

COMMUNICATION ON PROGRESS (COP)

UNITED NATIONS GLOBAL COMPACT UNIT
(UNGC)

Period covered by COP: from May 2018 to May 2019

STATEMENT OF CONTINUED SUPPORT

03.05.2018

To our stakeholders:

I am pleased to confirm that Prefabri S.L. reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

PREFABRI, S.L.
P.R.

Mr. Pablo Coll Guillén

ASSESSMENT, POLICY AND GOALS

Principle 1

"Businesses should support and respect the protection of internationally proclaimed human rights"

Principle 2

"Businesses should make sure that they are not complicit in human rights abuses"



Europa Prefabri reaffirms its commitment to Human Rights, guaranteeing their absolute respect and condemning their violation. Our company has a policy focused on the respect and welfare of its employees as well as that of the companies and people related to our business.

Company commitment

Europa Prefabri S.L. is committed to supporting, respecting and protecting human rights. Our company promotes and supports the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

Europa Prefabri S.L. implements safety and risk prevention measures within the company, audited both internally and externally. Our company organizes regular talks and colloquia to deal with safety at the workplace. Lighting levels are monitored at both the offices and factories, and the ergonomics of our facilities is promoted by providing suitable equipment.

Implementation

The company's expertise meets a number of conditions that promote and support respect for human rights and workers' rights, such as:

- A safe and healthy workplace
- We guarantee our workers' freedom of association.
- We reject of discriminatory attitudes.
- We guarantee fair working conditions.
- We publish public information about our products to provide transparency to consumers and suppliers.
- Supplier research. We require and work only with suppliers who can demonstrate that they comply with adequate regulations and

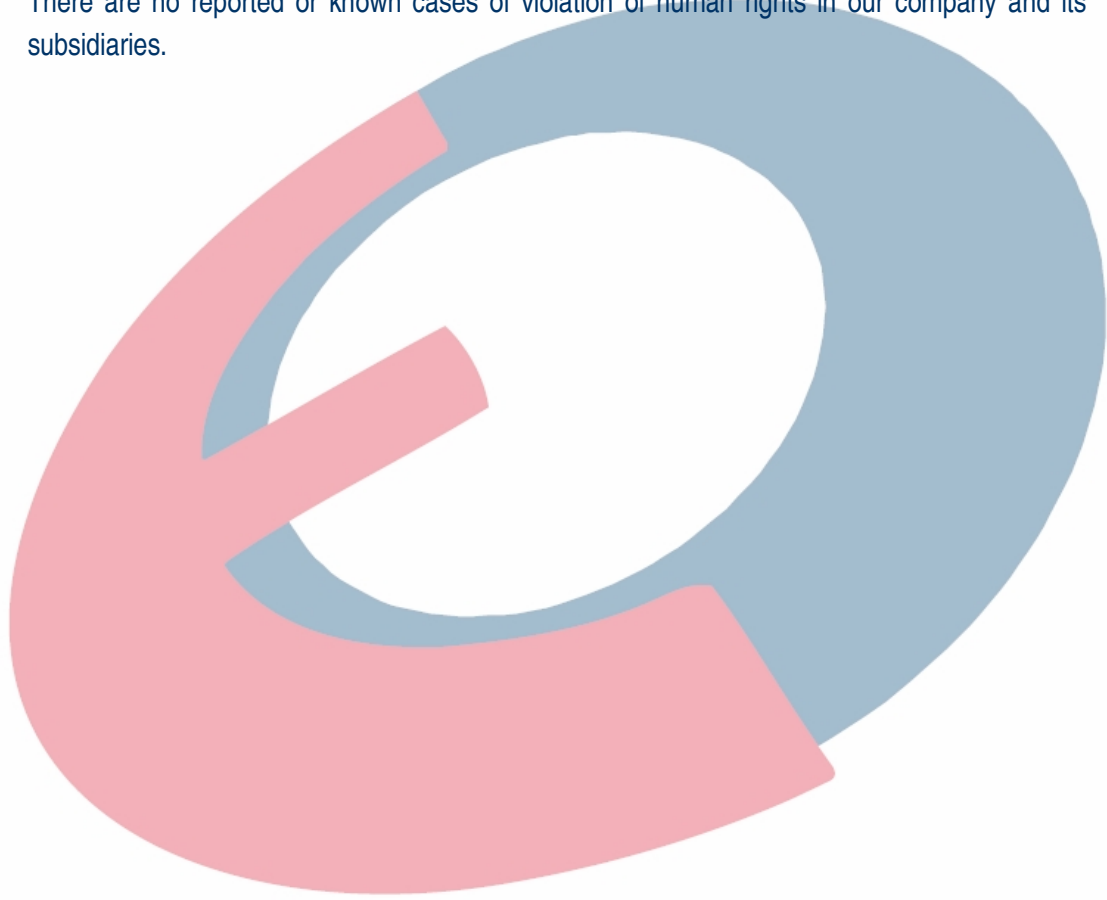
standards, respecting safety conditions and ensuring respect for the environment.

- We develop and manufacture industrialized, isolated and affordable buildings.

As we are still in the process of renewing the ISO certifications, we keep working to improve employee-working environment, both in the factory and at the offices.

The subsidiary we opened last year in South America continues to guarantee decent conditions and remuneration for local workers, trying to set an example not only for our clients and competitors, but also for the rest of the companies in the country where we are based (Peru).

There are no reported or known cases of violation of human rights in our company and its subsidiaries.



Principle 3

"Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining"

Principle 4

"Businesses should uphold the elimination of all forms of forced and compulsory labour"

Principle 5

"Businesses should uphold the effective abolition of child labour"

Principle 6

"Businesses should uphold the elimination of discrimination in respect of employment and occupation"

Company commitment

Europa Prefabri is committed to supporting Freedom of association of its workers. We condemn all forms of forced and compulsory labour, child labour and discrimination. Our company guarantees respect for international labour standards, complies with, and defends international standards.

Being an SME, Europa Prefabri S.L. guarantees the control of the legality of its workers' employment contracts.

Implementation

Europa Prefabri supports equal pay and equal opportunities regardless of culture, ethnicity, gender or age.

Our company guarantees compliance with minimum wage standards. It monitors and equalizes wages between men and women.

Our company encourages the recruitment of qualified young professionals, which is so necessary in countries such as Spain.

Europa Prefabri's workforce is composed by approximately 50% men and 50% women. During the last year, we recruited two women to continue supporting the employment of young women. Europa Prefabri has never been the subject of any investigations, legal claims or other action relating to labour standards.



Principle 7

"Businesses should support a precautionary approach to environmental challenges"

Principle 8

"Businesses should undertake initiatives to promote greater environmental responsibility"

Principle 9

"Businesses should encourage the development and diffusion of environmentally friendly technologies."

**Company commitment**

We think of modular structures as a revolutionary form of architecture and construction that will meet the current challenges of the international community related to climate change and pollution.

The environmental impact of modular construction is substantially lower compared to that of traditional construction, due to the lower consumption of resources (water, energy, etc.) and lower creation of residues. The materials used in our constructive system are, in its majority, recyclable. The manufacturing processes are monitored in the factory, which means an improvement in safety conditions and, above all, for the environment, reducing the impact of pollution and CO2 emissions.

Implementation

We research, develop and implement sustainable and durable construction technologies. Our constructive solutions are aimed to guarantee the transition from developing society to decent and isolated housing that ensures hygienic standards and respect for the environment.

We develop Passav House technologies in Spain.

All our suppliers must respect the ISO standards for the manufacture, handling and transport of all their products.

At our industrial installations, we exercise rigid control over all waste, paying special attention to metal sheet and panel dust. Despite the fact that national regulations do not include this measure as compulsory, we consider that the quality of waste management is fundamental for the environment and for our workers.

Being aware of the importance of environmental respect and the importance of meeting the needs and expectations of our customers and stakeholders, we have implemented an

Environmental and Quality Policy, which is based on the requirements of UNE-EN-ISO 9001 and UNE-EN-ISO 14001 regulations. Thus, our Environmental and Quality Policy is based on:

- Quality and environmental management are strategic components for the running of our company.
- We are fully committed to comply with the legal and regulatory requirements established, as well as with other requirements that the organization may subscribe in relation to environmental aspects, during the development of our daily activity. We will endeavour to be stricter with these requirements wherever possible.
- We are committed to understanding the current and future needs of our customers and other relevant stakeholders, meeting their requirements and making an effort to exceed their expectations.
- We are committed to planning our activities in such a way as to ensure environmental protection and pollution prevention, guaranteeing the continuous improvement of our behavior in the environmental field.
- We will minimize the environmental impact of our activities placing special emphasis on: sustainable use of resources, mitigation of climate change, and waste management, paying special attention to hazardous waste.
- We are firmly committed to the continuous improvement of the effectiveness of the Integrated System by fostering relationships with all relevant stakeholders.
- We have communicated this Policy to all persons working for or on behalf of the organization. We will establish a permanent channel of communication, available to relevant stakeholders.

On the other hand, our office avoids as much as possible paper printout; by sending most of the catalogues, offers and letters in electronic format. In addition, we continue to promote the use of electronic invoicing, of which the company was a pioneer, among all our customers.

Our company has not been the subject of any investigations, legal claims or other action relating to environmental principles.

Principle 10

"Businesses should work against corruption in all its forms, including extortion and bribery"

Company commitment

Our company is aware of the current problem of corruption in organisations and companies and is firmly opposed to this type of practice, which is so damaging to societies and to free competition between companies.

Implementation

Europa Prefabri maintains transparent recruitment processes. Our company ensures that its internal procedures support its commitment to against corruption. The company pursues and condemns dealings with clients in Europe and South America that may be proven or suspected of political corruption or tax evasion.

Europa Prefabri has not been the subject of any investigations, legal claims or other action relating to the matters covered by the anti-corruption principle.



MEASUREMENT OF OUTCOMES

Demographics of management and employees

