

Ercros will invest more than 40 million in Tarragona within the framework of the 3D Plan



Ercros plans to invest 40.4 million euros in its factories in Tarragona, within the framework of the 3D Plan. This figure will exceed 65 million, if other investments in execution or pending administrative authorization are added.

The 3D Plan is the strategic plan started up by Ercros, which pursues its transformation into a sustainable company and is based on three dimensions: Diversification, Digitalisation and Decarbonisation. This plan contains 20 major projects, 14 of which will be carried out in Tarragona. The timeframe of the plan is the period 2021-2025, although the execution of several digitalisation and decarbonisation projects will go beyond this period and will extend until 2029. For the period 2021-2029, Ercros foresees a total investment of 92 million euros and the generation of an additional ebitda of 194 million euros.

The 40.4 million to be invested in Tarragona are distributed as follows:

- 85% will be allocated to nine decarbonisation projects, which will reduce all direct CO₂ emissions from the five factories in Tarragona by 35% (vs 2020);
- 13% will go to four digitalisation projects; and
- The remaining 2% will go to a large diversification project.

Carrying out the 14 actions will reinforce the sustainability of Ercros' project in Tarragona, by promoting the diversification of the activity, increasing the automation of the processes, and improving the environmental performance of the facilities.

In the last 14 years (2007-2020), Ercros has invested 163.1 million euros in its factories in Tarragona.

The 3D Plan succeeds the Act Plan (2016-2020), for adaptation to technological change, which involved the modernization of Ercros's production structure and the incorporation of important energy efficiency improvements.

Ercros owns five factories in Tarragona. Those of Flix, Vila-seca I, Vila-seca II and Tarragona in the chlorine derivatives division; and Tortosa, in the intermediate chemicals division. These centres directly employ 474 persons and in 2020 billed 284 million euros. 38% of sales went to export.

Tarragona, April 26, 2021

Additional information

Main actions planned in Tarragona

Diversification project:

- **Expansion of dipenta production capacity by 15%**, at the Tortosa factory, to gain market share in Asia and the USA. Dipentaerythritol (dipenta) is a high value-added polyol used to manufacture paints, lubricants, PVC stabilizers and ultraviolet light hardened resins. This project will increase the weight of the intermediate chemicals division.

Decarbonisation projects:

- **Construction of a photovoltaic park**, at the Flix factory, to produce 6.4 GWh/y of electrical energy, which will be used for self-consumption in the factory itself and to supply a potential green hydrogen production plant. This action will make it possible to have a renewable source of electrical energy in the factory and facilitate the reindustrialization of the site.

- **Construction of a new steam production unit through biomass combustion**, at the Vila-seca I and Vila-seca II factories. Both factories use steam (currently obtained from natural gas) as a source of heat energy in various processes.

- **Replacement of the reactor at the EDC (dichloroethane) production plant**, at the Vila-seca II factory, with a more efficient one. This action will reduce steam consumption in the factory and, consequently, the natural gas demand and the CO₂ emissions. EDC is an intermediate product in the PVC chain.

- **Units for the use of residual heat from the processes**, at the Vila-seca I and Tortosa factories, to maximize the use of residual energy from the heat streams to replace natural gas and, consequently, reduce CO₂ emissions.

- **Operational improvements to take advantage of 100% of the hydrogen produced in the electrolytic process**, at the Vila-seca I and Vila-seca II factories, thereby reducing the natural gas consumption and the CO₂ emissions.

Other projects in execution, pending authorization or under study (outside the 3D Plan):

- **Replacement of less efficient electrolyzing equipment**, at the Vila-seca I factory, with new technology that consumes by 10% less electrical energy. This project will end in 2021.

- **Replacement of the VCM storage spheres**, at the Vila-seca II factory, with a new storage with semi-buried horizontal tanks. This project is in the engineering phase, awaiting approval of the integrated environmental authorization by the Generalitat de Catalunya (Catalan Government).

- **Installation of a thermal oxidation unit for the treatment of gaseous emissions**, at the Vila-seca II factory. With this project, in execution phase, the best available technology for a gas purification system is implemented and it is adapted to the new regulation.

- **Under study, construction of a water electrolysis plant for green hydrogen production**, at the Flix factory. The electrical energy that this plant would require would come from the photovoltaic park that is planned to be built in this same factory.

- **Under study, installation of a 6 GWh/a photovoltaic park**, at the Tortosa factory. The electrical energy generated from renewable sources would cover 18% of the factory's needs.