

SUSTAINABILITY REPORT 2022





CONTENTS

5	Message from the CEO
6	KALFRISA: Who are we?
8	History
10	Description of our activity
12	Key figures and partnerships
14	Certificates and awards
16	Our Sustainability Programme
18	Innovation
19	Quality and Environment
20	Social responsibility
20	Human Resources
24	Community Engagement
25	Health and Safety
26	Commitment and Transparency
26	Supply chain
26	Corporate governance
27	Business ethics: Our commitment to the SDGs



MESSAGE FROM THE CEO



KALFRISA is a family company in the industrial sector with a long business history based on offering solutions for energy saving and environmental protection.

With the publication of this Report, we wish to strengthen our commitment to Social Responsibility and present, not only how we perceive our environment and the actions we carry out, but also the vision of the society that we all wish to build.

This Social Responsibility Report presents our main actions throughout 2022 in order to publicly and transparently detail our most significant actions in relation to our staff, customers and the environment.

I invite you to read it and learn more about our work.

José M^a Claver

KALFRISA: WHO ARE WE?

KALFRISA IS a privately owned industrial company, located in Zaragoza, with 60 years of international experience.

We offer technological and innovative solutions for **energy saving and environmental protection**, responding to the needs of our customers with a comprehensive service that includes the design, manufacture, assembly, commissioning and maintenance of products and installations.

OUR MISSION

To offer innovative technological solutions that enable our customers to achieve significant energy savings, and meet environmental commitments, based on the professional and technical development of their employees.

OUR VISION

To be global leaders in the design and application of technology aimed at improving energy efficiency, waste disposal and environmental protection in various industrial sectors, based on technological and professional development.



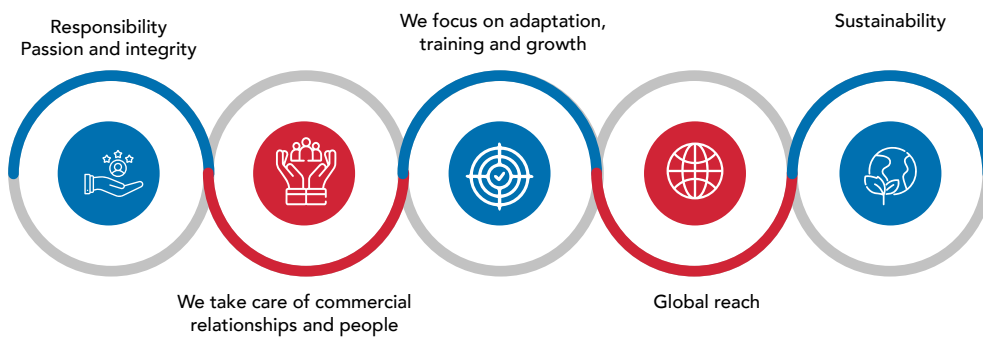
OUR PURPOSE

Create a positive impact on society and contribute to the achievement of the SDGs through our technological solutions.

OUR VALUES

Companies, like people, have a number of elements that define and distinguish them. These elements fall into a category called corporate values of the company.

At KALFRISA we are committed to a set of values that identify and differentiate us in every country in the world where we have a presence. These values guide the relationships we have with our consumers, suppliers, shareholders, competitors, authorities and KALFRISA employees.



■ HISTORY

KALFRISA S.A. was founded following the merger of Talleres de Calderería José Claver Pros and Fabricación de Cocinas Izuzquiza Arana S.A., within the framework of the industrial development centres of the sixties.

Between 1965 and 1975, KALFRISA was active in the fields of industrial refrigeration, industrial heating under a German KLEINWEFERS licence and the manufacture of industrial kitchens under a French ROSIERES licence. At the end of this period, the industrial refrigeration business was discontinued.

Between 1975 and 1981, KALFRISA focused its activity on the fields of industrial heating and industrial kitchens. The area of heat recuperators and air heaters for various industrial activities was developed, all under the KLEINWEFERS licence. KALFRISA started to develop these new products in its engineering office and produce them initially for customers on a national scale and then later internationally, leading to the creation of a large portfolio of clients which has lasted until the present day.

In 1982, coinciding with KLEINWEFERS becoming the majority shareholder, KALFRISA ceased operations for large kitchens.

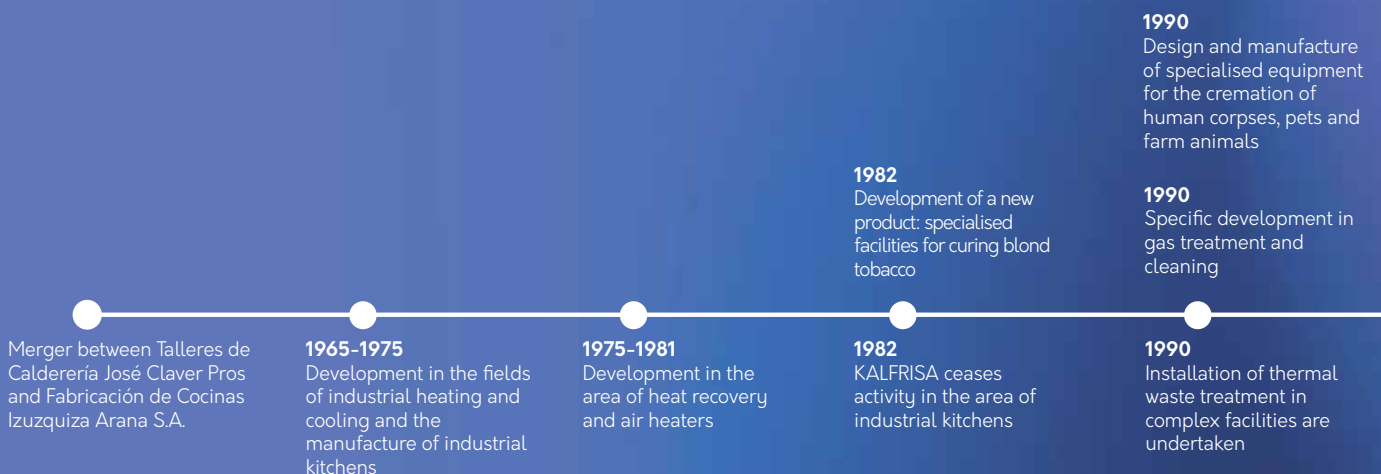
In 1982, KALFRISA developed a new product in its engineering offices: specialised facilities to cure blond tobacco.

In the late 1980s, in addition to building upon previous activities, new technology was introduced to produce equipment for the destruction of solid, liquid and gaseous waste using thermal waste treatment processes. The company acquired extensive experience and the necessary technical training to meet the growing demand generated by the strict new environmental regulations.

In 1990, KRAFTANLAGEN HEIDELBERG AG became a shareholder of KRAFTANLAGEN HEIDELBERG AG by acquiring the shares previously held by KLEINWEFERS.

This change facilitated the continued development of the company's previous industrial programme, as well as providing it with the experience and technological development of a group with the highest standards with regards to technical standards, quality and technology applied to the programme developed by KALFRISA.

From 1990 onwards, and as a result of incorporating these new technologies, thermal waste treatment installations in facilities of increasing complexity were undertaken and development began on the treatment and purification of gaseous waste by means eliminating volatile organic compounds (VOCs).



It also entered the design and manufacture of new equipment specialised in the cremation of human corpses, with more than 500 installations in operation to date in morgues in Spain and other European and American countries.

At the same time, new equipment for the cremation of pets and farm animals was being designed and marketed.

At the end of 2005, 100% of the company was taken over by the founding families of KALFRISA through the purchase of 53% from KRAFTANLAGEN HEILDELBER AG. The entire capital therefore remained in the hands of the Spanish shareholders.

In February 2009, KALFRISA acquired the incinerators division of the Catalan company SAUNIER DUVAL SETRI ESPAÑOLA SA, thereby strengthening and expanding its presence and leading position in this field.

In 2015, KALFRISA POLSKA, entered the Polish market and the results have been very positive in the different lines of business that KALFRISA offers within its product catalogue.

In 2022, and continuing with the policy of international expansion, KALFRISA acquired a large stake in the company CABIESES SA located in Lima

(Peru), which specialises in heat treatment furnaces and the automation of industrial equipment, with the aim of providing both industrial and commercial support in different Latin American countries.

In the same year, in order to support all the activity developed in the Indo-Asiatic area, the first steps were taken to set up our own company in India which led to the creation of KALFRISA INDIA LTD.

Currently, KALFRISA has 3 industrial premises in Zaragoza (Spain) for its production process, which are fully equipped and cover a total of 7,610 square metres for manufacturing and 2,010 square metres of office space.

2005
100% of the company is taken over by the founding families of KALFRISA

2009
KALFRISA acquires the incinerators division of the Catalan company SAUNIER DUVAL SETRI ESPAÑOLA S.A.

2015
KALFRISA POLSKA enters the Polish market with very positive results

2022
KALFRISA INDIA LTD is created to support all the activity carried out in the Indo-Asiatic area

2022
KALFRISA acquires a significant stake in the company CABIESES S.A. (Peru)

2023
KALFRISA has 3 industrial premises in Zaragoza (Spain) for its production process

■ DESCRIPTION OF OUR ACTIVITY

OUR TECHNOLOGICAL SOLUTIONS:



ENERGY RECOVERY
FOR HIGH
TEMPERATURE
PROCESSES



HEATING OF PROCESS
AIR



TREATMENT AND
ELIMINATION OF
POLLUTANT EMISSIONS

INCINERATION PROCESSES:



WASTE RECOVERY



THERMAL TREATMENT
OF AGRICULTURAL,
INDUSTRIAL AND
HAZARDOUS WASTE

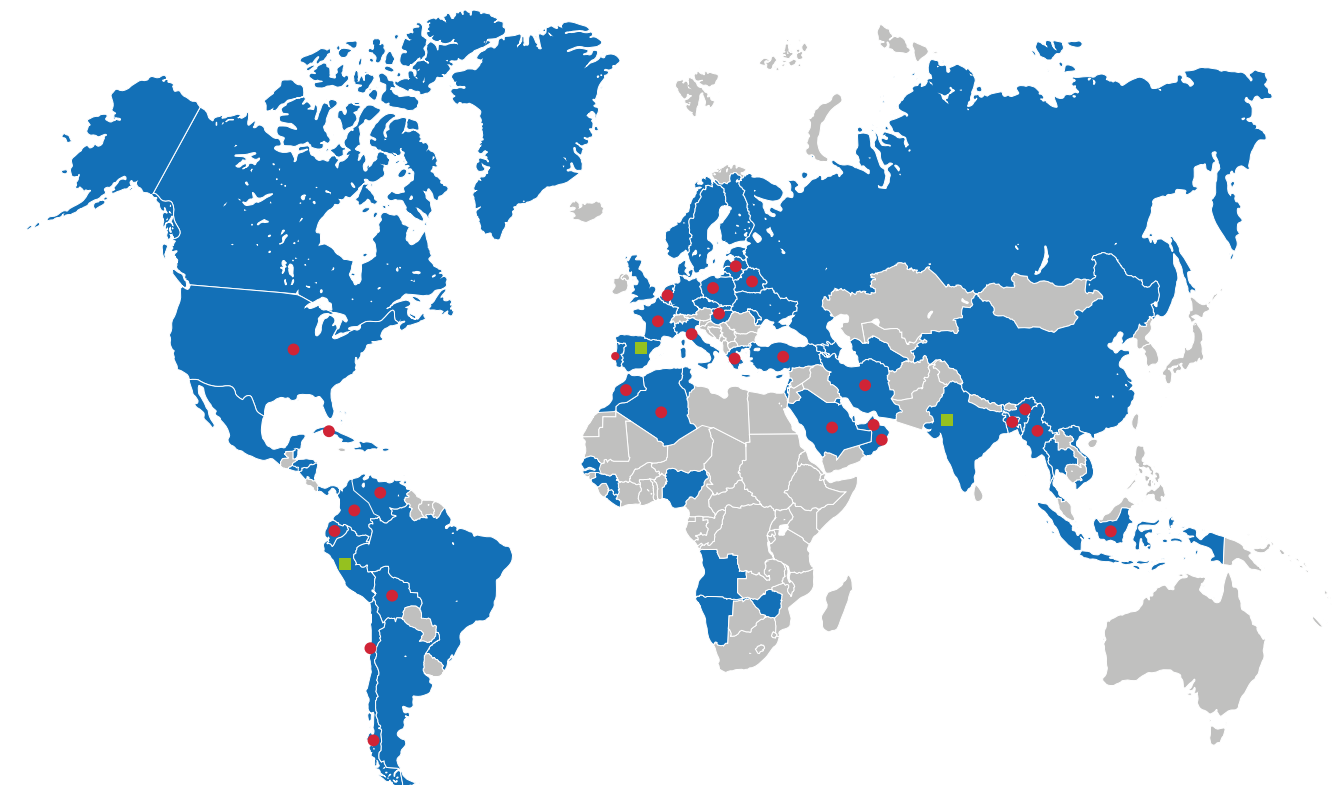


CREMATION
EQUIPMENT FOR THE
FUNERAL AND PET
INDUSTRY

In recent years, events due to external factors beyond our control have significantly altered supply chains and global trade.

Pandemics, wars and extreme weather are events that can disrupt supply chains. Businesses must work to embrace dual sourcing and diversify by acting locally, fostering strategic autonomy. The ability to adapt to unforeseen changes comes from maximum diversification in business areas and product lines, without abandoning the company's mission and purpose. We understand the importance of promoting local action with customers and suppliers.

Our internationalisation strategy is based on the diversification of both foreign markets and business units, promoting growth in all commercial programmes. The company plans to increase its investments in Innovation and Marketing and we remain alert to possible opportunities for growth through acquisitions.



- Installed KALFRISA equipment
- Commercial coverage network
- Headquarters

★ ★ ★ ★ ★

100%

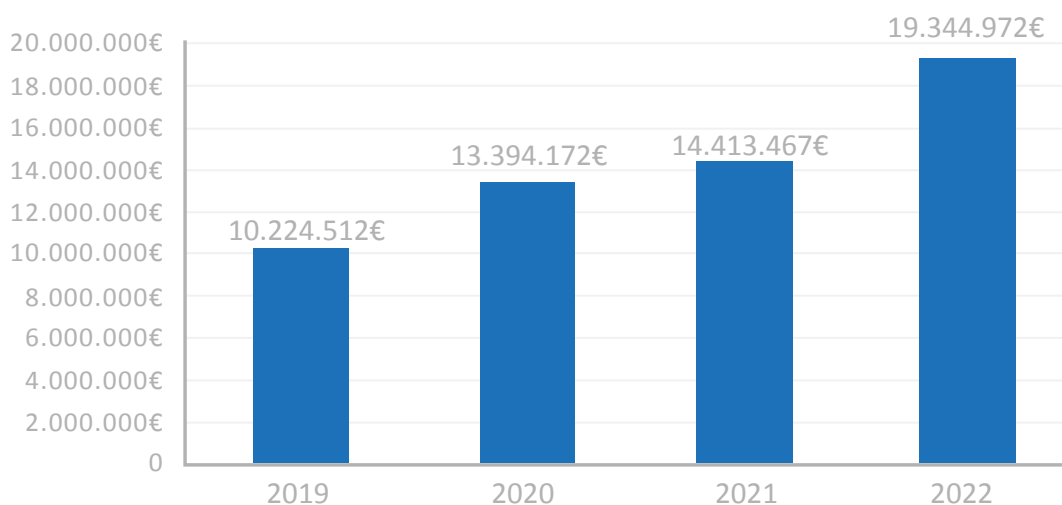
GUARANTEE

KALFRISA

■ KEY FIGURES AND PARTNERSHIPS

KALFRISA's turnover maintains a sustained growth trend, as can be seen in the following graph:

TURNOVER



In addition to the growth in annual sales figures, we would also like to highlight the importance of exports which has increased over the last four years. We forecast that this trend will continue in the long term.

Exports have doubled their share of sales in the last four years.

This is due to a major effort made in recent years, and these results reinforce our belief that the internationalisation strategy is our best ally.

In 2023, the Chamber of Commerce, Industry and Services of Zaragoza, recognised KALFRISA's export and internationalisation trend, and the company received the award for exporting company 2022 in the category of medium-sized company in this year's edition of the Export Awards.

We are also currently collaborating with other organisations with different grants to support our export activities, such as ICEX España Exportación e Inversiones and AREX Aragón Exterior.

All these partnerships and collaborations aim to strengthen our activities in the fields of internationalisation, technological and business innovation and the improvement of our competitiveness through cooperation actions, trade missions and the implementation of different projects.

MEMBERSHIP OF DIFFERENT ASSOCIATIONS



Chamber Club of the Zaragoza
Chamber of Commerce and
Industry



Federation of Entrepreneurs
of Zaragoza FEMZ



Association of Family
Businesses in Aragon
(AEFA)



Association of Managers
and Executives of Aragon
(ADEA)



Iron and Steel Cluster
(SIDEREX)



Energy Cluster of Aragon
(CLENAR)



National Association of
Capital Goods (SERCOBE)

■ CERTIFICATES AND AWARDS

Our commitment to quality

We work every day to maintain a level of excellence in all aspects of our activity, in each of the areas involved in customer service.

Customer satisfaction

KALFRISA has implemented, within the framework of quality as a business strategy, the customer satisfaction measurement programme. The results obtained to date show a highly positive assessment by our customers both in relation to the product purchased and to the management system as a whole, reaching an overall satisfaction of 96%.

Quality Policy

KALFRISA believes that quality is a differential factor for the company's success and that each person in the organisation is responsible for the function they perform.





ISO 9001:2015

Obtaining the ISO 9001:2015 certificate is the result of KALFRISA's efforts to offer an optimum level of service, implementing a work philosophy regulated by both external and internal quality standards.

KALFRISA holds the ISO 9001:2015 quality certificate for the design and supply of equipment, installations and technologies for heat recovery, air or gas heating, incineration, reduction of volatile organic compounds (VOCs) and industrial heating.



SOCIAL RESPONSIBILITY

The Aragon Social Responsibility Plan was created with the aim of promoting Business and Corporate Social Responsibility for the self-employed, companies and all types of public and private organisations in the Autonomous Community of Aragon, so that they implement and apply socially responsible practices.

In general terms, honesty, fairness and integrity are the key criteria for any organisation that aims to be socially responsible and it must promote the concepts of awareness, commitment, training and transparency. Social Responsibility is based on respect for the environment and the benefits to its surroundings with the aim of adding value to its actions.



INNOVATIVE SME

In 2020, KALFRISA on its path to business excellence, was awarded the seal that certifies the company is an INNOVATIVE SME by the Ministry of Science and Innovation.

Reliability and knowledge are two fundamental pillars in KALFRISA for the design and development of its products. For this reason, this seal distinguishes KALFRISA as a company that is committed to innovation, not only as a key factor for business development but also for social growth.



OUR SUSTAINABILITY PROGRAMME

PILLARS OF OUR SUSTAINABILITY PROGRAMME

INNOVATION

QUALITY

ENVIRONMENT

SOCIAL RESPONSIBILITY

The environment is our number one priority:

Emissions legislation is very strict. We constantly invest in R&D to ensure the continued development of world-class sustainable solutions. From advanced filtration systems to intelligent software and heat recovery. These solutions are not only good for the environment, they also reduce energy costs.

ENVIRONMENT

CARBON FOOTPRINT

- Waste reduction
- Reduction of energy consumption
- Water consumption
- Reduction of greenhouse gas emissions

SOCIAL RESPONSIBILITY

HUMAN RESOURCES

- Talent attraction
- Inclusive job creation
- Integration of young people
- Training
- Work-life balance
- Care of the work environment

COMMUNITY ENGAGEMENT

- Local acceptability
- Commitment to shareholders
- Helping to eliminate inequality in the environment

HEALTH & SAFETY

- A zero-accidents workplace
- Training issues
- Internal audits



COMMITMENT & TRANSPARENCY

ETHICS

SUPPLY CHAIN

Environmental impact sourcing process
Preserving the working conditions of subcontractors

CORPORATE GOVERNANCE

Principles and rules governing corporate governance bodies

BUSINESS ETHICS

Transparency
Compensation
Data privacy
Respect for human rights

■ INNOVATION

We adapt our original values to the 21st century through innovation:

KALFRISA was founded 60 years ago: Energy and Environment. Today, these words govern our daily lives in European policies, in the media and in the strategic plans of major multinationals.

However, in the 1970s, when the oil crisis was dominating the news, our visionary approach was to seek a balance between "Energy and Environment", and time has proved us right.

This environmental vision, together with KALFRISA's traditional values of quality, commitment to the customer and to society, has led KALFRISA to become a leader in its sectors for over 60 years.

KALFRISA is committed to development and innovation as a lever of transformation to enable it to remain at the forefront of technology, adapting its products and services to the new demands of the 21st century, offering differential solutions to its customers.

This commitment to R&D&I, through the execution of development projects in open innovation mode, in public-private collaboration, places us in a privileged position, as far as the future of the sector is concerned, and urges us to continue with the commitment we made when KALFRISA was first established.

KALFRISA is increasing its commitment to R&D. The achievement of results in products and services, together with the implementation of new projects have consolidated the R&D department.

A number of indicators of this development during 2022 are detailed below:

- Increase of dedicated R&D staff from 2 to 4 people
- Achievement of new R&D projects
 - Three new projects in collaboration with other SMEs and technology centres in the national call for Innovative Business Associations
 - RAFERTO: predictive maintenance for industrial gas treatment equipment
 - 3H2: hybrid hydrogen furnace
 - IDIS-REACT project from the Government of Aragon for the digitalisation and energy transition of KALFRISA
 - INVESTIGO project for the incorporation of R&D personnel in KALFRISA
- Implementation and continuation of an existing project from 2021:
 - National CDTI project for new crematoria
 - AEI project: electrification and digitalisation of an RTO (e-RTO)

■ QUALITY AND ENVIRONMENT

The principles of our Quality and Environmental Policy are based on:

- Quality as a differential factor for the success of the company and that each person in the organisation is responsible for the function they perform.
- Our commitment to the environment, pollution prevention and sustainable use of resources.

Our commitment to our customers, the fulfilment of requirements, the minimisation of environmental impacts and the continuous improvement of the organisation's performance in each and every one of its processes, have led us to develop a Quality and Environmental System in accordance with ISO 9001 and ISO 14001 standards, based on the following principles:

- KALFRISA understands quality as meeting the needs and expectations of our customers and other stakeholders, committing them to the continuous improvement of products and services, and giving effective and timely responses.
- Customer orientation should be the cornerstone of all efforts, understanding the term customer as not only the external one, but also the internal one or the next department in the order of each process.
- Provision of products and services with the least possible environmental impact.
- Driving innovation through research and the development of integrated solutions that facilitate the minimisation of environmental impacts for our customers and stakeholders.
- The human team is KALFRISA's main asset and its competences, skills and commitment to quality, in an optimal working environment, add value to the organisation.
- The Management team promotes all the improvements needed to achieve set objectives and fulfil the commitment to continuously improve the efficiency of the management system, providing the material and human resources for the development of our activity and supporting a permanent training programme for all the organisation's personnel.
- Full commitment to compliance with legal and other requirements, implementing the necessary measures for the prevention and elimination of the causes of non-conformity.
- Our belief in the importance of organisational effectiveness means our goal must be to follow the path of "zero-defects". To achieve this, it is important to do things right from the start, avoiding mistakes rather than correcting them.

In order to comply with our Quality and Environmental Policy and the previous objectives, we count on the collaboration and participation of all the organisation's personnel in the management system, as well as the conviction of the Management team that this is a reference framework for the establishment of our organisational objectives.

■ SOCIAL RESPONSIBILITY. HUMAN RESOURCES

KALFRISA is a public limited company with 100% capital from Aragón.

Over the last four years we have experienced a sustained growth of 89%, mainly from international turnover.

Accompanying this growth in turnover, there has been an increase in direct and indirect employees.

In 2022, 12 indefinite contracts were signed. 100% of the workforce hold this type of contract.

We have also observed a trend of workforce rejuvenation in recent years and a decrease in seniority due to the generational replacement process we are undergoing, with an average seniority of 9.5 years.

At KALFRISA we are committed to our employees and those we collaborate with to ensure a safe working environment for development with equal opportunities.

Our collective agreement is the metal sector agreement from the province of Zaragoza (Convenio colectivo de la industria del sector del metal de la provincia de Zaragoza). For us, this is a minimum agreement, and for our employees there is a specific agreement that includes substantial improvements to the working conditions reflected in this document.



RELIABILITY



EFFICIENCY



EQUALITY AND WORK-LIFE BALANCE

Beyond regulatory compliance, the elimination of inequalities is an objective that should be pursued by all entities.

One of the pillars of KALFRISA is respect for all people, regardless of gender, race, nationality, age, culture, etc.

In 2022, we signed our first Equality Plan, and since then we have ensured, through the Equality Committee, compliance with all the measures set out therein in the different areas of intervention:



At KALFRISA we also incorporate measures focused on the inclusion of all groups of people and accessibility for people with disabilities.

We comply with the reservation of 2% of the workforce for people with disabilities and we collaborate with the special employment centre FUNDACION REY ARDID, contracting their auxiliary maintenance services for our facilities.

In addition, these are details of various work-life balance measures currently in place at KALFRISA as well as unplanned measures:



DEVELOPING TALENT

Talent development is a strategic objective for KALFRISA, with performance assessment and training being a key factor for internal management in our organisation.

We maximise our training efforts internally and externally. Training begins as soon as a new employee joins the company.

We complement our training development with knowledge transfer which is generated internally through our public participation in different forums, collaboration with educational centres and the University of Zaragoza, and public dissemination projects.

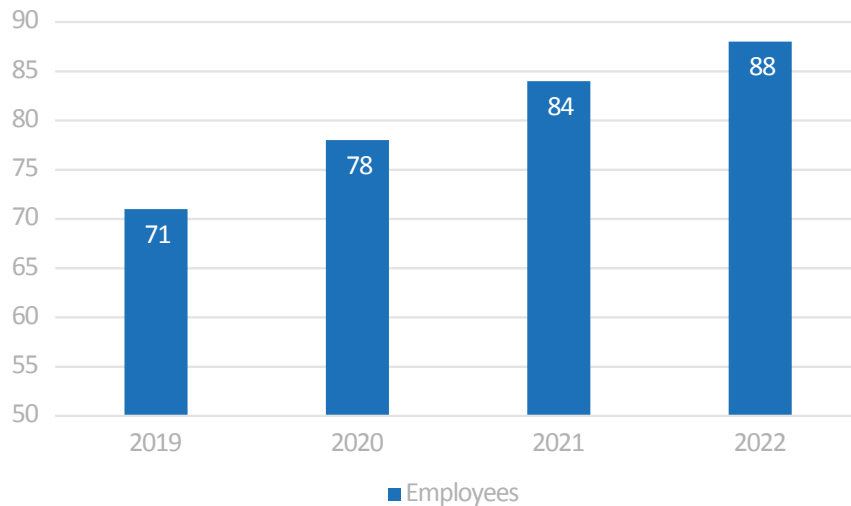
	2020	2021	2022
No. of hours of training	373	573	1623
% of employees trained	29,00%	33,30%	76,14%
Average hours per employee	12,86	6,74	18,24

KEY PEOPLE INDICATORS

	2020	2021	2022
Total number of employees	78	84	88
% women**	16,67%	16,67%	18,18%
% men	83,33%	83,33%	82,95%
No. of new employees	13	11	13
% permanent employees	100,00%	98,81%	100,00%
Average age	44,17	42,98	42,04
Average length of service	12,09	11,18	9,29

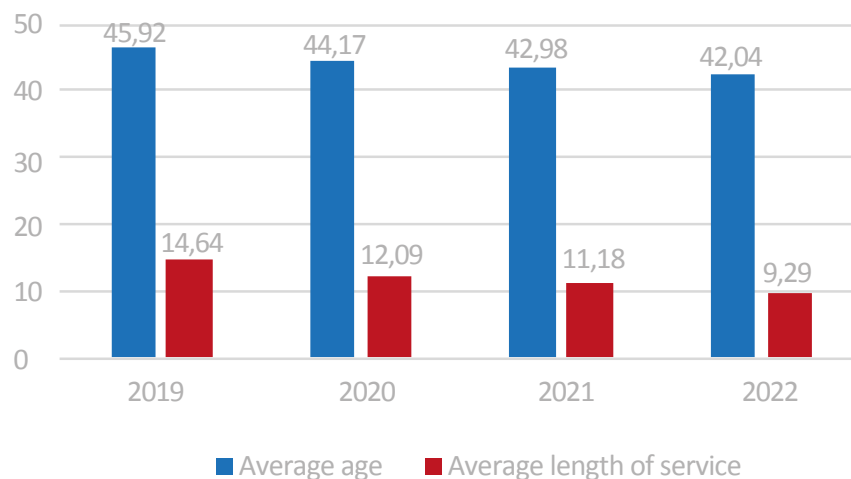
*** The metal sector is traditionally a male-dominated sector. According to official data, the number of women in the metal industry is very low: only 13-14% of the workers employed in this sector in Spain are female. As indicated above, Kalfrisa the percentage of women employed is higher, following an upward trend..*

Along with this growth in turnover, there has been an increase in direct and indirect employees. The following graph shows the evolution of the number of employees:



In 2022, 12 indefinite contracts were signed. 100% of the workforce hold this type of contract.

The following graph shows the process of workforce rejuvenation that has taken place in recent years and the decrease in seniority due to the process of generational replacement that we are experiencing.



■ SOCIAL RESPONSIBILITY. COMMITMENT TO THE COMMUNITY

In 2022 we obtained the RSA Seal from the Government of Aragon, in recognition of our actions and business strategy in the area of corporate social responsibility (CSR).

We carry out numerous actions every year and collaborate with different entities. We would like to highlight the actions we have carried out this year at KALFRISA regarding our participation and collaboration in different social projects in our local environment:

- We provided antigen testing and specific testing for our employees
- UNICEF Christmas card
- We donated to ASPANOA, an association that cares for children with cancer in Aragon, supports their families and promotes research into childhood cancer in the region
- We donated to FUNDAME (Spinal Muscular Atrophy Foundation). This foundation is dedicated to raising funds for research and improving the living conditions of those affected
- We organised a food collection campaign for the Zaragoza Food Bank
- We subsidised participation for employees to take part in different sporting events (Races organised by ESIC and ASPANOA)
- We outsourced auxiliary services with the special employment centre REY ARDID FOUNDATION
- We made a financial contribution to the Vicente Ferrer Foundation, an organisation that develops social projects in India

KEY INDICATORS OF OUR COMMITMENT TO THE COMMUNITY

	2020	2021	2022
Evolution of no. of employees	78	84	88
No. of social projects	Sin datos	5	10
Investment in social projects or actions	1700€	3000€	3000€

■ SOCIAL RESPONSIBILITY. HEALTH AND SAFETY

Occupational Safety is a fundamental aspect at KALFRISA. In order to ensure a safe and healthy work environment, different monitoring mechanisms have been put in place to ensure compliance with the objectives and actions established in this area.

We make a great effort to improve safety on a daily basis, through various awareness and training campaigns.

We have developed a specific communication channel in the area of prevention, where we periodically produce information bulletins, different manuals and advice related to health and safety.

KEY INDICATORS

	2020	2021	2022
Accidents	26	39	20
WA with sick leave	4	7	7
Hours of OHS training	138	96	236



COMMITMENT AND TRANSPARENCY



■ SUPPLY CHAIN

We are committed to working closely with our customers and suppliers, integrating ourselves into their supply chain in order to guarantee quality, safety and respect for the environment at all times.

One of our objectives is the continuous improvement of our ability to provide our customers not only with a product according to the required quality, but also with improved service and personalised attention.

One of the requirements established by our Management System is the need to select and evaluate our suppliers according to their capacity to comply with the commercial and social commitments established by KALFRISA.

We carry out an initial assessment and periodic evaluations, ensuring continuous monitoring of compliance with our quality standards.

■ CORPORATE GOVERNANCE

Corporate Governance is the set of rules that regulate the transparent behaviour of our organisation and contribute to our achieving higher levels of efficiency, based on a series of ethical principles that inspire the way in which KALFRISA is managed and controlled.

KALFRISA's corporate governance is based on the following foundations:

- / Transparency
- / Integrity
- / Responsibility and accountability

The following management bodies and mechanisms are in place to supervise and control decision-making:

- / Board of Directors
- / Steering Committee
- / External audits

The application of our internal governance and management standards and principles enable us to ensure persistent and long-term value creation, sustainable development and the satisfaction of all our stakeholders.

BUSINESS ETHICS

OUR COMMITMENT TO THE SDGS

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to end poverty, protect the planet and ensure that by 2030 all people enjoy peace and prosperity.



The 17 SDGs are integrated: they recognise that action in one area will affect outcomes in other areas and that development must balance social, economic and environmental sustainability. Countries have committed to prioritise progress for those furthest behind.

Creativity, knowledge, technology and financial resources from across society are needed to achieve the SDGs in all contexts.

KALFRISA is committed to integrating the Sustainable Development Goals into all our activities. Below are the 5 SDGs on which we have focused our actions this year and a summary of the activities with a positive impact for each of them:

3 SALUD
Y BIENESTAR



GOAL:

TO ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR EVERYONE AT ALL AGES.

WHAT DO WE DO AT KALFRISA?

- Promote a health and safety environment of prevention
- A healthy and safe workplace
- Continuous security training
- Cardio-protected space. Installation of AED and first aid training
- Actions to support healthy lifestyles: participation in sporting events. Company canteen
- Donations and collaboration with different foundations that help groups with different illnesses

7 ENERGÍA ASEQUIBLE
Y NO CONTAMINANTE



GOAL:

TO ENSURE ACCESS TO AFFORDABLE, SECURE, SUSTAINABLE AND MODERN ENERGY

WHAT DO WE DO AT KALFRISA?

- Innovation projects to improve the performance and energy efficiency of our equipment
- Minimise the energy consumption at our facilities
- Installation of solar panels

8 TRABAJO DECENTE
Y CRECIMIENTO
ECONÓMICO



GOAL:

PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, EMPLOYMENT AND DECENT WORK FOR ALL

WHAT DO WE DO AT KALFRISA?

- Stable recruitment. 100% permanent staff
- Diversity of the workforce
- Equal pay policy
- Continuous training plan
- Family reconciliation measures
- Collaboration with special employment centres
- Donations and collaboration with different foundations and NGOs that work to promote the inclusion of groups at risk of exclusion



GOAL:
BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRY AND FOSTER INNOVATION

WHAT DO WE DO AT KALFRISA?

- Continuous innovation in products and processes
- Continuous investment in R&D to foster technological development, internally and through alliances with universities and public and private entities
- Industry 4.0



GOAL:
RESPONSIBLE PRODUCTION AND CONSUMPTION

WHAT DO WE DO AT KALFRISA?

- We promote the use of renewable energies
- Continuous development of our products to achieve maximum energy efficiency
- Digitalisation project & reduction of paper consumption
- We minimise the energy consumption at our facilities
- Code of good practice for responsible consumption
- Waste recycling systems



KALFRISA



KALFRISA
ENERGY & ENVIRONMENT

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