

2022
**SUSTAINABILITY
REPORT**





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Message from the CEO

In the wake of 2020 and 2021, two years that posed major management challenges, the current, more favourable situation has not distracted us here at Tirme from continuing to advance with our mid and long-term sustainability strategy.

It is some time since **our commitment to the circular economy** ceased to be a goal for the future and became a reality. Indeed, projects such as Finhava, a technology platform that integrates the hotel sector, local agriculture and organic waste management, have this year yielded excellent results, encouraging us to develop and expand the brand throughout the European Union.

Achievements such as this are a driving force for **other circular economy projects included in our 2022-2025 Strategic Plan**. This includes initiatives such as new uses for subproducts related to the recovery of metals in eco-aggregates, decarbonisation projects articulated through 35 actions aimed at reducing our carbon footprint, or improving the circularity percentage of the water we consume to obtain substantial reductions in our water footprint.



In turn, the energy crisis sparked by the current situation of major international unrest has a decisive impact on our activity. Fluctuating fossil fuel prices are forcing us to **step up our commitment to renewable energies**, including new photovoltaic projects and the completion of phase III of the Methanation Plant.

We also continue to uphold our commitment to sustainability in social affairs. This year has seen a further **renewal of our collaboration agreement with the Deixalles Foundation**, a Spanish benchmark for best practices in labour insertion, proof of our commitment to driving green employment.

In short, at Tirme we strive to lead by example. It is almost inevitable that we will make mistakes along the way; however, we are convinced that the direction we have taken in terms of sustainability is the right one. Indeed, we believe that this is the reason why we are hailed as a key agent and specifier for Mallorca's circular economy, which in turn motivates us to **set increasingly ambitious goals and develop the Balearic Islands Circular Plan**, based on cutting CO₂ emissions and driving renewable

energies through alliances and collaboration projects with other economic actors on our islands.

Today, innovation is the only roadmap possible for achieving sustainable goals from a social, economic and environmental perspective. In order to do this, at Tirme we continue to further a corporate culture based on adaptation and ongoing improvements. Indeed, we are fully aware of **our responsibility to guarantee sustainability for Mallorca**, and are determined to continue progressing in that direction. The report it is my privilege to present here is proof of this.

Moreover, in order to align our goals and progress in our local operations with the principal global challenges, this year we have again **renewed our commitment to the Global Compact**. This enables us to guarantee our compliance with its Ten Principles, as well as contribute to achieving the UN's Sustainable Development Goals (SDGs).

It is my pleasure to invite you to delve into this Sustainability Report and discover what 2022 had in store for Tirme.



Rafael Guinea
CEO Tirme





01

We are Tirme

1.1. Drivers of the circular economy

It has been 30 years since we were awarded the public tender for urban waste management on Mallorca, a milestone event that marked the start of this project to provide integral waste management services and contribute to boosting the island's circularity, as well as steadily reducing waste to landfill until its complete elimination.

At the same time, we made a lasting **commitment to the circular economy**, at the time a little-known concept. However, this commitment reflected our determination to put waste to maximum use by transforming it into resources.

As a result of these undertakings, in 2010, even before the EU's adoption of an Action Plan for a European circular economy, we reached our **goal of zero waste to landfill**, which today remains a recurring objective in the main strategies for driving circularity models.

We are aware that we play a key role in achieving goals with a global scope, aimed at reducing the amount of waste generated and **putting resources**

to better use, extending the useful life of materials and also facilitating their reuse and recycling.

Furthermore, our concept of circularity is not bound exclusively to material management or merely environmental considerations. Indeed, it also implies a **commitment to generating job opportunities** for groups at risk of social exclusion and raising awareness among all sectors of society of the need to get involved in the transition towards more circular models. The work we carry out together positions us as a European benchmark for waste management.

Our circular economy model goes beyond extending the useful life of materials and achieving zero waste to landfill, as it also includes a social perspective and the involvement of all sectors of society in achieving more sustainable models.



Centred on citizens and protecting our planet

Mission

To manage waste sustainably, transforming it into resources that generate value and improve the quality of life enjoyed by Mallorca's residents and visitors, based on optimum environmental processes, efficiency and cost control.

Vision

To become a benchmark for sustainability and to lead the drive to position the island of Mallorca as the world's most advanced circular economy model.

Values

- Respect for people and the environment
- Excellence
- Honesty and transparency
- Teamwork
- Innovation



Our facilities on Mallorca

To carry out our work, we have a series of infrastructures that enable us to correctly process the various waste fractions, ensuring they are suitably managed. These facilities are grouped in various areas on the island of Mallorca.



Environmental Education and Information Centre, a space for training and dissemination actions, as well as citizen awareness-raising activities.



“Cases de Can Canut” Offices, the main building from which we coordinate all our activities and carry out the administrative tasks related to the service.



Transfer Stations, a total of five plants located in Alcudia, Binissalem, Campos, Manacor and Calviá, where we compact waste by fractions for its later transfer to the corresponding treatment plants.

MATERIAL RECOVERY FACILITIES



Methanation Plant, located in Marratxí, where we produce biogas from the anaerobic fermentation of organic waste. The biogas is burnt in engines and produces 100% renewable electrical energy, which is used for self-consumption at the recycling facilities.



Production Plant for Eco-aggregates, in Son Reus, where the bottom ash from the energy recovery plant is processed. This involves recovering the metallic elements and mineral fraction – secondary raw materials that replace virgin materials such as metals extracted from mines and quarry aggregates.



Lightweight Packaging Sorting Plant, located in the Can Canut area (Marratxí). At this facility, we sort lightweight packaging obtained from selective collection and send it to the final recycling facilities.



Compost Plants, three facilities in Marratxí, Calviá and Felanitx, where we process organic waste (WWTP sludge, digestates and plant waste) in order to produce compost. This is an organic amendment of exceptional agronomic value, used in gardening and agriculture to improve soil characteristics.

ENERGY RECOVERY FACILITIES



Energy Recovery Plant, in Son Reus, where we incinerate waste that cannot be materially recovered in order to produce energy, enabling us to meet our goal of zero waste to landfill.



Solar Drying Plant, located in Can Canut, where we process digested sludge and digestate in order to obtain biofuel.

WASTE ELIMINATION FACILITIES



Reject Landfill, in Santa Margalida, for the reception of waste from construction and demolition waste processing plants that cannot be used for material or energy recovery.



Secure Landfill, in Son Reus. Here, fly ash produced during incineration is deposited.



Zones of Mallorca

Zones	Municipalities	Facilities located in each zone
Zone 1	Palma and Marratxí	Lightweight Packaging Sorting Plant
		Compost Plant
		Methanation Plant
		Energy Recovery Plant
Zone 2	Santa Margalida	Eco-Aggregate Production Plant
		Secure Landfill
		Solar Drying Plant
		Landfill For Construction And Demolition Reject Waste
Zone 3	Calviá	Compost Plant
Zone 4	Felanitx	Compost Plant
Transfer stations		
Nord	Alcúdia	
Centre	Binissalem	
Llevant	Manacor	
Ponent	Calviá	
Sud	Campos	

Our facilities on the island of Mallorca



SON REUS AREA

- Energy Recovery Plant (ERP).
- Secure Landfill.
- Eco-aggregate Production Plant (EPP).

CAN CANUT AREA

- Environmental Education and Information Centre.
- Lightweight Packaging Sorting Plant.
- Methanation Plant.
- WWTP Sludge Solar Drying Plant.
- Compost Plant.

CALVIÀ AREA

- Ponent Transfer Station.
- Compost Plant.

CAN CANUT

- «Cases de Can Canut» Offices.

CAMPOS

- Sud Transfer Station.

ALCÚDIA

- Nord Transfer Station.

SANTA MARGALIDA

- Construction and Demolition Waste Reject Landfill.

BINISALEM

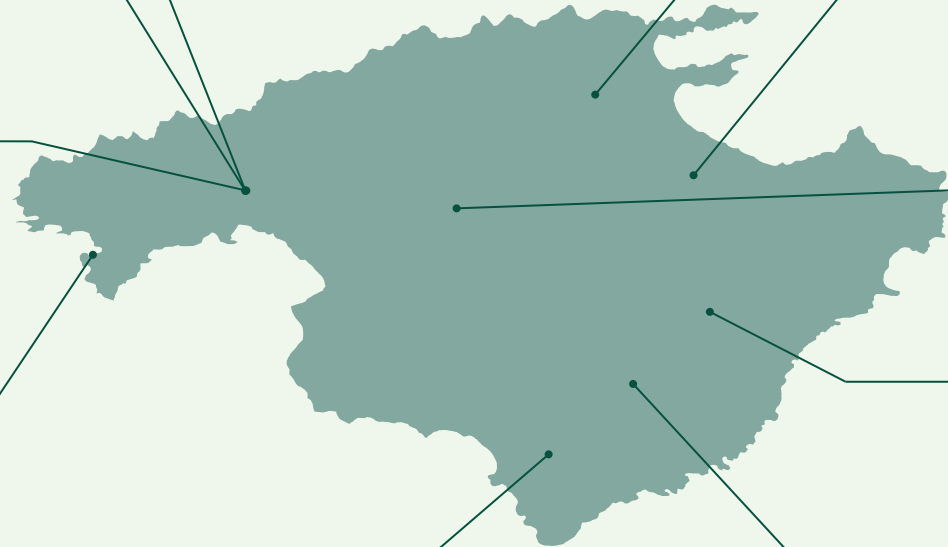
- Centre Transfer Station.

MANACOR

- Llevant Transfer Station.

FELANITX

- Compost Plant.

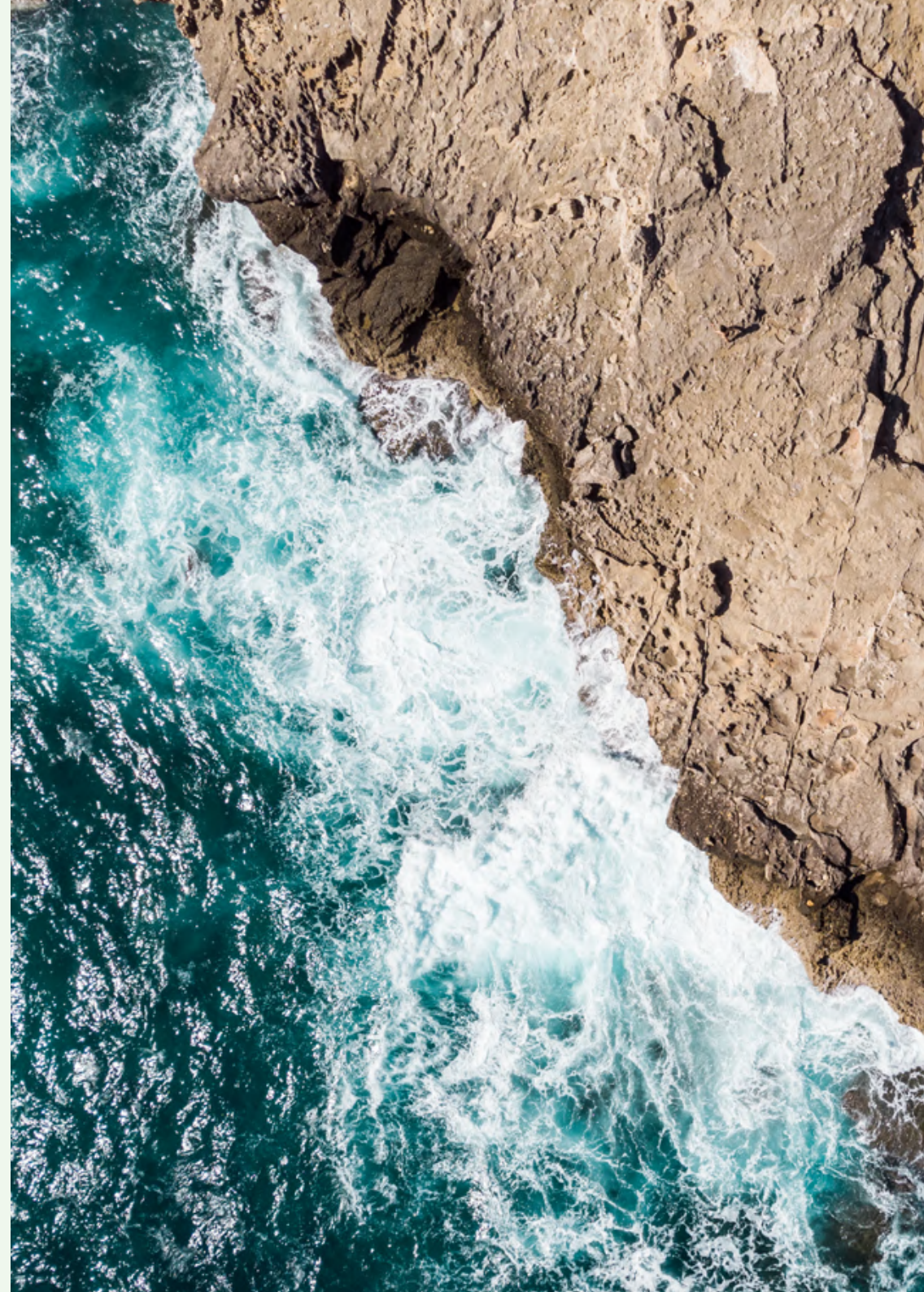


We are continuing to update our facilities in order to introduce and implement the sector's Best Available Technology, optimising their efficiency and improving their environmental sustainability.



Improvements carried out at our facilities over the course of 2022

- Start of **work on phase III of the Methanation Plant** and installation of the new biogas engine.
- **Improved heat recovery** of biogas engine exhaust gases.
- **Installation of photovoltaic panels** at the Solar Drying Plant and the Cases de Can Canut Offices.
- **Improvements to leachate processing** at the Son Reus Secure Landfill.
- **Study and implementation of odour control and operations using NH₃ sensors** at the Solar Drying Plant.
- **Construction of the dykes for cells 1 and 2** at the Construction and Demolition Waste Reject Landfill in Santa Margalida, in accordance with the exploitation project.
- **Improvements to the biofilter biomedica** at the Methanation Plant.



1.2. A strategy for change

Our progress in the transition towards economic models based on circularity is neither improvised nor the result of one-off decisions, but instead the result of a specific and meticulously defined strategy that is also sufficiently flexible to cover unforeseen circumstances and the modifications that a changing environment requires. This has enabled us to adapt to the context of recent years.



In order to continue along these lines, in 2022 we approved our **2022-2025 Strategic Plan**. Based on four goals and six strategic lines, it is designed to progress towards 17 priority objectives set from various perspectives: economic-financial; stakeholders; internal processes; and people and systems.

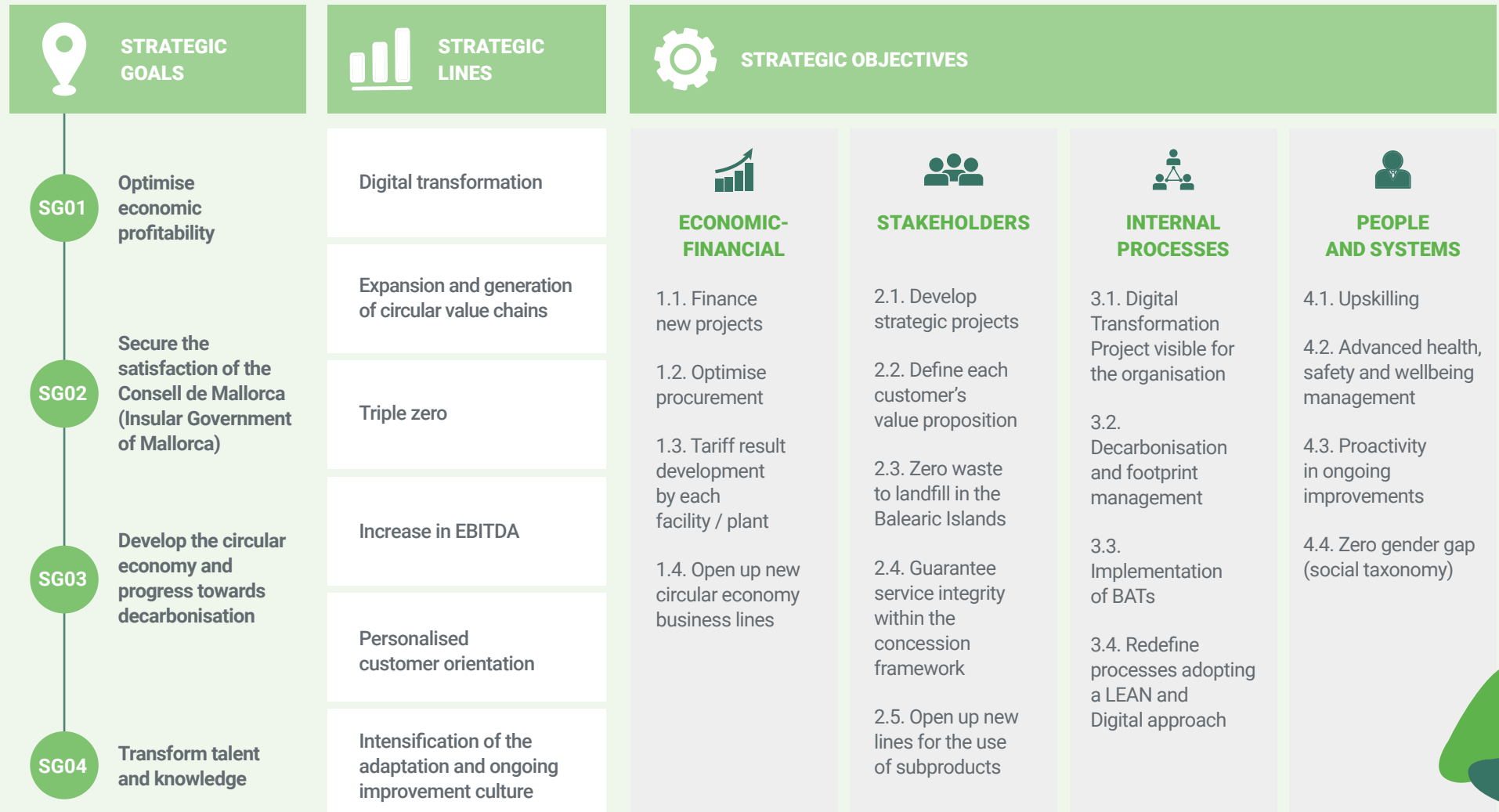
On the other hand, in order to deploy this Strategic Planning, we have also established **five transversal Action Plans**.

Our development of the new 2022-2025 Strategic Plan is based on an analysis of Tirme's identity, which we conducted through the **MINDTHEGAP cultural revitalisation project**. This analysis consisted of an internal assessment, taking into consideration the results of the opinion studies carried out among our stakeholders, in order to identify our business approach.

The results of this analysis revealed that Tirme identifies as a **pioneer in the adoption of circular economy models**. Our thirty years' experience in developing material-related projects endorses our position as drivers for models of this kind in the Balearic Islands.



Our 2022-2025 Strategic Plan



Action Plans to deploy the 2022-2025 Strategic Plan



STRATEGIC PROJECTS PLAN

This involves planning a series of **actions in terms of the strategic infrastructures** for implementation within the 2022-2025 timeline, focused on the design and execution of various projects included in the Sector Master Plan, the adaptation of Best Available Techniques (BREF projects) and projects linked to EU Next Generation Funds, among others.

These actions are aimed at guaranteeing the integrity of the service within the concession framework based on a transversal approach consisting of the systematic consideration of environmental factors in order to ensure **the projects are aligned with sustainable development**.



BALEARIC ISLANDS CIRCULAR PLAN

Centred on a series of actions to **accelerate the transition towards a circular waste management model** throughout the Balearic Islands, capable of reducing the ecological footprint, promoting recycling, reuse, recovery and, in short, zero waste to landfill.



CUSTOMER VALUE PROPOSITION PLAN

Designed to conserve the strengths of the service we provide, whilst at the same time enhancing our proposition value and stakeholder relations, **in order to offer our customers a differentiated and sustainable experience**, whilst at the same time seeking new business opportunities within the framework of the circular economy.



+ EBITDA PLAN

To ensure **guaranteed funding for projects** and the impact on corporate profitability, in order to further consolidate Tirme's position, as well as the economic-financial results obtained in accordance with the shareholders' business plan.



IMPULSA PLAN

Centred on introducing internal improvements that will promote **a healthy, diverse and inclusive working environment**, committed to organisational change based on proactivity, ongoing improvements and creativity, promoting and protecting people's health, safety and wellbeing from a global approach that goes beyond the physical workplace.

**We aim to become
a benchmark for the
circular economy and to
secure the connection
and involvement of our
various stakeholders,
encouraging them to
trust our experience
and capacity to meet
their needs and
challenges.**



Sustainability as a core element of our strategy

Sustainability is one of the key elements that define our 2022-2025 Strategic Plan, in which, given the nature of our activity, driving the circular economy model and digitalising our processes play a crucial role. In addition to integrating circular economy principles we have also aligned our key strategic ambitions to the Sustainable Development Goals (SDGs) included in the UN's 2030 Agenda.

In this sense, our aim is for Tirme to contribute to the achievement of these major global challenges through its local actions.



Our strategic objectives, a vital contribution to SDGs



OBJECTIVES FROM AN ECONOMIC-FINANCIAL PERSPECTIVE

We focus on the economic and sustainable profitability of our activity, seeking to ensure that our contribution to a sustainable environment, improved quality of life and the development of our territory, go hand-in-hand with our progress as a company.



OBJECTIVES FOCUSED ON PEOPLE AND SYSTEMS

We are advancing in terms of innovation, process digitalisation, as well as the protection and career development of the members of our team within the framework of the digital transition Tirme is currently immersed in.



STAKEHOLDER-FOCUSED OBJECTIVES

We work to contribute value to society and the company's other stakeholders, attempting to meet their needs and comply with their expectations.



OBJECTIVES CENTRED ON INTERNAL PROCESSES

Driving the change towards the circular economy lies at the centre of our activity, whilst making all possible efforts to minimise any possible associated environmental impact.



We are committed to the SDGs, the UN Global Compact and the ten principles it promotes.

Finally, mention must be made of our **Integrated Management System (IMS)**, designed to guarantee adequate progress and fulfilment of the objectives included in our Strategic Plan. This system enables us to establish the company's action framework, which in turn allows us to define and monitor actions, establish procedures and allocate the necessary resources in order to achieve the strategic goals set.

For the purpose of materialising this system, our **Integrated Management Policy** determines the commitments and objectives we must reach to ensure that our business model is rooted in excellence, social responsibility and ongoing improvements. It is also aligned with our business ethics, compliance with regulations and care for the environment and people.

This management system is **endorsed by a series of certifications** that guarantee compliance with the strictest international standards and enable us to introduce ongoing improvement measures at all times



UNE-EN-ISO 45001
(Occupational Health and Safety)



UNE-EN-ISO 14001
(Environment)



IQNET SR 10
(Social Responsibility)



UNE-EN-ISO 9001
(Quality)



EFR 1000-1 (Work-Life Balance and Equality)



Circular Economy Strategy Model



ISO 50001
(Energy Management)



UNE 19601
(Criminal Compliance))

1.3. Our key figures



Activity



110.98 million
of turnover



53 municipalities
those we provide services



Social impact



€ 20,731
invested in social action



80%
volume of local suppliers /
61% expenditure on local suppliers



80%
positive press reports



38,801 visits
to our website



11,278 followers
on our social media



5,617 visits
to our facilities

People management



292 professionals
in the team



8,588 hours
of training



47 years
average age



29.4 hours
of training per person



17.1 years
average length of service



0 accidents
were serious occupational
accidents



97.6%
employees with
permanent contracts



€ 552,426
invested in health
and safety

Environmental performance



329,145 MWh
of electricity generated at
our plants



169,848 MWh
of renewable electricity
generated at our plants



7,175 t
of compost produced,
recovering



50 t
of phosphorus, 100 t of
nitrogen and 33 t of potassium



647,056 t
of waste received



10,910 t
of metal fraction
recycled



700
environmental inspections



100%
waste recovery



16,207 t
of glass recovered



100,000 t
of CO₂ atmospheric
emissions prevented



17,921 t
of packaging selected
for recycling



20,747 t
of paper and
cardboard recovered



4.10%
of total turnover
invested in R&D



105,013 t
of eco-aggregates
recycled



12,649
parameters analysed



1.4. Working with stakeholders

At Tirme, communicating with our stakeholders is essential in order to bring our activities and initiatives in line with their expectations and needs. To ensure this, we have created a series of communication channels, and plan differentiated communication actions with contents tailored to the specific interests of each group.

In order to build up consolidated relations, we have introduced a **two-way communication system**, which enables the various stakeholder groups to inform us of their proposals, specific requests and concerns, whilst at the same time allowing us to communicate our advances, news and innovations.

In 2022, we complied with **89% of our external communication plan**. This plan is designed to enable us to articulate each year the initiatives proposed for communication and relations with our stakeholders.

Over the course of the year, we conducted **surveys and other communication and opinion assessment actions** among various stakeholders, namely the Consell de Mallorca (Insular Government of Mallorca), the Regional Government of the Balearic Islands, suppliers, investee companies and organisation staff members.

In addition to these actions, since 2019 we have also been conducting surveys with other stakeholders. Furthermore, within the framework of the 2022-2025 Strategic Plan, we are also drawing up new surveys that will be updated for the remaining stakeholders.

The results obtained from these analyses provide us within an insight into the needs and expectations of each of the groups consulted and enable us to identify those areas where we need to step up our efforts to improve.

TIRME'S PRINCIPAL STAKEHOLDERS



Consell de Mallorca (Insular Government of Mallorca)



Govern de les Illes Balears (Regional Government of the Balearic Islands)



Investee companies



Local authorities



Sub-product customers



Suppliers



General public



Users



Staff members



What follows are the **most relevant results of the consultations conducted in 2022** for the various stakeholders we assessed.

Particularly worthy of note is our fluid communications with society. Specifically, we have built up close relations through visits to the Environmental Education and Information Centre as well as via our corporate website and social media. In 2022, **website visits rose to 38,801**, a 12% increase over 2021.

In addition, the year-on-year **increase in the number of followers on our social media was 3.7%**, a record figure. These figures reflect our ability to deliver attractive content that is both of interest and conducive to dissemination.



HOW OUR STAKEHOLDERS SEE US

Highlighted strengths

- Professionalism and implication
- Innovation
- Fluid communication between Tirme and our stakeholders
- Focus on driving the circular economy
- Organisation and commitment towards the environment as well as quality, health and safety
- Ethical and responsible management
- Contribution to recycling and circular economy objectives
- Sense of belonging among our team members

Opportunities for improvement identified

- Need to strengthen our relationship with society by delivering clearer information regarding our activity
- Greater agility in our decision making processes and response capacity

In 2022, we have recommenced our awareness-raising actions at the Environmental Education and Information Centre, welcoming a total of 5,617 visitors.



CO₂

Environmental impact

Environmental sustainability is an integral part of our business model and one of its founding principles, as our activity is crucial for driving sustainable development in our society.

In this sense, we work in accordance with four strategic lines aimed at **reducing the environmental impact** of our activity, whilst remaining firmly committed to introducing the best available technologies within our sector.

STRATEGIC LINES TO REDUCE OUR ENVIRONMENTAL IMPACT



Circular economy and waste elimination



Preventing pollution and conserving biodiversity



Reducing greenhouse gas **emissions**



Innovation, digitalisation and quality service



2.1. Contributing to the circular economy

The transition towards a model based on circular economy principles lies at the heart of our business, and plays an even more relevant role in our new 2022-2025 Strategic Plan. It is also one of the key measures for reducing the impact on our environment.



Our efforts centre on the **efficient management of resources**, transforming them in a manner that will maintain their value, generate new business opportunities and contribute to ensuring optimal quality of life for the citizens of Mallorca.

Our work focuses on driving projects, actions and innovative initiatives that will create resilient systems capable of taking advantage of resources and giving **the waste we manage a second life**. To make this happen, we join forces with strategic sectors within Mallorca's business fabric and also foment citizens' commitment and engagement with the environment through environmental processing based on optimised efficiency and costs.

All this is based on a **common goal: "zero waste to landfill"**. Achieving this requires the recovery of all the waste we handle at our facilities. This recovery process enables us to use waste to generate renewable energy and reduce the consumption of natural resources, preventing this waste from being deposited in landfills.

This goal is a major challenge for our activity, given our location on the island of Mallorca, a **unique environment whose care is the responsibility of all the agents that live here**.

At Tirme, we are aware of our role as a key agent for achieving global environmental goals, acting as a benchmark for the circular economy.



Since 2021 we have had the certification of our corporate strategy in accordance with circular economy principles, which we have revalidated in 2022.

KEY AREAS OF CIRCULAR ECONOMY STRATEGY CERTIFICATION



Ongoing improvement



Identification of priorities



Action alignment and contribution to circular economy principles



Verification that the measures and achievements comply with circular economy principles



647,056 t
of waste received

+9.3%
tons of waste
compared with 2021

Through the state-owned company Segittur, the Spanish Ministry of Industry, Commerce and Tourism included our Finhava initiative – an outstanding example of the application of the circular economy within the tourism industry – in the guide it published in 2022.



Indeed, driving circular economy models is a transversal element that forms an essential part of our new 2022-2025 Strategic Plan, articulated mainly through the **Balearic Islands Circular Plan**.

In this case, the circular economy occupies a central role within one of the plan's Strategic Goals: **SG03. Develop the circular economy and progress towards decarbonisation**. Similarly, strategic goal **SG04. Transform talent and knowledge** includes key actions for consolidating the promotion of circular economy projects, particularly in terms of our staff's skills and the cultural transformation that is taking place within Tirme.

In this sense, the principal strategic line of this new Plan to address these goals is centred on **expanding and generating circular value chains**.

In turn, **the strategic circular economy goals** defined in the Balearic Islands Circular plan are intended to underpin the transversal approach Tirme wishes to adopt in its drive towards circularity, which encompasses our business model as well as the transformation of our organisational culture. In this sense, we have identified objectives that address this issue from various perspectives.

We have also set up an improvements team to define **New Circular Economy Business Pathways**, in line with strategic goal 4.3 *Proactivity in*

ongoing improvements, included in the People and Systems perspective.

Furthermore, in 2022, we were involved in a number of **projects designed to drive circular economy models** in the Balearic Islands, a number of which are highlighted below:

- **"MOVING TOWARDS A CIRCULAR TOURISM SYSTEM" -ÁGORA-IMPULSA**

We took part in the working sessions mentored by Circle Economy, aimed at defining the map of circular economy actors for the Balearic Islands' "Circular Tourism System", as well as detecting opportunities for further progress towards the circular economy.

- **CONAMA**

We are members of the CT41 technical committee, which works to develop proposals based on new circular business models.

- **DIAGNOSIS OF TOURISM SECTOR CIRCULARITY**

Together with the Consell de Mallorca (Insular Government of Mallorca), we collaborated on this initiative launched by Segittur.

Balearic Island Circular Plan Goals



GOALS BASED ON AN ECONOMIC-FINANCIAL PERSPECTIVE

Examples include goal 1.4. *Open up new circular economy business lines*.



GOALS BASED ON A STAKEHOLDER PERSPECTIVE

Examples include both goals 2.3. *Zero waste to landfill in the Balearic Islands* and 2.5. *Open up new lines for the use of subproducts*.



GOALS BASED ON AN INTERNAL PROCESS PERSPECTIVE

Examples include 3.2. *Decarbonisation and footprint management* and 3.3. *Implementation of BATs*.

Material and energy recovery

Tirme processes **waste for its material and energy recovery** in order to obtain subproducts and energy that can be reincorporated into the value chain.

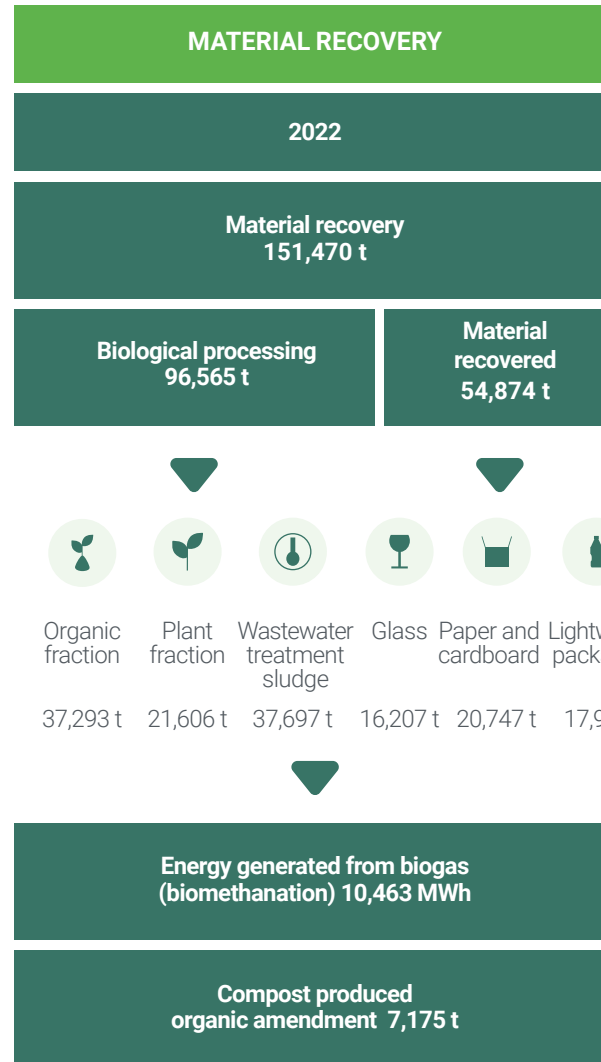
Material recovery enables us to obtain new materials or recycle part of the original ones, thereby preventing the extraction and consumption of new natural resources for use as raw materials. In order to do this, we carry out two processes:

BIOLOGICAL PROCESSING

This consists of the methanation and/or composting of organic and plant waste and wastewater treatment sludge in order to obtain biogas and compost respectively. Moreover, the biogas produces 100% renewable energy.

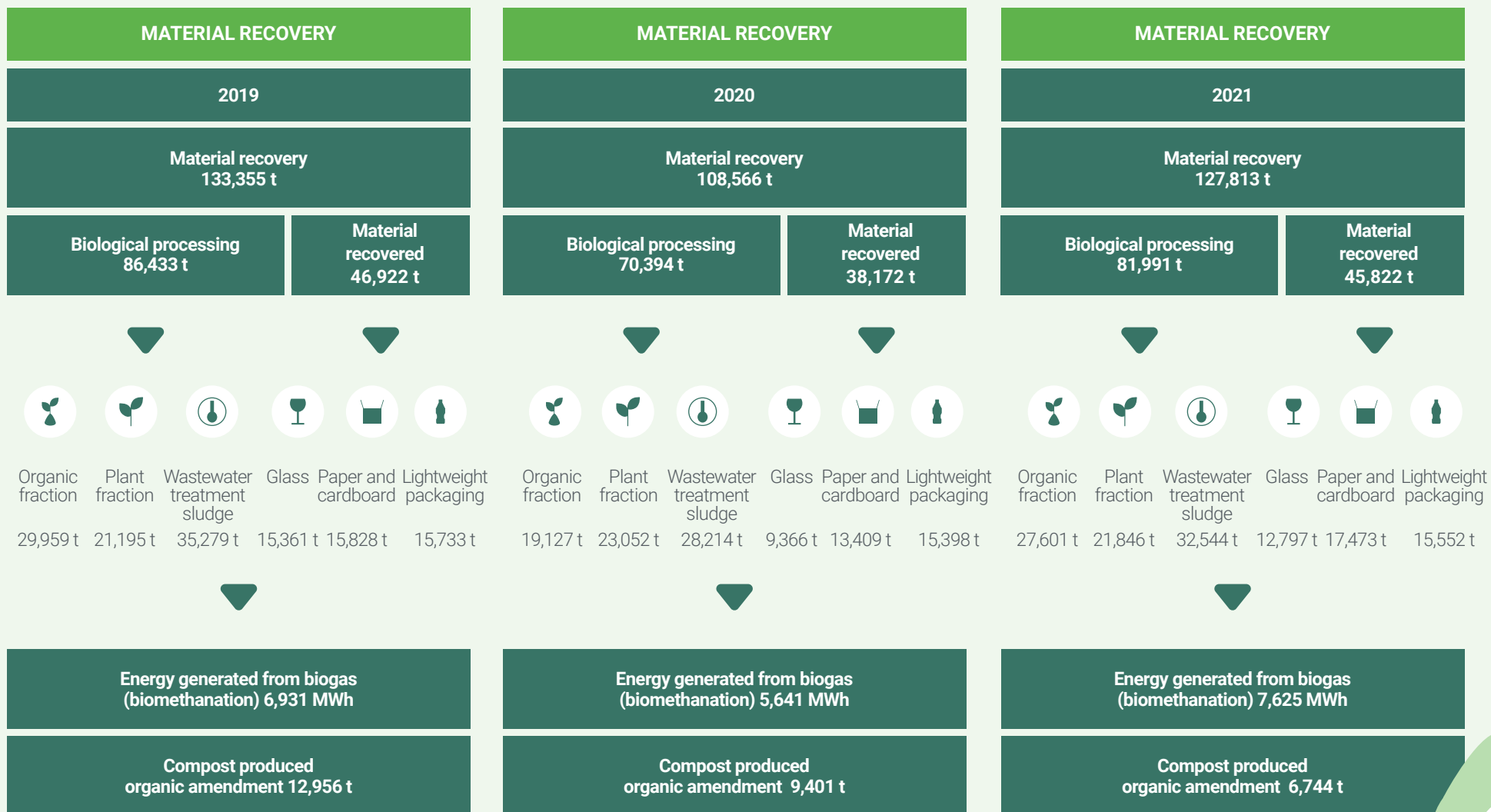
MATERIAL RECOVERY

Following the correct sorting of the various material fractions, separating paper and cardboard, glass and lightweight packaging, we facilitate the recycling of these waste products by the corresponding authorised processors.



In 2022, we carried out the material recovery of 151,470 tons of waste, 18% more than the previous year.

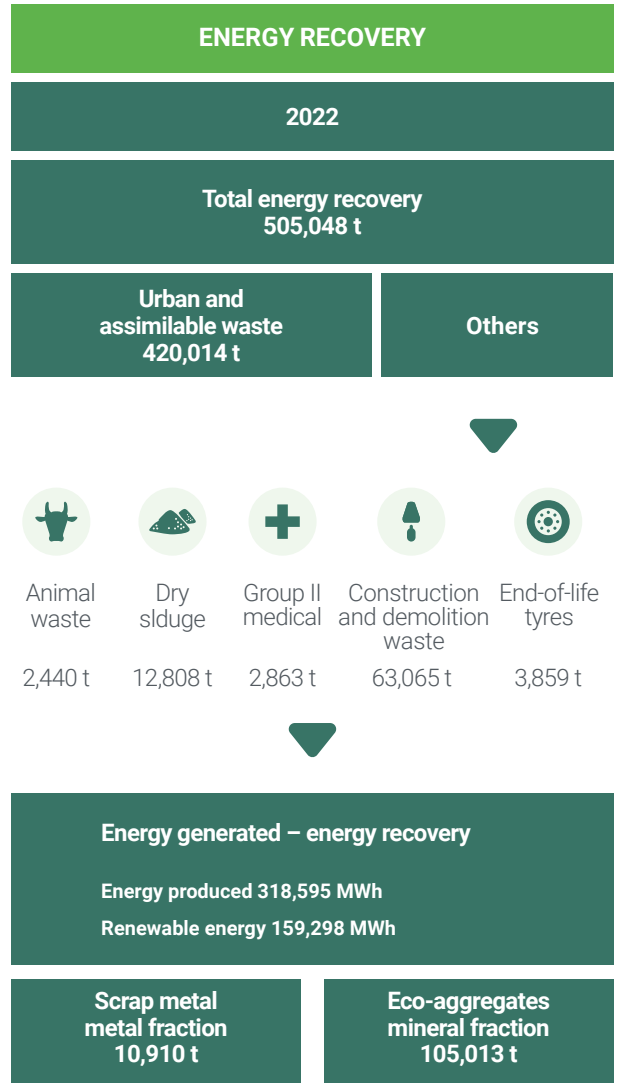


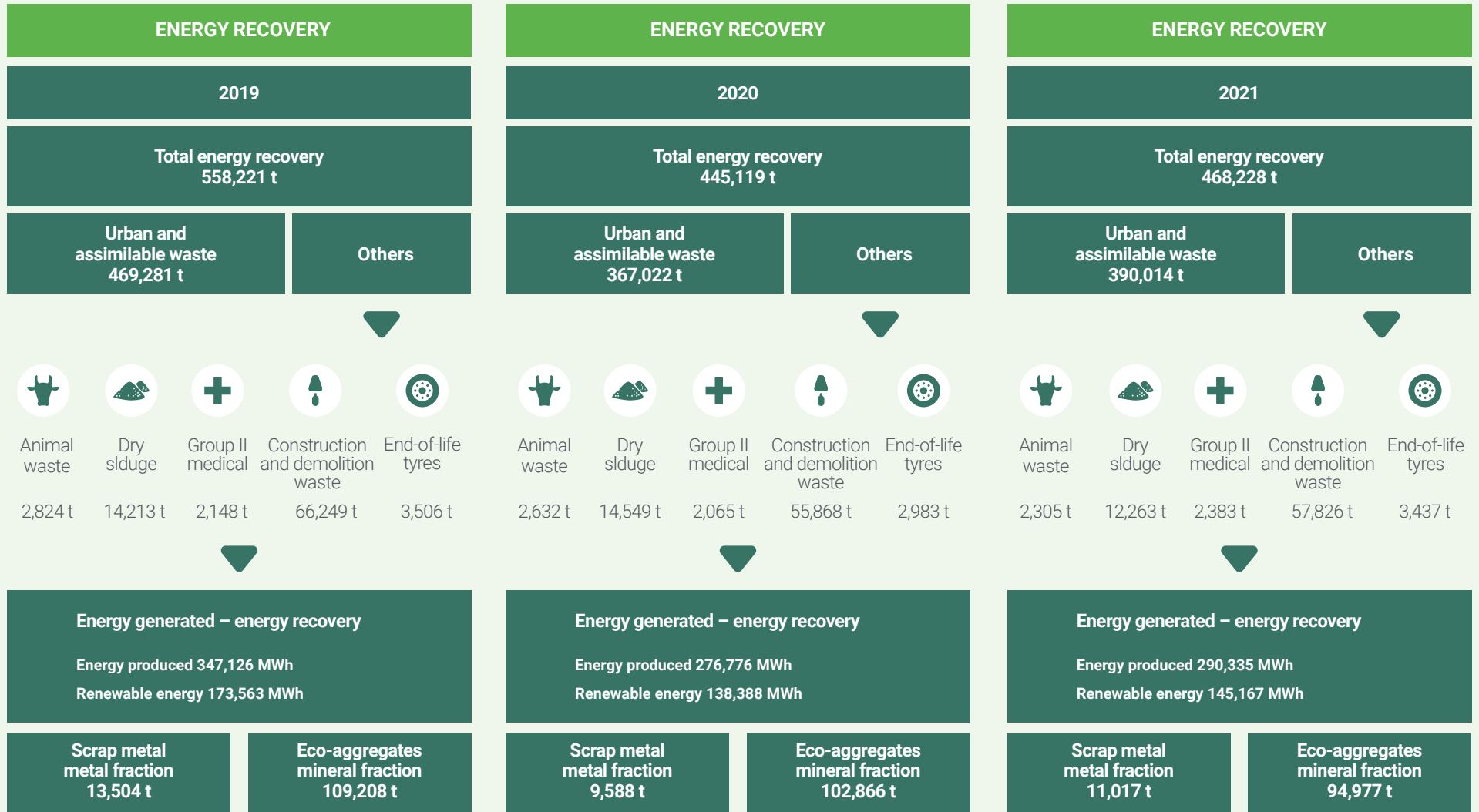


In addition, we carried out the **energy recovery** of waste that was not suitable for material recovery or recycling.

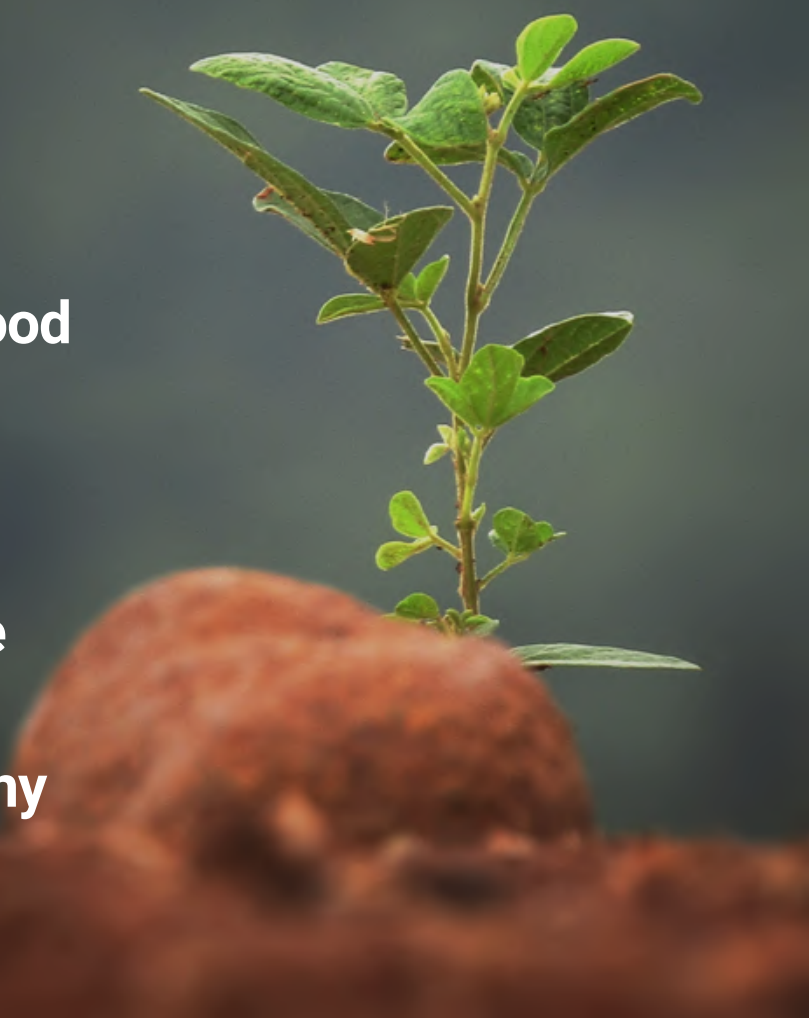
Energy recovery enables us to **reduce waste volume by 90%** through combustion, a process that also generates energy which is then exported to the electrical grid for consumption by the island's entire population.

50% of the energy produced at our Energy Recovery Plant comes from renewable sources and **holds a Renewable Energy Guarantee of Origin**, issued by the Spanish National Commission on Markets and Competition (CNMC in its Spanish initials).



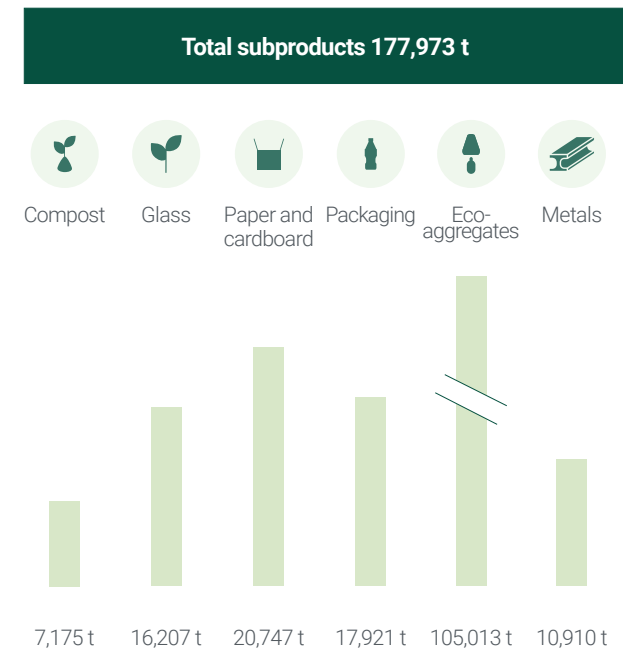


Subproduct recovery is a good example of our commitment to “zero waste to landfill” and the application of circular economy principles.



In 2022, we continued to recover **subproducts**; materials which can be recovered and reintroduced into the value chain as secondary raw materials for other uses or productive processes.

SUBPRODUCTS GENERATED IN 2022



2.2. Reducing pollution and protecting biodiversity

One of Tirme's greatest environmental undertakings, in line with our Integrated Management Policy, is the adoption of the principle of preventing pollution in all the activities and projects we carry out.

We focus on acting on the source of pollution, working to maximise the reduction of generated waste, atmospheric emissions and spillages into water, land and subsoil.

Pollution prevention: land and subsoil spillages

To prevent possible pollution events, all our facilities include waterproofed work areas, banded areas or controlled drainage in the waste landfills.

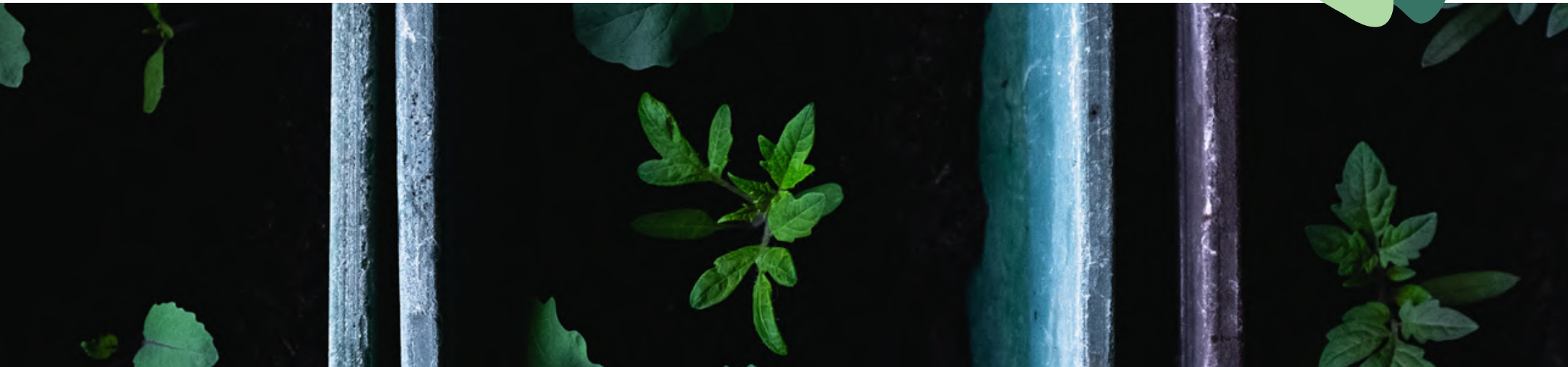
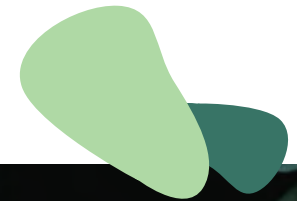
This guarantees that they are **ready to prevent possible spillages** that may pollute the land.

In addition, we carry out a series of **inspections, as stipulated in the Environmental Surveillance and Measures Programme**, which allow us to check the state of the land in the main areas where we carry out waste management activities, as well as guaranteeing the absence of pollution.

Specifically, we take **samples at various points**, mainly in Zone 1, (Palma and Marratxi) to detect the possible presence of pollutants. In addition,

every five years we carry out inspections in Zone 1 (Palma and Marratxi) and Zone 2 (Santa Margalida), consisting of deep sounding tests to assess the state of the unsaturated zone of the aquifers.

We have also drawn up **Baseline Land Reports** for all our facilities subject to the Integrated Pollution Prevention and Control Law (IPPC in its Spanish initials). These studies have enabled us to analyse the state of the facility locations and to verify that there will be no future impact on the land or possible increases in pollution levels.



Atmospheric emissions: how we reduce them

Air quality impacts directly on the protection of human health and life expectancy.

Here at Tirme, we are fully aware of this, which is why we strive to reduce atmospheric pollution resulting from our activity. Below is a description of the instruments we use to minimise this pollution:

● PRIMARY MEASURES

Aimed at reducing pollution, based on **facility design and optimising process parameters** in order to prevent the generation of pollutants. These measures include furnace design, adjustments to combustion air and temperature, among others.

● SECONDARY MEASURES

They consist of applying **gas and particle treatment systems** at our facilities to reduce the emission of contaminating substances.

Over the course of 2022, we conducted a series of **emission controls at the various facilities** in order to ensure that machinery and equipment emission levels fall within the established limits. Specifically, we conducted the following controls:



Ongoing monitoring of emissions at the Energy Recovery Plant



Six-monthly emission controls of combustion engines 1 and 2 at the Methanation Plant



Compulsory quarterly inspections at the Energy Recovery Plant



Compulsory inspections of boiler 2 and the flare at the Methanation Plant



Quarterly controls of biofilter emissions at the Methanation and Compost Plants



Six-monthly emission controls of the former 2 and 4 cells at the Waste Landfill in Zone 2, and the verification of the corrective measures for diffuse emissions at this facility



Quarterly controls of biogenic CO₂ at the Energy Recovery Plant

None of these controls or compulsory inspections revealed incidents relating to facility or equipment emissions.

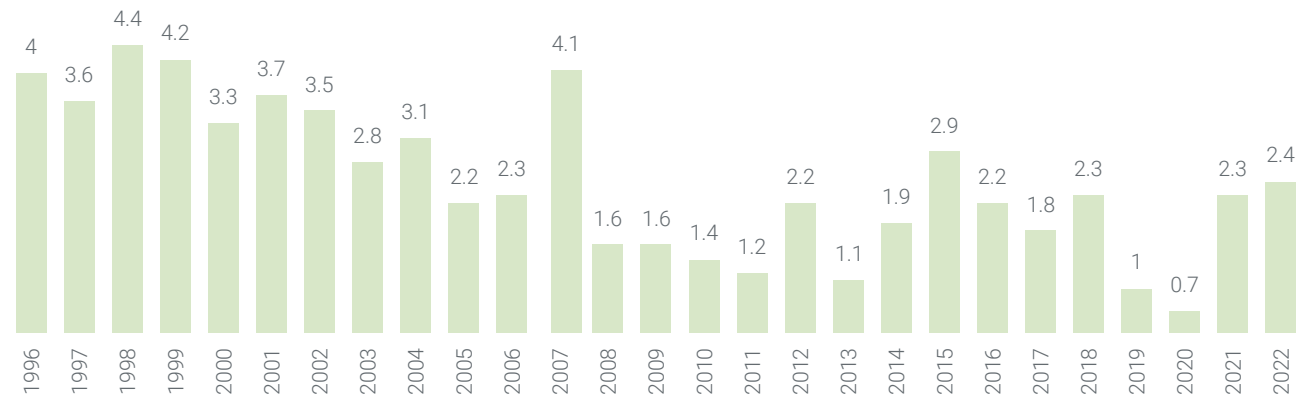
The results of the emission measures and controls are reflected in the **air quality of our surroundings**, which remains within the historical data values for the area and complies with the legally permitted levels.

In order to monitor air quality, Tirme has **two stations to control atmospheric immissions**. The first is a permanent station at the Joan March Hospital (HJM in its Spanish initials). Part of the network of stations that controls air quality in the Balearic Islands, this station provides real time data that can be consulted on the website of the Spanish Ministry for Ecological Transition and the European Environment Agency.

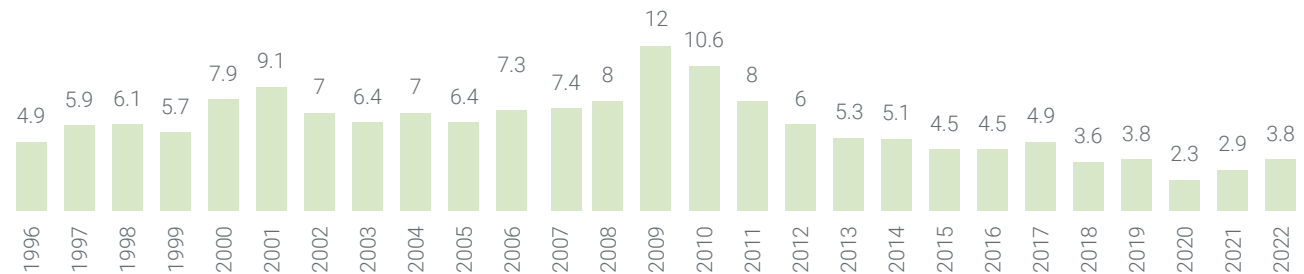
The second station is mobile, enabling us to carry out the necessary regular inspections in nearby residential areas.



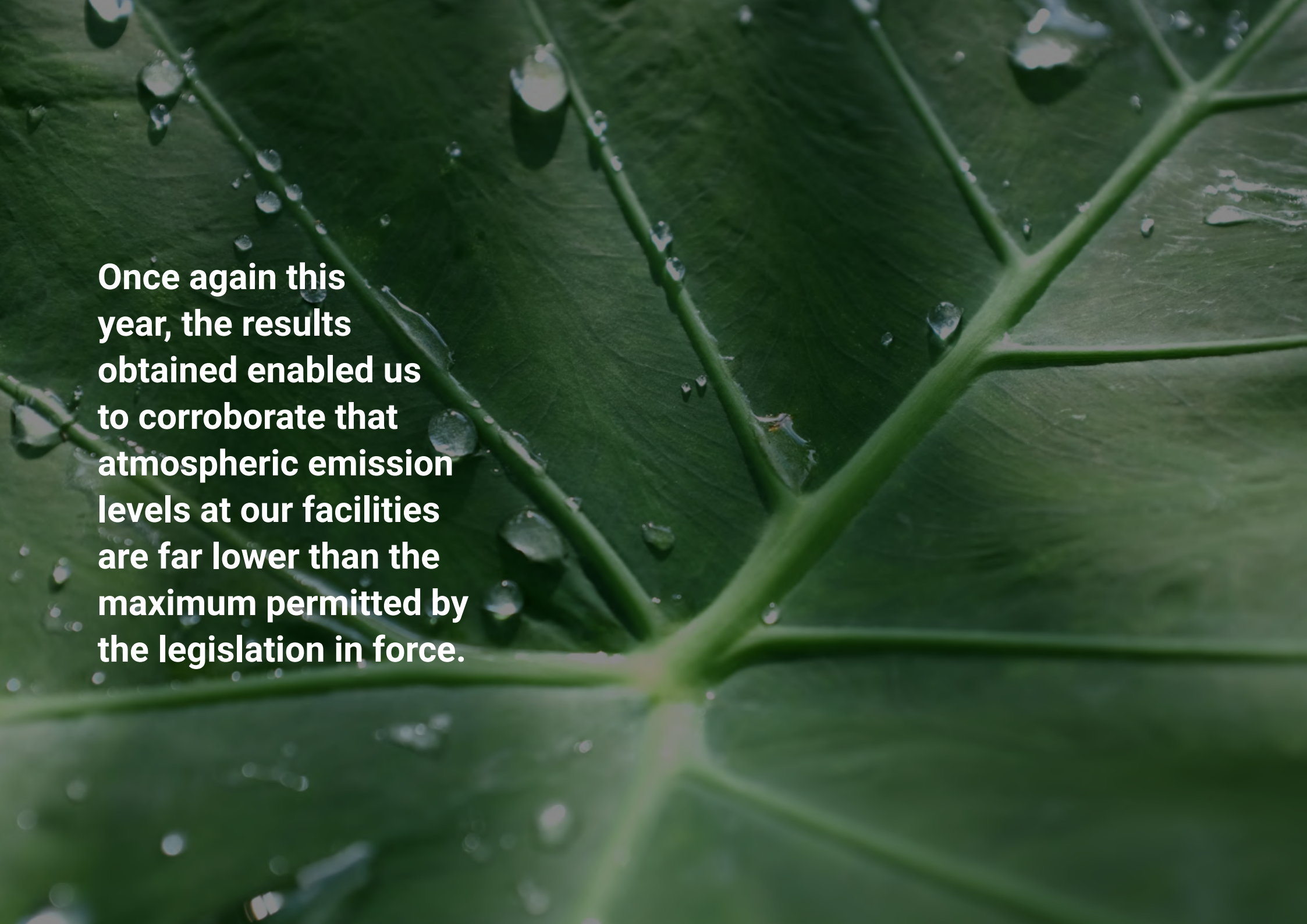
EVOLUTION OF THE ANNUAL CONCENTRATION OF SULPHUR (SO₂) AT HJM* (µg/m³) (1996-2022)



EVOLUTION OF THE ANNUAL CONCENTRATION OF NITROGEN (NO₂) AT HJM* (µg/m³) (1996-2022)

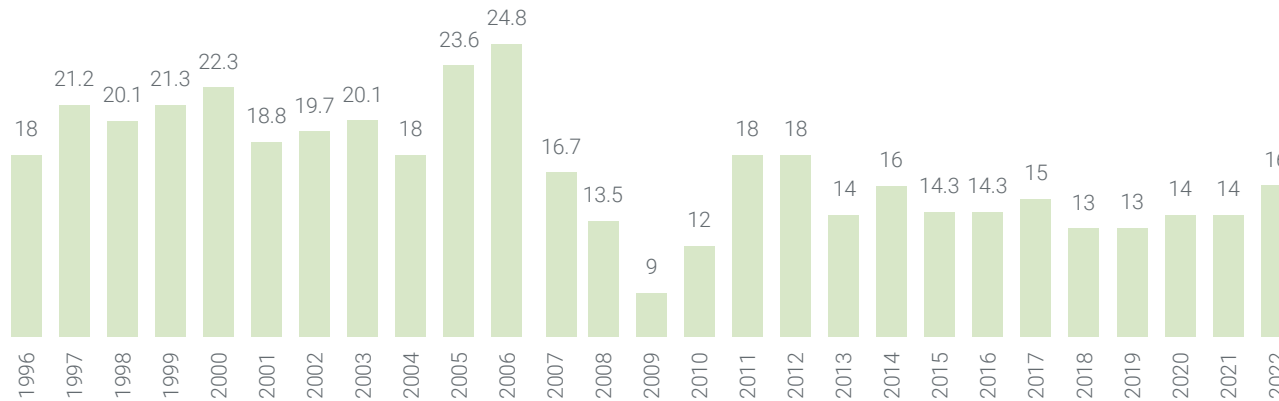


*HJM Station Joan March Hospital. Testing station included in the Govern Balear's Balearic Island Air Quality Surveillance and Control Network.

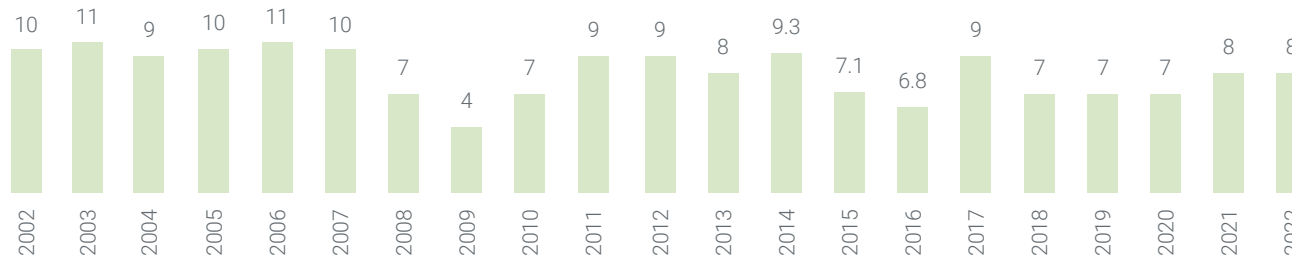


Once again this year, the results obtained enabled us to corroborate that atmospheric emission levels at our facilities are far lower than the maximum permitted by the legislation in force.

EVOLUTION OF THE ANNUAL CONCENTRATION OF PARTICLES IN SUSPENSION (PM₁₀) AT HJM* (µg/m³) (1996-2022)



EVOLUTION OF THE ANNUAL CONCENTRATION OF PARTICLES IN SUSPENSION (PM_{2,5}) AT HJM* (µg/m³) (1996-2022)



*HJM Station Joan March Hospital. Testing station included in the Govern Balear's Balearic Island Air Quality Surveillance and Control Network.

Regular emission controls enable us to detect possible incidents and thereby anticipate the measures to rapidly reduce their potential impact on health and the environment.

Environmental heritage: a commitment to conservation

In order to contribute to conserving biodiversity, we have forged close alliances with various organisations, supporting the launch of **projects related to protecting biodiversity and restoring ecosystems.**

Collaborations in favour of biodiversity



NATURA PARC FOUNDATION

We collaborate with a series of projects including the monitoring of the red kite, a species in danger of extinction in the Balearic Islands.




WWF FOUNDATION

The largest independent international organisation, whose mission is to build a future in which people live in harmony with nature.



The island of Mallorca's
environmental heritage includes
some of the Mediterranean's most
important ecosystems.



Noise surveillance: testing in order to minimise levels

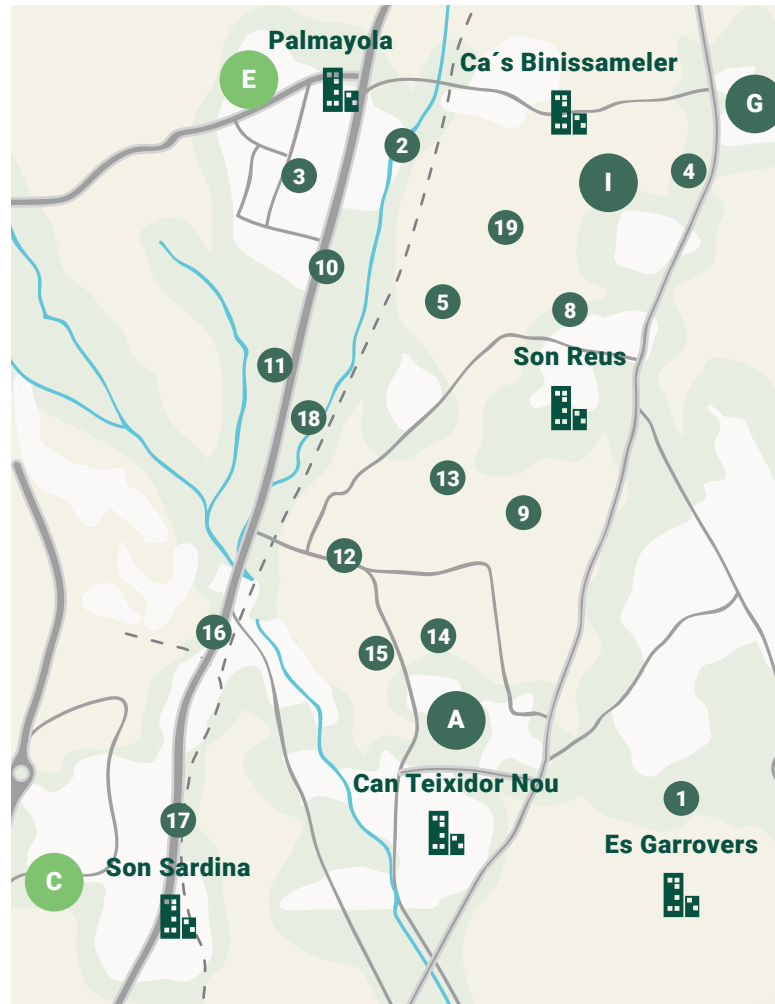
Noise is one of the impacts subject to ongoing monitoring by Tirme in order to mitigate its effects. In this sense, we regularly **measure the noise** generated by our activity in order to minimise the levels.

This testing is carried out within the framework of the **Environmental Surveillance and Measures Plan**, which sets the measurement parameters and maximum noise levels at 22 strategic points located close to our facilities, in order to carry out the corresponding measuring and control activities.

In addition, we carry out annual noise controls at facilities subject to the Integrated Pollution Prevention and Control Law (IPPC in its Spanish initials). This monitoring process allows us to check that the facilities are functioning correctly and to act if any incidents are detected.

Noise level measurements of Tirme's activity in 2022 produced optimal results, complying fully with the noise quality objectives stipulated in the applicable legislation.

NOISE MEASUREMENT MAP



- Noise level that does not exceed the applicable limit.
- Higher, non-critical noise level.



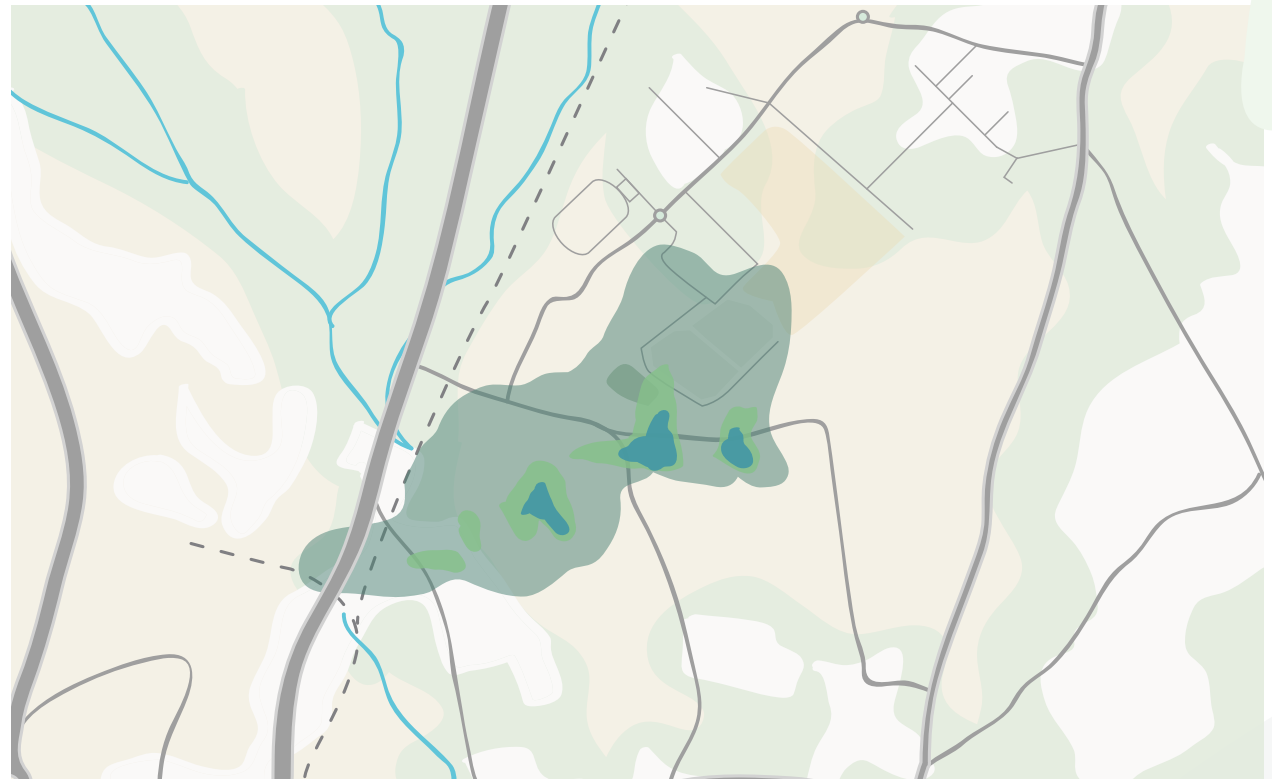
Impact generated by odours: how we minimise inconvenience

Waste management is associated with odour emissions that may prove a nuisance to residents living close to waste processing facilities. Tirme is aware of this and takes steps to **minimise any possible inconvenience caused by odours**.

We carry out a series of actions in this sense, beginning with **regular tests and an annual monitoring process** at those facilities most likely to generate odours, such as the Methanation and Compost plants in Zone 1 and the Sludge Solar Drying Plant.

Tests carried out in 2022 revealed a continuation of the previous years' downward trend, marked by a further drop in odour emission levels. The odour contour map (immission odour levels) shows that no centre of population is affected.

ODOUR CONTOUR MAP



Odour concentration: 98th percentile (odour units).



Furthermore, as a means of reinforcing our mechanisms for identifying any possible problems and mitigating odours, we provide a series of accessible and easy-to-use **communication channels**. Local residents can use these channels to report any odour-related incidents in a simple and convenient manner.

The most important of these channels is the **NasApp application**, which allows any odour-related incidents reported by citizens to be recorded in real time. The data provided are used to draw up a results report and to establish comparisons with previous years.

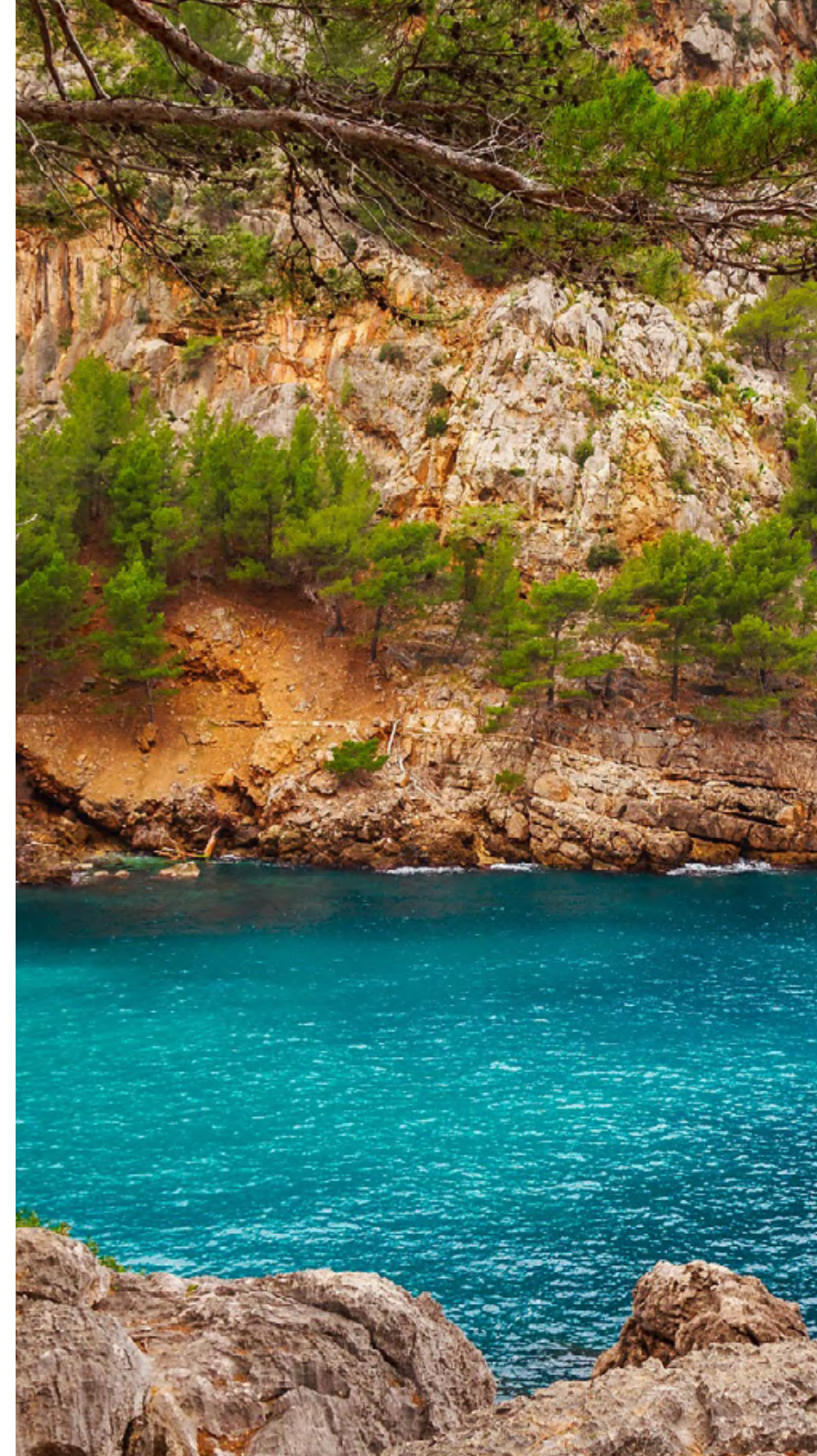
Despite these measures, in 2022 we detected a rise in the number of complaints, attributable to the weather conditions in a year when temperatures were particularly high. In order to mitigate these odour-related problems, we are continuing to **introduce effective measures** that will minimise them.



We apply Best Available Techniques

Tirme is continuing to work on the introduction of Best Available Techniques (BATs) for the prevention and control of environmental pollution. In this sense, we have established a number of internal working groups to analyse the applicability of BREF documents (Best Reference Documents). Based on the results of these studies, we have set up projects that include the **measures to be introduced at all waste processing facilities** in accordance with Directive 2010/75/EU.

We also conducted Environmental Risk Analyses at the facilities affected by the scope of Spanish Law 26/2007, of 23rd October on **Environmental Responsibility** and its regulatory development, based on the likelihood of events and their potential to cause damage. These analyses will be reviewed if alterations are made to the facilities that may affect the risk analyses conducted.



2.3. The challenge of climate change

The effects of climate change are becoming increasingly evident and the severity of this situation is set to steadily increase. The effects are also worsened by uncertainty, as it is not possible to determine their occurrence and severity sufficiently in advance.

This situation has led us to **stay one step ahead of the risks associated to climate change** with a roadmap aimed at mitigating their impact, whilst continuing our efforts to minimise greenhouse gas emissions (GGE).

Our commitment to the fight against climate change is far-reaching, and is therefore part of our 2022-20235 Strategic Plan, with **decarbonisation and carbon footprint management** as one of our strategic goals.

The first step towards realising this ambition and **managing our carbon footprint** involves identifying and quantifying the sources of GGE emissions. This calculation enables us to establish the total GGE resulting directly or indirectly from our activity, including the value chain, and is therefore a fundamental instrument in assessing our environmental performance.

Moreover, the results contribute to raising our awareness of the impact we make, allowing us to monitor its evolution and define effective improvement measures and mitigation actions.

In order to calculate our carbon footprint, we use a tool developed internally and based on **ISO 14064-1:2019 standard methodology**. Application of this tool enables us to fully identify, measure and monitor the emissions generated by our activity, as well as other flows from indirect emissions associated with the value chain.

We can then use the data obtained to monitor in a simple manner the effectiveness of the measures we introduce to reduce GGE emissions, as well as to **identify risks and opportunities associated with climate change**.

At Tirme, we are aware of the urgent need for climate action, and we therefore strive to reduce our environmental impact through the decarbonisation of our activity.



In 2022, we audited our carbon footprint and retained the *Calculo y Reduzco* (I calculate and I reduce) quality seal awarded by the Spanish Ministry of Ecological Transition and the Demographic Challenge (MITECO in its Spanish initials) in 2020 and 2021, thereby further endorsing our commitment to emission reduction.



Calculating our carbon footprint

- DIRECT GGE EMISSIONS**

Emissions from sources under our direct control that originate from the treatment processes we handle and the fossil fuel consumption of our machinery and equipment.

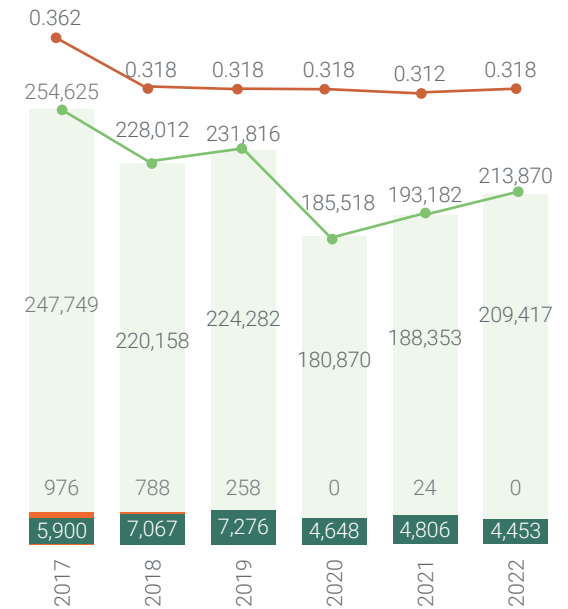
- INDIRECT GGE EMISSIONS**

Emissions generated by our activity that come from sources owned or controlled by a third-party organisation. Essentially, they are emissions associated with the consumption of energy from the electrical grid.

- OTHER INDIRECT GGE EMISSIONS**

Emissions associated with third-party organisations or companies, mainly suppliers of products and services, over which we have no control and very little influence or decision-making capacity.

OUR GREENHOUSE GAS EMISSION INVENTORY



- Direct GGE Emissions (tCO₂e)
- Indirect GGE Emissions (tCO₂e)
- Other Indirect GGE Emissions (tCO₂e)
- Total Emissions (tCO₂e)
- Relative emissions (tCO₂e/t waste)

In 2022, we **reduced our Scope 1 and 2 GGE emissions by 6.1%**, which fell from 4,806 tons of CO₂e in 2021 to 4,511 tons of CO₂e in 2022. To guarantee the effectivity of this reduction, we introduced several of the measures included in our GGE reduction plan, investing in machinery and equipment that enable us to optimise our energy use.

Also worthy of note is the fact that no Scope 2 emissions were generated, as the **electrical power supply came entirely from renewable sources**.

However, most of the GGE emissions associated with our activity are indirect and correspond to the organisation's value chain. In 2022, these emissions experienced a year-on-year rise of 11.1%, bringing the relative emissions total to 0.318 tons of CO₂e per ton of processed waste, an increase of 2% over the 2021 figure.

In order to minimise these emissions, we are continuing our efforts to **raise awareness within our value chain** of the importance of reducing the carbon footprint, whilst at the same time supporting the various agents in their efforts to gradually introduce measures that will contribute to cutting their emissions.

We contribute to preventing GGE emissions

In addition to reducing the emissions generated by our activity, waste recovery is a means of preventing greenhouse gas emissions caused by depositing waste in landfills.

In this sense, Tirme makes a significant contribution to reducing the carbon footprint generated by economic activity on the island of Mallorca.

In 2022, we prevented the emission of 100,000 tons of CO₂ equivalent, thanks to Mallorca's Waste Management System.



Driving energy efficiency and renewable energies

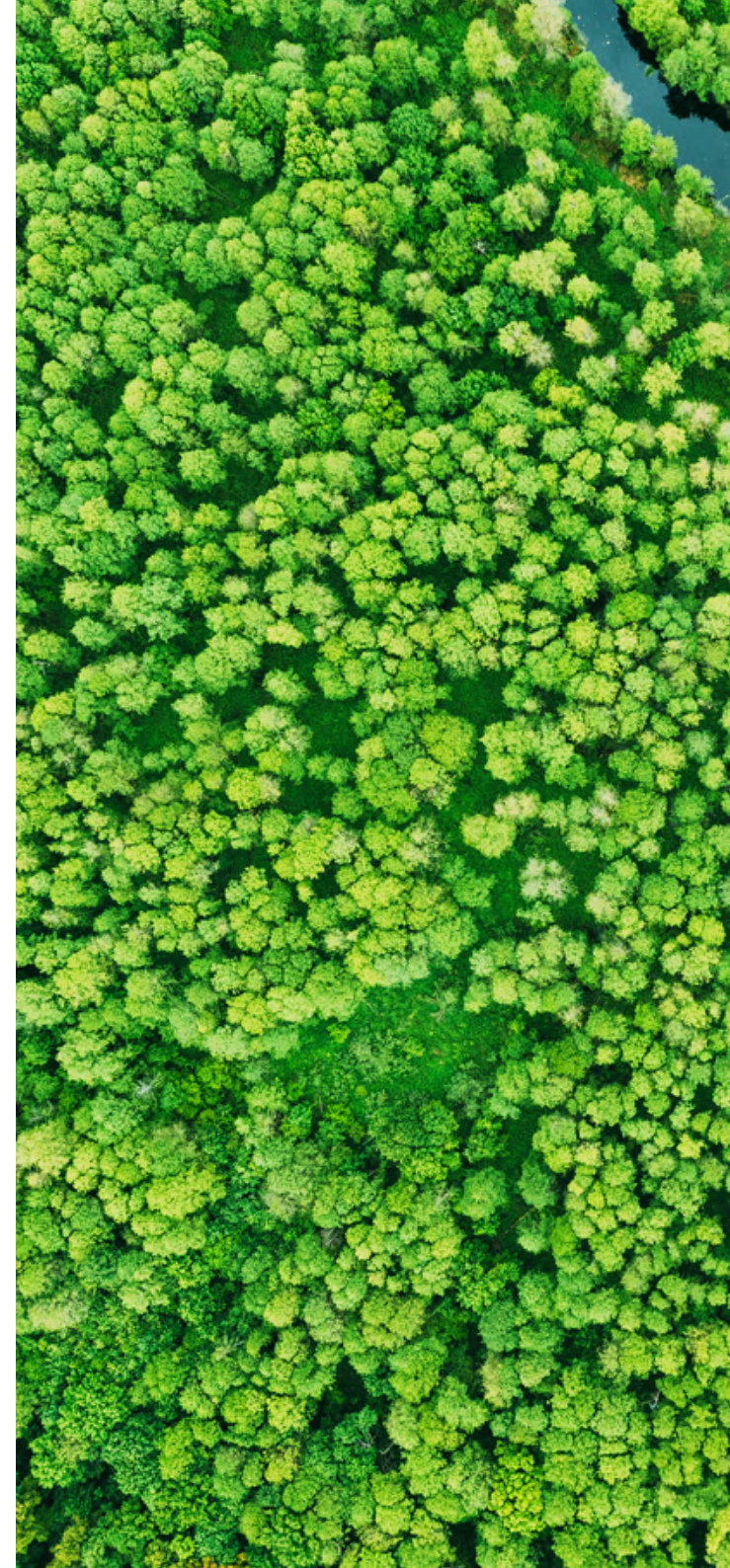
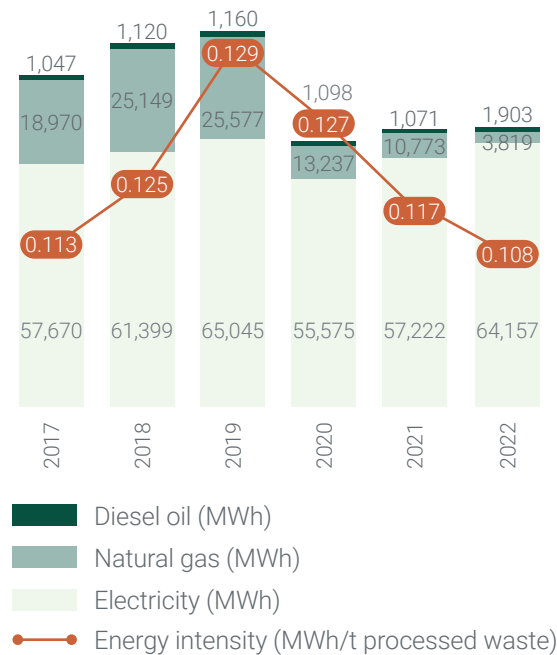
Our efforts to decarbonise our activity are centred mainly in two directions. On the one hand, we are focused on optimising the **energy efficiency** of our processes, and on the other, we are committed to replacing fossil fuels with **renewable energy sources**. This aligns us with SDG 7: affordable and clean energy.



This involves monitoring energy consumption in order to identify effective measures as well as areas where there is still room for improvement. In order to do this, we apply an **energy management system based on ISO 50001 standards**, which enables us to progress with our drive for ongoing improvements and define strategic reduction goals in accordance with our advances.

To continue improving in this area, our new 2022-2025 Strategic Plan includes a series of **energy efficiency actions** put forward by a specific working group created for this purpose in 2021. When defining the measures, the group took into consideration an analysis of our economic, environmental and energy impact.

OUR ENERGY CONSUMPTION



In 2022, our energy consumption was similar to that of the previous two years, despite an increase in the amount of materials processed. Consequently, the **energy intensity per ton of processed waste fell by 6%**, clear proof of the effectiveness of the measures we are applying.

ENERGY EFFICIENCY MEASURES INTRODUCED IN 2022



LED lighting systems in the Compost, Methanation, Energy Recovery and Solar Drying plants



Renewal of air conditioning and heating equipment due to obsolescence



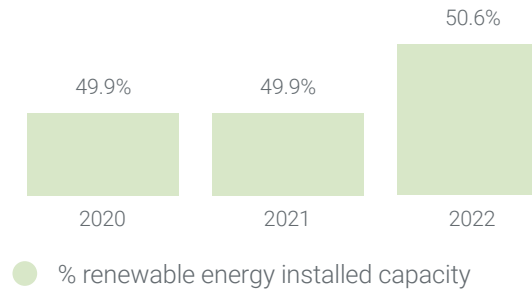
New thermal solar sanitary hot water system in the Can Canut Area



Nebuliser system in the pit to prevent the accumulation of dirt in the primary air system and to carry out cleaning actions while the system is running

Our **commitment to renewable energy** is also of vital importance: in recent years, we have increased our installed capacity for greater self-consumption. In addition, we also generate renewable energy through our energy recovery processes.

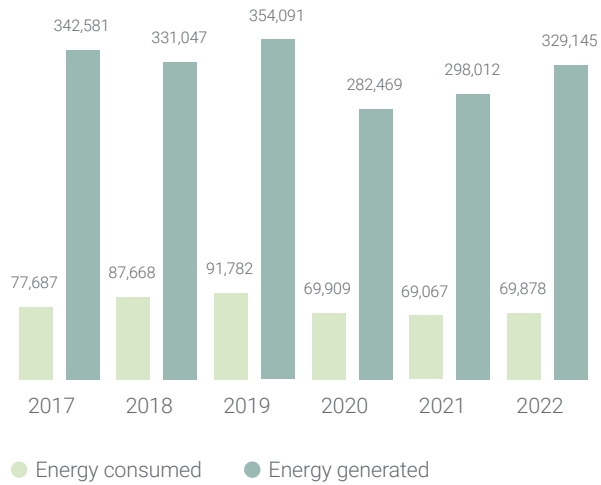
RENEWABLE ENERGY PENETRATION (%)



In 2022, the energy recovery of waste, the production of photovoltaic energy and energy generated from biogas enabled us to generate 329,145 MWh of energy, 10.5 % more than in 2021.

51.6% of all the energy generated at our facilities comes from renewable sources.

ENERGY CONSUMED VS ENERGY GENERATED (MWH)



Additionally, we are continuing to **progress in terms of sustainable mobility**. In recent years, we have gradually renewed our fleet of vehicles, and electric vehicles currently make up 90% of the total fleet. These vehicles do not generate direct emissions and enable us to save up to 26,000 litres of fossil fuels each year.



Our efforts to ensure responsible water use

As part of our commitment to sustainability, at Tirme we are working to contribute to SDG 6: Clean water and sanitation. We are aware that water is a valuable resource in short supply, and that it is our responsibility to care for it to ensure the health and wellbeing of people and the planet. We therefore make all possible efforts to guarantee the **efficient use and management of hydric resources** at all our facilities.



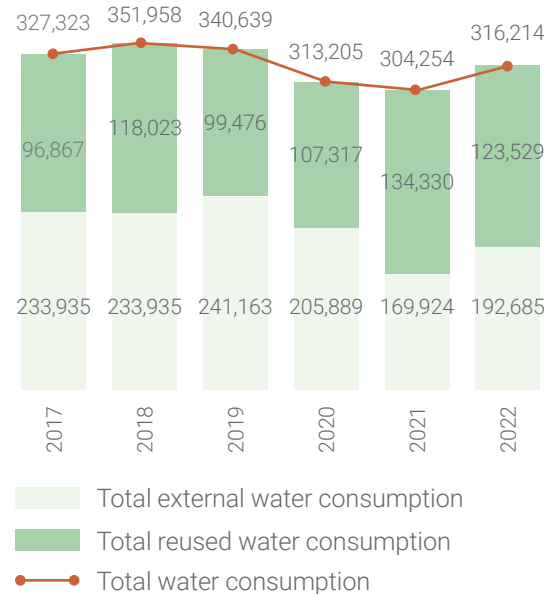
In this sense, our facilities have been designed to contribute to the optimisation of water management in the various processes. We have therefore installed **hydraulic systems with separation networks**, which allows us to store and reuse rainwater, treated water and reject water from wastewater treatment processes.

Our hydric resource management also places special emphasis on water use during periods of severe drought, such as that we are currently experiencing. This

involves optimising processes that will minimise consumption and **increase the use of regenerated water** to reduce the amount of water extracted from the supply network.

However, in 2022 the unusually low rainfall, combined with several years of drought, has reduced the capacity to use rainwater. This has led to a higher consumption of water from the supply network, which in turn is associated with the greater volume of waste processed at our facilities.

OUR WATER CONSUMPTION (m³)



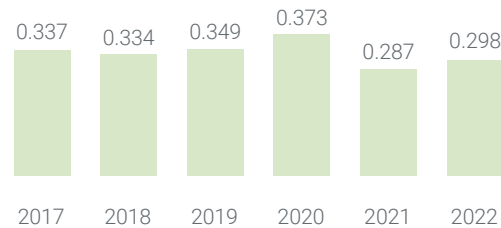
We promote the circular management of water, steadily increasing the degree of reuse and regeneration in order to minimise the consumption of hydric resources.

For the second year running, the water consumption intensity of our activity is less than 300 litres per ton of waste processed at our facilities.



In order to determine the effectiveness of the actions we take, we measure the **water consumption intensity**, which is calculated in accordance with the total network water consumption in relation to the tons of waste received. In 2022, the level of intensity was similar to that of the previous year, although we detected a slight increase, attributable to the reduced availability of rainwater and regenerated water.

WATER CONSUMPTION INTENSITY (m³/t WASTE RECEIVED)



In 2022, we introduced a series of initiatives aimed at improving the processes to reduce our **relative water consumption**. These include improvements to the leachate processing at the Secure Landfill in Son Reus, or the start of operations at the extension of the WWTP in the Can Canut Area.

Moreover, the Water Control Plan and the Environmental Surveillance and Measures Programme enable us to **monitor the consumption and quality** of the various hydric resources used at

our facilities, as well as effluent quality. The results of these monitoring processes enable us to adopt the most appropriate decisions for a more efficient use of the available water.

The Environmental Surveillance and Measures Programme also enables us to **monitor groundwater quality** by analysing samples from the water wells in the areas surrounding Tirme's various processing facilities (upstream and downstream). This ensures that our activity does not impact on these waters.



Reduced consumption of single-use plastics

Within the context of our commitment to the circular economy, **single-use plastics are a cause for concern**. We therefore make all possible efforts to avoid their use at our facilities, working to raise awareness among our team of their impact on ecosystems and the need to use alternative, more eco-friendly options.

We also introduced a series of measures aimed at replacing these plastics, such as the use of reusable cups or bottles.

In this sense, once again this year we have renewed our **collaboration agreement with the Save The Med Foundation**. This organisation is working to create the “Balears sense plastic” (Plastic-free Balearics) community, intended to raise awareness of the impact on the environment and our health of pollution generated by the use of single-use plastics.

Thanks to this agreement, we have contributed to the improvement of the INDEX tool and the search for “Honest Alternatives” to replace single-use plastics in the tourism sector.



2.4. Innovation and digitalisation as value creation drivers

Much of the leadership and initiatives designed to boost our performance rates are the result of Tirme’s own commitment to a culture of innovation. This is an essential element within our strategic framework, enabling us to come up with more creative and efficient work methods, in line with SDG 9, Innovation and Infrastructures.



Our new 2022-2025 Strategic Plan includes a series of goals related to the **Digital Transformation strategic line**, from the perspective of our internal processes:



Goal 3.1.

Digital Transformation Project visible for the organisation.



Goal 3.4.

Redefinir los procesos con un enfoque LEAN y Digital.

This implies our constant quest to **adapt to new technological developments**, centred firmly on continued progress in terms of R&D&I. We are strongly committed to innovation, as it enables us to design and implement new processes, as well as generating new products and greater benefits for citizens, which in turn leads to a greater positive impact on social wellbeing.

Our efforts are therefore centred on digitalising a number of our remaining manual or analogue processes, thereby **enhancing our efficiency and data processing**. This also allows us to underpin a capacity for using and analysing data as a decision-making tool, driving a change of culture and making our company more automated and agile.

In 2022, we invested 4.1% of our budget in undertaking R&D&I projects.



The importance Tirme places on waste recovery as a means of achieving the “zero waste to landfill” goal is reflected in our **annual investment in R&D&I** in relation with this activity.



In 2022, we conceived six R&D&I projects, aimed mainly at driving circular economy models, preventing pollution and digitalising processes, bringing the total amount invested to 4.5 million euros.

Initiatives to seek innovative solutions that will minimise environmental impact and multiply process efficiency



NEW HIGH EFFICIENCY SYSTEM FOR WASTE RECOVERY (INNORESIDU)

This project, which will run until 2023, consists of **developing a high capacity system for processing organic waste** capable of responding to the sharp seasonal hike in Mallorca's population.

It is also intended to reach **new degrees of recovery for organic products** with greater added value and increased potential for application.

The initial timeline scheduled for this project was three years (2017-2019). However, it has now been extended, due to the improvements carried out in 2019/2020, as well as those planned for the coming years (Phase III extension of the Methanation Plant, reduction in atmospheric emissions, wastewater treatment, increased compost quality, etc.).



RESEARCH INTO INNOVATIVE WASTE RECOVERY METHODOLOGIES (RESIVALORA)

This project is aimed at developing new methodologies for waste recovery, thereby **achieving integral management through the increased circularity of the Energy Recovery Plant (ERP)**, with the ultimate objective of zero waste to landfill and progress in the transition from a linear to a circular model.

The project stems from the need to improve the **overall management of the waste** we receive or generate at our facilities. Our aim is to mitigate any risks that may arise, such as those related to managing the ammonium sulphate waste generated in recycling plants during chemical cleaning procedures for later external (off-island) processing and which causes high levels of CO₂ emissions; or the leachate flows generated in the cement-stabilised fly ash secure landfill, which are processed at the leachate plant, producing two effluents: reject and permeate.



ACCELERATING THE TRANSITION TO 4.0 SUSTAINABLE, DIGITAL AND CIRCULAR INDUSTRY (ATRIC 4.0.)

This project is centred on consolidating the knowledge base for innovative and circular solutions that will **increase the circularity rate**, which currently stands at around 45%, of the new high-value secondary raw materials contained in combustion waste. Further objectives include the application of new processes to obtain cement-based materials with a lower carbon footprint for use in infrastructures; a 20% reduction in CO₂ by capturing and recovering it as a renewably sourced energy vector (CH₄); the incorporation of renewable energies and a secondary raw material (CaCO₃) for the production of cement-based materials with a lower carbon footprint; and the accelerated carbonation of cement-based products (mortars and concretes).





DEVELOPMENT OF INNOVATIVE TECHNIQUES TO REDUCE POLLUTANTS IN WASTE PROCESSING (NEWMEDIO22)

We are conducting research into techniques that will enable us to reduce **a number of pollutants related to waste processing** at various stages of the process, taking into consideration various factors such as the composition and volume of the waste to be processed.

This research is possible thanks to an in-depth study and analysis of the environmental feasibility of each technique prior to its implementation, which will allow for the development of innovative technologies at Environmental Technology Park facilities on Mallorca. Our goal is to **optimise all processes** through the reduction of pollutants.



INNOVATIVE TECHNOLOGIES FOR THE DEVELOPMENT OF OPTIMISED DIGESTATE AND BIOGAS (NOVAMETA22)

This project studies innovative methods for **methanation process optimisation** in order to boost performance rates, increasing biogas production and obtaining better quality digestates for recovery. In turn, this will increase the island's self-consumption rates, in line with the goal of zero waste to landfill, whilst also guaranteeing technical, economic, environmental and safety feasibility, based on innovative processing, the result of the design and development of circular economy strategies.



OPTIMISATION OF PRODUCTION PROCESSES BASED ON THE INTRODUCTION OF A NEW MANAGEMENT SYSTEM (NEWPROCESO)

This project is based on the analysis of the company's operating processes in order to design and apply a new management system and the associated tools. The objective is to optimise operations in Tirme's various areas and departments through the creation of an **innovative digital ecosystem**.



The timelines for these R&D&I projects extend over various years and in some cases it will be several years before they are fully implemented.

Also worthy of mention is our [Finhava 2.0](#) initiative, a technological platform based on Blockchain and IoT, which enables us to **promote the circular economy** in various sectors, whilst also supporting local agriculture and sustainable tourism.

Finhava represents a major advance towards the circular economy, as we have developed a **model to trace ecosystem circularity**.

In 2022 the following advances were made in this project:



Launch of Finhava 2.0 as a commercial product.

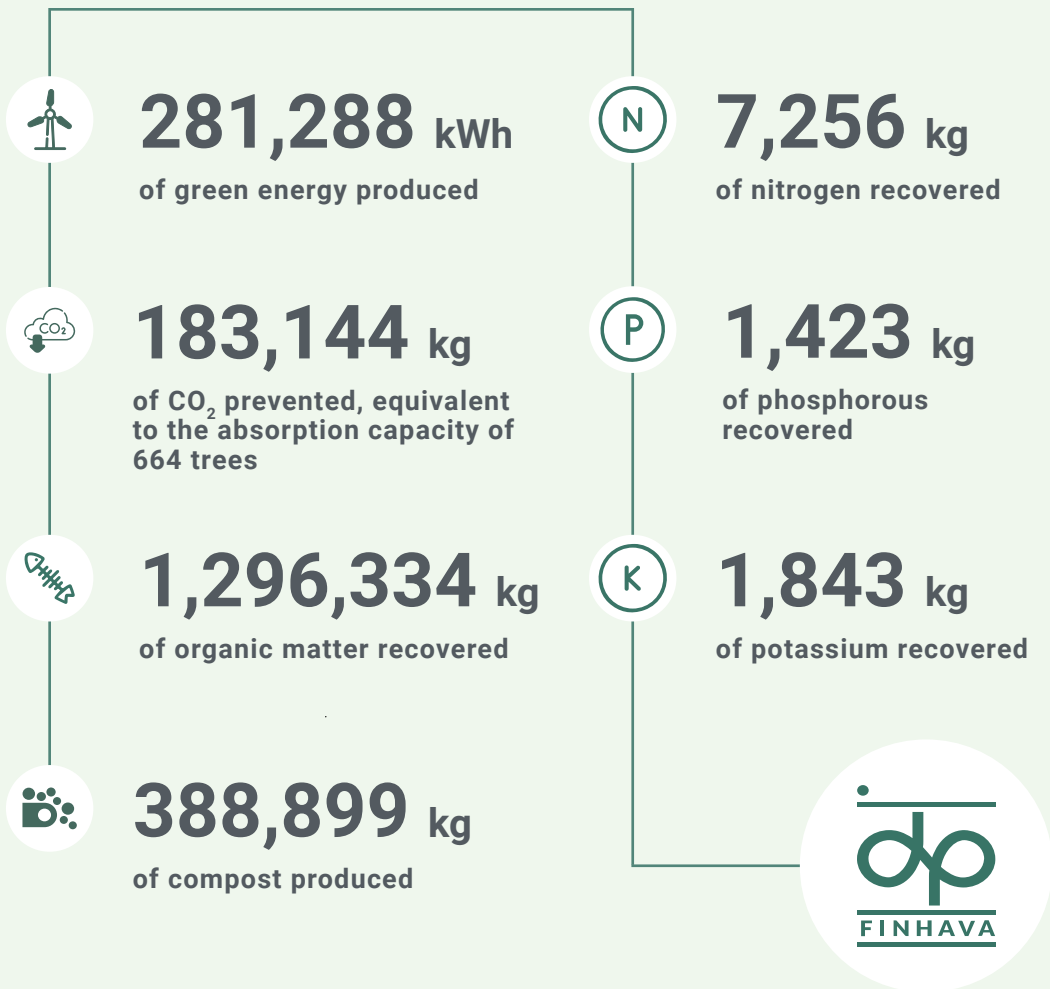


Processing and recognition of Finhava as a European trademark.

DRIVING THE CIRCULAR ECONOMY, LOCAL AGRICULTURE AND SUSTAINABLE TOURISM THROUGH FINHAHA



Figures of Finhava's success



A photograph of a lush green forest with a dirt path leading through it. The path is made of gravel and dirt, and the trees are tall and thin, with dense foliage. The lighting is bright, suggesting a sunny day.

03

Human capital

3.1. Human capital management

Tirme is staffed by a team of outstanding professionals that share a determined commitment to making a positive impact on society through their day-to-day work.



In order to further enrich this magnificent team, **we are committed to equality and diversity** as strategies for introducing improvements to all management areas and preventing all forms of discrimination.

A highly qualified and skilled team is vital for our activity, and therefore people management is a priority for the company's strategic plan. In this sense, the goals we have set include **enhancing talent and know-how** in order to build up a team capable of successfully tackling the challenges that arise.

Ongoing upskilling for our human capital enables us to support their personal and career development. In turn, this consolidates a corporate culture that benefits from professional growth, continuous innovation and the updating of knowledge and skills. Only through these actions is it possible to meet the undertakings and ambitious goals we seek.

Moreover, our commitment to people allows us to contribute to the achievement of **SDG 3** (Good health and wellbeing) and **SDG 8** (Decent work and economic growth).



292 professionals

in our workforce



244 men



48 women

47 years

(average age)

17 years

(average length of service with the company)

Our new 2022- 2025 Strategic Plan includes Strategic Goal **SG04. Transform talent and knowledge**, which articulates the various strategic objectives associated with the Persons and Systems perspective, including the following:



Strategic objective 4.1.

Upskilling.



Strategic objective 4.2.

Advanced health, safety and wellbeing management.

Both objectives are included in the **Impulsa Action Plan**, which groups together the initiatives necessary to continue advancing in the field of human capital management.

OUR PRIORITIES IN HUMAN CAPITAL MANAGEMENT



Stable employment



Personal and professional development



Fair remuneration



Equal opportunities for men and women



Work-life balance



Elimination of the wage gap



Healthy workplace model



Training to address the digital transition



With the aim of aligning our team members with our corporate vision, our **2022 internal communication plan** focused on the following actions:

- Promoting **the digital transformation culture**.
- Fomenting the **use of subproducts and encouraging sustainability** as well as sustainable and responsible consumption.
- **Promoting the “triple zero”**, reporting the healthy measures we have put in place.
- Visibilizing new and existing **agreements and alliances**.
- **Reinforcing our corporate values** and sense of belonging.
- Disseminating our **policies, goals and strategic plans**.

Furthermore, as part of the company’s digital transformation, we have drawn up a **digitalisation plan for human resource management** which in 2022 achieved a compliance rate of 79%. We are currently continuing to work on a Digital toolkit for project portfolio management, SIEM and SOC, as well as the development of our integrated human resource management system.

Our Work-Life Balance and Equality Plan

At Tirme, we fully concur with the idea that our staff need to achieve a balance between their working and personal lives in order to ensure good quality of life. In this sense, we apply a series of measures designed to improve the **Company-People-Family balance**.

These measures are articulated through the **Work-Life Balance and Equality Plan**, structured around five areas, which in turn are divided into a number of sub-areas and actions. The plan also includes the procedures necessary for measuring and monitoring life-work balance levels and equal opportunities for men and women, enabling us to determine the effectiveness of the measures carried out and to introduce any necessary improvements.

Tirme also has a **Mixed Work-Life Balance and Equality Commission**, which is responsible for ensuring the correct compliance and monitoring of the Plan.

In 2022, we completed 97.3% of the roadmap set for the year, successfully finalising 37 of the 38 actions planned.

Furthermore, in order to provide our staff with opportunities for reporting related issues, we collaborate with the **Másfamilia Foundation**, which provides us with a communication channel for lodging **complaints or claims regarding the work-life balance** in a fully confidential manner.

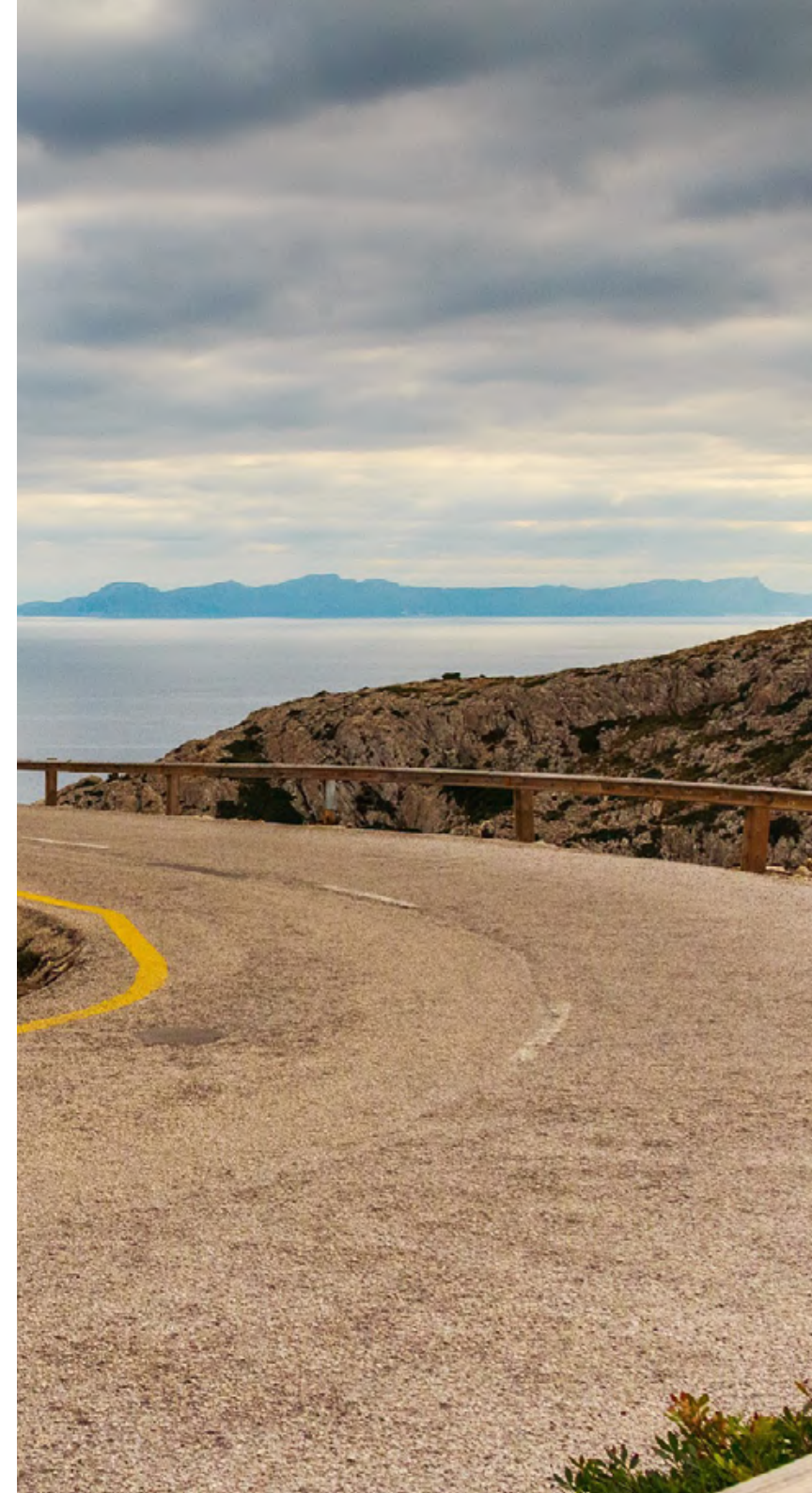



In 2022, we once again renewed our Family-Responsible Company certificate (FRC) in the B+ proactive category. This certificate recognises our company's commitment to the wellbeing of our human capital and their families.

Another differentiating instrument included in our commitment to the wellbeing of the people that make up Tirme is the **Family-Responsible Company (FRC) Certificate**, awarded by the Másfamilia Foundation. Obtaining this certificate requires compliance with a series of strict life-work balance requirements. In this sense, it is in line with our objective of improving our team's quality of life through initiatives such as supporting senior talent, age management, encouraging digital disconnection or providing more aid for study.

These objectives are all included in our **Collective Bargaining Agreement** for the 2019-2023 period, which also consolidates and extends the working conditions and social rights of all the members in our team.

As for our commitment to promoting equal opportunities, we are steadily **increasing the number of women on our staff**. Indeed, the percentage of female employees reached 19.7% in 2022, the highest figure in recent years.





As a result of these efforts, employees' **overall degree of satisfaction** with the company is high, and they feel a sense of pride at being part of Tirme. This was reflected in the results of the 2022 satisfaction survey referred to in the first chapter.

Positive aspects mentioned by the participants in the survey included the relationship with the company and their immediate superiors, as well as Tirme's committed and ethical management style. **Scores on all items were higher** than those obtained in the previous survey, which was conducted in 2017.

A number of aspects requiring improvement were identified, although they too obtained positive scores. These include career development, internal communication and remuneration.

Particularly worthy of note is the score given to initiatives designed to promote equal opportunities among Tirme staff members, which was one of the items that scored higher than 4 out of 5.

In 2022, we achieved our objective of ensuring 10% of all internal promotions were awarded to women.



3.2. Commitment to talent

Tirme actively promotes our staff's talent and ongoing professional development as an essential means of achieving the strategic objectives set. These actions boost team morale, whilst also offering employees upskilling to adapt to the constant changes taking place within our society.

Our upskilling initiatives are included in the **2021-2023 Training Plan**, designed to improve the competences, skills and knowledge of everyone at Tirme.

This plan is **focused on innovation and the challenges of digitalisation** and is the company's response to current technological demands and the need to take advantage of digital resources, as tools for the optimisation of processes and adaptation to an ever-changing work environment.

In 2022, we successfully completed 32 of the training actions planned, which were centred mainly on **driving the digital transformation and adapting to new regulatory requirements**, putting compliance with the plan's objectives for this year at 84%.

Additionally, we carried out a further five actions that were not included in the plan.

In 2022, investment in environmental awareness training for Tirme staff was 2.5 times higher than in 2021.

In 2022, we delivered an average of 29.4 hours training per person and year.



3.3. Health and safety

We work on a daily basis to strengthen our culture of prevention and promote the health of our team members through a range of measures and plans. Safeguarding employees' health, safety and wellbeing is one of Tirme's priorities, and our objective is to ensure a safe and healthy working environment at all times.

This undertaking contributes to achieving SDG 8, Decent work and economic growth.



In order to guarantee the effectiveness of the safety actions required, **we have our own Prevention Service (SPP in its Spanish initials)**. In 2022, various actions were planned within this service and included in the 2022-2023 Prevention Service programme.

We also drew up the **2022-2025 Occupational Risk Prevention Plan**, which has already reached a compliance rate of 72%, with 36 of the 48 actions planned now completed.

In order to carry out all these initiatives, in 2022, investment in health and safety totalled **552,426 euros, 16.7% more** than in 2021.

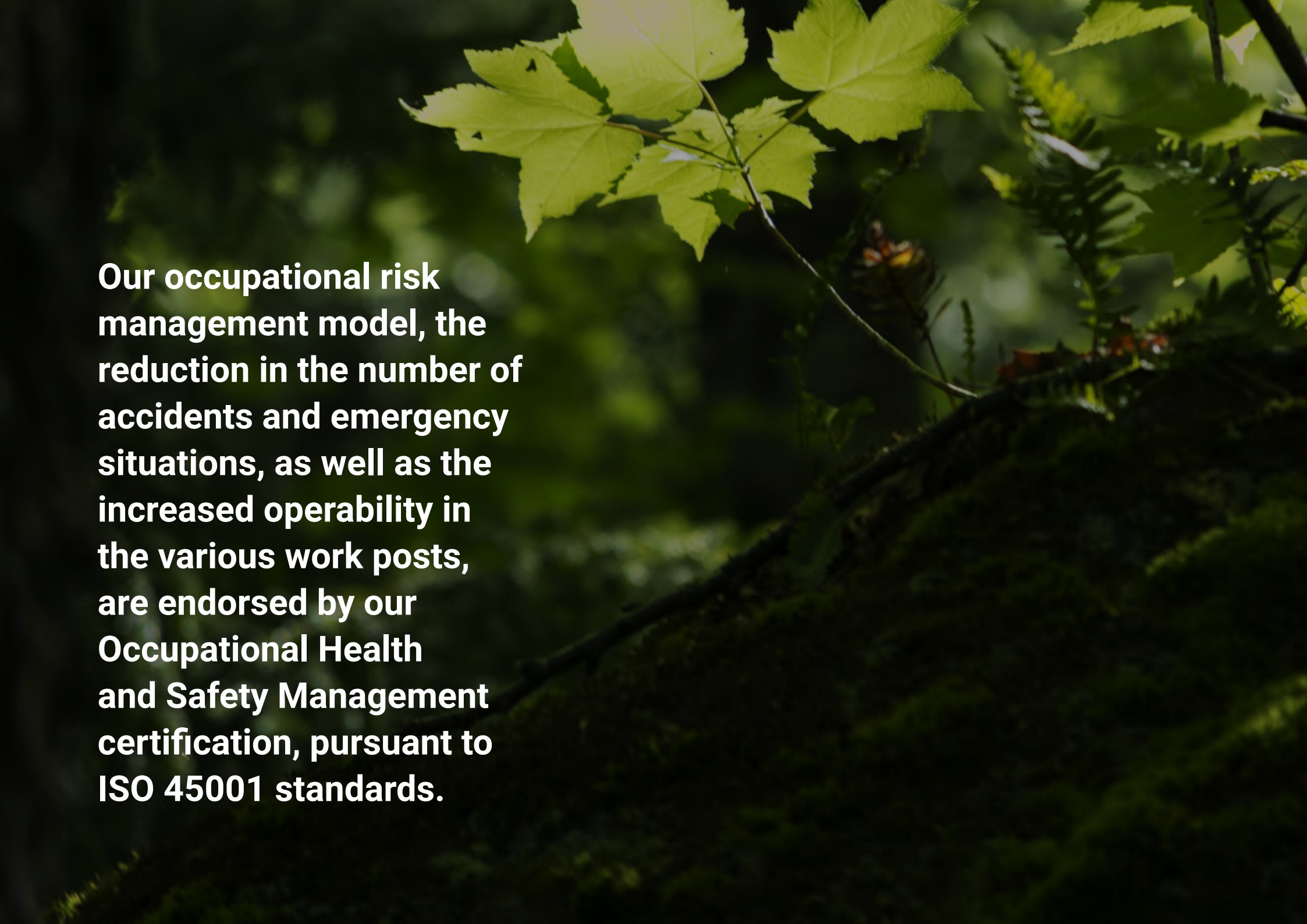
Furthermore, given the importance of promoting health among our team members, each year we carry out a series of **health screening initiatives**. Some of the actions carried out in 2022 are listed below:

- **"Look after your eyes" campaign, including intraocular pressure testing**
- **Quit smoking campaign**
- **Obesity and excess weight health campaign**
- **Monthly talks with a nutritionist**
- **Campaign to promote a healthy lifestyle**
- **Campaign to promote the use of the Employee Care Service (SAE in its Spanish initials) and coaching services**

As part of our health monitoring programme, in 2022 we carried out **323 medical check-ups and 290 tests**.

In 2022, we made special efforts to adapt our risk assessments in accordance with gender, as well as our harassment prevention protocols.





Our occupational risk management model, the reduction in the number of accidents and emergency situations, as well as the increased operability in the various work posts, are endorsed by our Occupational Health and Safety Management certification, pursuant to ISO 45001 standards.

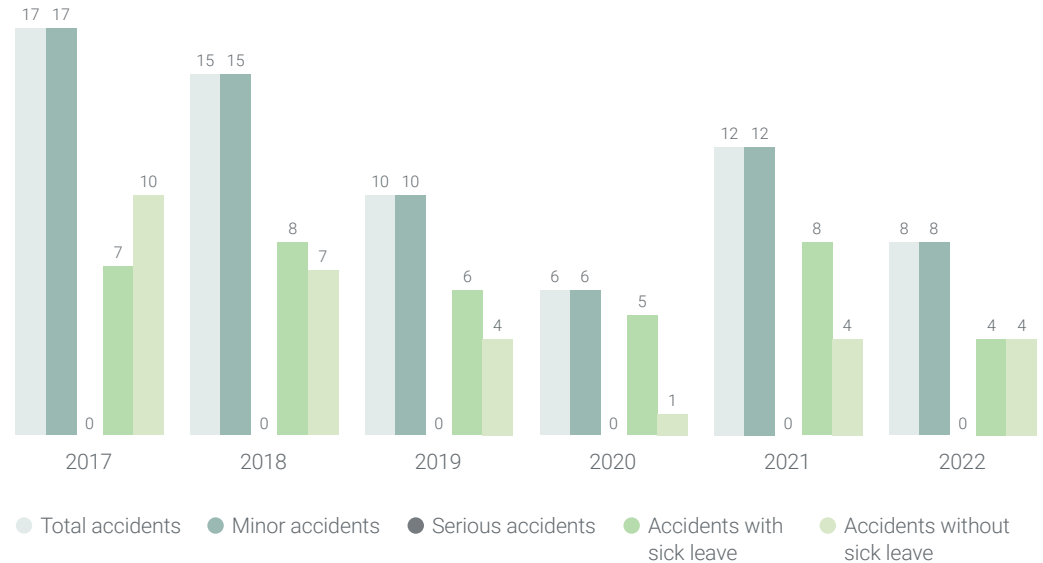
Evolution of our key indexes

Eight occupational accidents occurred in 2022, compared with 12 in 2021. They were all classified as minor with 4 requiring sick leave. This figure indicates a return to the downward trend in the accident rate. However, the fluctuations observed in recent years confirm the need for Tirme to continue its **ongoing commitment to working intensely on prevention measures** that will consolidate this downward trend in the coming years.

Accident duration and seriousness rates increased in comparison with 2021, in contrast to the incident and frequency rates, which remained relatively unchanged.

In 2022, the accident rate of subcontracted companies experienced a sharp drop from the 2021 figure, when there were 25 accidents, compared with 8 recorded accidents in 2022.

ACCIDENT RATE EVOLUTION



Eight occupational accidents were registered in 2022, 50% less than in 2021.

ACCIDENT RATES

	2017	2018	2019	2020	2021	2022
Duration rate	28.6	18.8	48.7	15.6	10.9	29.1
Seriousness rate	0.4	0.3	0.6	0.1	0.2	0.4
Frequency rate	30.9	26.9	11.2	11.1	23.2	23.6
Incident rate	54.8	47.8	19.2	19.8	41.4	41.2

Our actions to promote occupational health and safety

● AWARENESS RAISING CAMPAIGNS

We have installed an **“accident-free days” counter**, and provide free coffee for the team for every 90 days without an accident. This goal was met in September 2022.

● AGE MANAGEMENT

We carry out a series of actions to **care for older groups**, including specific treatments in our health screening campaigns or paid leave for people over 55.

● LESSONS LEARNT ANALYSIS

We post **details of accidents on the intranet** in order to raise awareness among our team and to prevent any reoccurrences.

● TRAINING IN OCCUPATIONAL RISK PREVENTION (ORP)

A total of **3,999 hours** were delivered **as part of 22 training actions**.

● “DAILY AUDIENCES” HELD AT THE ENERGY RECOVERY PLANT AND THE METHANATION PLANT IN ZONE 1

At these meetings, middle managers from all areas of Tirme’s various departments provide details of the work to be carried out the following day by our internal or subcontracted staff in order to **detect any incompatibilities among the tasks or special needs** in terms of coordination measures, etc.

● PHYSIOTHERAPY SESSIONS

Targeting those persons that have suffered an occupational accident with or without sick leave caused by strain, or as a preventative measure. During the session with the physiotherapist, they will be given a series of **recommendations to follow in accordance with their condition**.

● INFORMATIVE TALKS ON OCCUPATIONAL RISK PREVENTION

Staff members on sick leave due to an occupational accident attend an informative talk on prevention given by Tirme’s Occupational Risk Prevention Manager.

● SAFETY WEEK

We organise two weeks of **training actions related to risks** in the workplace.

● BOOSTING AWARENESS THROUGH A POLICY TO RECOGNISE THE COMMITMENT TO HEALTH AND SAFETY

2022 saw the return of this initiative, consisting of **Safety Awards** given in recognition of the commitment shown by three of the organisation’s employees, as well as three subcontractors.



- **INITIATIVES IN LINE WITH HEALTHY WORKPLACE POLICIES**
- **Employee Care Service (SAE in its Spanish initials)** which provides occupational psychological assistance.
- Internal **coaching** service.
- Online training related to **“healthy lifestyles”**.
- **“Healthy Company” space activated on our intranet** to provide staff with information on how to adopt healthy lifestyle habits.
- Application of the **“Bradford Factor”** as an indicator of repetitive patterns of behaviour.
- Introduction of full or partial **teleworking**.
- **2022 Health Campaigns:** In addition to providing a nutritionist, we also held monthly talks on nutrition and also developed online programs for physical activity, relaxation and mindfulness and organised a webinar on “Sleep, rest and anti-ageing”.
- **“Fewer kilos, more solidarity” campaign to combat excess weight and obesity.** Launched last year, the campaign continued throughout 2022 in order to continue promoting healthy lifestyles through a series of webinars on this topic, as well as encouraging healthy eating habits. We also contributed to providing food for the most vulnerable groups.

In 2022, we organised a flu vaccination campaign in which 17 employees took part.





Ethics and corporate governance

Tirme's corporate culture promotes an ethical and committed governance model that guides us to carry out activity in a responsible and transparent manner.

4.1. Governance structure

Tirme began its activity in 1992, when it was set up as an Economic Interest Grouping, although it became a public limited company that same year, when we were awarded the Consell de Mallorca's tender for the **Mallorca's Urban Solid Waste Management Service**, which we continue to hold today.

Our company is guided by its **Articles of Association and Regulations**, which determine Tirme's governance and management. Furthermore, over our thirty-year history, we have drawn up a series of regulations and internal processes adapted to the constantly changing social context and which are applied to our day-to-day operations, as well as other applicable norms and internal processes.

Tirme is managed and administrated by **four key governing bodies**:



SHAREHOLDERS' GENERAL MEETING

This is the body representing the company's shareholders, which adopts decisions on matters within its scope of competence pursuant to the Articles of Association. It comprises the following members.



80%
of stake



20%
of stake



BOARD OF DIRECTORS

The company's highest administrative and management body, made up of four executive directors. The board meets once a month to deal with the organisation's key issues.



STEERING COMMITTEE

The body responsible for determining policies, directives and strategic goals, as well as driving the organisation's plans and objectives that are continually being defined.

It is made up of the directors of three areas and the CEO.

- **General Management**
- **Technical Management**
- **Financial Management**
- **Sustainability Management**



MANAGEMENT COMMITTEE

Responsible for managing and overseeing everyday matters in the company and for adopting and executing decisions of an operational nature. It is made up of the General Management, Financial Management, Technical Management and Sustainability Management areas, as well as the Heads of Departments for the following areas:

- **Operations**
- **Maintenance**
- **Engineering and Development**
- **Institutional Relations and Communications**
- **Human Resources and Occupational Risk Prevention**

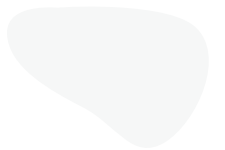
Tirme is a responsible and committed company, and therefore integrity and transparency are part of everything we do.

4.2. Ethics and compliance with regulations

These values are reflected in our Strategy for Social Responsibility and Compliance with Regulations, developed in line with the principles of **good governance and professional ethics**.

Our **Code of Ethics** enables us to share this undertaking with all members of our team and other stakeholders, reinforcing the principles of transparency, veracity and good faith in all our functions.

We also provide our internal and external stakeholders with an **ethics channel**, which allows direct, confidential and anonymous communication with our **Compliance Officer**.



In 2022, we worked on adapting our ethics channel to the requirements stipulated in Directive (EU) 2019/1937 on the protection of persons who report breaches of European Union law, as well as its transposition through the Bill that regulates the **protection of persons who report infringements that violate European law**.

Consequently, the channel has been installed on the **Whistleblower Software digital platform**. It can be accessed via a [link](#) activated on the intranet and on the Tirme corporate website. This channel therefore provides a means of reporting any behaviour suspected of being inappropriate or irregular, or that may constitute a breach of human rights.

In 2022, we received one communication via this channel.

Another instrument that guarantees responsibility in our company is the **“Good Governance (Criminal Compliance)” certificate**, in accordance with UNE 19601 standards. It is worthy of note that we were pioneers in receiving this certification, which implies compliance with strict principles of transparency and good governance, as verified by AENOR in 2021 and submitted for a further external monitoring audit in 2022.

These principles are governed by an **integral risk management system**, whereby we are able to identify

risks associated with a possible breach of our code of ethics or the regulations themselves. These risks are qualitatively and quantitatively assessed by the Management Committee at regular intervals in order to monitor their status.

This assessment considers the likelihood of risks occurring and their potential impact, enabling us to determine the necessary measures to keep relevant risks within levels that our Board of Directors considers to be acceptable. As a complement to these regular analyses, various controls are identified, designed and implemented in order to mitigate relevant aspects of possible incidents of non-compliance.

Moreover, **training actions in compliance** must be carried out in order to guarantee compliance with the regulations and our own Code of Ethics.

Fulfilment with the Assessment Plan for Legal Compliance stood at 82%, and 7 of the 10 cycles planned for 2022 were audited.



Furthermore, the correct application of the **Criminal Compliance Management** is guaranteed thanks to a number of figures and bodies responsible for monitoring and controlling the system:

● **SUPPORT UNIT**

Responsible for **supervising and reviewing the system.**

● **PROCESS MANAGERS**

Their duties are centred on **guaranteeing compliance** with our internal procedures and policies.

● **COMPLIANCE OFFICER**

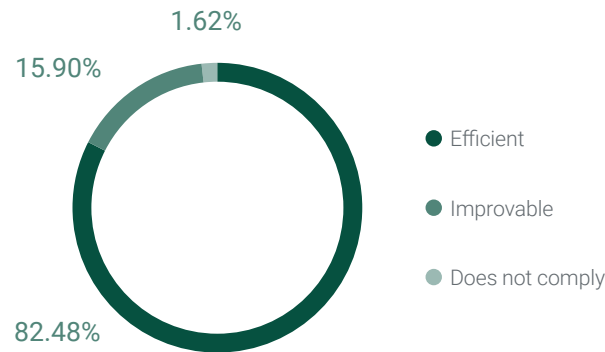
Responsible for **guaranteeing the suitability of the Compliance System**, ensuring the correct application of the criminal risk prevention model and corporate policies. This officer is also responsible for handling and processing the incidents reported.

● **BOARD OF DIRECTORS**

In charge of **supervising the Regulation Compliance System** and determining the functions of the Compliance Officer.

As of 31st December 2022, 371 (68%) controls had been assessed; 306 (82.4%) were considered efficient, 59 (15.9%) improvable, and only 6 (1.6%) were found not to comply.

Verification controls in 2022



Instruments for managing our Criminal Compliance System

● **GOVERNANCE MODEL**

This model is of a transversal nature, covering all areas of the company and establishing the internal procedure to **mitigate the commission of crimes.**

● **CRIME PREVENTION MANUAL**

This manual details the measures and controls to be implemented in the organisation to **prevent the risk of illicit behaviour.**

● **TRAINING AND COMMUNICATION**

Actions aimed at **raising awareness among our staff** of the importance of ensuring ethical behaviour in line with the applicable regulations and internal procedures.

Finally, another major action in this area was the review of the Code of Ethics and Integrated Management Policy in order to **adapt them to new legislation in matters of equal and non-discriminatory treatment.** We have now included new measures necessary to ensure that all persons receive equal, fair and respectful treatment, whilst at the same time preventing all possible forms of discrimination in any situation.

We have also checked its compatibility with the Code of Conduct and other corporate policies (Anti-corruption, Prevention of Money Laundering and Due Diligence, among others) which were recently approved by the majority shareholder.

In periods of continuous change and innovation, a robust and efficient system to verify compliance with regulations is essential in order to guarantee that we conduct our activity in accordance with the laws, regulations, norms and ethical practices applicable to our organisation.



4.3. Digital transformation

In 2022, work progressed on our Digital Transformation Planning document, centred on driving the digital transformation of our corporate procedures.

This transformation is transversal, extending to all areas of activity and positions. It must be noted that this planning is included principally in **objective 3.1 of the 2022-2025 Strategic Plan, "Digital Transformation Project visible for the organisation"** defined within the framework of the internal process perspective.

Our aim is to adapt to the new society and meet changing needs and demands, whilst at the same time **optimising our processes by taking advantage of the benefits of digitalisation.**



Our **Planning for Digital Transformation** includes three tactical objectives:



T01. Digital toolkit

Designed to drive technology and provide the tools necessary for digitalising all positions.



T02. Data-Driven

The aim is to ensure that all levels of the organisation have the capacity to use data as a decision-making tool, through initiatives such as the creation of predictive behaviour models for our infrastructures.



T03. Organisation and processes

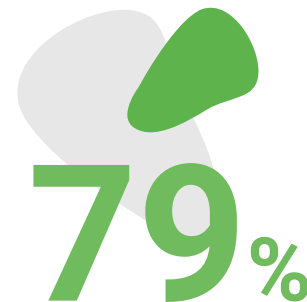
This objective addresses process reviews from a lean and circular perspective, taking data into consideration at all times.

During the course of the year, we conducted a **technology maturity analysis** for each of Tirme's areas of activity. This has contributed to the development of specific initiatives related to the needs detected in each

case, which in turn allows us to define a common data and technology management policy.

As an example, in 2022 we migrated our HR-SP payroll management system to A3 Innuva, an online invoicing and accounting software that will **optimise our human resource management** thanks to digitalisation.

Taking the results obtained as our starting point, this analysis will be repeated each year to observe the evolution by areas and detect new specific needs for consideration, as well as checking the effectiveness of the measures implemented.



Compliance with the actions proposed in the area of Digitalisation Strategic Planning in 2022



Commitment to society

Since its early days, Tirme has built up a solid relationship with the Mallorcan community, seeking to meet its needs and contribute to its progress. In this sense, we are committed to building a fairer and more equal society rooted in the foundations of sustainable development.

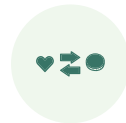


5.1. Support for the local community

Our **social action** is based on three main areas:



Promoting **citizens' environmental awareness**.



Boosting the occupational integration of young talent and groups at risk of social exclusion.



Sponsorship agreements with various organisations based on the principles of equality and transparency.

These objectives lay the foundations for our **social action strategy** which includes the following action areas.



EDUCATION

Based on the development of training actions designed to raise awareness in terms of sustainability, promote professional development and the talent of young people. Highlights of these actions include the following:

- **Sponsorship of various environmental education activities at the Jovent Farm School**

The aim is to promote care and respect for the environment among young people.

- **Promotion of visits to our Environmental Education and Information Centre**

Our waste treatment facilities provide an essential tool for environmental education.

- **Collaboration with the University of the Balearic Islands (UIB in its Spanish initials) and other universities and technology centres**

The objective is to drive R&D&I and training in environmental management.

- **Participation in the "Circularity in SMEs. A strategic opportunity" programme**

Organised by the Confederation of Balearic Island Business Associations (CAEB in its Spanish initials) with the collaboration of Banco Sabadell and Endesa. This programme enables us to share know-how, experiences and resources, and help small and medium enterprises to face the challenges posed by the circular economy and sustainability.



SOCIAL WELLBEING

We foment the labour integration of all persons and entrepreneurship for groups at risk of social exclusion and support resident groups through a series of sponsorship programmes. We are involved in initiatives that contribute to the development and wellbeing of our society:

- **Training action included in the programme entitled “Recycling to Change Lives”**

The objective is to facilitate the labour insertion of vulnerable members of society, improving their employability and promoting job opportunities within the recycling sector. This is a joint project in collaboration with the Deixalles Foundation, Ecoembes and La Caixa Foundation, in which the participants acquire a knowledge of municipal and industrial waste management.

- **Collaboration with the Asprom, ARCA, Ilunion and Deixalles Inserció i Triatge associations**

We provide support for their initiatives aimed at the social and labour integration of persons at risk of social exclusion.

- **Agreements with education centres and universities, as well as dual training learning agreements**

These agreements enable us to promote the incorporation of young people onto the job market. Each year, we also take part in related forums and seminars such as the Occupational Forum and Job Day at the University of the Balearic Islands (UIB in its Spanish initials).

- **Agreement with the PALMAesports sports association**

Activities are centred on promoting and providing economic support for the social integration programme based on sport for children on Mallorca at risk of social exclusion or in a situation of poverty.

- **Sponsorship of local football teams**

In 2022, we continued to support the Palmanyola, La Victoria, Son Sardina and Joventut Bunyola football teams.

- **Collaboration with local festivals**

We support local culture in towns such as Sa Garriga and Palmanyola.

- **Collaboration with various professional associations**

Associations for health and science sector professionals (Colleges of Physicians and Chemists).

We hire persons at risk of social exclusion

82
new hires



60 men



22 women

6
hires with
functional diversity

3
hires are victims of
gender violence



ENVIRONMENTAL SPONSORSHIP

Our actions in this area are focused on improving the living conditions of people in vulnerable situations, guaranteeing their protection and wellbeing through a series of initiatives, including the following:

- **Natura Parc**

Activities aimed at conserving the red kite at the Captive Breeding Centre.

- **Save the Med**

Actions to reduce and eliminate single-use plastic products from the Balearic Islands' tourism industry based on a standardised plastics-free certification system.



HUMANITARIAN ACTION

Our actions in this area are focused on improving the living conditions of people in vulnerable situations, guaranteeing their protection and wellbeing through a series of initiatives, including the following:

- **Renewal of the collaboration agreement with the Food Bank, Mallorca Sense Fam and Caritas, as well as the agricultural cooperatives Agromallorca, Es Merca and Son March**

This initiative favours relations between local food producers and NGOs dedicated to solving the lack of food. We also provide agricultural cooperatives with the compost we produce, thereby closing the production circle in the agri-food sector.

- **Renewal of the sponsorship agreement with the NGO Sonrisa Médica**

We collaborate with their mission to transform the hospital environment through the use of humour as a therapeutic process.

We also continue to collaborate with **professional associations and organisations** in the Balearic Islands, sharing know-how and experiences:

● **COLLABORATION WITH MALLORCA'S CERCLE D'ECONOMIA ASSOCIATION**

We are working on the development of the **Cercle Economic Index**, a tool for analysing key economic, health and wellbeing indicators that also enables us to compare the position of the Balearic Islands with Spain's other autonomous communities.

● **AGREEMENT WITH THE BALEARIC ISLANDS CHEMICAL INDUSTRY CLUSTER (CLIQIB IN ITS SPANISH INITIALS)**

We have participated as a partner in the general assemblies and working sessions for **drawing up the Cluster's 2022-2026 Strategic Plan**. This organisation works to deliver solutions for hygiene-related challenges in the tourism sector for both tourism businesses and knowledge centres and innovation support organisations.



● **COLLABORATION WITH THE BALEARIC ISLANDS ECOLOGICAL TRANSITION CLUSTER (TEIB IN ITS SPANISH INITIALS)**

The cluster works to **promote the transition to a low carbon economy**, driving innovation and collaboration in key areas such as renewable energy, energy efficiency, sustainable mobility, an electrified economy and protection for the environment.

● **COLLABORATION WITH THE MANAGEMENT PROGRESS ASSOCIATION (APD IN ITS SPANISH INITIALS)**

This is an independent not-for-profit organisation that promotes activities in a stable and rigorous networking environment, as well as training, management development and the exchange of ideas through contact with the best experts.

● **COLLABORATION WITH IMPULSA BALEARS**

We are patrons of this **strategic knowledge and regional interaction platform**, whose mission is to facilitate decision-making by regional actors in relation to their respective strategic reformulation processes and thereby contribute to boosting the Balearic Islands' global competitiveness.



**These
collaborations
also enable us to
contribute to the
achievement of the
following SDGs.**



5.2. Responsible supply chain

Sustainable development has to be global in order to reach the goals set. It is therefore essential to ensure the engagement of all agents included in the value chain.

This requires working closely with suppliers in order to guarantee that their social, environmental and governance actions are **aligned with Tirme's values and goals in terms of sustainability and good governance.**

Our Corporate **Procurement Policy** is designed to ensure that our suppliers comply with these requirements. It enables us to check the sustainability and efficiency of our suppliers' processes, thereby leading to a reduction in the waste treatment costs for Mallorcan society.

THE PRINCIPLES OF OUR PROCUREMENT POLICY

- Strict compliance with legislation
- Guaranteed quality service
- Compliance with necessity, suitability and efficiency criteria
- Application of criteria based on sustainability, objectivity, transparency and equal opportunities
- Priority for suppliers that have a social function or are geographically close
- Compliance with the Responsible Procurement Guide
- Application of criteria based on equality, integrity, confidentiality and honesty
- Prohibition of abusive clauses

We give priority to suppliers whose work and management methods are in line with our commitments to sustainability.



To guarantee compliance with the requirements stipulated in our Procurement Policy, we carry out regular **supplier assessment and standardisation procedures**, which enable us to ensure they meet the administrative, technical, legal and sustainability conditions set.

Expenditure on local suppliers in 2022 accounted for 61% of the total, in line with the previous year's figure. However, there was an increase in the amount paid to local suppliers, which rose to 2 million euros.

80%

of orders were placed with local suppliers, further consolidating our commitment to a local, sustainable and responsible supply chain



We are also working to **improve the conditions in terms of our supply chain management**. In this sense, in 2022, the average payment period to suppliers was 59 days, beating our target of 60 days.

Furthermore, in order to gauge the opinions of the suppliers we work with, we conduct regular satisfaction surveys. The survey was run in 2022, obtaining positive results.

Average satisfaction was higher than the previous survey, scoring 4.7 out of 5. The most relevant aspects detected include the professionalism of the Tirme team, the quality and safety of our services, collaboration relations and our agile and effective response capacity.

Opinion among the suppliers surveyed was practically unanimous regarding Tirme's correct control of the risks implicit in its activity, totalling 98%.

It must also be noted that our Procurement Policy is complemented by a **Responsible Procurement Guide**. This addresses the economic, social, environmental and ethical issues to be prioritised in terms of procurement criteria, based on the following premises.



GREEN PROCUREMENT

Centred on reducing consumption of natural resources, prioritising more energy efficient and locally sourced products, as well as favouring the circular economy.



ETHICAL PROCUREMENT

Focused on fomenting good working conditions, fair wages, respect for workers' rights and the application of measures to fight corruption.



SOCIAL PROCUREMENT

Aimed at promoting equal opportunities, Corporate Social Responsibility, accessibility for the disabled or at risk of social exclusion, as well as social economy companies and SMEs.

We also make all possible efforts to ensure that our suppliers comply with the following conditions:

- Inclusion in contracts of **clauses of a social, labour or environmental nature**.
- Establishment of a **Code of Ethics** whereby suppliers undertake to adopt social, labour and environmental measures.
- Obtainment of some form of **environmental, ethical or social standards certification**.
- **Affidavit of business suitability**.



A large, mature tree with a thick trunk and a wide, spreading canopy of green leaves. The tree's roots are exposed and spread out across the ground, which is covered in dry leaves and rocks. The background shows a forest of smaller trees under a bright sky.

06

Annexes

Annex I. About this Report

In line with our commitment to transparency, for several years now **we have published an annual Sustainability Report**, in relation to the activity we carry out at Tirme. This report presents the objectives we set in this sense, documents the progress we have made and the challenges involved during the course of 2022.

The report provides our stakeholders with an important insight into our activity and how we are contributing to building up an increasingly sustainable economy on the island of Mallorca. In this sense, **we use ESG criteria** as the benchmark for drawing up this report.

In addition, the report reflects how our strategy and advances are in line with the UN's **Sustainable Development Goals (SDGs)** for compliance with the 2030 Agenda, as well as the Ten Principles of the Global Compact, which we have signed up to in order to strengthen our commitment to sustainability.

Finally, in drawing up our 2022 Sustainability Report, we have taken the updated 2021 **GRI Standards as our reference** in order to report the most relevant information and to guarantee its quality, veracity and honesty.

For further information about our Sustainability Report, or if you have any queries you wish to clarify, please contact Aina Canaleta (acanaleta@tirme.com) or Amalia Cerdá (acerda@tirme.com).



Annex II. GRI table

Statement of Use	This Sustainability Report presents the information cited in this GRI content index for the period between 1st January and 31st December 2022 using GRI Standards as a reference
GRI 1 used	GRI 2021: Foundation 2021

GRI Standard	Description	Location / Direct Response
GRI 2 GENERAL DISCLOSURES (2021)		
The organisation and its reporting practices		
2-1	Organisational details	1.1. Drivers of the circular economy
2-2	Entities included in the organization's sustainability reporting	8.1. About this Report
2-3	Reporting period, frequency and contact point	8.1. About this Report
2-4	Restatements of information	8.1. About this Report
2-5	External assurance	This report has not been verified by an independent body

GRI Standard	Description	Location / Direct Response
Activities and workers		
2-6	Activities, value chain and other business relationships	1.1. Drivers of the circular economy
2-7	Employees	3.1. Human capital management
2-8	Workers who are not employees	No numerical controls are carried out on workers who are not employees
Governance		
2-9	Governance structure and composition	4.1. Governance structure
2-10	Nomination and selection of the highest governance body	4.1. Governance structure
2-11	Chair of the highest governance body	Message from the CEO
2-12	Role of the highest governance body in overseeing the management of impacts	4.1. Governance structure
2-13	Delegation of responsibility for managing impacts	4.1. Governance structure
2-14	Role of the highest governance body in sustainability reporting	4.1. Governance structure
2-15	Conflicts of interest	4.2. Ethics and compliance with regulations
2-16	Communication of critical concerns	4.2. Ethics and compliance with regulations

GRI Standard	Description	Location / Direct Response
2-17	Collective knowledge of the highest governance body	4.1. Governance structure
2-18	Evaluation of the performance of the highest governance body	4.1. Governance structure
2-19	Remuneration policies	3.1. Human capital management
2-20	Process to determine remuneration	3.1. Human capital management
2-21	Annual total compensation ratio	3.1. Human capital management
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	1.2. A strategy for change
2-23	Policy commitments	1.2. A strategy for change
2-24	Embedding policy commitments	1.2. A strategy for change
2-25	Processes to remediate negative impacts	1.2. A strategy for change
2-26	Mechanisms for seeking advice and raising concerns	4.2. Ethics and compliance with regulations
2-27	Compliance with laws and regulations	4.2. Ethics and compliance with regulations
2-28	Membership associations	5.1. Support for the local community

GRI Standard	Description	Location / Direct Response
Stakeholder engagement		
2-29	Approach to stakeholder engagement	1.4. Working with stakeholders
2-30	Collective bargaining agreements	3.1. Human capital management
GRI 3 MATERIAL TOPICS (2021)		
3-1	Process to determine material topics	1.2. A strategy for change
3-2	List of material topics	1.2. A strategy for change
3-3	Management of material topics	1.2. A strategy for change
201 ECONOMIC PERFORMANCE (2016)		
201-1	Direct economic value generated and distributed	1.3. Our key figures
204 PROCUREMENT PRACTICES (2016)		
204-1	Proportion of spending on local suppliers	5.2. Responsible supply chain
301 MATERIALS (2016)		
301-1	Materials used by weight or volume	2.1. Contributing to the circular economy
301-2	Recycled input materials used	2.1. Contributing to the circular economy
301-3	Reclaimed products and their packaging materials	2.1. Contributing to the circular economy

GRI Standard	Description	Location / Direct Response
302 ENERGY (2016)		
302-1	Energy consumption within the organisation	2.3. The challenge of climate change
302-3	Energy intensity	2.3. The challenge of climate change
302-4	Reduction of energy consumption	2.3. The challenge of climate change
302-5	Reduction in energy requirements of products and services	2.3. The challenge of climate change
303 WATER AND EFFLUENTS (2018)		
303-1	Interactions with water as a shared resource	2.3. The challenge of climate change
303-3	Water withdrawal	2.3. The challenge of climate change
303-5	Water consumption	2.3. The challenge of climate change
304 BIODIVERSITY (2016)		
304-3	Habitats protected or restored	2.2. Reducing pollution and protecting biodiversity
305 EMISSIONS (2016)		
305-1	Direct (scope 1) GHG emissions	2.3. The challenge of climate change
305-2	Indirect (scope 2) GHG emissions	2.3. The challenge of climate change

GRI Standard	Description	Location / Direct Response
305-3	Other indirect (scope 3) GHG emissions	2.3. The challenge of climate change
305-4	GHG emissions intensity	2.3. The challenge of climate change
305-5	Reduction of GHG emissions	2.3. The challenge of climate change
305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	2.2. Reducing pollution and protecting biodiversity
306 EFFLUENTS AND WASTE (2016)		
306-2	Waste by type and disposal method	2.1. Contributing to the circular economy
306-3	Significant spills	No significant spills occurred in 2022
308 SUPPLIER ENVIRONMENTAL ASSESSMENT (2016)		
308-2	Negative environmental impacts in the supply chain and actions taken	No supplier was identified as having significant potential or real negative environmental impacts following their assessment
401 EMPLOYMENT (2016)		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.1. Human capital management

GRI Standard	Description	Location / Direct Response
403 OCCUPATIONAL HEALTH AND SAFETY (2018)		
403-2	Accident types and accident frequency rates, occupational diseases, days lost, absenteeism and number of deaths due to occupational accident or occupational disease	3.3. Health and safety
404 TRAINING AND EDUCATION (2016)		
404-1	Average hours of training per year per employee	3.2. Commitment to talent
404-2	Programmes for upgrading employee skills and transition assistance programmes	3.2. Commitment to talent
405 DIVERSITY AND EQUAL OPPORTUNITY (2016)		
405-1	Diversity of governance bodies and employees	3.1. Human capital management
406 NON-DISCRIMINATION (2016)		
406-1	Incidents of discrimination and corrective actions taken	None
413 LOCAL COMMUNITIES (2016)		
413-1	Operations with local community engagement, impact assessments, and development programs	5.1. Support for the local community
413-2	Operations with significant actual and potential negative impacts on local communities	2.2. Reducing pollution and protecting biodiversity

GRI Standard	Description	Location / Direct Response
414 SUPPLIER SOCIAL ASSESSMENT (2016)		
414-1	New suppliers that were screened using social criteria	100%
417 MARKETING AND LABELLING (2016)		
417-1	Requirements for product and service information and labelling	1.4. Working with stakeholders
417-2	Incidents of non-compliance concerning product and service information and labelling	No incidents of non-compliance were recorded
418 CUSTOMER PRIVACY (2016)		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No complaints were lodged during this period

With a commitment to the circular economy stretching back 30 years, at Tirme we are more convinced than ever that this is the way ahead to a better future for people and our home.





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