



PANES⁺POL[®]

PANESPOL

SUSTAINABILITY REPORT

BUILDING A BETTER



At Panespol we believe that there is a better way of doing things, that it is possible to generate prosperity and economic growth, improving people's quality of life and conserving the environment.

We are committed to the value of our product by improving the way the world understands and views decorative coverings. We move towards this vision by committing ourselves to the sustainable advancement of our production.

We examine the lifecycle of our products to ensure that all improvements continue to be innovative and create a better world. We are focused on increasing the positive impact of our panels, based on the knowledge of where our raw materials and energy come from, on our processes, on how our customers use the products and how they are treated at the end of their service life, offering a value chain around a product that is sensitive to environmental sustainability.

Because protecting nature and improving people's quality of life is part of our DNA.

Signed by the **Director General of Panespol.**

A BETTER WORLD



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01.

17 SUSTAINABLE DEVELOPMENT GOALS



The Sustainable Development Goals (SDGs) are the blueprint for achieving a sustainable future for everyone. They interrelate with each other and incorporate the global challenges we face on a daily basis. At Panespol we have adhered to the set of global goals adopted by the UN to eradicate poverty, protect the planet and ensure prosperity for all its inhabitants,

achieving 7 of the 17 Sustainable Development Goals.

We have developed and implemented good practices related to our activity and in line with this agenda. Through specific initiatives, we have integrated part of the SDGs into our corporate strategy, **to help build a better world.**



We set up campaigns and participate as a company in **blood donation**.

We are also involved in local races and take part as a company, not only by making financial contributions but also with teams of runners, such as the Half Marathon in Alcoi, the city where our headquarters is based.

GOOD HEALTH AND WELL-BEING

QUALITY EDUCATION

For us, education is one of the fundamental pillars in our company philosophy.

This is why we encourage our staff to undergo continuous training and education, with courses for plant workers that include occupational hazards, machinery, forklift driving, as well as in our offices with specific training courses and language courses in our commercial and marketing departments.



CLEAN WATER AND SANITATION

Access to clean water is a **human right**.

More than 80% of the waste water resulting from **human activity** is discharged into rivers or into the sea without any type of treatment, causing its progressive deterioration.

Our aim is to achieve **sustainable water management**. We avoid excessive consumption thanks to manual manufacturing in some of our processes and we are currently involved in the installation of several treatment plants.



GENDER EQUALITY

It is essential that companies **commit to diversity** and promote gender equality among their employees.

At Panespol we are firmly committed to equality policies, with a workforce of 50% women and 50% men and where **the majority of senior positions are held by women**.



AFFORDABLE AND CLEAN ENERGY

Energy generation and consumption is the main contributing factor to climate change and accounts for around 60% of all global greenhouse gas emissions

The building and decoration sector must contribute to the more efficient use of energy, with the construction of Nearly Zero Energy Buildings (NZEB) and insulation can also achieve a **reduction in energy consumption of between 50% and 80%.**

Polyurethane is an effective thermal insulator, also providing sound insulation. **Panespol decorative panels hold the Thermal Insulation certificate** specified in the UNE-EN ISO 6946: 2012 standard offered by Tecnalia.



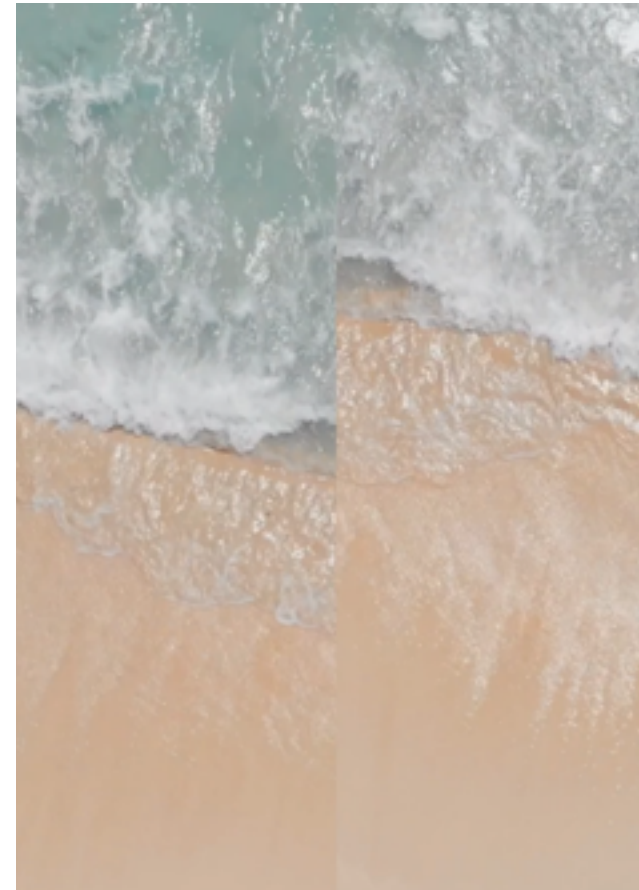
LIFE BELOW WATER

The oceans **power the world systems** that make Earth a habitable place for humans.

Our rain, drinking water, weather, climate, coastlines, much of our food and even the oxygen in the air we breathe is provided and regulated by the sea.

Protecting our oceans is a priority for us. Marine biodiversity is **vital to the health of people and our planet.** Our raw material supplier produces the polyurethane that we use for manufacturing with recycled PET extracted from the seabed.

At **Panespol** we are concerned about pollution and the amount of waste such as plastic, which is why we **are in the process of creating actions that make a meaningful contribution.**



CLIMATE ACTION

The fight against climate change, with the **reduction of greenhouse gas emissions**, is a priority for us.



We are adopting the necessary measures to tackle our responsibilities and ensure a prosperous, **supportive future that is compatible with the planet's climate security.**

We reinforce our commitment to sustainable development by registering our corporate carbon footprint in the **National Registry of the Ministry for Ecological Transition and the Demographic Challenge.**

Plus, all the waste materials from our manufacturing processes are recycled separately, so they can be handled appropriately, in strict adherence to the instructions issued by our environmental advisor, **ACTECO**. Only minimal amounts of organic waste, plastic and cardboard waste are produced, all of which are duly separated.

RESPONSIBLE CONSUMPTION AND PRODUCTION

At Panespol we are committed to contributing to nature conservation, adapting all our manufacturing processes to minimise the impact of our activity on the environment.

We make the most of all the raw materials used so **we generate as little waste as possible**. The thickness of the panels is carefully studied to avoid unnecessary dimensions; this does not affect their appearance but it does keep waste to a minimum.

We design products that are highly durable and that can also be repainted, this allows a makeover without having to remove them



Plus, **we design with packaging and transportation in mind**. Our panels come in standard measurements, avoiding greater consumption of cardboard, wood and plastic and making transport easier

We work mostly with nearby suppliers to reduce goods transport and the polluting effect that it produces. At this moment, the origin of our suppliers is

55%
Region of
Valencia

36%
rest of
Spain

9%
International

02.

ECOFRIENDLY RAW MATERIAL: POLYURETHANE

At Panespol we are committed to the sustainable advancement of our products by innovating in the safety of each process. We examine their lifecycle, from the origin of our raw materials through to the end of their service life and we make sure to generate a value chain that is sensitive to environmental sustainability.

In terms of **polyurethane**, as a raw material it **has a series of characteristics that give our products properties that work with the environment.**





WATER-BASED RAW MATERIALS

There are two options for polyurethane manufacturing: gas-based or water-based. Until now, gas-based has been the most widely used method, which uses fluorinated gases, especially hydrofluorocarbons (HFC).

Different studies have shown that this type of gas is very harmful to the ozone layer and global warming.

The alternative is the manufacturing of water-based polyurethane, which does not harm the environment or affect the ozone layer or global warming.



We have been working with this option at Panespol for the past two years, thanks to our raw material supplier.

Since 2015, the EU regulation on fluorinated gases, regulated by the European Partnership for Energy & the Environment (EPEE), has guaranteed the reduction of emissions through a progressive cessation in which the quantities of HFCs sold are expressed in reductions of CO2 equivalents through the allocation of quotas.

As a result, a 75% reduction in HFCs is expected by 2030. This can be verified by the CE marking, which is mandatory on all products used in the European Union.

The fireproof coating of our panels is composed of a two-component material of water and mineral powder, 80% of which is of natural origin.

People spend, on average, more than 80% of their time indoors and substances such as tobacco smoke, cleaning products, cooking gas, or emissions from building materials are common sources of pollution.

AIR QUALITY: ZERO GAS EMISSIONS



PANESPOL®



ECOFRIENDLY RAW MATERIAL: POLYURETHANE

The quality of indoor air in buildings determines the health and well-being of its occupants, which is why it has become one of the main issues on the European Commission's agenda.

Our raw material, polyurethane, prevents the proliferation of fungi, mould, and the appearance of condensation, which are harmful to health and buildings. In addition, it does not produce isocyanate emissions and the levels of volatile organic compound (VOC) emissions are very low according to various studies.

Consumers are increasingly aware of their health, and even more aware of the properties and ingredients of what they buy and where they buy them. An inert substance, such as polyurethane, is safe and stable and perfect for any commercial environment, even those specialising in food such as supermarkets, restaurants, or bakeries. **Panespol polyurethane is completely non-toxic and does not release gases or particles.**

In addition, **we use paint with silver ion (Ag+) technology that improves the air by eliminating substances such as formaldehyde** (one of the substances listed by the EU as a cause of great concern in relation to IAQ) and contributes zero bacteria and emissions. Thus, it helps to sanitise buildings, respect the environment and people's health and, therefore, create more sustainable spaces. In this line, all the products used in the manufacturing of the product are VOC-free **(certificates are available).**

ENERGY EFFICIENCY: REDUCING ENERGY CONSUMPTION

All sectors, including construction and interior design, should contribute to achieving a more efficient use of energy, both in new buildings and restorations, pursuing the Nearly Zero-Energy Building (NZEB) standards. In both cases, **insulation can achieve a reduction in energy consumption of between 50% and 80%.**



Polyurethane is an effective thermal insulator due to its low thermal conductivity and high resistance values. It also provides acoustic insulation. **Panespol's decorative panels have the Thermal Insulation Certificate** in accordance with standard UNE-EN ISO 6946:2012, provided by Tecnalía.

According to the European Diisocyanate & Polyol Producers Association (ISOPA):

- It is also estimated that, during its service life, polyurethane insulation achieves a savings of between 50 and 100 times the amount of fossil fuel required to produce it.
- As an effective insulator, it improves the energy efficiency of buildings and reduces the need for heating and cooling, thereby reducing carbon emissions.

The Environmental Product Declarations (EPD) provide quantitative information on the environmental impacts of a product over its lifetime.

The European Voice of the Polyurethane Insulation Industry (PU Europe) carried out a Life Cycle Environmental and Economic Analysis of Polyurethane Insulation in Low Energy Buildings that determined polyurethane to be a highly efficient material solution given its low life cycle cost.



FIRE PROTECTION: FIREPROOF COATING

By nature, polyurethane does not generate asphyxiating or toxic gases or fumes when it comes into contact with fire, therefore increasing the protection of people and property



In the same way, **Panespol's decorative panels are manufactured with a fireproof coating** that is accredited by certificates B-s1, d0 according to standards UNE-EN ISO 11925-2:2011 and UNE EN ISO 13823:2012+A1, provided by Aitex. **This coating prevents the panels from burning** and endures temperatures up to 80° until they begin to deform in a concave manner.

Thanks to years of intensive research, all our products comply with the International Fire Safety Standards, both in the EU and in Russia, the United States, Australia, and New Zealand.



03.

2030

CIRCULAR ECONOMY:

RECYCLING

PANESPOL

PRODUCTS



The **Spanish Circular Economy Strategy 2030** works to promote a new production and consumption model, reducing waste generation to a minimum and making the most of unavoidable waste.

This strategy **seeks to achieve a sustainable economy, carbon free and highly efficient in the use of resources.**



At Panespol we are fully committed to this strategy of transition towards a green economy that redesigns and recycles all its materials. This has prompted us to investigate and invest in advances in the recycling of our products and raw material waste to give them a second life.

Currently we do not waste any materials or raw materials. **All products that do not pass a quality control and are not suitable for sale are crushed before being added to the production process.** We have a room in our facilities with two

shredding machines to carry out this process in-house.

On the one hand, we ensure the recycling of any unused raw material of the mineral coating applied to the panels and, on the other hand, the finished panels and any manufacturing waste.

However, it is true that at Panespol we do not have a large volume of waste or shrinkage, but despite this, when this does happen it is reused.

To date **we have been able to use 20% of recycled product to manufacture new products**, thereby contributing to our country's efforts in the search for a sustainable and efficient economy in the use of resources.

AN ECOLOGICAL
COMPANY **MUST
BE COMMITTED
TO RESPONSIBLE
CONSUMPTION AND
A MORE SUSTAINABLE
PRODUCTION**

04.

NEW NATURAL FIBRE RAW MATERIAL

At Panespol we lead the way in the use of new fully biodegradable raw materials.

We currently have the development and ability to manufacture the same decorative panels, with the same kinds of textures and designs, but using a completely natural, sustainable and ecological raw material.

We use bio mesh made from woven biodegradable natural fibres. In addition, we apply a layer of mineral coating that provides the finish or texture to the panel.

This natural coating is composed of mineral powder and liquid, where more than 80% is natural.



05.

We are totally committed to the environment and to reducing our carbon footprint. **We have developed an advanced Climate Action Plan that began with measuring our carbon footprint over the last 2 years and designing a roadmap that will allow us to reduce**, and even neutralise, the impact generated by our commercial activity.

The company's carbon footprint report, prepared with technical advice from the strategic consultancy **ECOTERRAE**, has been evaluated by the Spanish Office for Climate Change and successfully registered in the National Carbon Footprint Registry.



REDUCED CARBON FOOTPRINT

This effort has been recognised by the Spanish Ministry for Ecological Transition and the Demographic Challenge (MITERD), which has **awarded Panespol a carbon footprint certificate** for each year of study. Likewise, MITERD has recognised our enormous effort in **the 32% reduction** that we managed to achieve in the last year of study.

In addition to continuing to measure our carbon footprint each year, we have designed an action plan with measures that will allow us to continue reducing direct and indirect emissions in the coming years. Unavoidable greenhouse gas emissions (where it is not feasible to reduce

the carbon footprint) will be offset through the acquisition of carbon credits.

With these actions, **Panespol is committed to becoming a 100% carbon neutral company in the coming years.**



06.

ISO 14001

ISO14001 certification is an international standard that enables companies to demonstrate their commitment to protecting the planet.

This accreditation is not easy to achieve, since it requires changing procedures to comply with requirements such as waste separation and subsequent collection, environmental and noise level measurements and the use of paints that do not emit gases (VOCs)

To date, **we have incorporated environmental aspects into management, company organisation and throughout our production chain, from senior managers to employees.** This makes it much easier to successfully meet the strategic targets set by the company in terms of its commitment to the environment.



At Panespol we are proud to be in the process of obtaining this certification, which will accredit us as a sustainable, responsible and environmentally friendly company.



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