

Non-financial information report

2021



matholding

Contents



Message from the CEO

MAT Holding Group

→ Our purpose and values.
The 3 sustainability axes
on which we act

→ What makes us unique?

→ Our history

→ Local service, international
presence

→ Our solutions and brands

Our contribution to society

→ Our commitment to the
Sustainable Development Goals

→ Our commitment to stakeholders
and transparency

→ Our social commitment

→ Our commitment to sustainable
management of agricultural and
water resources

→ Sustainability success stories

Responsible management

→ Our Code of Ethics

→ Global Corporate Compliance
Program

Environmental management

→ Our commitment to responsible
use of productive resources

→ GHG emissions and sustainable use
of resources

→ Waste management

→ Improvements for pollution and
waste prevention, and resource
optimisation

Talent management

→ Our commitment to our employees

→ Measures to protect and enhance
talent

Message from the CEO



Pau Relat
CEO

Sustainable growth is undoubtedly **one of the challenges we face**, socially, economically and environmentally.

On this path, companies have a responsibility, inherent in our activity with all the stakeholders with whom we are linked, to make this world a more sustainable place.

At MAT Holding, **we are guided by our purpose: to care for agriculture and water** through solutions that promote sustainability, efficiency and profitability in agricultural and water management.

To achieve this, we are firmly committed to our values: trust in people as the basis for our daily activity, **commitment** to all our stakeholders, **innovation** to consolidate sustainable, solid and constant growth, and the **flexibility** that has allowed us to face an uncertain and changing scenario with firm steps forward.

We are dedicated to two sectors that inherently have sustainability in their DNA: agriculture and water. The activities of all our businesses make an essential contribution to sustainable growth.

To this end, **we are strengthening the leadership of the Group's companies**, committed to permanence, and we are decisively **facing the new challenges** that the market demands, thanks to our experience, solidity and knowledge in both the agricultural and water sectors.

Over the past year, we have faced challenges such as **the transformation of the agricultural sector, the digitalisation of crop and water management, and the improvement of service for our customers**. We have focused on our own competitive advantages, such as innovation, prudence in the management of financial resources, a clear commitment to talent, a desire for internationalisation and proximity to the market.

As a result, **we have developed solutions that better meet the needs of our environment**, from our position as a reference multinational family-owned group in our sectors, financially and technically solid, with an optimised size and a multidisciplinary organisational structure.

We have ambition and enthusiasm to grow, but not in just any way. This report demonstrates our commitment to responsible growth management based on economic, social and environmental sustainability criteria.

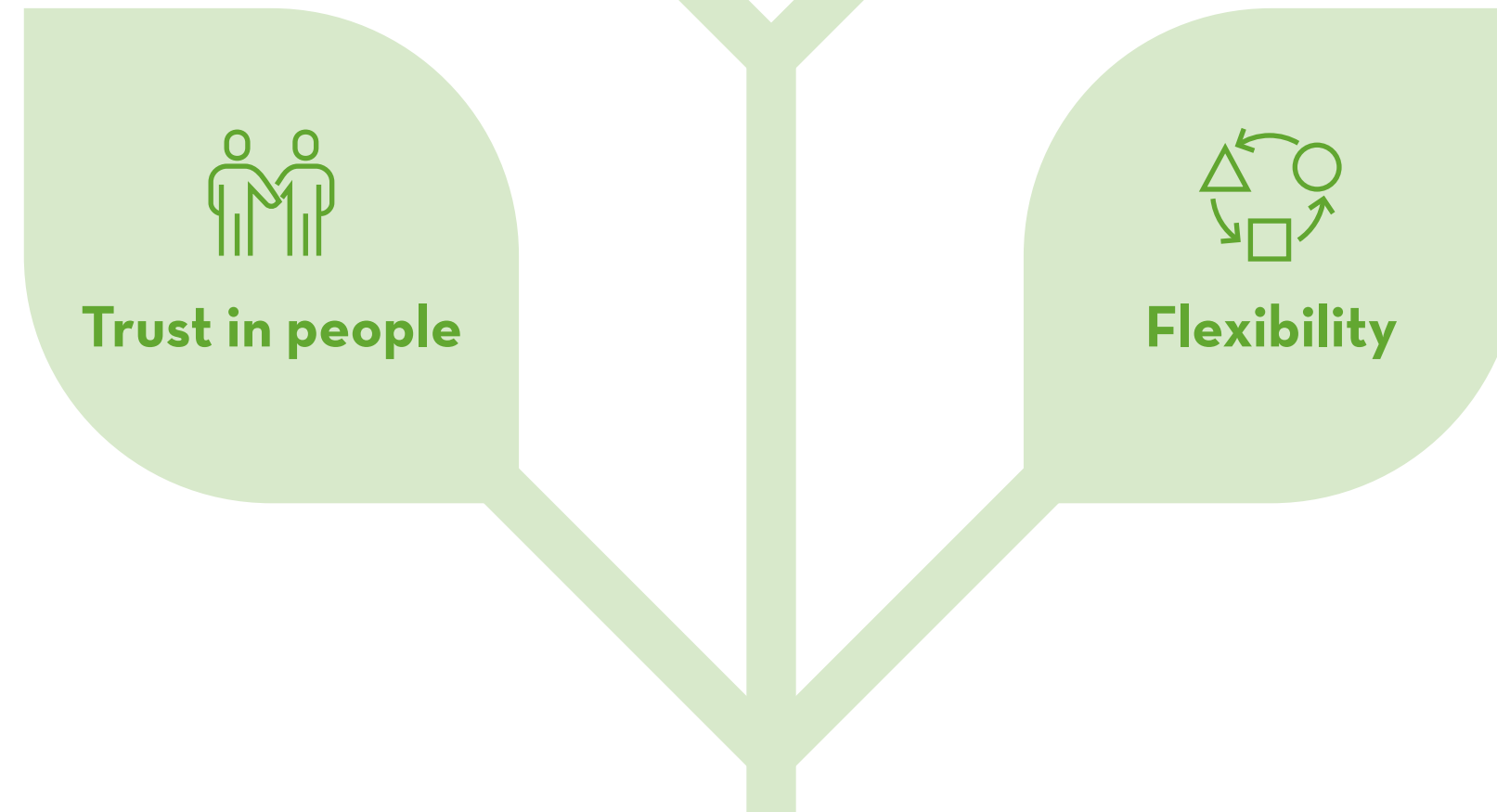
MAT Holding Group



Our purpose and values

The 3 sustainability axes on which we act

We ensure food production and access to clean and sanitary water, revitalise the land, and engage with the communities in which we operate.



We are dedicated to **efficient and sustainable management** of agricultural and water resources **to produce more with less.**



We accompany farmers and agricultural and water managers in modernising their farms and systems to make their businesses more **profitable, competitive and sustainable.**

PURPOSE

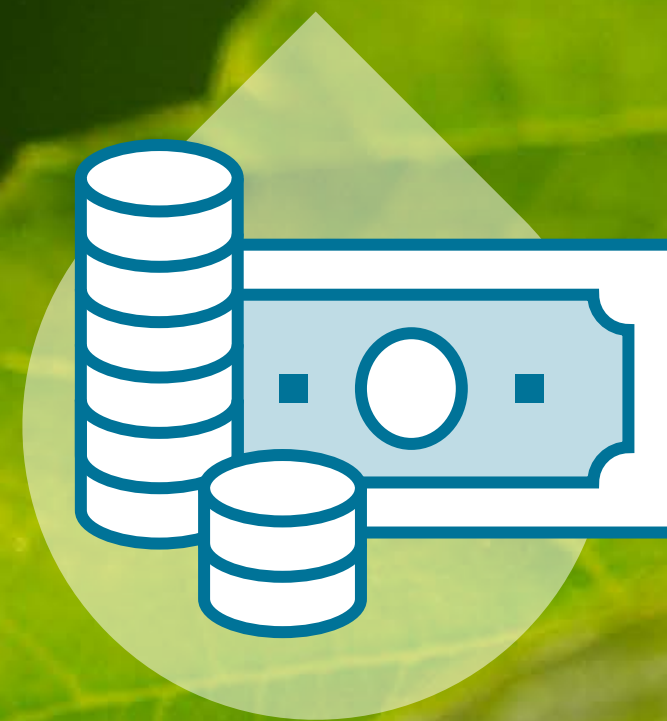
We care for **agriculture** and **water** through solutions that promote **sustainability, efficiency and profitability in agricultural and water management.**

What makes us unique?

At MAT Holding, we specialise in the design, manufacture and commercialisation of products and services for the protection and optimal growth of crops, the sustainable management of agricultural farms, and the conveyance, treatment, filtration and control of water and other liquids for agricultural and industrial uses.



**1,066
employees**



**€333 million
turnover**



**4,000+ customers in 140 countries
65% export**



**Leaders in professional irrigation
in the Iberian Peninsula**



**Global leaders in water
conveyance and control systems**



**World leaders in copper
salts for plant health**



**2 headquarters
and 17 subsidiaries**



**Over 85 years of experience
in water and agriculture**

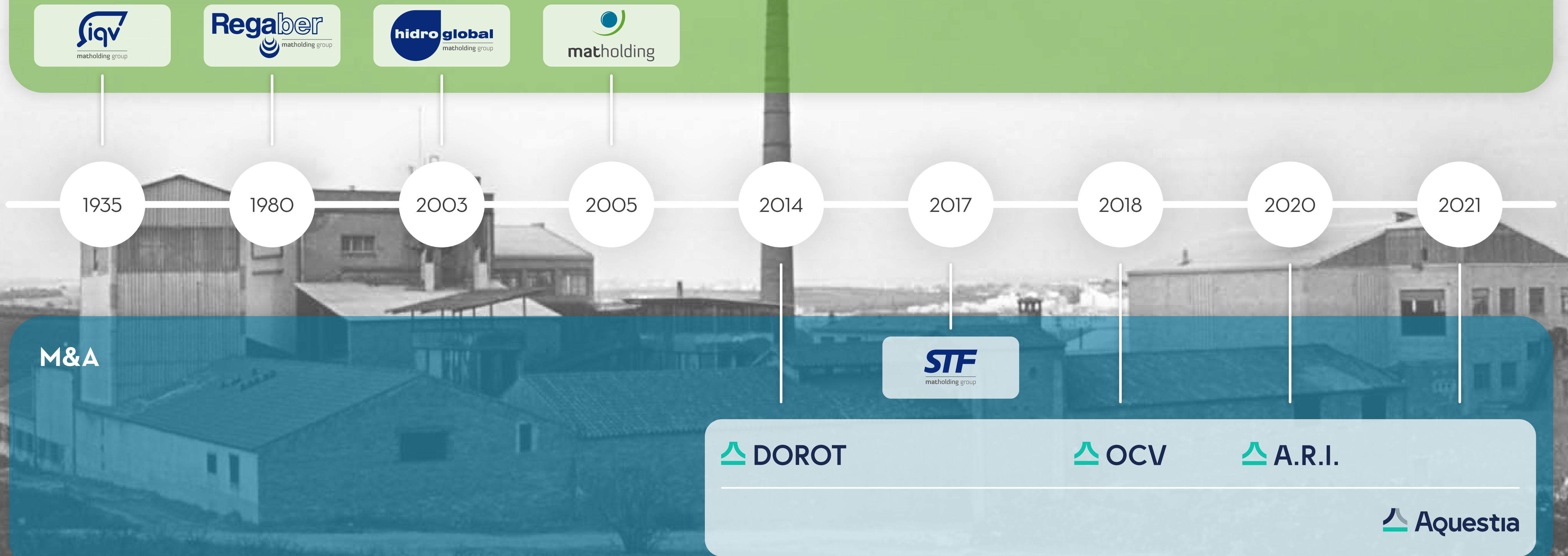


**6 production plants
70+ Km²**

Our history

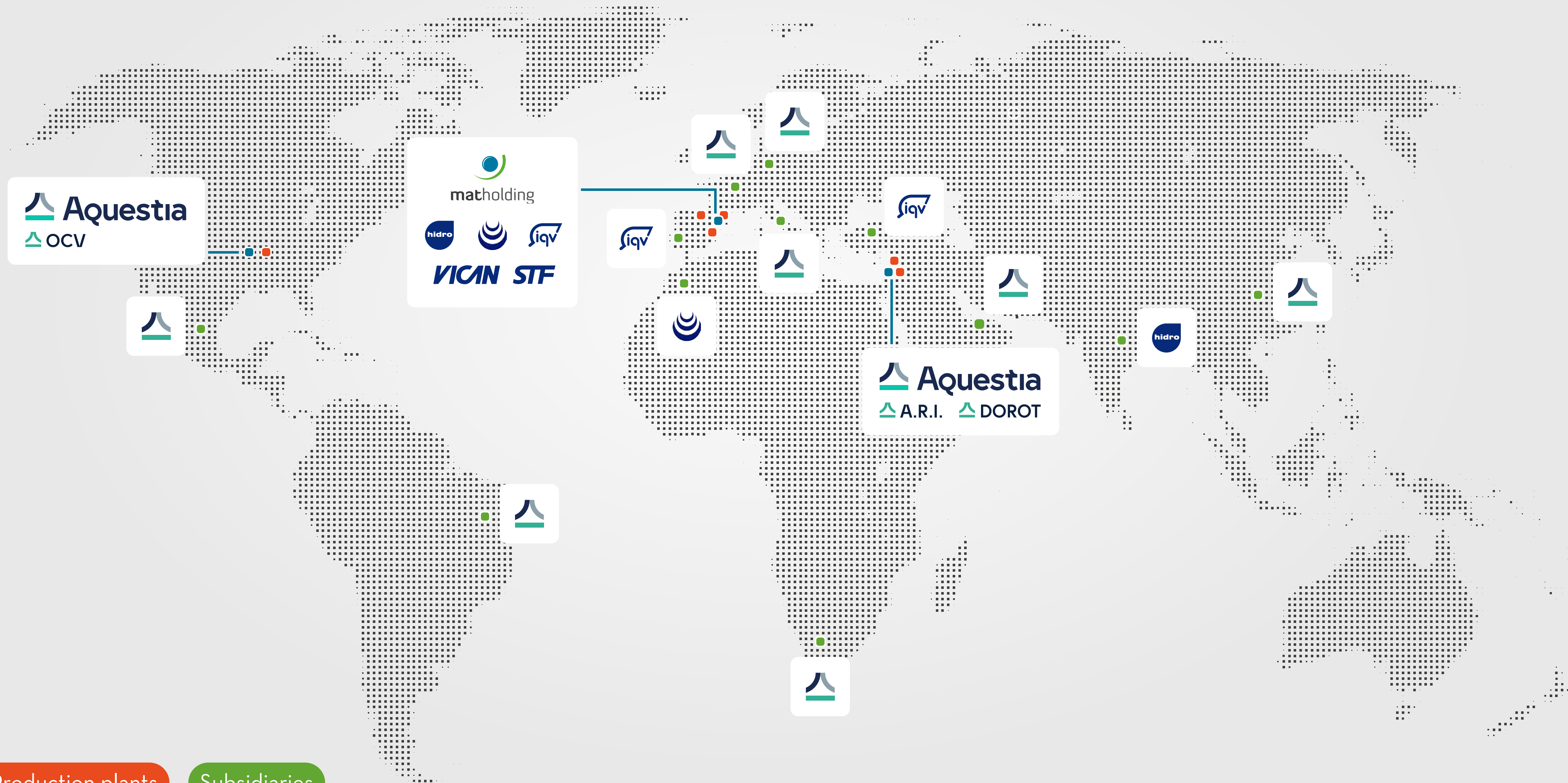
In 1935, Industrias Químicas del Vallés S.A. (IQV), a company dedicated to the production of copper sulphate, was established in Mollet del Vallés (Barcelona, Spain). Since then, the Group has grown organically and inorganically in the water and agriculture sectors, with a clear determination for international expansion and leadership.

Creation of the group companies



Local service, international presence

MAT Holding Group is made up of 1,066 employees distributed across more than 20 countries. Over 4,000 customers in 140 countries rely on our solutions. The agricultural business is headquartered in Spain while the water business is headquartered in Israel. In addition, we have 6 production plants located across Spain, the United States and Israel.



Our solutions and brands



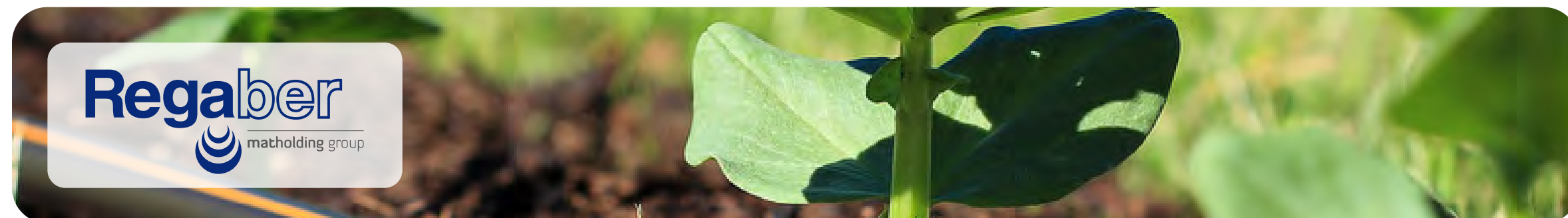
Plant health

We are farmers' strategic allies thanks to our solutions focused on crop protection. We provide a **wide range of phytosanitary products adapted to the needs of each type of crop** to provide optimal and environmentally friendly protection.

Sustainable protection
against fungal diseases.

Innovation
thanks to the investment of 4% of turnover.

World leaders
in the production of copper salts.



Professional irrigation

Through Regaber, MAT Holding Group is the **market leader for drip irrigation in Spain and Portugal**. We accompany farmers by providing them with the latest irrigation technologies, working for more sustainable, healthy, competitive and profitable agriculture, and adapting to the needs of each crop.

Efficient irrigation
to save costs and increase production.

Intelligent irrigation
that adapts to climatic conditions.

Sustainable irrigation
to irrigate a greater surface area with less water and energy.



Conveyance of water and other liquids

Aquestia offers the **most advanced hydraulic solutions** for application in water supply systems, distribution networks, wastewater disposal, fire protection applications, treatment plants and irrigation systems, among others.

Water conveyance and control
with the most complete line of valves.

Innovation
thanks to unique software for water infrastructure management.

World leaders
in hydraulic valves with multiple patents.



Water treatment and filtration

We are **committed to society and industry** in the treatment and integrated management of the water cycle, through the Hidroglobal, STF and VICAN brands. We accompany the major engineering companies in the sector in the integrated management of the water cycle, with complete solutions for urban, industrial and agricultural purposes.

Municipal and industrial sector
Advanced solutions for the treatment and integrated management of the water cycle.

Integrated water cycle management
From drinking water supply and sanitation to wastewater purification.

Major projects
We are partners of the major international engineering companies in the sector.

Our contribution to society



Our commitment to the Sustainable Development Goals

Corporate governance

- Transparency, ethics and integrity
- Risk management
- Corruption and bribery
- Regulatory compliance



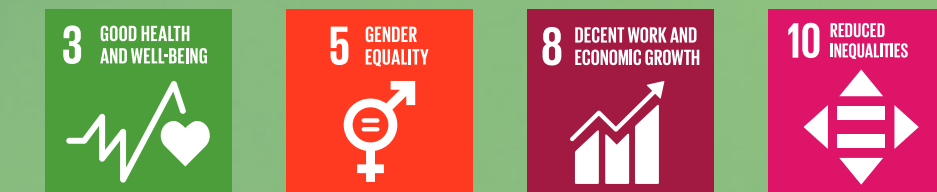
Environment

- Energy consumption and efficacy
- Pollution
- Circular economy
- Climate change



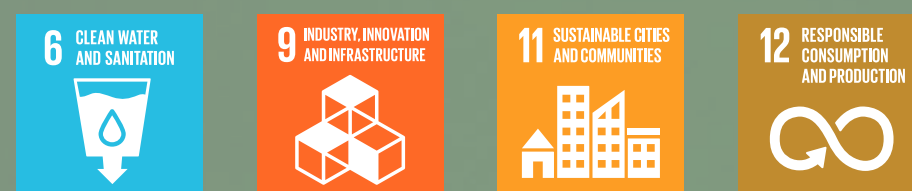
Labour

- Employee health and safety
- Work-life balance, equality and diversity
- Training and talent retention
- Human rights



Customers

- Customer health and safety
- Quality of service
- Innovation
- Environmental protection



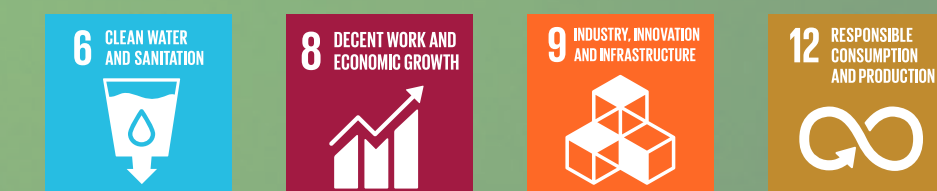
Social

- Social commitment
- Access to and improved management of water and agricultural resources
- Gender equality
- Collaboration with public institutions and private entities



Economic

- Supply chain
- Long-term business sustainability
- Decent employment creation
- Responsive economic activity



Our commitment to stakeholders and transparency



Customers

Personalised attention, knowledge and adaptation, incident control, satisfaction and legal compliance.



Suppliers

Timeliness in the collection of invoices, financial solvency, legal compliance.



Public administrations and institutions

Tax and social security obligations, information, legal compliance.



Society and community

Improved efficiency, productivity and sustainability, compliance with legal and ethical requirements, employment generation.



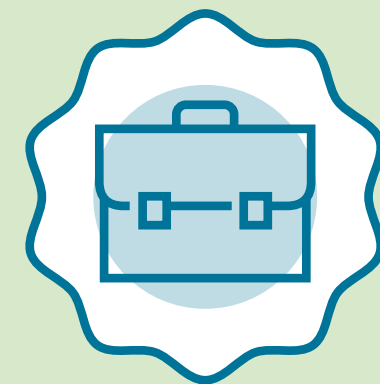
Competition

Compliance with competition law.



Partners

Achievement of profits and profitability, risk and debt control, information, legal and ethical compliance, reputation maintenance and talent retention.



Employees

Compliance with the Equality Law, General Law on the Rights of Persons with Disabilities and their Social Inclusion, improvement of remuneration policy and professional development, health and safety management system.



Communication channels

Internal, external and mixed.
Online and offline.



Subcontracting and suppliers

Homologation process. Our suppliers have certified manufacturing processes and management systems.



Consumers

Incident, Non-conformity and Corrective Action Management Procedure



– Our contribution to society

Our social commitment

Since its inception, the Group has been committed to society in general and to the communities in which it operates, putting people at the centre and taking on its social responsibility to help reduce inequalities, promote social sustainability and improve the situation of the most disadvantaged groups.

- We contribute to social integration.
- We promote youth employment.
- We are committed to local employment.
- We are present in the main sector associations and organisations.
- We support the social and welfare fabric.

We take care of



People with functional, physical and mental health diversity



Senior citizens



Children and young people



The most vulnerable

Donations



POR UN FUTURO SIN ALZHEIMER



BANCOS DE ALIMENTOS



Foundation



Empresa d'economia social



The Israeli Mental Health Association



Schools

Our commitment to sustainable management of agricultural and water resources

Innovation is essential to adapt our products and solutions to the changing needs of our customers and environment, supporting economic, social and environmental sustainability.

Proprietary innovation

MAT Holding works for the **continuous improvement** of its solutions and products.

To this end, we invest close to **4% of our turnover in R&D.**

“
WE INVEST
4% in R&D
”

We have **40 people** focused on research and development of new solutions in various centres and specialised laboratories.

“
40 people
EMPLOYED IN R&D
”



Advanced formulation of copper-based **phytosanitary products.**

Development of **microbial biofungicides.**

Identification of **new active substances.**

Development of **integral solutions** for high-value crops.



Design and optimisation of **hydraulic solutions.**

Development of **new technological solutions** that allow operating water distribution networks holistically.

Reduction of **water losses** in distribution networks.



Optimisation of air valves for use in drinking water, irrigation and water with special characteristics.

Optimisation of hydraulic valves for precise irrigation and efficient water use.

Development of intelligent digital solutions through data management in the cloud, to improve water distribution systems.



Automation of production and upgrading of STF irrigation range products, mainly automatic filters.

Products **updated for the connectivity and versatility** required by today's agriculture market.



Research into new cultivation techniques, both internally and through collaboration with external partners.

Design of new systems and digital solutions that promote **water saving.** Examples:

- Project to **develop a new ultrasonic technology counter.**
- **Projects for irrigation communities and parks and gardens** to optimise water and energy.

Methods to **recover and reuse materials used** (circular economy), as is the case with irrigation pipes that are reused to manufacture new pipes.

Innovation in collaboration with third parties



Sustainability success stories



Challenge	More sustainable irrigation	Ensuring olive tree health	Water recovery system	Uniform water supply	Drain heavy rainwater in time to save lives
Beneficiaries	Denomination of origin wine producers in Utiel - Requena (Valencia, Spain)	Aceites Artajo organic farm producers in Fontellas (Navarre, Spain)	Automotive company in Qatar	Population (40,000 inhabitants) of the Onteniente municipality (Valencia, Spain)	Population of Holon (200,000 inhabitants), Israel's second-largest industrial zone
Solution	Subsurface drip irrigation	Application of Curenox 50 WP, VITRA 40 WG and Caldo Bordelés Vallés 20 WP in different stages	Intelligent water recovery system	Hymod hydraulic modulating pressure regulator valve	Ultrasonic sensor, Dorot 10" valve and ConDor remote controller
Benefits	<ul style="list-style-type: none"> • Energy and fertiliser savings. • Increase in production. • Improvement of plant health. • Facilitates the movement of machinery and agricultural work. • Weed reduction. 	<ul style="list-style-type: none"> • Correct prevention and control of pathogenic fungi and bacteria. • Compliance with organic farming regulations. • Sustainability of the agricultural system. 	<ul style="list-style-type: none"> • Total savings, reduction of water loss. • Uninterrupted operation thanks to a bypass valve that allows water to be diverted while the bag filters are serviced. 	<ul style="list-style-type: none"> • Constant pressure adjustment, reducing water losses. • Reduction in breakage/burst frequency. • Rapid real-time response to changes in demand. • Reduction of mean pressure in the DMA. 	<ul style="list-style-type: none"> • Avoid personal losses. • Avoid material losses.

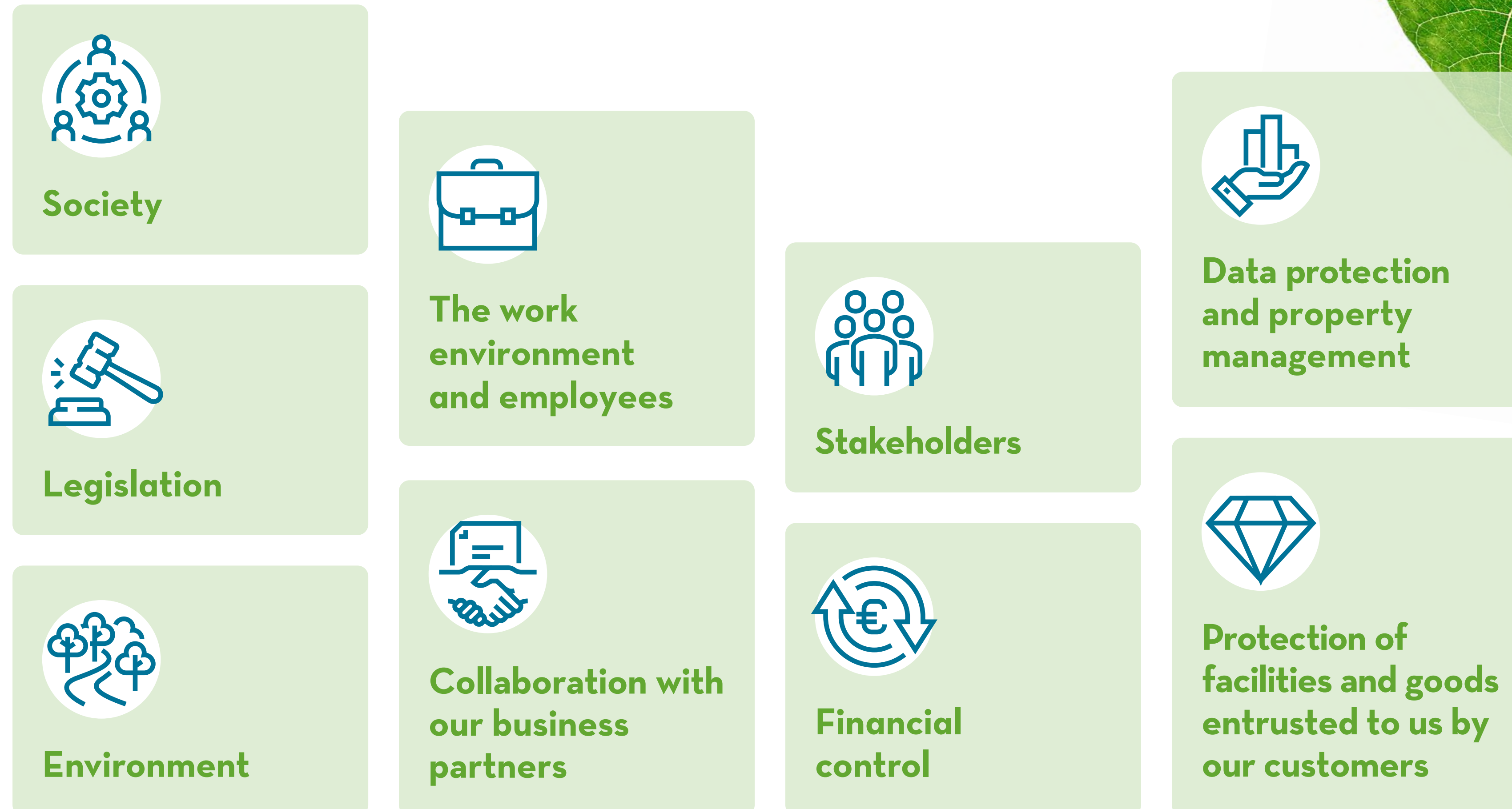
Responsible management



Our Code of Ethics

At MAT Holding, we ensure that everyone in the Group is aligned with the principles of our [Code of Ethics, accessible from our website](#). This applies at all organisational levels and in all our operations, for MAT Holding personnel as well as for our external collaborators.

In this sense, MAT Holding's Code of Ethics is based on the following ethical commitments:



Global Corporate Compliance Program

MAT Holding Group is working on the design of the Global Corporate Compliance Program, through the identification of 23 protocols related to different matters that affect all the Group's businesses and territories, and on which the Group wants to work in a homogenised manner with the objectives of **creating a common culture, generating trust in our stakeholders, and guaranteeing the sustainability of our activity over time.**



Environmental management



Our commitment to responsible use of productive resources



Environmental policy

We promote **responsible and efficient use** of raw materials, energy and other natural resources, and **minimise the production of waste**.

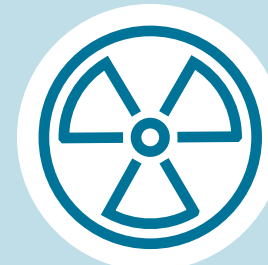
- Compliance with **environmental legislation**
- **Environmental risk** management
- Continuous improvement of the **management system**
- Protection of the **environment**
- Actions to address **climate change**



67,844
tonnes
of production



958.63
tonnes
of non-hazardous waste



529.55
tonnes
of hazardous waste

Managed to promote
recycling and proper
treatment



-1,241,452
kWh in light
savings compared to 2019
thanks to the installation of
LED lighting



+2,652,414
kWh
increase compared to 2020 due to
resuming some activities halted due
to the pandemic



-19.9%
scope 2 emissions
reduction in scope 2
emissions



-2.1%
scope 1 and 2 emissions
reduction in scope 1 and 2
emissions

Our certifications



FAMIqs

GHG emissions and sustainable use of resources

C = Consumption, P = Production, O = Diesel, G = Gasoline

GHG emissions				
Scope 1	2018	2019	2020	2021
Emissions Directives of the activity	4,084	4,818	4,672	4,970
Scope 2				
Electricity consumption	4,235	3,166	2,228	1,785
Scope 3				
Water purchase	30	27	32	32
Product distribution	-	-	8,624	34,168
Corporate travel	575	493	72	353
Totals	8,924	8,504	15,628	41,308

Sustainable use of resources				
Resources	2018	2019	2020	2021
Water (m ³)	75,357 (C) 1.30 (P)	69,523 (C) 1.09 (P)	81,541 (C) 1.39 (P)	81,303 (C) 1.20 (P)
Electrical energy (kWh)	13,193,719 (C) 227.04 (P)	13,139,089 (C) 206.23 (P)	9,245,223 (C) 147.36 (P)	11,897,637 (C) 175.37 (P)
Natural Gas (kWh)	18,900,662 (C) 325.24 (P)	21,345,633 (C) 335.04 (P)	21,914,910 (C) 349.30 (P)	21,664,316 (C) 319.33 (P)
Propane Gas (kWh)	1,100 (C) 0.02 (P)	1,101 (C) 0.02 (P)	1,342 (C) 0.02 (P)	4,333 (C) 0.06 (P)
Diesel Consumption (l)	41,201 (C) 0.71 (P)	38,515 (C) 0.60 (P)	33,954 (C) 0.54 (P)	28,837 (C) 0.43 (P)
Fuel Consumption (kg)	44,900 (C) 0.77 (P)	30,872 (C) 0.48 (P)	44,000 (C) 0.75 (P)	22,000 (C) 0.32 (P)
LPG Consumption (kg)	0 (C) 0 (P)	2,265 (C) 0.04 (P)	7,018 (C) 0.11 (P)	27,688 (C) 0.41 (P)
Company Transport Fuel Consumption (l)	294,561 (G)	145,932 (O) 164,496 (G)	103,991 (O) 98,461 (G)	173,559 (O) 157,334 (G)

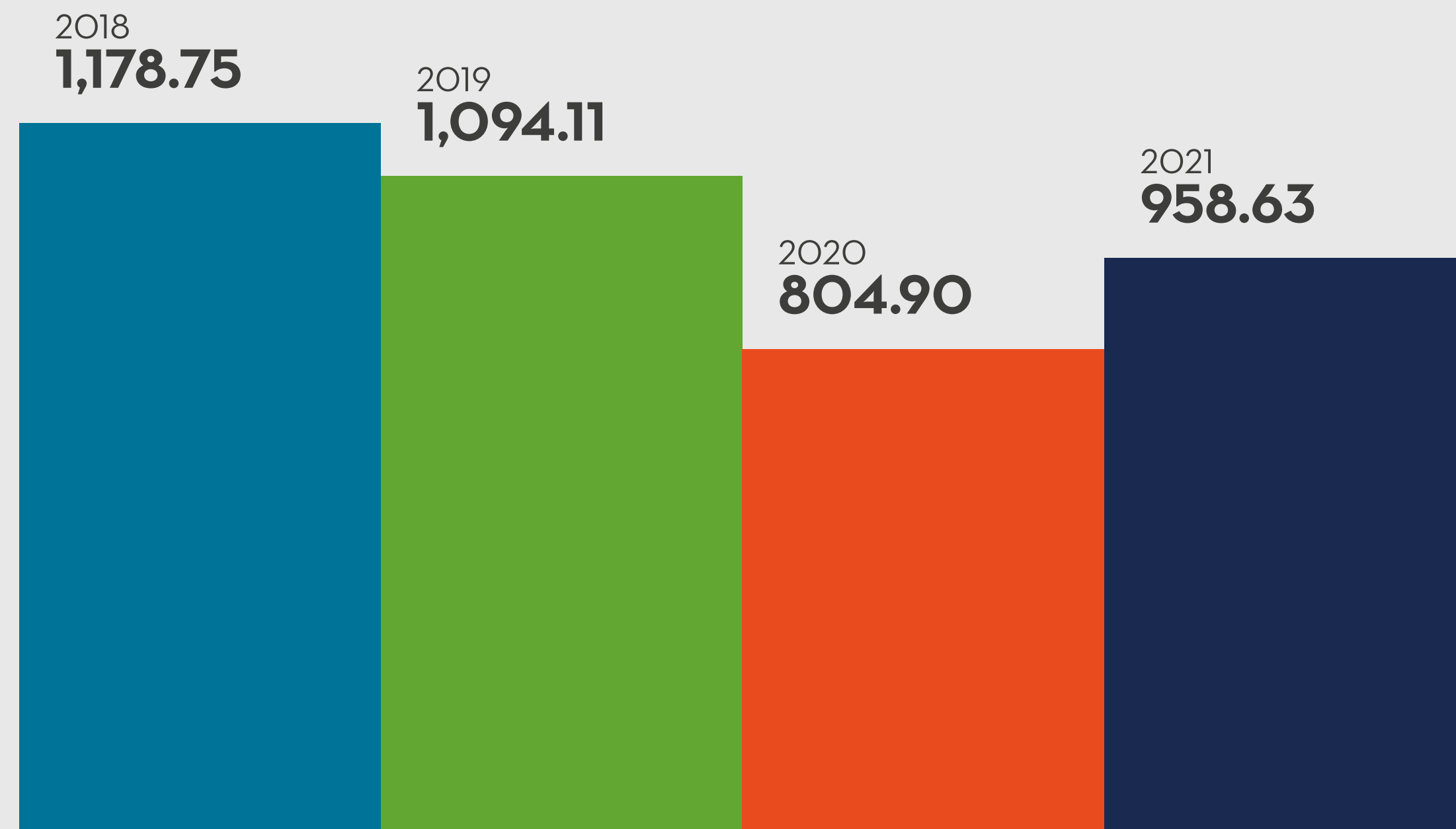
Waste management

Waste generated in production plants is managed in accordance with current regulations and is segregated and managed to promote recycling and appropriate treatment.

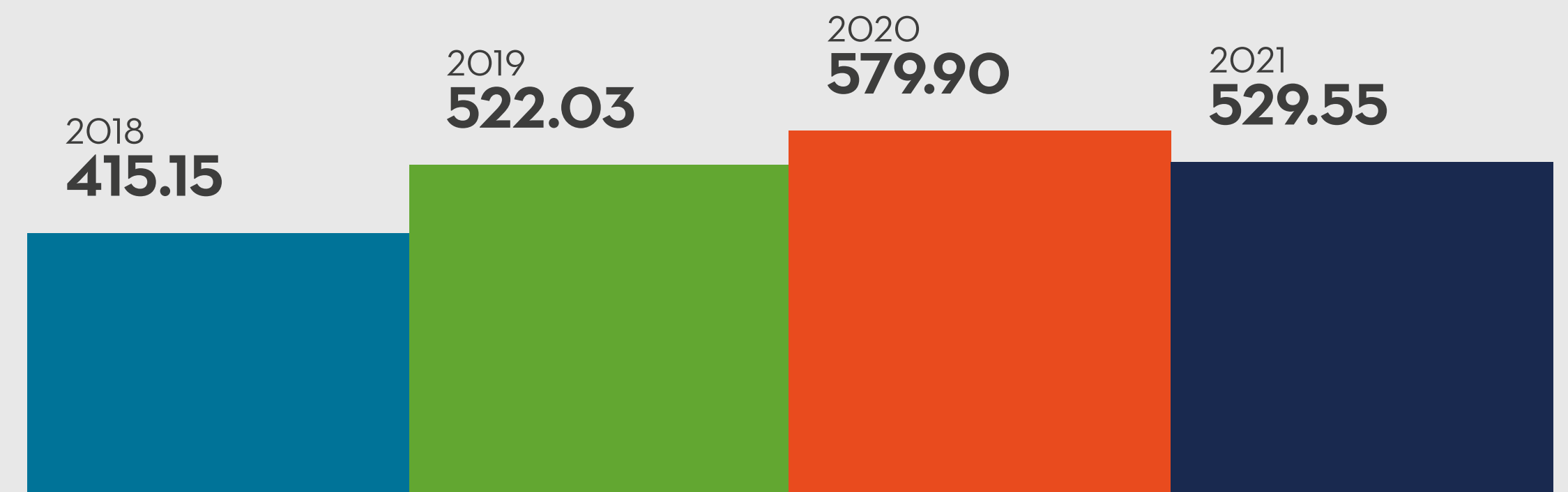
Most relevant waste according to production processes:

- Non-hazardous waste related to the water cycle.
- Non-hazardous waste generated by the manufacture of metallurgical components and equipment and filters.
- Phytosanitary packaging waste according to ADR regulations. Other containers, according to each country's recycling system.
- Hazardous waste and diluted aqueous solution from the manufacture of phytosanitary products.

Non-hazardous waste (Tn)



Hazardous waste (Tn)



Improvements for pollution and waste prevention, and resource optimisation



- ✔ A new **electric vehicle has been introduced.**
- ✔ A new application has been implemented to **control the amount of packaging** used.
- ✔ Software has been implemented that will **reduce paper printing.**
- ✔ Office lighting is being changed to **LEDs.**



- ✔ Under construction, new chimneys to enable **controlling pollution** emitted.
 - ✔ Recycling all **wood, paper and cardboard.**
 - ✔ Recycling **water used in test beds.**
-
- ✔ Integrated air conditioning control to **reduce electricity consumption.**



- ✔ The stripping process for stainless steel parts has been modified, with the following benefits:
 - **Reduction of the amount of solvent emitted.**
 - **Reduction of consumption** of stripping acid.
 - **Improved quality** of the stripped product, which avoids **possible downstream environmental impacts.**
- ✔ Preventative maintenance planning has been improved to **improve efficiency and reduce waste.**
- ✔ Environmental awareness carried out with new employees.



- ✔ Production scrap is recycled in the same plant, so **no waste is generated.**
- ✔ There is a **water treatment plant available.**
- ✔ **Acoustic improvements** in various production plants.
- ✔ Installation of **meters to improve air pollution control.**
- ✔ Capture installation to **detect possible product leaks.**
- ✔ The use of **packaging with less plastic and plasma plastic** is being investigated.
- ✔ Training conducted on **COEX elimination** and the search for alternatives with plasma plastic.
- ✔ We have added **100% recyclable utensils** in final products.
- ✔ All trivial waste is **reused for CDR manufacturing.**

Talent management

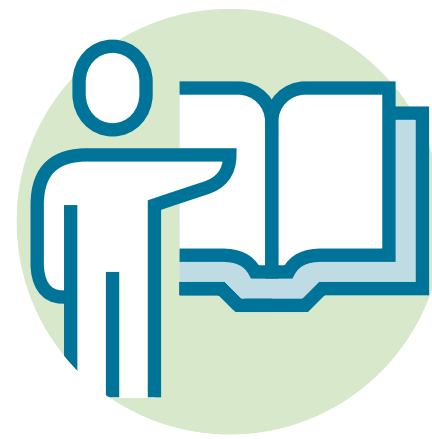


Our commitment to our employees

People are the engine of MAT Holding. Job stability, commitment and quality go hand in hand. This results, for example, in the maintenance and expansion of roles and the fact that the majority of our employees have a full-time, permanent employment relationship.



1,066
Collaborators



6,905
Training hours
Training for new employees,
criminal compliance, Code of Ethics
and Group competencies.



93%

With permanent contract



95%

Full-time



1,4%

Increase in headcount compared to 2020



77%

Men



23%

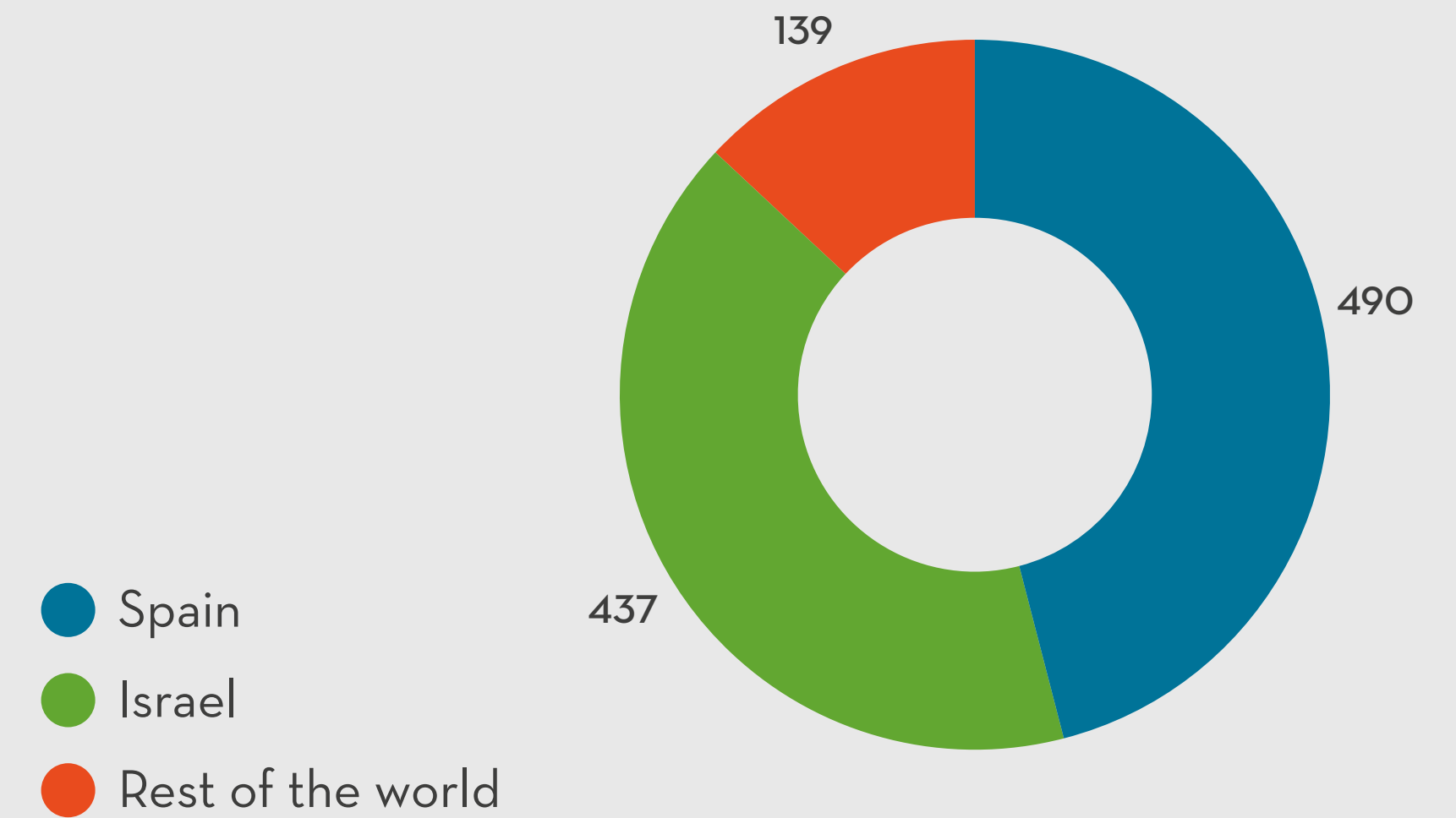
Women



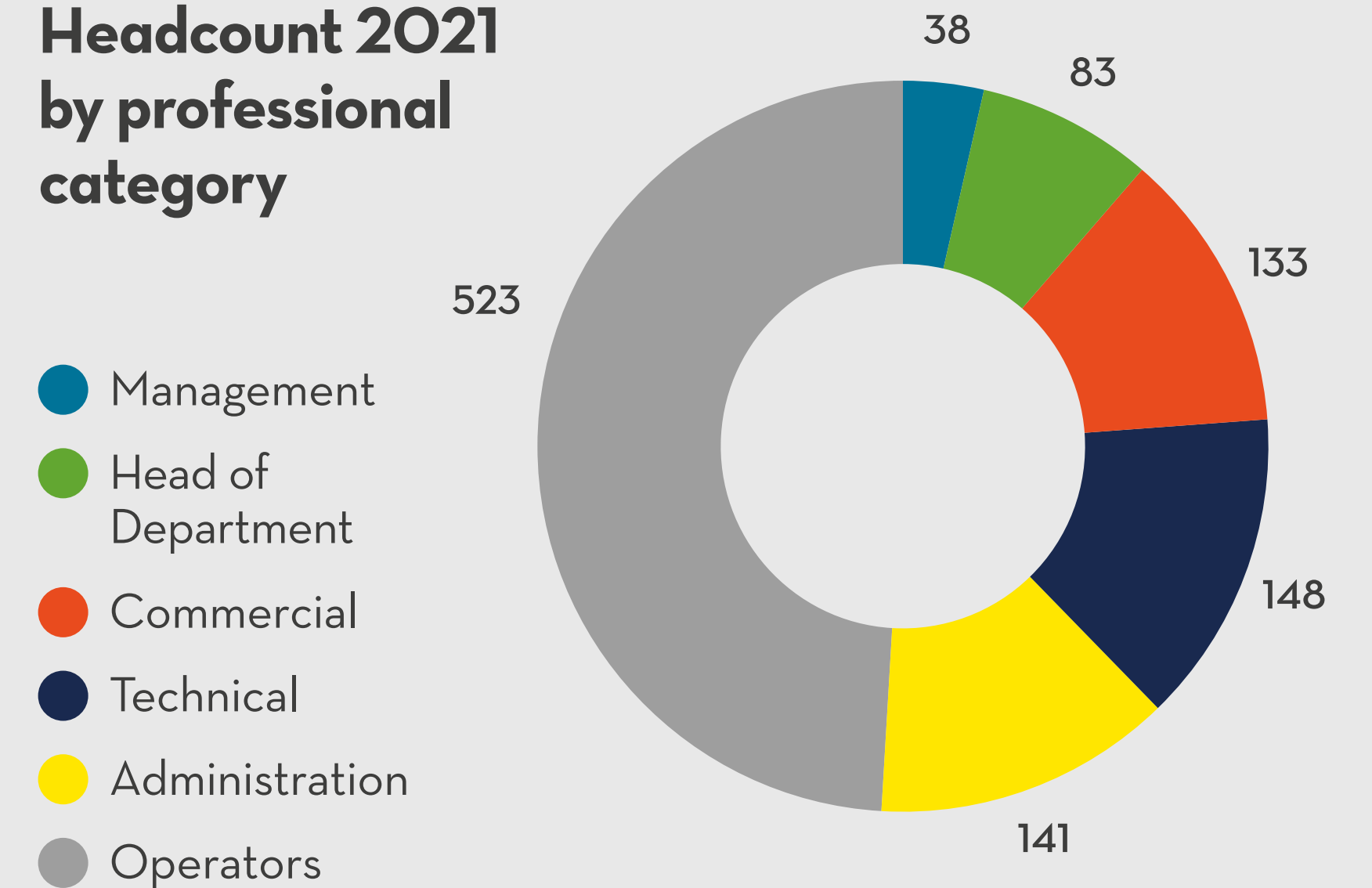
55%

Between 30 and 50 years of age

Number of employees



Headcount 2021 by professional category



Measures to protect and enhance talent

From the Human Resources point of view, in 2021 we carried out various **actions to enhance the talent of the professionals** who form part of our Group.

Gender equality

- Consolidation of affirmative action with regard to selection, hiring and promotion processes.
- Consolidation of the professional classification system in order to compare salaries.
- Identification of the existence of a wage gap and application of corrective measures in accordance with current regulations.
- Incorporation of specific training actions on equality, to raise awareness and promote the use of inclusive language.

Compensation policy

- A study of the wage gap situation has been carried out, which has revealed differences between groups.
- We are in the process of analysing the causes of these differences. Based on this analysis, an action plan will be designed.

Efficient organisation

- We have a work-life balance policy, based on flexible working hours, through which our team can adjust their working day to their personal needs.
- This policy includes improvements for employees with family responsibilities.

Health and safety

Measures against COVID-19:

- The COVID-19 Commission and the Health and Safety departments of each business have continued to manage COVID-19 prevention measures, ensuring compliance with these and adapting the action protocols each week.
- The most relevant measure implemented as a result of COVID-19 has been the option of remote working. As a result, in general, the impact of COVID-19 on the Group's activity has been low and has not materially affected the business.

Occupational risk prevention:

- The Health and Safety Committees coordinate the preventative activity carried out as an outsourced service and includes prevention, ergonomics, training and health surveillance.
- Occupational accidents: there have been a total of 40 accidents in 2021: 31 men and 9 women. None of these were serious.
- During 2021, as in 2020, there have been no occupational diseases.

Work relationships

- We have several employee unions across the company.

Training and performance

- Training Plan for the professional development of employees.
- Welcome Plan, aimed at new incorporations to the Group, as well as employees who change jobs or modify their functions.
- Individual career plans for people identified as having high potential within the organisation.
- Plans aimed at specific groups within the organisation, such as the Manager Development Plan.
- Under review, the Competency Management model for the entire organisation at the national level.

Universal accessibility for persons with functional diversity

- MAT Holding's businesses comply with hiring 2% of personnel with a disability of over 33%.
- In addition, the Group's policy at the national level establishes the prioritisation of contracting services to Special Employment Centres. In the 2021 fiscal year, the value contracted to Special Employment Centres amounted to €230,793.



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Published by:

MAT Holding Corporate Communications

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