operational control) (not quantified for footprint)
 - Emissions from grid electricity consumption using the market-based method
 - Fugitive and diffuse emissions from waste treatment processes
 - Landfill: leaching of CH₄, formed in the decomposition of MSW.
 - Aerobic processes: diffuse emissions of CH₄ and N₂O from organic matter.
 - Anaerobic processes: leaching of CH₄ from digestion of organic matter.
 - Effluent and wastewater treatment: N₂O and CH₄ from organic matter and protein content in treated and discharged water.
 - Energy recovery and flaring of biogas: CO₂, CH₄ and N₂O from combustion, and unburned CH₄.
 - MSW incineration: CO₂, CH₄ and N₂O from waste combustion.
 - Emissions from rejection and waste managed at Urbaser

Emission intensity (tCO₂e)

	2022	2021
Emission intensity*	0.002	0.002

*GHG emissions included in the intensity ratio: direct (scope 1), indirect (scope 2) and others indirect (scope 3).

Avoided atmospheric emissions (tCO₂e)

	2022	2021
Avoided atmospheric emissions (tCO ₂ e)	2,677,171.9	2,213,695.57

5.3.3 Adaptation to the climate emergency

201-2

To complement the mitigation strategies in the face of the climate crisis, Urbaser is committed to the self-consumption of energy with the aim of reducing energy dependence on external sources.

Urbaser generates energy from waste and has solar photovoltaic installations that help to generate renewable electricity.

Of the total energy generated in 2022, 31% was self-consumed in the company's own facilities and services, making a significant contribution to reducing energy dependence on external sources.

Self-consumed energy

	2022	2021
Self-consumed energy	31%	29%

The company's commitment to promoting the use of renewable energies and the efficient use of local resources is demonstrated in the development of several solar photovoltaic installations that also promote the consumption of self-generated electricity, among other projects.



Outstanding projects in climate change management

“Calculo, Reduzco y Compenso” seal (Spain). As well as calculating its GHG emissions in Spain since 2013 using the UrgeCO2 tool, Urbaser was the first company in the sector to obtain, in 2019, the "Calculo, Reduzco y Compenso" seal awarded by the Spanish Climate Change Office (OECC).

Use of Guarantees of Renewable Origin (Spain). Urbaser plants that produce electricity from biogas obtained in biomethanisation facilities, from biogas extracted from landfills or from energy recovered from waste, generate Guarantees of Renewable Origin (GdO).

Urbaser Forest in Arganda del Rey (Spain). Registered in the MITERD Register as an absorption project, the Urbaser Forest extends over 5.3 ha, populated by more than 4,200 trees whose planting started in 2022. Thanks to the absorption of CO₂ Urbaser obtained the "Compenso" seal in 2021.

Proyectos Clima (Spain). The so-called Proyectos Clima are emission reduction initiatives developed in Spain and promoted by the Carbon Fund for a Sustainable Economy (FES-CO₂) to carve out a path for the transformation of the Spanish production system towards a low-carbon model.

5.4 Protection of ecosystems

GRI 304-1

According to the World Economic Forum's latest Global Risks Report 2023, biodiversity loss already represents the fourth most significant long-term risk, after climbing up the rankings in recent years. Nature conservation reached a historic milestone in 2022 with the **Kunming-Montreal Agreement** —in the framework of the United Nations Convention on Biological Diversity (COP15)— to reverse the loss of natural capital. The 30x30 commitment reached sets a target of protecting 30% of the planet and 30% of degraded ecosystems by 2030.

In this context, Urbaser, as a company with a global presence, considers the **protection of biodiversity** and the **responsible use of natural heritage** to be not only an ethical imperative but, above all, a necessary requirement for consolidating a global sustainability model. Working for economic development and social progress means actively contributing to the conservation of animal and plant species.

True to this commitment, the company assesses the possible impacts on biodiversity in all its operations and establishes environmental monitoring plans in each case to ensure the proper management, control and monitoring of preventive and corrective measures in each centre or service.

Urbaser provides its service in 15 protected natural areas in Spain, Argentina, France and Sweden. From selective collection to beach cleaning, in all services - low environmental impact operations - the company respects the special environmental protection controls (air, water, soil, species, etc.) set out both in the specifications for these services and in the regulations in force in these natural spaces.

As part of Let's Change 2025, Urbaser is working on the definition of a **biodiversity strategy** to respond to social demands and to the new regulatory framework for combating deforestation and protecting wildlife.

CARING FOR THE OCEANS AND MARINE LIFE

Preservation of marine wealth off the coast of Aqaba (Jordan)

In 2022, Urbaser continued to collaborate with various local authorities and organisations in the area (mainly Aseza and the Aqaba Divers Association) to help raise awareness and collect waste on the beaches of the Jordanian city of Aqaba. This area, located next to the Red Sea, is particularly popular with divers because of its spectacular coral reefs.

In order to protect and preserve this priceless marine wealth, monthly campaigns are carried out on all Aqaba beaches, with divers collecting both floating rubbish and rubbish deposited in the depths of the Red Sea. This project also involves volunteers from schools and associations in beach clean-up campaigns.

Adhesion of the Port of Algeciras (Spain) to the Green Strategy

Sertego, a subsidiary of Urbaser in charge of the integral and sustainable management of industrial waste, adhered at the end of 2022 to the Green Strategy of the Bay of Algeciras Port Authority (*Autoridad Portuaria Bahía De Algeciras*), which includes 12 commitments to environmental, social and economic sustainability, including the protection of ecosystems and biodiversity.

Due to its location, the Bay of Algeciras is an important passageway for migratory species of both birds, whales and dolphins. This geographical area has a great variety of habitats and, for this reason, it has several environmental protection agencies.

Sertego's activity transforms the bilge water generated by ships that ended up in the sea and on beaches decades ago. This waste now arrives at the plant and, through various physical, chemical and biological processes, is converted into clean water (which is discharged into the sea) and fuel, which is fed back into the ships' engines.

PRESERVATION OF TERRESTRIAL AND URBAN ECOSYSTEMS

The Vale Landscape Heritage Trust (VLHT)

Urbaser, through its subsidiary Severn Waste Service, has supported The Vale Landscape Heritage Trust (VLHT) since its inception in 2003. This organisation focuses its efforts on landscape protection and conservation in the valley area around the towns of Evesham and Pershore in the UK. Thanks to the help of Severn Waste Service, together with government and other partner organisations, VLHT protects over 140 hectares of land in more than 20 sites. The managed areas include floodplains, orchards and meadows, all of which are protected and, in most cases, restored or improved.

Achievements in 2022 include the management of the Littleton pasture, a site where sheep grazing at appropriate times of the year has led to a significant increase in wild flowers and associated butterflies, bumblebees and other pollinators; and the restoration of the Naunton Court orchard, which has managed to keep ancient native apple tree varieties alive, and ensures a food supply for both local people and wildlife today and in the future.

Clean-up in Matanza-Riachuelo and Río de la Plata

In 2022, the Urbaser Group cleaned and collected waste from one of the ten most polluted places in the world: the Matanza-Riachuelo basin. In this 64 km watercourse, which originates in the province of Buenos Aires and flows into the Río de la Plata, the company participated in the cleaning of a 17.48 km stretch, the area from Puente La Noria to Vuelta de Rocha.

Clean-up work was carried out along a stretch of the Río de la Plata, specifically covering the **stretch from Arroyo Raggio to the mouth of the Matanza-Riachuelo basin**, except for the port area. A total of 17.48 km, in which activities are carried out:

- Cleaning of the road, the mouths of the streams and differentiated waste collection
- Manual or mechanised removal of bulky objects.
- Transport and final disposal of collected waste.

The **course of this stream** concentrates more than 10% of the population at risk of vulnerability in all of Argentina and receives large quantities of industrial waste from neighbouring factories, causing an enormous environmental and health impact. It is the most urbanised and industrialised area of the country, making it the most polluted river in Latin America. The tasks carried out consisted of:

- Cleaning and differentiated waste collection.
- Manual or mechanised removal of bulky objects.
- Weeding, grass cutting, fumigation and rat extermination.
- Removal and pruning of tree and shrub species according to their state of health.

In order to reduce environmental impacts and optimise the use of natural resources, it was decided to start recycling water, a task that is part of the guidelines established within our environmental policies.

Tree planting begins in the Urbaser Forest

As detailed in section 5.3.3. Adapting to the climate emergency, the Urbaser Forest began as a project in 2021 to offset the company's carbon footprint, after reaching a four-year agreement with Arganda City Council and Reforestum. In 2022, Urbaser started **planting 4,240 trees of seven different species**: stone pine, olive tree, holm oak, Portuguese oak, elm, almond and hawthorn.

Urbaser is pursuing two objectives with this project: on the one hand, the **absorption of 1,518 tonnes of CO₂ over 50 years**, and on the other, the **repopulation** of a piece of land close to the Southeast Regional Park of the Community of Madrid. This area is home to some of the richest and most interesting biogeographical entities in the region, with plant formations and fauna populations of great diversity and species richness.

In addition, the Urbaser Forest project demonstrates the **company's support for SDG 11** (creating green and sustainable spaces within cities) and **SDG 13** (climate action).

Green spaces clean-up day

On the occasion of World Environment Day, **more than 200 Urbaser volunteers** took part in a day of cleaning up green spaces in different parts of Spain. In a single day, **more than 2,500 kilos of waste were recovered**, thanks to the involvement of the company's professionals.



6. People, our engine of growth

6.1. Our talent: shared knowledge and commitment

6.1.1 Our people management model

GRI 3-3, GRI 2-23, GRI 2-24

The **People Master Plan** seeks to support Urbaser's overall strategy by ensuring fulfilment of the organisational and human capacities that enable the company's business and sustainability objectives to be achieved. Urbaser's people are a critical strategic asset that contributes to creating sustainable value for the company and for society, through their work, talent and commitment.

Aware of the role that the company plays in the development of people and in improving their quality of life in all the countries where it operates, Urbaser carries out actions in these areas with a positive impact on the environments in which it is present and with all stakeholders, both internal (employees) and external (society, suppliers, customers and associations).

To meet present and future challenges, the company is highly committed to providing an attractive work environment, through quality employment, meaningful work, training and career development opportunities, adequate remuneration, respect for diversity and equal opportunities, and the promotion of a safe and healthy working environment. This strategy will be developed through the action lines integrated in **Let's Change 2025** and its respective initiatives and actions.

People management 		
Pillars of the people management model: People Master Plan	Let's Change 2025: Social lines	Policies and mechanisms
<ul style="list-style-type: none"> Attracting and retaining talent 	<ul style="list-style-type: none"> Attracting unique talent Effective and fair recruitment Developing talent Performance management Career management Retaining talent Supporting employees Managing diversity and equity 	<ul style="list-style-type: none"> Digital Disconnection Policy (Spain) People Training and Development Policy (global) Flexible remote work procedure (Spain) International Diversity Committee (global) Corporate Policy on Equality and Diversity (global) Equality Plans (Spain - 39 companies) Moral harassment protocol (Spain) Protocol on sexual and gender-based harassment (Spain - 38 companies) Corporate Quality, Health and Safety, Environment and Energy Policy (global) Corporate Human Rights Policy (global) Code of Conduct (global)
<ul style="list-style-type: none"> Equality, inclusion and diversity 		
<ul style="list-style-type: none"> Safe and healthy workplace 		
<ul style="list-style-type: none"> Committed to human rights 		

Initiatives implemented in 2022

<ul style="list-style-type: none"> Extension of functions of 4People Talent Management Tool (Spain) Work climate survey (Spain) 360° Feedback Programme (Spain) Performance appraisal process (Spain) 	<ul style="list-style-type: none"> Implementation of the Organisational Model by levels and roles (Spain) Junior talent programme (Spain) Corporate digital training module on six ESG pillars (global) EFR Certificate (Spain - Structure)
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The highest level with strategic responsibility for defining policies, initiatives and commitments related to people management is the CEO, followed by the corporate HR director. The CEO approves policies and initiatives on the proposal of the Corporate HR Director. At the operational level, the implementation, monitoring and reporting of the policies and initiatives approved in the countries are delegated to the country director and HR director.

For the implementation of the People Master Plan, there is a follow-up committee that meets fortnightly to monitor the execution of the planned global initiatives. This committee is made up of human resources professionals who have corporate responsibility. A team that meets, either individually or collectively, on a monthly basis (except for specific needs) with the human resources managers in each country to monitor the implementation of global policies and projects.

6.1.2 Stability and flexibility as turning points

KEY FIGURES ON EMPLOYEES

GRI 2-7, GRI 3-3, GRI 407-1, GRI 407-1

The workforce data in 2022 are affected by changes in the perimeter of non-financial information reporting, especially the exit of Ecuador from the scope and asset sales.

Staff at 31 December

By gender	2022		2021	
	Total	%	Total	%
Women	14,082	28.09%	17,670	29.59%
Men	36,055	71.91%	42,049	70.41%
Total	50,137	100%	59,719	100%

By age	2022		2021	
	Total	%	Total	%
<30	6,832	13.63%	8,543	14.31%
30 - 50	29,352	58.54%	34,263	57.37%
>50	13,953	27.83%	16,913	28.32%

By professional category	2022		2021	
	Total	%	Total	%
Management team	161		197	
Middle managers	865		1,048	
Technicians	1,898		2,369	
Operational positions	47,213		56,105	

By country	2022		2021	
	Total	%	Total	%
Argentina	3,352		3,401	
Bahrain	1,392		1,383	
Chile	4,609		5,039	
Colombia	1,952		2,022	
Denmark	623		585	
Ecuador	-		2,824	
Spain	22,345		28,377	
United States	28		8	
Finland	278		344	
France	1,394		1,311	
India	10,954		10,702	
Italy	135		125	
Jordan	393		455	
Morocco	21		3	
Mexico	253		344	

Norway	378	386
Oman	342	322
Poland	26	-
United Kingdom	1,312	1,519
Sweden	350	462
Venezuela	-	107
Total	50,137	59,719

Employees affiliated to a trade union organisation

	2022	2021
Employees affiliated to a trade union organisation	10,026	10,955

Professionals in the Urbaser Group's workforce in 19 countries

	2022	2021
Profesionales in the Urbaser Group's workforce in 19 countries	50,137	59,719

Total number of hours of absenteeism

	2022	2021
Total number of hours of absenteeism	10,434,556	10,907,879

Employee turnover rate

	2022	2021
Employee turnover rate	19.84%	18%

Women in the workforce

	2022	2021
Women in the workforce	14,082	17,670

Men in the workforce

	2022	2021
Men in the workforce	36,055	42,049

One of the most important intangible assets of the business is the value provided by Urbaser's professionals around the world and, for this reason, we are committed to improving the **stability** and **quality** of employment. To ensure that highly capable and committed people are in place, the company focuses its efforts on:

- **Attracting unique talent:** Urbaser seeks to present an attractive value proposition for people interested in working in the company. To this end, it is present in digital media and social networks as a key recruitment strategy, as well as in local and international universities that train people with potentially valid profiles for the needs of the organisation. The effectiveness of the different recruitment channels and the steps in the selection process is measured to improve the availability of valuable candidates and thus increase the quality of recruitment decisions. Internship students, both trainees and recent graduates, are also valued as an additional source of recruitment, and candidates referred by current employees are encouraged to apply.
- **Recruit effectively and fairly:** this process starts with the study and planning of short, medium and long-term recruitment needs, based on descriptive and predictive analyses of people analytics. People are selected using systematic and rigorous methods to make fair and quality decisions, ensuring an inclusive approach and always with the objective that the person chosen is the best possible fit for the job and the organisation.
- **Improve the on-boarding process for new employees:** Urbaser offers a welcome, reception and support package during the company's onboarding phase.

Workforce at 31 December by contract type

By gender	Open-ended contracts		Temporary contracts		Total contracts		
	Women	Men	Women	Men	Women	Men	Total
2022	11,229	29,346	2,853	6,709	14,082	36,055	50,137
2021	13,836	35,402	3,834	6,647	17,670	42,049	59,719

By country	Temporary contracts	Open-ended contracts	Total
Argentina	183	3,169	3,352
Bahrain	1,385	7	1,392
Chile	1,805	2,804	4,609
Colombia	109	1,843	1,952
Denmark	132	491	623
Spain	5,279	17,066	22,345
United States	-	28	28
Finland	30	248	278
France	60	1,334	1,394
Great Britain	24	1,288	1,312
India	-	10,954	10,954
Italy	13	122	135
Jordan	393	-	393
Morocco	-	21	21
Mexico	-	253	253
Norway	26	352	378
Oman	16	326	342
Poland	19	7	26
Sweden	88	262	350
Total	9,562	40,575	50,137

By age	2022		2021	
	Open-ended contracts	Temporary contracts	Open-ended contracts	Temporary contracts
<30	4,461	2,371	5,965	2,575
30 - 50	23,894	5,458	28,386	5,887
>50	12,220	1,733	14,887	2,019
Total	40,575	9,562	49,238	10,481

By professional category	2022		2021	
	Open-ended contracts	Temporary contracts	Open-ended contracts	Temporary contracts
Management team	159	2	195	1
Middle managers	833	32	1,021	27
Technicians	1,666	232	2,124	245
Operational positions	37,917	9,296	45,898	10,208
Total	40,575	9,562	49,238	10,481

Workforce at 31 December by type of working day

By age	2022		2021	
	Full-time	Part-time	Full-time	Part-time
<30	6,115	717	7,244	1,299
30 - 50	27,322	2,030	31,027	3,237
>50	12,555	1,398	14,456	2,456
Total	45,992	4,145	52,727	6,992

By professional category	2022		2021	
	Full-time	Part-time	Full-time	Part-time
Management team	158	3	194	3
Middle managers	854	11	1,033	14
Technicians	1,741	157	2,173	195
Operational positions	43,239	3,974	49,326	6,780
Total	45,992	4,145	52,727	6,992

By gender	2022		2021	
	Full-time	Part-time	Full-time	Part-time
Men	35,088	967	39,733	2,316
Women	10,904	3,178	12,994	4,676
Total	45,992	4,145	52,727	6,992

AVERAGES

Average per year by contract type and gender

By gender	2022		
	Open-ended	Temporary	Total
Men	33,006	6,791	39,797
Women	12,047	2,773	14,820
Total	45,053	9,564	54,617

By age	2022		
	Open-ended	Temporary	Total
<30	4,683	2,267	6,950
30 – 50	26,302	5,467	31,769
>50	14,068	1,830	15,898
Total	45,053	9,564	54,617

By professional category	2022		
	Open-ended	Temporary	Total
Management team	163	2	165
Middle managers	885	28	913
Technicians	1,795	226	2,021
Operational positions	42,210	9,308	51,518
Total	45,053	9,564	54,617

Annual average by type of working day

By gender	2022		
	Full-time	Part-time	Total
Men	38,717	1,081	39,798
Women	11,566	3,253	14,819
Total	50,283	4,334	54,617

By age	2022		
	Full-time	Part-time	Total
<30	6,233	718	6,951
30 – 50	29,679	2,089	31,768
>50	14,371	1,527	15,898
Total	50,283	4,334	54,617

By professional category	2022		
	Full-time	Part-time	Total
Management team	162	3	165
Middle managers	900	13	913
Technicians	1,847	174	2,021
Operational positions	47,374	4,144	51,518
Total	50,283	4,334	54,617

The company does not have the information on averages by type of working day and contract type segregated by gender, age and professional category for the year 2021.

In recent years, the sector has undergone a notable evolution, technification and improvement in the quality of employment. This trend has resulted in increased **professionalization**, thanks to improvements in employee safety, health, training and remuneration. As a result, the sector is well positioned to attract more diverse talent in terms of gender, professional profile and age.

On the other hand, as a result of Urbaser's international expansion and its human capital intensive business, there has been an increase in new hires both nationally and internationally. Similarly, the termination or cessation of contracts with public administrations has an immediate effect on the workforce, with a majority of workers being subrogated.

In order to increase the stability of the workforce, Urbaser is undertaking initiatives to regularly check the level of **commitment of its employees**, by measuring their satisfaction and motivation. To this end, the company has redesigned the work climate survey methodology with a global application, starting its implementation in the last quarter of 2022 at the level of structural personnel in Spain. With the participation of 73% of the sample, including employees from different areas and profiles, a detailed analysis of the results was carried out and an improvement plan was drawn up. The application of the work climate survey to structural staff in the rest of the countries where Urbaser operates is planned for 2023.

In addition, a formal exit interview process was also launched in 2022, with the aim of probing the reasons for leaving among the people who decide to leave Urbaser voluntarily, and their experience as employees in different aspects. Using the information obtained over a significant period, common patterns will be analysed in order to devise actions for improvement.

Finally, a plan has been initiated to study the critical moments in the lifecycle of the employee experience, from on-boarding to exit. This plan is also intended to facilitate the implementation of improvements in the management of people and teams, as well as in the working environment.

Dismissals

By age range	2022	2021
<30	1,203	1,063
30 - 50	1,971	1,664
>50	861	781
Total	4,035	3,508

By gender	2022	2021
Women	586	335
Men	3,449	3,173
Total	4,035	3,508

By professional category	2022	2021
Management team	8	10
Middle managers	59	71
Technicians	193	179
Operational positions	3,775	3,248
Total	4,035	3,508

In countries where subrogation does not operate, the term "layoffs" includes all those workers that we have to dismiss due to project termination (for example, in Chile, Colombia, Mexico and Nordic countries). Therefore, the number of layoffs was increased by the termination of contracts in 2022, but not by the layoffs' increase due to disciplinary reasons. In most cases, the employees become part of the new contract awardee's workforce.

Turnover rate

By gender	2022	2021
Women	23.87%	18.1%
Men	18.34%	18.5%

By age range	2022	2021
<30	41.08%	49.29%
30 - 50	21.28%	17.44%
>50	7.68%	7.22%

General	2022	2021
General	19.84%	18%

By country	2022	2021
Colombia	18.27%	15.03%
Sweden	23.40%	13.64%
United Kingdom	21.28%	18.10%
Oman	17.61%	23.60%
Mexico	47.42%	36.05%
Morocco	-	-
Jordan	26.40%	16.26%
Italy	4.49%	2.4%
France	3.54%	3.59%
Finland	24.88%	24.42%
Spain	8.92%	4.31%
Chile	9.35%	10.20%
Bahrain	9.21%	17.21%
Argentina	2.87%	3.59%
Norway	2.84%	1.81%
Denmark	19.25%	16.41%
Poland	48.93%	-
United States	26.81%	25%
India	55.86%	71.59%
Total	19.84%	18.35%

The overall turnover rate is highly influenced by the high turnover rate in India, where most of the workforce works in operational positions. Excluding India's turnover rate, the overall figure would be 10.90%.

ORGANIZATION OF WORK

GRI 401-2

Within the framework of employee support programmes, Urbaser offers flexible working schemes and family support programmes to achieve the best possible **work-life balance**. Among these, the company offers flexible remote working schemes for the Spanish head offices.

Urbaser establishes the annual working hours and their distribution according to the different agreements in each country, which always comply with the legislation of each area in which it operates.

Total hours of absence

Properly managing the teams' working hours is one of Urbaser's main concerns. To this end, the company is committed to measures such as the training of all middle managers and the provision of technological tools for the analysis and control of hours worked.

	2022	2021
Total hours of absence	10.4 M	10.9 M

OUTSTANDING PRACTICE

In Spain, in 2022, Urbaser continued with its LoQue+iMPorTaprogramme, which pursues several objectives: to contribute to a healthy working environment, to strengthen employee motivation, participation and satisfaction, and to reinforce their pride in belonging to the company.

Covering more than 1,600 employees, this programme is divided into two areas of action: "For you" is the area that includes the benefits and moments that the company offers employees; and "From you" encompasses the ideas that employees can contribute to the transformation and improvement of the company, as well as the social action and corporate volunteering actions and campaigns in which they can participate, helping to increase the positive social footprint generated by the company.

Que+important Benefits

Conditions outside of the standard agreement, work-life balance, flexible pay, subsidies, offers, etc.

Que+important Moments

Activities, talks, moments shared with other colleagues

Gestos Que+iMPorTan

Corporate volunteering and collaboration in charity campaigns.

Ideas Que+iMPorTan

Listening to suggestions from employees that help to develop the company.

- Salariflex 2023: transport card, meal card, childcare and health insurance
- Car pooling
- Inter-company paddle tennis tournaments
- Green spaces clean-up day: 200 volunteers and 2,500 kg of waste collected
- *Tapones para una nueva vida* cap recycling project of the SEUR Foundation
- *Mis gafas, tus gafas* project to donate used glasses with Medicus Mundi
- Information on working with NGOs to support Ukraine

Initiatives in 2022 included, among others, a workshop on healthy eating, participation in races against gender violence and donations to vulnerable groups (children). A new mobility plan for employees was also communicated (garage spaces, motorbike parking) and the company's professionals were offered various discounts on leisure, fashion and health through the Urbaser Benefits Corporate programme.

EMPLOYMENT RELATIONS

GRI 2-30, GRI 403-4

Urbaser **actively and permanently** promotes and fosters **social dialogue** through continuous dialogue with the legal and union bodies that represent the workforce and trade union organisations. It does so through information, consultation and negotiation in the various labour forums, be they collective bargaining agreement negotiating panels of any scope, joint commissions, joint mixed commissions for application and interpretation and any other, as well as the company's participation in the various business associations and sectoral committees.

In addition, Urbaser is setting up direct communication channels to get to know the opinion and needs of employees, a key aspect to developing initiatives tailored to their demands. To this end, it carries out surveys (on work climate, work-life balance, etc.), sets up thematic mailboxes to receive proposals or reporting of incidents, as well as the implementation of 4People for structural personnel in Spain, which allows for continuous communication among employees, managers and HR managers.

69% of the workforce (64% in 2021) is covered by the **collective bargaining agreements** applicable to the company's companies, work centres and joint ventures, which have been negotiated and agreed with the corresponding legal representatives of the workers in each location, always in accordance with the applicable legislation in each country and the provisions of the fundamental agreements of the International Labour Organisation. Organisational changes, including notifications, are stipulated in these agreements and are always carried out in accordance with the legislation in force in each case.

Percentage of workforce covered by collective bargaining agreements

By country	2022	2021
Argentina	90%	89%
Bahrain	0%	0%
Chile	84%	76%
Colombia	0%	0%
Denmark	100%	91%
Spain	100%	100%
United States	0%	0%
Finland	100%	100%
France	94%	89%
India	0%	0%
Italy	99%	100%
Jordan	0%	0%
Morocco	0%	0%
Mexico	79%	63%
Norway	90%	100%
Oman	0%	0%
United Kingdom	67%	67%
Sweden	100%	100%
Total	69%	64%

For employees who are not covered by a collective bargaining agreement, because they do not fall within its scope of application, what the parties agree in this respect shall be followed, respecting the general rules of application and the minimum wage established in each place.

Outcome of collective bargaining with regards to health and safety

Urbaser's commitment to improving the management of occupational health and safety is ongoing, always seeking to **improve** and **reduce the number of workplace accidents** by means of various clauses included in the agreements.

In line with this commitment, agreements have been signed to strengthen social dialogue in this area. The company's collective bargaining agreements highlight the need for training as the most appropriate tool for promoting a preventive culture and changes of attitude. Training must always be complemented with information and open spaces for the consultation and participation of the different actors involved.

These agreements also take into account the preventive implications derived from specific check-ups in order to favour the detection of occupational illnesses (or other illnesses that may be affected by work) and the implementation of specific prevention measures adapted to each job position.

- Participation as a member of the main employers' association in the sector (ASEJA) in the signing of the state-wide gardening agreement affecting 2,000 people at Urbaser.
- Signing of the collective agreement for workers in La Laguna (Tenerife), which affects 300 Urbaser employees.
- Signing of the collective agreement of the Urbaser subsidiary Resurja (Jaén), which has a workforce of 800 people.
- Signing of the wage agreement for cleaning staff in Barcelona, which affects 880 people.
- Signing of the collective agreement affecting Elche joint venture workers: 490 people.

Likewise, as a result of collective bargaining on equality plans, the axis of occupational health has been included, adding a gender perspective to the actions carried out, in order to improve the situation of women workers.

Another of the advances forward in 2022 was the commitment to analyse and assess the economic conditions of working people in all the countries where it operates in order to ensure a **living wage** that allows them and their families to cover the basic costs of living with dignity. Urbaser's objective is to complete the global wage **assessment commitment** before **31 December 2023**. The analysis will focus on 2022 salary data for workers in its own operations worldwide.

The initiative will be developed in different phases according to the number of workers at country level, so that during the first half of 2023 the study will be completed in **Spain, India and Chile**, where more than 75% of Urbaser's workers are located. Based on the results obtained, if necessary, a correction plan would be drawn up to ensure that the wages of all workers are above the country's living wage.

The third phase will be to extend the analysis to the rest of Urbaser's operations around the world and implement the possible correction plan to achieve a higher payment than the living wage.

The definition of "living wage" in Urbaser follows the **Anker methodology**: for its calculation, therefore, basic but decent costs of food, housing, and other essential goods (education, health care, transport) are included, adding a small margin for unexpected events

Recognised external sources that include all elements of the Anker methodology in their living wage estimates will also be used: Livingcost.org, Numbeo and Trading Economics. In addition, individual calculations can be made using local information on the cost of living in each country

6.1.3 Safety and health as priorities in operations

KEY HEALTH AND SAFETY INDICATORS

GRI 3-3, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-8

Employees under the coverage of ISO 45001

	2022	2021
Employees covered by ISO 45001	49.03%	40.3 %

Workers formally represented in health and safety committees

	2022	2021
Workers formally represented in health and safety committees	29,045	27,490

Audits carried out on health and safety issues

	2022	2021
Internal audits	136	95
External audits	139	86
Total	275	181

Investment in health and safety

	2022	2021
Investment in health and safety	€3.5 M	€9.7 M ⁷

Hours of health and safety training

	2022	2021
Hours of health and safety training	267,181	201,539

SAFE AND HEALTHY COMPANY

One of Urbaser's main objectives is to ensure that all the people who make up our teams carry out their operations in safe and healthy working environments. This commitment is based on the Corporate Policy on Quality, Health and Safety, Environment and Energy, which positions occupational health and safety as a value to be maintained and developed as a priority.

Based on this Corporate Policy, **a new Corporate Management Handbook was developed and approved in 2022**, listing all the basic procedures for action in health and safety matters to be developed by corporate management and applied to all countries, or by country or company management.

These procedures together lay the foundations for the implementation of a common governance model for the entire organisation, the sole purpose of which is to ensure that all operations by Urbaser are carried out applying the utmost safety guarantees, minimising the number and seriousness of accidents as far as possible.

The preparation and development of these organisational procedures are also underpinned by management's commitment to implementing and certifying under ISO 45001, as a benchmark and in recognition of good health and safety management. This certification is a step beyond what is strictly required by the law of each country. Already, in 2021, all companies that had certificates under the Ohsas 18001 standard transitioned to new certificates under ISO 45001. Further progress was made in 2022 with the certification of several Urbaser contracts in Colombia.

Internal communication also serves as a key instrument for raising awareness, motivating and involving Urbaser employees in the process of continuous improvement of the company's health and safety performance.

The communication channels that Urbaser uses to involve its employees in health and safety issues include: e-mail, ordinary post, notice boards or digital screens, websites, corporate documents or publications, etc. Through these channels, employees communicate their concerns and suggestions for improvement, while at the same time gaining access to the appropriate information to act as ambassadors of Urbaser's messages and values in the outside world.



SUCCESS STORY: United Kingdom

Employee Assistance Programme (EAP)

The Employee Assistance Program (EAP), launched in 2020, was continued in 2022 with a great response. This employee wellness programme offers a counselling service on mental health issues, accident-related issues, financial matters, family support, etc.

Mindful Employer Charter

Use of a stress management tool available to employees who bring up any kind of mental problem or concern at the start. In this way, problems are assessed at an early stage in order to avoid a bigger problem in the long term. In addition, Urbaser provides mental health training for all employees and ensures that it maintains its commitment as a conscious employer. Depending on the circumstances in each case, there may be a simple solution to relieve the stress (that the company can solve, such as the problem of excessive workload); alternatively, the process may take time and require the support of others.

⁷ The health and safety investment data in 2021 only included expenses, not investment (medical examinations and external agreements, among others). In 2022, in order to improve the quality of the data, expenses are excluded, leaving only the investment part.

CERTIFYING THE COMMITMENT TO HEALTH

In Spain, Barcelona's collection and cleaning service maintains the "Healthy Workplace" certification under the WHO model achieved in 2017. Among the actions carried out in 2022 in the four areas of influence, the following stand out:

- **Physical working environment.** Improved visibility of service vehicles and built-in safety devices in order to reduce traffic accidents and incidents, improve the design of work tools and service vehicles with the company's designs that improve ergonomics and allow them to be adapted to the characteristics of each worker.
- **Psychosocial work environment.** Send greetings and a gift voucher to each employee on his or her birthday.
- **Personal health resources.** Periodic programming of communication campaigns and actions for the promotion of healthy habits, in terms of nutrition, encouraging sport and access to leisure resources for the improvement of physical and mental well-being.
- **Company's involvement in the community.** Collaboration with a multitude of entities linked to the territory, such as Rebot Solidari (collaborating in access to food aid for people without resources) and the Integra Foundation, t'Acompanyem or the Red Cross (incorporating people at risk of social exclusion into the service), as well as collaboration with Insertion companies and special work centres.

SAFETY AS A PRINCIPLE

Safety is a principle of action for Urbaser, and all the actions carried out to reinforce the safety of workers are based on a correct evaluation of occupational risks as a basic document. The **risk assessment** aims to identify and eliminate risks present in the working environment and to assess the urgency of action in order to eliminate or minimise these risks. This tool is essential for preventing damage to the health and safety of Urbaser workers, and for this reason, in 2022, the corporate Health and Safety department developed the "**International Health and Safety Risk Assessment**" project.

This project takes the form of a universal app for preparing risk assessments by specialised personnel in any Urbaser work centre, with common basic content that is valid for any activity and adaptable to the particular circumstances of each country.

This project will be implemented during 2023, focusing on those countries where it is not a legal requirement to have a specific risk assessment for each work centre.

Likewise, in line with the commitment to health and safety, health and safety committees between the company and workers are set up in the work centres in accordance with the regulatory requirements of each country, with the responsibilities or frequency of meetings being specific to each of them.

At the corporate level, regular meetings have been established between country directors or area directors/company managers (in the case of Spain) to discuss different occupational health and safety issues. Work is also being done to organise regular meetings with country/company health and safety officers.

RECORDING AND REPORTING ACCIDENTS

GRI 403-3, GRI 403-10

In 2022, the accident management and reporting module was launched, with the aim of having a single database in which all countries record the accidents of their own and subcontracted staff. Thanks to this tool, the company improves both management and decision-making, so that analyses can be carried out by country, and specific actions, campaigns or training can be defined according to the results obtained.

Finally, during the fourth quarter of 2022, work was carried out to improve the reporting of accidents with the implementation—in collaboration with an external consultant—of the "Recordable Accident" project. The objective is to study those accidents arising from work, but caused by safety malpractice or by causes wholly attributable to the organisation.

A total of **3,796 accidents** were recorded in 2022 (4,006 in 2021), of which 3,035 were men and 761 women. In addition, **20 confirmed cases of occupational diseases** were recorded, 15 men and 5 women (in 2021, 341, 334 men and 7 women⁸).

In 2022, **6 fatal accidents** were recorded: 4 in India and 2 in Spain. 5 were Urbaser staff and 1 was a subcontractor's employee. In all cases of fatal accidents, the first step is an internal communication to the company's management and the gathering together of all information and documentation related to the accident. An investigation is then launched in order to clarify what happened and to establish the necessary preventive and/or corrective measures for each case.

No specific activities with a higher incidence or risk of occupational disease have been identified.

⁸ The decrease in occupational diseases is because COVID-19 was considered an occupational disease in Argentina in 2021.

Accident rates

	2022	2021 ⁹
Incidence rate*	69.50	77.26
Frequency rate**	43.83	36.49
Severity rate***	1.04	0.89

In 2021, the frequency and severity rates were calculated with the theoretical hours worked, as the actual hours were not available. In 2022, in order to improve the quality of the information reported, the actual hours worked have been collected for the calculation of these indices. Consequently, the 2022 frequency and severity rate data are not directly comparable with the 2021 data. In addition, for subcontracted personnel, only the number of accidents is included, as the rest of the figures are not available. We are working on collecting more parameters from outsourced employees to improve the quality of the report.

Accident rates by gender****

	2022		2021 ¹⁰	
	Women	Men	Women	Men
Incidence rate	51.35	76.26	37.29	79.60
Frequency rate	32.38	48.09	19.20	38.80
Severity rate	0.81	1.12	0.45	0.92

*Incidence rate (no. accidents with sick leave / average no. of workers) x 1000

**Frequency rate (no. accidents with sick leave / no. hours worked) x 1,000,000

***Severity rate (no. of days lost / no. of hours worked) x 1000

****For the calculation of these data, an estimate is made of the annual hours worked, by gender. In the case of 2021, the estimated hours by gender were the theoretical ones, in the case of 2022, we start from the actual hours worked and estimate by gender. Therefore, the comparability of the data is limited.

OUTSTANDING HEALTH AND SAFETY ACTIONS

In Spain

- **Dead man's device (Gesmotor).** A remote "dead man's" detection system was acquired for the night planner's post, as he was alone for much of the day. This system allows the operator's chain of command to be alerted if the dead man's device remains in a horizontal position for a certain period of time, according to an order agreed with the work centre. As soon as the warning is received by someone in the chain of command, the action and emergency procedure is activated.
- **"Lessons learned" project (Barcelona).** Based on the accidents that occur, the SPM (*Strategic Project Manager*) draws up a "lessons learned" document. The aim is to inform operators of accidents that have occurred so that they are aware of them and can avoid them. The documents are available on the workplace notice boards and are explained to operators on a case-by-case basis in training courses.
- **Safety Leaders Day.** "A people-centred transformation process": the conference included a presentation by an Occupational Risk Prevention technician from Urbaser's own Joint Prevention Service (invited by Prevencontrol in collaboration with Foment del Treball Nacional) on the need to develop and implement a preventive culture project.
- **Electric street sweeper vehicles - Batches 3 and 5 for Madrid.** Electric sweeper vehicles have been launched, reducing the effort of the sweepers during the day, as well as providing a "cool" compartment for a bottle of water or a snack. Other advantages of the new design include its enhanced technological features (mobile, apps), and its contribution to the environment and communities by maximising the separation at source into as many as 7 fractions.

In France

- **Fitting of 360° cameras (Collecte Paris).** Installation of 360° cameras in new vehicles so the drivers have no blind spot.
- **Global accident management.** Implementation of new ACCILINE PLUS software that enables a better monitoring of workplace accidents by analysing data and then establishing effective action plans.

In Mexico

- **Health Campaigns 2022.** The medical staff of the Prevenimss programme for Companies have made visits to Urbaser's

⁹ 2021 accident rates modified because of internal information reviews.

¹⁰ Occupational diseases are not included in the calculation of incidence and frequency rates by gender in 2021.

centres in Mexico, in order to identify possible illnesses in workers so that they can be referred for medical attention. Diabetes, high blood pressure, hypercholesterolemia, tetanus, hepatitis B, as well as being overweight and obesity are some of the monitored diseases and conditions. In one year, around 150 people have been assessed.

In Argentina

- **Training on wellness and healthy living (Urbacor-Argentina).** In 2022, a programme of courses on healthy living has been established, including: CPR - healthy living conference, workshop on cardiovascular risks, consumer habits, mental health, and awareness of sexually transmitted diseases.
- **Alcohol awareness procedure (Transportes Olivos SACyF-Argentina).** For the contracts in San Fernando, Tigre, Vicente López and Tod, a procedure has been drawn up to raise staff awareness of alcohol consumption. Random breathalyser checks are also carried out.



HEALTH AND SAFETY PERFORMANCE MILESTONES AND COMMITMENTS

Milestones 2022

- ISO 45001 Certification in Colombia.
- The companies Urbaser, Sertego, KDM, RESAM, KDM Energía, STARCO, DEMARCO and Transportes Olivos-Vicente López have implemented and certified the new Global Integrated Management System. The rest of the companies have started its implementation, to be certified by 2023.
- Establishment of global accident reporting through a corporate application (Sygris).
- Digitalisation of the processes for obtaining accident rates (severity, frequency, incidence).

Let's Change 2025 Commitments

- Increase in the scope of the implementation and certification of the rest of the group's companies with the new Global Integrated Management System.
- To implement the legal compliance assessment reporting module on environmental, health and safety and industrial safety issues.
- Design and set-up of phase II of accident reporting: advanced system for the reporting of very detailed information on accidents that will make it possible to analyse their casuistry and establish plans to improve our occupational accident rate.
- Deployment of environmental and health and safety awareness-raising campaigns.

6.1.4 We promote a diverse and inclusive culture

GRI 3-3, GRI 405-1

Urbaser strongly supports equal opportunities, inclusion and diversity as key factors for the competitiveness of a generationally and culturally diverse workforce, which contributes different perspectives and encourages the development of valuable ideas and solutions.

The company's commitment is evident in its efforts to incorporate people of different nationalities and increase the presence of women in a traditionally male-dominated sector, as well as in its collaboration with different organisations to incorporate people at risk of exclusion or with disabilities into its teams.

Urbaser works every day to promote training, awareness and dissemination of key concepts related to equal opportunities (including the identification of gender bias). This awareness-raising work also includes other facets of diversity —beyond gender— that are present in the workplace.

There is no doubt that the road to a more humane and sustainable future lies in cultural change and ensuring equality between

men and women. Although some of the company's activities are subject to labour subrogation (with the consequent difficulties for the incorporation of women), continuing to collaborate in the implementation of equality plans will help to achieve a more balanced sector.

Within the framework of the **Corporate Policy on Equality and Diversity**, Urbaser works towards achieving diversity among employees as a means to enrich the company, rejecting all forms of discrimination. It is also committed to ensuring and promoting diversity, inclusion and equal opportunities for all staff.

At the end of 2022, an **International Diversity Committee** was set up with the presence of one person from each country in which Urbaser operates. This is the first corporate committee to study the current situation with respect to diversity, and to promote tools to mitigate any kind of inequality in the company. The committee envisages the following actions:

- Update of the Corporate Policy on Equality and Diversity (created in 2019), adapting it to the current situation.
- Preparation of a diagnostic report on the situation in each country, as well as in the whole of the world in which Urbaser operates.
- Setting of minimum targets for the presence of different groups where an under-representation is detected.
- Creation of a list of measures that can be implemented in the different countries in order to reach the agreed objectives.

EFFECTIVE EQUALITY

GRI 3-3, GRI 405-1, GRI 406-1

Equality plans

Five equality plans have been signed in Spain, covering 39 companies, and more than 21,000 employees. These plans have been negotiated with the relevant trade union federations, and include an average of approximately 63 measures in areas such as: co-responsible exercise of the rights of personal, family and work life, gender-based violence, communication, sexual and gender-based harassment, among others.

For the monitoring and fulfilment of the plans, six-monthly and/or annual meetings will be held under the responsibility of the equality and social commitment technician of the HR department.

The equality plans signed are as follows:



- **URBACET:** company equality plan signed on 10 January 2022 for the Special Employment Centre company. It includes 26 measures and covers approximately 268 people.
- **Sanitation:** group equality plan signed on 7 September 2022 for the sanitation, street cleaning and waste management sector, with a total of 26 companies, 96 measures, and coverage for approximately 14,686 people.
- **Sertego:** group equality plan signed on 21 September 2022 for the industry sector, with a total of 6 companies, 62 measures, and covering approximately 741 people.
- **Facility Service:** group equality plan signed on 26 September 2022 for cleaning interiors, with a total of one company, 88 measures, and coverage for approximately 38 people.
- **Public health:** group equality plan signed on 16 November 2022 for the social and health sector, and management of residences, with a total of 5 companies, 45 measures, and coverage for approximately 5585 people.

In the rest of the countries —as a result of the actions detected in the Diversity Committee— measures will start being implemented in all areas of the company to ensure equal opportunities and the promotion of greater diversity in the workforce, providing safe working environments for all people.

Anti-harassment protocols

True to its values of equality and diversity, Urbaser is developing various policies and protocols to ensure respect for people's dignity in all the countries in which it operates. Therefore, in 2022, it was working on a global **Anti-Harassment Policy**, which will include various initiatives at the international level.

In 2022, 7 complaints related to harassment situations were registered through the internal channel.

 <p>Milestones in 2022</p>	 <p>In development: planned for 2023</p>
<p style="text-align: center;">In Spain</p> <p>The company's moral harassment protocol has been updated and is of a national scope for all companies and staff in Spain. Negotiations were also held with the trade union federations, through the equality plan bargaining panels, to draw up four protocols to deal with situations of sexual and gender-based harassment for 38 companies.</p> <ul style="list-style-type: none"> Internal and accessible publication of the protocol so that it can be consulted by all people who work in companies whose equality plans so stipulate. <p style="text-align: center;">At the international level</p> <p>Equality and diversity training in 2022: information on the existence of the Corporate Policy on Equality and Diversity and raising awareness about the different types of harassment.</p>	<p style="text-align: center;">At the international level</p> <ul style="list-style-type: none"> Updating the existing policies on moral and sexual harassment and gender-based harassment in each country: unifying them to be the international reference framework for such a situation. A study of the different ways of proceeding in the countries will also be carried out so that this information can be located in a single document. Unification of the whistleblowing channels: for use of the ethical channel on the corporate website https://www.urbaser.com/en/ethics-box/. This can be used for reporting any situations of moral, sexual, gender-based harassment and discriminatory treatment. International communication campaign: in order to inform all staff of the existence of this policy. In each country, an ambassador in this matter will be appointed and shared as a reference for the local workforce.

WORK-LIFE BALANCE MEASURES

GRI 401-2

Urbaser is committed to ensuring a balance between the personal, family and work life of the people who work in the company. For this reason, and due to the specific characteristics of the services offered in the different business areas, people management must be adapted to different requirements.

Because of this need for adaptation, some work-life balance measures are offered mainly in the corporate positions at the head office, such as flexible start and finish times, or intensive work days on Fridays and during the summer months.

69% of the workforce has different for work-life balance measures recognised through the collective bargaining agreements negotiated in each centre (64% in 2021), although this does not mean that the remaining 31% do not have any benefits in this respect, but that these conditions may be recognised on an individual (rather than collective) basis. Other improvements in work-life balance conditions have been included in the equality plans signed in 2022, which cover 86% of the Spanish workforce. By extending the leaves of absence regulated by law, these improvement measures include shorter working hours, flexibility for shift changes, days off for personal matters, unpaid leave or leave of absence with job reservation for longer than required by law.



Outstanding practice: Spain

In Spain, Urbaser has obtained the Family Responsible Company (EFR) certification for the first time, with respect to personal, family and work-life balance for the entire workforce (approximately 1000 people). The United Nations and the Interreg Europe programme recognise this certification, awarded by Fundación Másfamilia, as “Good practice” for promoting policies to manage the work-life balance within companies.

Two figures have been appointed for the follow-up of this certification, the EFR Director and EFR Manager, who will hold meetings every 6 months. Both people belong to the HR department: the first, in his/her position as a director, close to the steering committee; and the second, a technical expert, who is close to the certified staff.

PERFORMANCE AND EQUAL OPPORTUNITIES

GRI 3-3, GRI 405-1, GRI 413-1

Employees by country of origin

Urbaser fosters the cultural diversity of its employees as an enriching factor for the company:

Country of origin	2022	2021
Argentina	3,324	3,372
Bahrain	179	-
Bangladesh	366	-
Bolivia	208	-
United Kingdom	737	-
Chile	4,108	4,721
Colombia	2,176	2,256
Denmark	625	-
Egypt	223	-
Spain	20,976	25,886
Finland	253	-
France	1,187	1,143
Haiti	109	-
India	11,985	11,708
Italy	163	-
Jordan	140	-
Morocco	356	-
Mexico	260	-
Norway	377	-
Romania	178	-
Sweden	107	-
Other	2,100	9,867
Total	50,137	55,581

Average total remuneration (in euros)

By professional category	2022			2021		
	Women	Men	Gap	Women	Men	Gap
Management team	103,332	107,806	4%	117,889	120,453	2%
Middle managers	38,018	48,164	22%	45,599	51,351	11%
Technicians	25,612	27,570	7%	26,047	32,592	20%
Operational positions	9,534	12,090	21%	12,427	15,692	22%
Total			23.48%			24%

By age	2022			2021		
	Women	Men	Gap	Women	Men	Gap
<30	11,172	8,298	-30.64%	15,381	11,383	-35%
30 – 50	9,109	12,198	25.33%	12,455	17,262	28%
>50	13,290	15,377	13.57%	18,256	23,465	21%
Total			23.48%			24%

*The calculation of this data is an age estimate, considering the salaries by gender and professional category, and the employees by country.

Average total remuneration by professional category, gender and age (in euros) *

		Total average remuneration (2022)		
		<30	30-50	>50
Women	Management team	-	67,348	141,194
	Middle managers	10,888	33,842	39,840
	Technicians	18,997	25,121	30,043
	Operational positions	10,761	8,030	11,622
Men	Management team	33,412	85,078	126,077
	Middle managers	22,098	44,522	49,109
	Technicians	16,860	25,719	30,942
	Operational positions	7,842	10,783	13,412

		Gap by professional category and age		
		<30	30-50	>50
Management team		-	20.84%	-11.99%
Middle managers		50.73%	23.99%	18.87%
Technicians		-12.67%	2.33%	-3.56%
Operational positions		-37.23%	25.037%	13.35%

*The calculation of this data is an age estimate, taking into account the salaries by gender and professional category, and the employees by country.

A corporate pay gap project was launched in 2022, which includes a remuneration study in the different countries with different breakdowns. Based on the results obtained, improvement targets will be set for 2023. In 2022, the **overall wage gap was 23.48%**¹¹.



OUTSTANDING PRACTICES

International initiatives

- In 2022, a corporate training action was developed in DEI (Diversity, Equity and Inclusion) called **"Equality and non-discrimination. Anti-bullying actions"**. The objectives of this programme were to learn the basic concepts for ensuring a work environment in which diversity is respected and encouraged, avoiding cognitive biases. The different types of harassment and whistleblowing channels are addressed. Conducted in 17 countries (Argentina, Bahrain, Chile, Colombia, Denmark, Finland, France, India, Italy, Jordan, Mexico, Norway, Oman, Poland, Sweden, the United Kingdom and the United States), this training has covered more than 26,000 employees, including both structural and operational staff.
- International 8M campaign:** in order to promote the inclusion of women in such a masculinised sector and to continue attracting female talent, this international corporate campaign consisted of a series of interviews with Urbaser workers in five countries (Argentina, Chile, Colombia, India and Spain), who talked about their experience in the company. In March, the campaign is estimated to have had an impact of over 41,000 people.

Chile: Since 2022, Urbaser has been a member of the indicators and measurement committee of the "Mesa Mujer y Minería" (Women and Mining Roundtable), an initiative supported by the Ministries of Women and Gender Equality, Mining, Labour and Education. The objectives of this roundtable include, among others, that participating companies should achieve 30% female participation by 2025 and 25% of women in senior positions in the companies of the roundtable by 2025.

India: The **Sakthi** programme continued during 2022. An initiative driven by Urbaser Sumeet with the aim of empowering and ensuring a dignified life for women from marginalised communities. This initiative is one of the first women's networks of its kind in Chennai (India), and integrates a salaried workforce covering the whole of zone 15. Through this initiative, women are empowered, their leadership is encouraged, and their financial freedom is facilitated. Urbaser Sumeet is looking to scale this initiative to other areas, to train more women and enable them to become leaders and driving forces for transformation in their environment.

¹¹ For the calculation of the salary gap in 2022, the base salary was taken into account; in 2021, the fixed salary was taken into account.

Diversity of talents

GRI 405-1

From the diversity, equity and inclusion strategy, Urbaser aims to have an adequate variety of profiles in the teams (demographic, expertise, location, status, etc.) through processes that ensure a fair and equal treatment, for example, in the selection, promotion and access to development opportunities. The ultimate aim is that people from under-represented minorities —women in certain roles, functional diversity— feel respected and included in the whole process.

In 2022, 700 people with disabilities (in 2021, 842; decrease due to changes in the perimeter) and 305 people at risk of social exclusion (in 2021, 402) were added to the workforce.

In Spain, in accordance with the General Law on Disability (LGD), Urbaser collaborates with Special Employment Centres that employ people with disabilities and ensure that these employees have the resources and conditions they need in their workplace.

Likewise, at the corporate headquarters in Spain, the company has different accessibility measures in place for all employees, such as the following:

- Accessible reserved parking spaces and ramped entrances.
- Accessible routes to all floors. Accessible lifts and/or ramps are available for this purpose.
- Disabled toilets on all floors. For their accessibility, these already take into consideration door width, grab rails, toilet heights, turning radius, etc.



OUTSTANDING PRACTICES

In line with the company's commitment to diversity and inclusion, Urbaser adheres to international initiatives in this matter, including the one carried out together with the **Diversity Charter**, which includes more than 12,500 companies across Europe that have signed the ten principles on inclusion and diversity.

It also collaborates with organisations to achieve the integration into the labour market of people at risk of exclusion.

Spain

- **Fundación Integra.** Urbaser has been a member of the Foundation's Board of Trustees since 2001. This foundation works with people at risk of social exclusion and disability to promote their integration into the labour market.
- **Incorpora.** In 2022, 204 people joined Urbaser through the "Incorpora" programme, a social project run by Fundación La Caixa in Spain, which promotes the integration into the labour market of vulnerable people, with some kind of disability or at risk of social risk or exclusion. This business partnership provides opportunities for these people and their families, and contributes to human progress in society.
- Within the framework of this programme, there is also the project "Recycling to change lives" in Spain, which seeks the social integration of people at risk of social exclusion into the recycling sector. This initiative also works thanks to the creation of a network of the companies involved, including Urbaser.
- **Tirme.** One of the largest treatment plants in Spain has renewed its collaboration agreement with Fundació Deixalles, with which it has been working together for more than 18 years in a cooperation project in the field of social responsibility and labour reinsertion. The results of this long collaboration are very relevant as it has made it possible to incorporate more than 1,000 people into the labour market. Currently, thanks to this project, 56 people are working in the public service facilities managed by TIRME, 29 of them with insertion contracts. What's more, 31% of the insertion jobs are occupied by women.

United Kingdom. Award holder of the Defence Employer Recognition Scheme. As a result of the company's commitment to supporting the armed forces, including current or potential employees who are members of the community, through the recruitment of reservists, armed forces veterans (including wounded, injured and sick), cadet instructors and military spouses/partners.

6.1.5 Focus on the talents of employees

GRI 3-3

PROFESSIONAL DEVELOPMENT OF THE TEAM

The professional development of the Urbaser workforce is key to both employee motivation and the efficiency and quality of the services provided by the company. For this reason, focus has been placed on the **People Organisation and Development Strategy** as a roadmap for developing excellent employees' professional skills, adapting them to the needs of market expansion, competitiveness, and current technological advancements.

Applying a continuous improvement and learning approach, Urbaser establishes training and development strategies and programmes to enable people to execute business strategies. Employee development programmes are designed to help new employees, including recent graduates and those who move internally or are promoted to new roles, to adapt to both the job and the organisation, as well as to improve the performance, productivity and innovation of employees who are already established in their positions, and to prepare people who must assume greater responsibilities in the organisation. These include special development programmes for key talent groups, such as management development programmes accompanied by 360-degree feedback programmes.

The company promotes, wherever possible, the search for talent from within rather than outside of the company, through a system of vacancy management and internal selection, offering an environment of opportunities for professional growth. Notably, in 2022, a plan was put in place to identify talent mainly in the context of key positions within the company, assessing their high potential or high performance and proposing succession and career plans. Investments aimed at training and development are proposed as part of the support for key talent.

The **competency model** launched in 2021 was **rolled out** in 2022, and was applied to different programmes such as those listed below. This model makes it possible to approach talent management programmes in a systematic and objective way, with a dictionary of competencies applicable to the different levels and roles of the organisation.

Talent development programmes

- **Junior talent programme**

This programme is geared towards the recruitment and training of recent graduates, using a competency-based follow-up assessment. During 2022, the junior talent programme was redesigned and updated with the aim of applying it on a global corporate scale. In this new phase, support and corporate functional areas have been added to the business areas. Given the importance of this initiative for the company's growth, a relaunch is being sought for 2023.

There are plans to draft a global corporate plan for interns and graduates in 2023, with the aim of creating an internal pool of junior talent, as well as fostering Urbaser's contribution to society, by complementing the academic training of students by putting their knowledge into practice in an applied environment.

- **360° feedback programme**

Aimed at directors and middle management, it is based on the Urbaser branch competency model. The corporate 360° feedback programme, initially implemented in Spain during 2022, aims to assess leadership skills. It is aimed at more than 150 managers and middle managers to guide them in identifying improvements to their leadership performance. More than 640 employees have participated as evaluators, either in the capacity of line managers, peers or reporters. This programme will be rolled out internationally during 2023.

- **Key talent management programme**

A key talent management programme has been initiated starting at the corporate management levels. This programme aims to create career and succession plans for people identified for critical roles.

In the latter part of 2022, the roll-out of the competency model to the rest of the countries also began, with the aim of standardising talent management processes globally, starting with the 360° feedback and performance assessment programmes.

IT tools for people management

During 2022, HR information systems were developed in different countries to provide managers with information about the people in their teams, gaining autonomy and immediacy in the administration of talent management processes. Among those involved in

developing these tools are 4People in Spain, BUK in Colombia and Chile, HR-Wallet in India, or Cascade (UK).

2022 performance appraisal

The performance appraisal of people at Urbaser is an opportunity for formal communication with each manager to share feedback on performance. These meetings are crucial to achieving the expected results, and to ensuring an optimal execution of the basic tasks of the job position.

Performance is reviewed in individual face-to-face meetings between the manager and the employee under appraisal in order to celebrate successes, identify improvements, and prepare an individual development plan. In these meetings, learning activities focused on career progression, improvement and innovation in the job position, and preparation for the best possible results in the following year, are defined. Urbaser appraises the annual performance of each employee to facilitate their development and improve performance.

Although this performance appraisal model is already in place, with a local design, in most of the countries where Urbaser operates, it will reach 100% of the company's structural staff worldwide by 2023.

TRAINING AND CAPACITY BUILDING

GRI 404-1

The **company's training strategy** consists of promoting human talent and the personal and professional growth of the workforce, which makes it possible to increase productivity and achieve objectives. It is therefore necessary to provide the appropriate means to improve and update the knowledge, skills and abilities (both individual and organisational) that are essential to effectively coping with current and future challenges.

The strategy acts on:

- **Capacity-building for work.** Assuring regulatory compliance, transferring knowledge, processes, procedures and new tools and technologies implemented in the company, and ensuring a healthy and prosperous environment.
- **Technical expertise.** Improving and updating technical knowledge, promoting continuous improvement and innovation in all business areas, allowing us to provide solutions and added value in all projects and functions.
- **Convey Urbaser's organisational culture.** In line with the company's mission, vision and values, and in accordance with the management model.
- **Competence development.** To achieve the objectives of the people and of the company.

During 2022, the priority lines of action of the company's **global training strategy** were as follows:

1. Corporate training in diversity-equity-inclusion

Objective: to train 100% of staff

Through the aforementioned corporate training action in DEI (Diversity, Equity and Inclusion) called "Equality and non-discrimination. Anti-bullying actions".

2. Corporate human rights training

Target: critical countries: India and the Middle East

"Caring for our people: Urbaser and its commitment to human rights", a programme designed to ensure that Urbaser complies in its working practices with respect for human rights in the work environment. Implemented in the Middle East and in India, it covers structural personnel and operators, approximately 7,200 employees, and will be extended to the rest of the countries in 2023.

3. Cybersecurity campaign

A renewed Information Security programme has recently been launched, covering all structural employees in Spain and planned for the rest of the countries in 2023. In addition, specific modules have been implemented to improve knowledge of and response to specific cyber threats detected in the company. This action has been complemented by awareness-raising initiatives through Urbaser's internal communication channels.

4. Regulatory compliance awareness programme

Target: countries with the largest size of operation

A compliance training programme has been implemented for structural staff in Spain, the United Kingdom, Oman, Chile, Argentina

and France, which will be extended to the rest of the countries in 2023. The objective is to learn about the reorganisation of the ethical principles of the Code of Conduct, as well as the key elements of the compliance policies, including the new mandatory controls for all Urbaser personnel.

5. Health and safety training for new personnel

Target Latam countries

With the aim of achieving excellence in the performance of operations and ensuring the well-being of workers in the different activities they perform, Urbaser focuses on health and safety training for its employees. As a result of a specific study of workplace accidents, a number of countries with the highest incidence were identified —Chile, Colombia, Argentina and Mexico— where corporate training content, previously tested in Spain, has been provided in the form of videos and digital content to ensure new employees receive an exhaustive initial training.

6. Design of a corporate digital training module on ESG issues

During the last quarter of 2022, a corporate training package was designed in digital mode that includes six pillars, which will affect all Urbaser staff, both structural and operational, at a global level: health and safety, environmental management, equality, human rights, cybersecurity and compliance. It will also address risk management in a cross-cutting manner.

The development of content and digitisation of this module will be carried out during the first quarter of 2023, implementation will begin in the second quarter, and it is scheduled for completion before the end of the year.

The duration of this training action will be five hours per worker and, therefore, more than 25,000 hours of training are estimated globally by 2023.

In addition to the aforementioned corporate training programmes, each country has annual training plans for its employees, which comprise different types of actions to cover the needs identified during the process and is performed periodically. Examples:

Operational technical training

Training on the use of machinery and specific work tools has continued in order to ensure the correct handling of operational equipment, guaranteeing maximum efficiency and good safety practices. Depending on the business area, light equipment, heavy machinery, heavy and light vehicles, with different propulsion systems, including the efficient use of electric vehicles, have been covered. In this area, in-house training is particularly encouraged, where older and more experienced employees pass on their knowledge to younger staff.

India

- BOV (Battery Operated Vehicle) operators programme, training and support in obtaining a driver's licence.
- BOV sweeper training: aimed at empowering, promoting and developing employee efficiency and productivity, which in turn contributes towards employee retention and organisational growth. This advanced training programme makes it possible to:
 - Keep employees motivated.
 - Improve BOV employee retention rates.
 - Take employees' careers to the next level.
 - Identify their area of interest and develop their skills.

Colombia

- Simulator training tracks: induction and training (70-20-10 model: 70% of knowledge from job-related experiences, 20% from interactions with others, and 10% from classroom education) of street cleaners, to prevent health problems. Impact: reduce accidents and absenteeism.
- Holistic driving school model: 1 diagnosis of driving style in simulator, 2. Delivery of the vehicle, 3. Training (1h personalised, 2h together with the driver, 1h incognito teacher)
- Training on safety, health and operational efficiency issues through podcasts (33) aimed at achieving behavioural changes in operators. Practice awarded by the ANDESCO association: National Association of Public Utility and Communications Companies of Spain
- Learning technology with WhatsApp, capsules in audio format on introduction to business and cross-cutting competences, aimed at administrative staff.

Chile

- **Peoneta Líder Programme:** with nationwide coverage of collection workers, its purpose is to acquire the knowledge necessary to maintain an active attitude in order to prevent accidents and to establish a preventive culture policy for improving

the risk behaviour of collection assistants, and which is related to safety.

With this objective, the concept of "Peoneta Líder en Seguridad" (Leader in Truck Driver Assistant Safety) was defined, assigned to the person who will have the role of guiding his/her co-workers in matters of occupational health and safety while carrying out the waste collection process, participating in a normal and active way but helping to prevent accidents.

Summary of results of the implementation of the "Peoneta Líder en Seguridad" programme

- 189 Leading truck driver assistants - North and South Zone. With a 90% achievement rate and 170 participants in the activities.
- 203 Leading truck driver assistants - Central Zone. With a 59% achievement rate and 119 participants in the activities

- **LFG Programme:** The Serious and Fatal Injury strategy (LFG for its Spanish initials) identifies high-risk situations in order to implement missing or ineffective control measures and develop an organisational culture to ensure their application. In order to establish a preventive culture within the company, a comprehensive programme was developed that seeks to establish safer spaces with high standards of safety and occupational risk prevention. The fundamental basis of the programme is to generate behavioural change and to create awareness around respect for the protection of health and the environment.

[Spain](#)

Continuation of the efficient driving programme for heavy electric vehicles, adding another 50 drivers to last year's programme in the Catalonia area.

[United Kingdom](#)

LGV Drivers Apprenticeship programme with 21 employees enrolled and 7 white collar staff in the first Line Management programme

Leadership and team management programme aimed at middle management

[Spain](#)

- Programme of middle management functions and the organisation of services for heads of service, foremen and supervisors, in which 150 people took part.
- Lean six sigma-green belt programme in the treatment area in Spain focused on improving the productivity of plant processes, the results of which are being assessed with a view to extending its implementation globally in all business areas.

In addition to this priority training, specific technical and operational training by business area and training in cross-cutting skills, such as leadership, middle management functions, team management, process optimisation, IT and digital competencies, have been continued.

Digital skills programme

[Spain](#)

Aimed at structural staff in Spain, the programme comprises three modules: digital skills, disruptive technologies and digital business (the latter is optional). It is designed as an upskilling programme for senior staff to help them adapt to new technologies at work.

The company is firmly committed to the training and professional development of people and seeks to introduce a culture of learning for the **continuous updating of skills and an open attitude to innovation** in their day-to-day work. In 2022, 581,928 hours of training were provided (in 2021, 297,542 hours), in other words, an average of 11.6 hours of training per employee. The increase in training hours is due to the company's commitment to the creation of a more extensive training plan that encompasses the entire workforce and is part of Let's Change 2025, where new training courses have been created and delivered worldwide. In addition, health and safety training has continued to be reinforced as part of Urbaser's commitment to ensure that all the people who make up our teams carry out their operations in safe and healthy work environments.

All of this by means of 224,736 participations in training actions (27,781 in 2021), thanks to an investment of **€4,962,304.35** (€1,586,353, in 2021) by the company, representing an average investment in training per employee of **€98.97**.

Training hours

By professional category	2022	2021
Management team	4,254	3,120
Middle managers	26,346	20,427
Technicians	77,840	32,114
Operational positions	473,488	241,881
Total	581,928	297,542

By gender	2022	2021
Women	128,350	44,804
Men	453,578	252,738
Total	581,928	297,542

By area of knowledge	2022
Diversity, equality and inclusion	18,897
Health and safety	267,181
Environment	22,707
Compliance or Code of Ethics	7,202
Other areas of knowledge	265,941
Total	581,928

6.2. Sustainable supply chain

6.2.1 A procurement strategy for multiplying impact

GRI 308-1, GRI 414-1

Urbaser's Procurement area is currently undergoing a transformation process, focusing on specialisation by purchasing purchase category management, digital transformation of all purchasing processes, and reduction and qualification of the supplier portfolio, with an emphasis on mitigating any potential risks of those suppliers that are deemed critical.

During 2022, Urbaser continued to work on identifying, assessing and mitigating the risks inherent in its supply chain, in order to assure the quality and safety of the products and services.

Number of suppliers and volume of purchases

Indicator	2022	2021
Number of suppliers worked with during the year	34,568	+60,000
Total volume of purchases during the year	€ 1,669,667,070.43	€ 1,086,000,000.00
Purchases from local suppliers as a percentage of total turnover	95.08%	97.30%

The Procurement Process is audited annually both internally and by external entities, and in 2022 no non-conformities were recorded in the audited period. If recommendations or opportunities for improvement arise from these audits, they are managed in accordance with the established procedures, in line with the objective of continuous improvement and efficiency of the company's procurement processes.

Objectives

The main objectives of Urbaser's Purchasing area are as follows:

- To add value to the company by achieving efficiencies in terms of price and total acquisition cost.
- To provide a service to the internal customer, from the point of view of price, quality and delivery times.
- Identify and mitigate general and operational risks through fully transparent processes for the correct classification and qualification of suppliers.
- Comply with the regulatory framework both for the people who work in the purchasing function within Urbaser and for the suppliers themselves.
- Promote competitiveness, quality of supply and innovation among suppliers.
- To foster a culture of social responsibility and a culture of sustainable transformation among all stakeholders that form part of Urbaser's value chain, through the definition of strategic, ethical policies and management systems that are highly committed to the Sustainable Development Goals.

Focuses of the Corporate Purchasing Area

The main focuses of Urbaser's Purchasing area are:

- **Efficiency:** Optimisation of costs and resources through the centralisation of processes, and control and monitoring of savings in key business categories.
- **Quality:** Starting from an estimate of demand based on real consumption metrics, a correct definition of technical specifications, an agile tendering system, the identification and selection of qualified and certified suppliers, the definition and negotiation of optimal conditions until the issuance of the purchasing document, as well as the derived reverse logistics.
- **Sustainability:** The entire value chain participates in the sustainable principles that define Urbaser, and the good practices in terms of the environment, and reduction of the carbon and water footprint. The identification of circular economy actions are evaluation and monitoring criteria during the life cycle of Urbaser's supplier.
- **Internal customer service level:** Optimisation of the entire process to be more agile, providing detailed information to the business and collaborating jointly on cost efficiency initiatives
- **Digital transformation:** Automation of the purchasing process, as well as integrated management through a single global system.

- **Compliance:** Guaranteeing compliance with existing regulations and ensuring corrective actions are taken in case non-conformities are detected.
- **Overview:** Fostering a strategic local and global purchasing approach, identifying potential suppliers and ensuring a high percentage of savings in key business categories.

Corporate supplier management as the main area of operation in the Corporate Purchasing area has defined management objectives and performance indicators, which are reported every three months.

2022 milestones in ESG in the supply chain

In 2022, the targets set in 2022 for the approval of critical suppliers, the approval of the new supplier audit procedure and the first audits of suppliers with low ESG performance were exceeded. Sustainability criteria have also been introduced for the most important contracts awarded:

- **410 ESG-approved critical suppliers** by 2022, exceeding the target of 350 by 2022.
- **73% acceptance of the Suppliers' Code of Ethics** by the most important suppliers.
- Implementation of an **audit procedure for critical suppliers** with low ESG performance in order to mitigate and train these suppliers to be able to continue working within Urbaser. To date, 18 such audits have been carried out.
- **ESG surveys of suppliers in different areas** with very positive feedback (>75% of responses).

6.2.2 Ethical governance and approval system

SUPPLIER MANAGEMENT POLICIES AND CRITERIA

All classification and associated supplier tasks are set out in the **Supplier Approval and Management Procedure**, published on 10 January 2022 and with a global scope.

The **Suppliers' Code of Ethics** defines the principles of action binding on third parties and puts the focus on suppliers, who are obliged to sign and accept the document, except in the case of those classified as "core" suppliers.

Similarly, human rights requirements are also mandatory in the relationship with the supplier, in line with Urbaser's social values.

Purchasing policy

Urbaser's purchasing management has its framework for action in the corporate document on the procurement of goods and services, where the guidelines and principles are based on:

- The correct application of the legislation in force according to the country of operation.
- Competitiveness and transparency in the identification, selection and award of processes.
- Establishing and developing trust among stakeholders.
- Compliance with international agreements on ethics, human rights, environment, quality, safety and health.
- Commitment to the Urbaser Code of Conduct from the Purchasing area.
- The awarding of processes to suppliers that meet and guarantee the quality standards required by Urbaser and the global market in each business area.

Respecting human rights throughout the value chain

With regard to the supply chain, Urbaser has established a series of ethical principles in its Code of Ethics for Suppliers, which include, among others, the rejection and elimination of forced or compulsory labour, child labour and discrimination. Likewise, in accordance with these principles, Urbaser is obliged to ensure that none of its branches and subsidiaries located outside of Spanish territory, nor any of its contracted companies, carry out practices involving forced or compulsory labour or child labour.

Based on this commitment to contribute to the respect of Human Rights in its supply chain, Urbaser has included aspects related to the protection of Human Rights in the supplier approval process.

To verify its value chain, throughout 2022, Urbaser carried out audits of critical suppliers to verify compliance with the ESG criteria set out in the approval process, including respect for human rights.

Ethical channel

Urbaser promotes high ethical value throughout the supply chain and among its members. For suppliers and external users, it has an ethical channel available via a form on its website (<https://www.urbaser.com/en/ethics-box/>) which makes it possible to report any possible irregularity, non-conformity or behaviour that is contrary to the ethics, legality and the rules that govern this company. This channel can also be used to report possible situations of moral, sexual, gender-based harassment and discriminatory treatment.

During 2022, no complaints from external suppliers were registered through the ethical channel.

Relationship with the supplier

The **supplier selection and award processes** follow objective, impartial criteria in accordance with Urbaser's Code of Conduct, the savings strategy defined according to the purchasing category and compliance with corporate policies on third-party compliance. Compliance with regulations regarding supplier management on registration, qualification, classification and corresponding certifications is also taken into account.

The qualification of suppliers allows us to know, control and manage the risks resulting from activities according to category, before the final management of the purchase order/contract. Cover is required in respect of these risks:

- **Credit risks.** Evidence of contractual guarantees must be provided to ensure compliance by the successful bidder for the duration of the contract.
- **Risk of fraud and corruption.** By 2023, new suppliers with a relevant turnover will be subject to a due diligence process verifying that their business track record is aligned with Urbaser's ethical principles and that they have no criminal record of fraud or corruption. Checks will also be performed to ensure that they are not included on lists of international sanctions. Existing suppliers will be analysed progressively according to their criticality for Urbaser's activity.
- **Sustainability risks.** The structure and management of the company is analysed, ensuring that behaviour and actions are in accordance with the minimum ethical standards defined by Urbaser. Where sub-optimal levels are not achieved, improvement plans will be developed to promote a culture of sustainability within the supply chain.
- **Validation of qualifications through certifications.** SA 8000 Certificate, OHSAS 18001 Certification, Distinctive Equality in the Company, Labora Seal, Family Responsible Company (EFR), RS10 Social Responsibility, ISO 26000 UN Global Compact.

SUPPLIER MANAGEMENT

Urbaser has an active supplier portfolio, classified into three typologies: basic, qualifiable and critical. The allocation depends on turnover, purchase category, impact of the contractual relationship with respect to production, corporate image and business continuity.

The main procurement categories are: energy, fleet, investments, professional services, maintenance, installations, logistics, construction, facilities and indirect purchases.

The Corporate Purchasing area is responsible for efficiently managing each process requested by the internal customer, and for benefiting the entire organisation through the defined flow:

Supplier management



Registration

In 2022, the **integrated supplier management project** was launched via the Sygris platform. The objective is to integrate all registrations in a single system according to country and type, the application of qualification and/or certification processes for these, as well as the monitoring and control of compliance in terms of management indicators in the Purchasing area.

In Spain, Urbaser has the Ariba Network for the mandatory management of registering and recording basic supplier information.

Prior to purchase, suppliers participating in a tender must fill in basic information and accept Urbaser's Mandatory Terms and Conditions. In 2020, the average registration was 50 a month.

Risk assessment and sustainability

Urbaser has decreased the number of suppliers identified as critical under the supply chain risk and sustainability management model through the ACHILLES RePro pre-qualification system, a tool that provides information to mitigate potential impacts, improve working conditions and increase our focus on sustainability.

In 2022, 410 critical suppliers were certified under ESG and Compliance criteria, exceeding the target of 350 by 2022.

Critical suppliers

Indicator	2022	2021
ESG-certified critical suppliers	410	100
ESG audited suppliers	18	-
Total critical suppliers	1,732	7,609
Total annual procurement expenditure represents critical suppliers	€ 1,337,132,529.93	1,072,706,700.39

Similarly, the rest of the portfolio of suppliers (qualifiable and basic) participate in the risk and sustainability analysis based on turnover and the associated category, through an internal score system, where performance in environment, quality, governance and social (ESG), legal, criminal, cybersecurity (compliance) and financial risk aspects is validated. These parameters help to mitigate any potential impact before or during the contractual relationship. In the third quarter of 2022, a total of 245 suppliers were identified as a target. This does not include new suppliers added during 2022.

Next steps:

With the aim of extending the corporate management criteria to suppliers, the design of a single database began in June 2022, using the Sygris tool, which will allow the rest of the countries to replicate the supplier qualification model. In the module called "Phase 2 - Supplier Qualification, Evaluation and Audit", the Local Purchasing area will apply the standards in equal measure to suppliers whose turnover, category type or strategic decision requires guaranteeing the minimum standards and mitigating any possible risk according to the local scope.

By 2023, work will be done to achieve 100% of the portfolio, with a first pilot having started, on the date of writing this report, with three countries - Morocco, Maldives and Colombia.

Sustainable procurement criteria

Urbaser's commitment to sustainability is to ensure that at least 80% of the suppliers identified as critical in each country meet the minimum quality standards described in the corporate policies and have the appropriate ESG analysis and assessment

- **Environment** → Policies, management systems, climate change, carbon and water footprint.
- **Social** → Human rights, equality, diversity, management systems, transparency, community
- **Governance** → Policies, sustainable development commitments, ethics and compliance, sanctions, stakeholders, supply chain
- **Compliance** → Best practices with regard to the processing, protection and use of third party information and legal aspects

In addition to these criteria, the supplier evaluation procedure and the Good Practices Handbook for Sustainable Procurement, the Purchasing area ensures that sustainability is extended throughout the entire chain.

In 2022, the policy for communication and use of the Good Practices Handbook for Sustainable Procurement continued, with the ambition of extending within Urbaser the commitment to sustainability that is maintained throughout the supply chain.

Supplier audit

Parallel to the activities of the Quality, Prevention and Environment department, the external audit procedure was approved on 22 February 2022, which initiated the programme of audits of approved critical suppliers with poor ESG/Compliance results (less than 25 points).

The programme initially covered a sample of between 5-7% of the total target number of critical suppliers in Spain: 18 suppliers with an annual turnover of more than €200,000, categories considered to have a high impact on productivity and with an assured business continuity, which —after being pre-qualified in RePro— scored poorly.

The audits were carried out in the following modalities: 1. On-site (2 days - 61% of audits) and 2. ESG (1 day - 39% of audits). Suppliers received actions for improvement and follow-up from Purchasing.

The average number of "major non-conformities" in the sample is 2, with the highest content of the findings being: Observations and/or Opportunities for Improvement among Urbaser suppliers.

For Urbaser, being able to contract suppliers that work with the same objectives and goals in terms of sustainability helps to improve and generate a shared value with society.

Supplier survey

On the other hand, and as part of the quality management, during the fourth quarter of 2022, Urbaser launched a survey to a sample of the main critical suppliers to evaluate the performance and functionality of Urbaser's purchasing processes, as well as to find out their opinion with regards to the implementation of actions focused on ESG aspects at an internal level.

More than 75% of suppliers responded that the quality of the procurement and supplier registration process is transparent and efficient. For 84% of the sample, Urbaser is a transparent company in terms of communication about its responsible management activities (approvals, audits, evaluations, etc.).





More than 50% of the sample considers Urbaser to be a company that is highly committed to sustainability. Most notable is the absence of poor scores or scores that indicate the need for immediate corrective intervention. Therefore, the current actions implemented follow the principles that define the company, and thus its commitment to the Sustainable Development Goals.

This survey also shows a high commitment of the supply chain with respect to human rights and integrity as part of the sustainable management.

OUTSTANDING INITIATIVES

- **Purchase of electricity from renewable sources:** progressively moving towards the 100% target for 2025 as set out in the Horizon 24 plan. In 2022, **100% of the electricity** purchased was produced from renewable sources.
- **Efficient vehicle fleet:**
 - Acquisition of the vast majority of the fleet for service personnel under rental/leasing frameworks of up to 3 years, which facilitates a complete renewal of this fleet of vehicles by efficient vehicles, with a consequent substantial and continuous reduction in emission levels.
 - Hybrid, gas and electric vehicles continue to be added to the fleet, with the aim of reaching a 33% zero-emission fleet by 2030, as set out in the Horizon 24 Plan.
- **Digitalization in procurement processes:** in 2022, a new project was started with the aim of incorporating the digitisation of essential process documents, such as supplier offers and contractual documents, into the computerised procurement management system, to be completed in 2023 with the digitisation of delivery notes and invoices.
- **Purchasing supplies:** promoting the purchase of supplies from companies with proven sustainability standards, with a certified Environmental Management System, prioritising those manufacturers that have a system for calculating their carbon footprint, based on international standards, products with a low environmental impact and ECO labelling.
- **Paper purchases:** all paper purchased by Urbaser comes from sustainably managed forests with a forestry certificate or is made from recycled material.
- All **electric motors** purchased - both for replacement in our facilities and for the purchase of new stationary machinery - have at least IE3 energy efficiency.

LET'S CHANGE 2025 COMMITMENTS

 <p>Updating the regulatory and procedural framework</p>	 <p>Tasks to be performed</p>
<ul style="list-style-type: none"> • Definition and establishment of a corporate governance model for supplier management, readapting it to local circumstances. • Restructuring of the policy on Human Rights as a potential risk in the value chain and its integration with the ESG model and Tier 1 and Tier 2 supplier management. • Updating of the supplier management and audit management procedures. • Implementation of ESG criteria for the contracting of the most critical and largest purchases. • Redefinition of the ESG Model of approval and evaluation of Tier 1 suppliers. 	<ul style="list-style-type: none"> • Redesign of the suppliers Risk Map. • Definition and implementation of new supplier management indicators. • Corporate implementation of the Supplier Evaluation Model. • Implementation of the Urbaser Supplier Improvement Plan according to the weaknesses detected in the qualification processes.
 <p>Promoting interaction with suppliers</p>	 <p>Use of tools</p>
<ul style="list-style-type: none"> • First ESG Day with suppliers • Team building, meetings and webinars with suppliers. • Implementation of the sustainable ESG training plan for suppliers in the following modalities: a. critical in ESG and b. with low performance in ESG. • Guarantee the commitment and performance of the value chain with ethical actions, integrity and a strong focus on Human Rights, including Tier 2. • Implementation of improvement actions for Tier 2, with a high impact on critical Urbaser categories. 	<ul style="list-style-type: none"> • Implementation of the single database for Integrated Supplier Management. • Systems integration with the supplier's validation tools (ACHILLES, Moody's).

6.3. We contribute to social progress

6.3.1 Our social strategy

GRI 203-2, GRI 2-29, GRI 413-1, GRI 413-2

The cost of living crisis and the erosion of social cohesion and polarisation are among the main short-term risks according to the World Economic Forum's latest Global Risks Report. At a moment of great upheaval and uncertainty, Urbaser assumes its role of social stabiliser even more firmly, as a company that generates employment and social value in the places where it operates. Not forgetting that the very development of its business already brings benefits both for the community and for sustainable development.

In order to maximise this impact on society and, in line with its desire for continuous improvement, **Urbaser worked on the development of a new social strategy in 2022**. For the first time, the company has a **global roadmap shared by all countries**, which allows them to develop their own social action projects —always adapted to the needs of each territory— under a common vision and guidelines.

The areas of this social strategy are aligned with both Urbaser's purpose and with the frameworks that will guide social impact in the coming years, and are split into three lines of action.

- Social inclusion through work
- Environmental awareness
- Impact on communities

In each of the above, it is envisaged that the programmes to be implemented in the coming years will be developed in 2023.



SUCCESS STORY: Colombia

Andesco Grand Prize for Sustainability: 2 prizes

In 2022 at the Andesco Sustainability Awards, Urbaser Colombia was awarded one of the most important awards in this field in Colombia and Latin America. Within the framework of the XXIV Andesco Congress in 2022, Urbaser Colombia won three prizes:

- **Environmental and social management**

In environmental terms, initiatives such as the change from a **landfill to an ecological and technological park** contributed to the sustainability of the territories through the reforestation, conservation and restoration of areas that are affected by the final disposal of waste. With this initiative, Urbaser has managed to attract more than 1,000 people to the ecological and technological parks through guided visits to observe the attraction of endemic and migratory birds, the construction of gardens made up of melliferous plants to attract pollinators and the planting of approximately 15,300 trees. These parks have 2 kilometres of ecological trails that make the recognition and beautification of the environment possible.

On the social side, spaces such as **Urbaser en tu Barrio** y **Urbaser Buen Vecino** (Urbaser in your Neighbourhood and Urbaser Good Neighbour) were promoted, which convey a transparent, easily accessible and close company that responds to and manages community needs by means of a comprehensive service strategy. Thus, the company is aware of the current realities and contexts, enabling it to develop programmes and strategies for the materialisation and prioritisation of sustainable proposals in a concerted manner.

- **Corporate Governance Environment**

Urbaser is committed to corporate transparency and to actions that help build a country free of corruption. That is why it is leading the Urbaser Transparente initiative, generating spaces for two-way communication with the population and defending the right to citizen participation.

A broad invitation is issued for these local accountability events, guaranteeing the participation of all stakeholders and covering key issues such as the explanation of tariff collection, compliance with the rights of employees, and showing how its operations respect the environment, among other issues.

★ CLIMATE ACTION AWARD

Urbaser received the award for best company in the category of **Adaptation and Transition to Climate Change**, for the actions carried out in the project: From landfill to "Los Picachos" **Ecological and Technological Park**.

The initiative consists of the reforestation, conservation and restoration of areas impacted by the final disposal of waste. Thus, the aim is to ecologically safeguard the areas through environmentally sustainable engineering processes; restoring vegetation cover, reducing the areas of operation, implementing leachate treatment systems and mitigating the impact of gas emissions.

In addition, ecological trails were designed and built that integrate with the surrounding environment, reforesting with native species to rescue the presence of fauna, offsetting and reversing the impact of the ecosystems. Finally, we also generate educational scenarios in which we link ancestral culture through infrastructure, which promote care for the environment.

6.3.2 With our host communities

GRI 2-28, GRI 2-29, GRI 413-1, GRI 413-3

Urbaser's activity has a direct impact on communities and contributes decisively to their socio-economic development. All the actions carried out within the framework of Urbaser's social action are based on an in-depth knowledge of the local reality and an ongoing dialogue with the main stakeholders in these communities. Thus, many of these initiatives are implemented in collaboration with different stakeholders in order to maximise their impact on both people and the environment.

In 2022, the company dedicated 1.27 million euros to initiatives to promote projects with a positive social and environmental impact (1.6 million euros in 2021).

Area of Intervention	No. Beneficiaries	Financial Amount (€)	Hours Spent	Employees Involved
Environmental awareness and education	3,415,778	698,949.10	15,295	3,055
Local communities	853,224	303,671.95	2,315	656
Support for culture and sport	56,077	268,891.47	129	152
TOTAL	4,325,079	1,271,512.52	17,739	3,863

Type of activity	No. Actions	No. Beneficiaries	Financial Amount (€)	Hours Spent	Employees Involved
Collaboration	132	2,741,205	680,197.54	11,375	750
Donation	45	116,588	308,075.68	733	183
Volunteering	53	1,334,456	195,624.31	5,308	2,680
Sponsorship with a social purpose	34	132,710	85,456.78	302	249
Patronage	3	120	2,158.21	21	1
TOTAL	267	4,325,079	1,271,512.52	17,739	3,863

Actions carried out in 2022 include the following:

Matching of unemployed persons and trucking companies without drivers (Denmark)

In 2022, Urbaser participated in a pilot project to boost employability in the Danish city of Hvidovre. Conducted in collaboration with the TEC education centre, the Danish Capital Employment Service, the Danish Transport Development Fund and the Danish Agency for Labour Market and Recruitment, the programme sought to match unemployed people with local trucking companies that were short on drivers. First, a group of job seekers were selected to follow a training programme at the TEC. At the end of the course, **the students were able to complete their learning with an internship in the participating companies** and then access a **job opportunity**.

Transforming degraded spaces into playgrounds (India)

As part of its commitment to transforming the Indian city of Chennai into a more pleasant environment for its citizens, Urbaser Sumeet is promoting the rehabilitation of several spaces in the Kannagi Nagar district. Once used for waste disposal, thanks to the company's action, the alleys have been transformed into **playgrounds with more than 3,640 square metres available for local children**. This conversion also aims to help raise awareness among neighbours about the importance of keeping these shared spaces clean.

**+3,000 PEOPLE
BENEFITED**

Urbaser in your neighbourhood (Colombia)

This citizen mobilisation and environmental awareness programme creates **spaces for meeting with communities and developing shared actions**, with the aim of recovering public spaces and promoting the sustainability of the territories. With the love of nature and commitment as its core values, "Urbaser in your neighbourhood" is based on four elements: local presence (promotion and recognition of the brand and its allies), a playful approach to teaching, services adapted to the needs of the communities, and the inclusion of environmental groups to forge strategic alliances.

**+118,870 PEOPLE
BENEFITED
CONTRIBUTION**

A Hunger-Free Christmas (global)

"A Hunger-Free Christmas" is **Urbaser's first worldwide solidarity campaign** in which —together with the NGO Action Against Hunger— both the company and its employees pledge to make a financial contribution to provide hot meals to people at risk of exclusion. Urbaser employees donated €3,540, plus an additional contribution of €5,000 from the company at the end of the campaign in 2023.

CONTRIBUTION +8,540 €

Aid for school transport in poorly communicated areas (Chile)

In the Chilean commune of Lla-Llay, the school is located 20 kilometres away from the villages in which most families live, in this area of the central region of Valparaíso. This distance is combined with poor quality and scarce public transport. Aware of this problem, Urbaser contributes to **co-financing the school transport** —together with the municipality of Llay-Llay, the Mensiano School, families and KDM— and makes it possible to connect five localities: Montenegro, Rungue, La Cumbre, Rincón de los Valles, and Las Blancas.

CONTRIBUTION 6,990 €

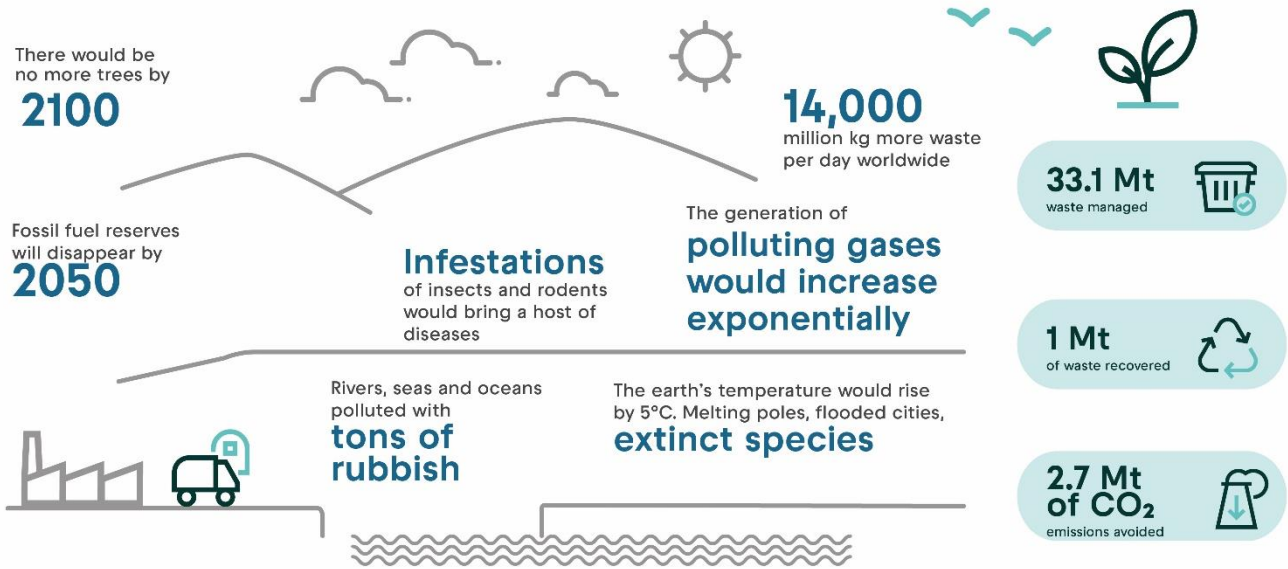
As part of its commitment to sustainable development, Urbaser also implements actions in collaboration with local groups, associations and organisations, and provides support —mainly through sponsorship— to activities related to sport, culture and the arts, which are key to revitalising the economy and society in the areas in which the company operates.

RECIPIENTS OF OUR SERVICES

GRI 416-1, GRI 416-2

Urbaser provides an essential service for the daily lives of people in more than 19 countries around the world through its integrated model of environmental solutions. It also helps to ensure that these citizens can live in their towns or villages in safe and healthy conditions guaranteed by the correct waste management that the company carries out

What would happen if Urbaser stopped managing waste?





7. Appendix

7.1 Fiscal transparency and reporting

Profit (before tax) by country in thousands of euros (€)

By tax jurisdiction	2022	2021
Saudi Arabia	-16	-
Argentina	8,005	17,682
Bahrain	3,236	3,318
Chile	-12,713	-1,930
Colombia	8,206	8,888
Denmark	8,673	7,541
Ecuador	815	490
Spain	108,066	80,125
United States	-5,451	-1,628
Finland	-701	-1603
France	-28,118	-4,326
India	3,430	3,404
Italy	0	-1
Morocco	-2,002	-105
Mexico	2,307	519
Norway	5,501	4,265
Oman	343	33
Poland	-1,364	-125
Portugal	2,779	5,768
United Kingdom	8,114	-649
Singapore	-16	-8
Sweden	458	-374
Venezuela	-	71
Total	109,552	121,355

Income taxes paid (not accrued) in thousands of euros (€)

By tax jurisdiction	2022	2021
Argentina	10,420	11,664
Chile	1,331	1,155
Colombia	3,030	1,997
Denmark	1,405	1,405
Ecuador	13	7
Spain	26,944	22,111
Finland	160	160
France	-3,251	-3,251
India	3,007	988
Indonesia	-	89
Morocco	-88	-82
Mexico	9	9
Norway	907	907
Sweden	-922	-849
Venezuela	-4	41
Total	46,961	36,351

Public subsidies received before tax (in thousands of euros)

By tax jurisdiction	2022	2021
Spain	17,227	13,267
France	87	3,716
United States	-	42
Total	17,314	17,025

About this report

In response to the requirements and expectations of the different stakeholders, and in line with Urbaser's commitment to transparency and sustainability management, the company has prepared this Non-Financial Information Statement 2022. A report that sets out the company's management and commitments on relevant financial and non-financial aspects for 2022 and has been prepared with reference to the GRI Standards, in the version indicated in the GRI Index.

The scope of the financial and non-financial information in this report corresponds to the scope of consolidation for the period 1 January 2022 - 31 December 2022, but for non-financial information including onlye invested companies in which the majority or effective controlling shareholding is held. Urbaser's central departments have carried out a process of validation and consolidation of the data obtained, with no restatement of the information.

The frequency of this report is annual. For any questions about the report please send an email to info@urbaser.com.

7.2 Law 11/2018 table of contents

MATTERS OF LAW 11/2018	LOCATION / CONTENT	FRAMEWORK USED GRI STANDARDS 2021	SDG
BUSINESS MODEL DESCRIPTION			
Business environment	2.3.6 Channelling trends to generate opportunities	GRI 2-6	
Organization and structure	3.1.1 Regulatory compliance model	GRI 2-9	5 16
		GRI 2-11	16
		GRI 2-12	16
		GRI 2-13	
Geographical presence	2.2. A model with global impact	GRI 2-6	
	2.3.6 Channelling trends to generate opportunities	GRI 2-1	
Targets and strategies	ESG Plan: Let's Change 2025	GRI 2-6	
	Conversation with the Chief Executive Officer	GRI 2-22	
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	3.1.2 ESG risk governance	GRI 2-25	
Procedures used to detect and assess them	3.1.2 ESG risk governance	GRI 3-3	
Information on the impacts that have been detected and their breakdown, in particular on the main short-, medium- and long-term risks.	3.1.2 ESG risk governance	GRI 3-3	
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Current and foreseeable effects of the company's activities on the environment	5.1. Integrated Management System	GRI 3-3	
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Number of provisions and guarantees for	5.1. Integrated Management System	GRI 3-3	

environmental hazards				
Pollution	Measures to prevent, reduce or redress carbon emissions that seriously affect the environment.	5.2.1 Pollution	GRI 305-1 GRI 305-2 GRI 305-5 GRI 305-7	3 12 13 14 15
	Any form of atmospheric pollution specific to an activity, including noise and light pollution.		GRI 3-3	
Circular economy and waste prevention and management	Measures for the prevention, recycling, reuse, recovery and elimination of waste	5.2.2. Sustainable use of resources	GRI 306-2	3 6 12
			GRI 306-4	3 12
	Actions to combat food waste	It does not apply to the activity	GRI 306-1 GRI 3-3	3 6 12 14
			GRI 306-4	3 12
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	Consumption of raw materials and measures adopted to improve the efficiency of their use.	5.2.2. Sustainable use of resources	GRI 301-1 GRI 3-3	8
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	Measures taken to improve energy efficiency	5.3.1 Climate change mitigation	GRI 302-4	7 8 12 13
	Use of renewal energies	5.3.1 Climate change mitigation		7 8 12 13

	Important elements of greenhouse gas emissions resulting from the company's activities and from the utilization of the goods and services it produces.	5.3.2 Measuring our footprint	GRI 305-1	3 12 13 14 15	
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			GRI 305-3	3 12 13 14 15	
			GRI 305-4	13 14 15	
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	Measures adopted to adapt to the consequences of climate change	5.3.3 Adaptation to the climate emergency	GRI 201-2	13	
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	Total number and distribution of types of work contract	6.1.2 Stability and flexibility as turning points	GRI 2-7	8 10
	Annual average of permanent contracts, temporary contracts and part-time contracts by sex, age and occupational classification	6.1.2 Stability and flexibility as turning points	GRI 2-7	8 10
	Number of dismissals by sex, age and professional classification.	6.1.2 Stability and flexibility as turning points	GRI 401-1	5 8 10
	Employees with disabilities	6.1.4 We promote a diverse and inclusive culture	GRI 405-1	5 8
	Average remuneration and its evolution broken down by sex, age and professional classification or equal value	6.1.4 We promote a diverse and inclusive culture	GRI 405-2	5 8 10
	Salary gap	6.1.4 We promote a diverse and inclusive culture	GRI 405-2	5 8 10
	The remuneration of equal or average jobs in the company	6.1.4 We promote a diverse and inclusive culture	GRI 405-2	5 8 10
	The average remuneration of directors and executives, including variable remuneration, allowances, severance pay, payment to long-term pension schemes and any other amount received broken down by sex.	<p>During 2022, no remuneration has been accrued to directors or senior management. In 2021, the average remuneration of men in the senior management team was €464,500; that of women was not reported as the management team consisted of only one woman, in order to comply with the Organic Law on Personal Data Protection (LOPD).</p> <p>Likewise, in 2021 the average remuneration of male directors was €81,000 and that of female directors was not reported as the team of directors consisted only of men.</p>	GRI 2-21 GRI 405-2	5 8 10
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	Implementation of work disconnection policies	6.1.2 Stability and flexibility as turning points Within the framework of the Digital Disconnection Policy in Spain is the setting of notifications about working hours in sent emails.	GRI 401-2	3 5 8
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			GRI 403-3	8
			GRI 403-4	8 16
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			GRI 403-10	3 8 16
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	Mechanisms and procedures in place to promote employees' involvement in the management of the Companies, in terms of information, consultation and participation.	6.1.2 Stability and flexibility as turning points	GRI 403-4	8 16
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		6.1.4 We promote a diverse and inclusive culture	GRI 405-1	5 8
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		6.1.4 We promote a diverse and inclusive culture	GRI 405-1	5 8
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		6.1.4 We promote a diverse and inclusive culture	GRI 405-1	5 8
		6.1.4 We promote a diverse and inclusive culture	GRI 413-1	
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	3.1.1 Regulatory compliance model			
	3.2. Human rights: a pillar of our corporate ethics		GRI 2-26	16
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	3.2. Human rights: a pillar of our corporate ethics		GRI 2-26	16
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	3.2. Human rights: a pillar of our corporate ethics		GRI 2-26	16
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	3.1.2. Risk management system. Regulatory compliance risks.	GRI 205-3	16	
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INFORMATION ON SOCIETY				
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	The impact of the company's activity on local populations and within the territory	2.2 A global impact model 6.3 We contribute to social progress	GRI 2-29	
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	Supervision systems and audits and findings of the same	6.2 Responsible supply chain	GRI 308-1	
			GRI 414-1	5 8 16
Consumers	Measures for the health and safety of consumers	6.4. Recipients of our services	GRI 416-1	
		6.4. Recipients of our services	GRI 416-2	16
	Claims systems, complaints received and resolution of these	6.4. Recipients of our services	GRI 3-3	
		Urbaser receives no consumer complaints. These are received by the public administrations.		
	6.4. Recipients of our services		16	
Información fiscal	The benefits obtained on a country-by-country basis	7.1 Fiscal transparency		
	Taxes on profits paid	7.1 Fiscal transparency		
	Public subsidies received	7.1 Fiscal transparency		

7.3 GRI Table of contents

Urbaser has presented the information cited in this GRI table of contents for the period from 1 January 2022 to 31 December 2022 using the GRI Standards as a reference.

GRI Standard	Contents	Paragraph/sub-paragraph of the report	SDG
General contents			
GRI 2: General Contents 2021			
GRI 2-1	Organisational details	2.2. A global impact model 2.3. Integrated solutions model	
GRI 2-2	Entities included in the presentation of sustainability reports	7.1 Fiscal transparency and reporting. About this report	
GRI 2-3	Reporting period, frequency and point of contact	7.1 Fiscal transparency and reporting. About this report	
GRI 2-4	Updating of information	7.1 Fiscal transparency and reporting. About this report	
GRI 2-5	External verification	7.4 External verification report	
GRI 2-6	Activities, value chain and other business relationships	2.2. A global impact model 2.3. Integrated solutions model	8; 16
GRI 2-7	Employees	6.1.2 Stability and flexibility as turning points The total number of employees is largely reduced due to changes in the scope of information and M&A transactions carried out in 2022.	8
GRI 2-8	Non-employee workers	Urbaser does not include contractors in its workforce data, but does include them in the coverage of its health and safety procedures, including accidents occurring in this group on company premises.	8
GRI 2-9	Governance structure and composition	3.1.1 Regulatory compliance model	16
GRI 2-10	Appointment and selection of the highest governing body	Urbaser's highest governing body was ultimately appointed by the single fund.	16

GRI 2-11	Chairman of the highest governing body	3.1.1 Regulatory compliance model	
GRI 2-12	Role of the highest governing body in overseeing the management of impacts	3.1.1 Regulatory compliance model	16
GRI 2-13	Delegation of responsibility for impact management	3.1.1 Regulatory compliance model	16
GRI 2-14	Role of the highest governing body in presenting sustainability reports	1. Together for real change: Conversation with the CEO 3.1.2 ESG risk governance 7.1 Fiscal transparency and reporting. About this report	16
GRI 2-22	Sustainable development strategy statement	1. Together for real change: Conversation with the CEO	16
GRI 2-23	Commitments and policies	3.1.1 Regulatory compliance model	16
GRI 2-24	Incorporating commitments and policies	3.1.1 Regulatory compliance model 5.1. Global Integrated Management System 6.1. Our talent: shared knowledge and commitment	16
GRI 2-25	Processes to remedy negative impacts	2.4.1 Materiality and stakeholders 3.1.2. ESG risk governance	16
GRI 2-26	Mechanisms for seeking advice and raising concerns	2.4.1 Materiality and Stakeholders 3.1.1 Regulatory compliance model	16
GRI 2-27	Compliance with legislation and regulations	3.1.1 Regulatory compliance model 5.1. Integrated Management System In 2022, there were 7 cases of health and safety non-compliance leading to the payment of fines or financial penalties (5 of which have been settled, amounting to €8,083) and 7 cases of non-compliance leading to non-monetary penalties. In 2022, €47,948 was paid to cover 9 fines or penalties from previous years.	16
GRI 2-28	Membership of associations	4. 360° innovation to make the circular economy a reality 6.3.2 With our host communities	8
GRI 2-29	Approach to stakeholder engagement	2.4.1 Materiality and stakeholders	11
GRI 2-30	Collective bargaining agreements	6.1.2 Stability and flexibility as turning points	8

GRI Standard	Contents	Paragraph/sub-paragraph of the report	SDG
Material topics			
GRI 3: General Contents 2021			
GRI 3-1	Process of determining the material topics	2.4.1 Materiality and stakeholders	
GRI 3-2	List of material topics	2.4.1 Materiality and stakeholders	
Stakeholder engagement and reputation management			
GRI 3-3	Management of material topics	2.4.1 Materiality and stakeholders	
Topic content			
Economic strength and sustainable business growth			
GRI 3-3	Management of material topics	2.2. A global impact model 2.3. Integrated solutions model	
GRI 201: Economic performance 2016			
GRI 201-2	Financial implications and other risks and opportunities arising from climate change	2.3.7. Channelling trends to generate opportunities 5.3.3 Adapting to the climate emergency	13
Responsible governance, business ethics and risk management			
GRI 3-3	Management of material topics	3.1. With ethics as the banner of our management	
GRI 203: Indirect economic impacts 2016			
GRI 203-2	Significant indirect economic impacts	6.3.1 Our social strategy	13; 8
GRI 205: Anti-corruption 2016			
GRI 205-3	Confirmed incidents of corruption and measures taken	3.1.2. ESG risk governance	16

		During 2022, no confirmed corruption cases were received through the ethical channel.	
Circular economy: effective integration and impacts			
GRI 3-3	Management of material topics	4.1 Green innovation management 5.2.2 Sustainable use of resources	
GRI 301: Materials 2016			
GRI 301-1	Materials used by weight or volume	5.2.2. Sustainable use of resources	12
GRI 303: Water and effluents 2018			
GRI 303-1	Interaction with water as a shared resource	5.2.2. Sustainable use of resources Due to the sale of most of Urbaser's water business, this is not a material topic and therefore there are currently no water-related impact reduction targets.	6
Eco-systemic solutions and biodiversity protection			
GRI 3-3	Management of material topics	4.1 Green innovation management 5.4 Ecosystem protection	
GRI 304: Biodiversity 2016			
GRI 304-1	Operational sites owned, leased or managed within or adjacent to protected areas, or areas of high biodiversity value outside of protected areas	5.4 Protection of ecosystems	6; 14; 15
Climate emergency and protection of natural capital			
GRI 3-3	Management of material topics	5.3 Committed to the climate 5.4 Ecosystem protection	
GRI 305: Emissions 2016			
GRI 305-1	Direct GHG emissions (Scope 1)	5.3.2 Measuring our footprint	13
GRI 305-2	Energy-related indirect GHG emissions (scope 2)	5.3.2 Measuring our footprint	13
GRI 305-3	Other indirect GHG emissions (scope 3)	5.3.2 Measuring our footprint	13
GRI 305-4	GHG emissions intensity	5.3.2 Measuring our footprint	13

		b) The specific parameter (denominator) selected to calculate the ratio was the turnover (1,000 euros).	
GRI 305-5	Reduction of GHG emissions	5.3.2 Measuring our footprint c) Targeted actions regarding energy efficiency measures are counted only in the year in which they were implemented and compared to the previous year's baseline. d) The scopes that produced reductions were scope 1 and 2.	13
GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	5.2.1 Pollution	13

GRI Standard	Contents	Paragraph/sub-paragraph of the report	SDG
Material topics			
Innovation and digitalisation			
GRI 3-3	Management of material topics	4.1 Managing green innovation 5.2 Managing our environmental impact	
GRI 306: Waste 2020			
GRI 306-1	Waste generation and significant waste-related impacts	5.2 Managing our environmental impact	
GRI 306-2	Management of significant waste-related impacts	5.2 Managing our environmental impact	3; 6; 11
GRI 306-4	Waste diverted from disposal	5.2 Managing our environmental impact	3 12
Sustainable supply chain			
GRI 3-3	Management of material topics	6.2. Sustainable supply chain	
GRI 308: Environmental assessment of suppliers 2016			

GRI 308-1	New suppliers that have passed selection filters according to social criteria	6.2. Sustainable supply chain	8; 16
GRI 308-2	Negative environmental impacts in the supply chain and measures taken	6.2. Sustainable supply chain No suppliers with significant and real environmental impacts are identified	8; 16
Talent management			
GRI 3-3	Management of material topics	6.1. Our talent: shared knowledge and commitment	
GRI 401: Employment 2016			
GRI 401-2	Benefits for full-time employees that are not provided to part-time or temporary employees	6.1.4 We promote a diverse and inclusive culture	8
Health, safety and well-being environment			
GRI 3-3	Management of material topics	6.1.3 Safety and health as priorities in operations	
GRI 403: Health and safety at work 2018			
GRI 403-1	Occupational health and safety management system.	6.1.3 Safety and health as priorities in operations	3; 8
GRI 403-2	Hazard identification, risk assessment and incident investigation	6.1.3 Safety and health as priorities in operations	3; 9
GRI 403-3	Occupational health services	5.1. Integrated Management System 6.1.3 Safety and health as priorities in operations	3; 10
GRI 403-4	Worker participation, consultation and communication on occupational health and safety at work	6.1.3 Safety and health as priorities in operations	3; 11
GRI 403-5	Training of workers on occupational health and safety	6.1.3 Safety and health as priorities in operations	3; 12
GRI 403-8	Coverage of the occupational health and safety management system	6.1.3 Safety and health as priorities in operations	3; 13
GRI 403-10	Occupational diseases and illnesses	6.1.3 Safety and health as priorities in operations	3; 15

GRI Standard	Contents	Paragraph/sub-paragraph of the report	SDG
Material topics			
GRI 404: Training and education 2016			
GRI 404-1	Average hours of training per employee per year	6.1.5 Focus on the talents of employees	8
Equality and diversity			
GRI 3-3	Management of material topics	6.1.4 We promote a diverse and inclusive culture	
GRI 405: Diversity and equal opportunities 2016			
GRI 405-1	Diversity of governing bodies and employees	6.1.4 We promote a diverse and inclusive culture 6.1.2 Stability and flexibility as turning points 50% of the members of the Board of Directors are between 30 and 50 years old and the other 50% are over 50 years, of which 75% are men and 25% are women.	5; 8
GRI 405-2	Ratio between basic salary and remuneration of women and men	6.1.4 We promote a diverse and inclusive culture	5; 8
Base operations around the protection of human rights			
GRI 3-3	Management of material topics	3.2. Human rights: a pillar of our corporate ethics 6.2 Sustainable supply chain	
GRI 406: Non-discrimination 2016			

GRI 406-1	Cases of discrimination and corrective actions taken	3.1.1 Regulatory compliance model 3.2. Human rights: a pillar of our corporate ethics 6.2 Sustainable supply chain A discrimination complaint was received at the end of 2022 and is currently being assessed and is still pending resolution.	10; 8; 16
GRI 407: Freedom of association and collective bargaining 2016			
GRI 407-1	Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	3.1.1 Regulatory compliance model 3.2. Human rights: a pillar of our corporate ethics 6.2 Sustainable supply chain No suppliers are identified where freedom of association and collective bargaining may be at risk.	10; 8; 16
GRI 408: Child labour 2016			
GRI 408-1	Operations and suppliers with significant risk of child labour cases	3.1.1 Regulatory compliance model 3.2. Human rights: a pillar of our corporate ethics 6.2 Sustainable supply chain No suppliers are identified as being at significant risk for incidents of child labour	10; 8; 16
GRI 409: Forced or compulsory labour 2016			
GRI 409-1	Operations and suppliers with significant risk of cases of forced or compulsory labour	3.1.1 Regulatory compliance model 3.2. Human rights: a pillar of our corporate ethics 6.2 Sustainable supply chain No suppliers are identified as being at significant risk for forced or compulsory labour	10; 8; 16
Community engagement and local development			
GRI 3-3	Management of material topics	2.2 A global impact model 2.4.1 Materiality and stakeholders 6.3 We contribute to social progress	
GRI 413: Local communities 2016			
GRI 413-1	Operations with local community engagement, impact assessments and development programmes	6.3 We contribute to social progress	10; 8; 17
GRI 413-2	Operations with significant negative impacts - actual or potential - on local communities	6.3 We contribute to social progress	10; 8; 17

Sustainable supply chain			
GRI 3-3	Management of material topics	6.2. Sustainable supply chain	
GRI 414: Social assessment of suppliers 2016			
GRI 414-1	New suppliers that have passed selection filters according to social criteria	6.2. Sustainable supply chain	8; 16
GRI 414-2	Negative social impacts on the supply chain and measures taken	6.2. Sustainable supply chain	8; 16
GRI 416: Client health and safety 2016			
GRI 416-2	Cases of non-compliance relating to the health and safety impacts of product and service categories	In 2022, there were 7 cases of health and safety non-compliance leading to the payment of fines or financial penalties and 7 cases of non-compliance leading to non-monetary penalties.	16

7.4 External verification report



Ernst & Young, S.L.
Calle de Raimundo Fernández Villaverde, 65
28003 Madrid

Tel: 902 365 456
Fax: 915 727 238
ey.com

INDEPENDENT LIMITED ASSURANCE REPORT OF THE CONSOLIDATED NON-FINANCIAL STATEMENT

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the sole Shareholder of Urbaser, S.A.

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, the accompanying Consolidated Non-Financial Information Statement (hereinafter NFS) for the year ended December 31, 2022, of Urbaser, S.A. (hereinafter, the Group), which is part of the Group's accompanying Consolidated Management Report.

The content of the Management Report includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our assignment has been exclusively limited to the verification of the information shown matter in the table "Contents Law 11/2018" and the table "GRI Contents-Index" of the accompanying Statement.

Responsibility of the Administrators

The preparation of the NFS included in the Consolidated Management Report of Urbaser, S.A. and its content is the responsibility of the administrators of the Group. The NFS was prepared in accordance with the content required by prevailing company law and using as reference the Sustainability Reporting Standards of Global Reporting Initiative (GRI standards), as well as those other criteria described according to what is mentioned for each subject in the table "Contents Law 11/2018" and the table "GRI Contents-Index" from the accompanying Management Report.

The administrators are also responsible for the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the report is obtained.

Our independence and quality management

We have complied with the independence and other ethics requirements of the International Code of Ethics for Accounting Professionals (including international standards on independence) issued by the International Standards Board on Ethics for Accounting Professionals (IESBA) which is based on the fundamental principles of integrity, professional objectivity, competence and diligence, confidentiality and professional behaviour.

Our firm applies current international quality standards and maintains, consequently, a quality system that includes policies and procedures related to compliance with ethical requirements, professional standards and legal provisions and applicable regulations.



The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited verification report based on the work performed. Our review has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

The procedures carried out in a limited assurance engagement vary in nature and execution timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the 2022 NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and sampling review tests as described below:

- ▶ Meeting with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- ▶ Analyzing the scope, relevance and integrity of the content included in the statement for the year 2022 based on the materiality analysis made by the Group and described in section "The materiality of Urbaser", considering the content required by prevailing mercantile regulations.
- ▶ Analyzing the processes for gathering and validating the data included in the 2022 Non-Financial Statement.
- ▶ Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2022 NFS.
- ▶ Checking, through tests, based on a selection of a sample, the information related to the content of the 2022 NFS and its correct compilation from the data provided by the information sources.
- ▶ Obtaining a representation letter from the administrators and Management.



Conclusion

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the Group NFS for the year ended December 31, 2022 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and using as reference the Sustainability Reporting Standards of Global Reporting Initiative (GRI standards), as well as other criteria, described as explained for each subject matter in the table "Contents Law 11/2018" and the table "GRI Contents-Index".

Use and distribution

This report has been prepared as required by prevailing mercantile regulations in Spain and may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Alberto Castilla Vida

April, 3 2023