

STATEMENT OF NON-FINANCIAL INFORMATION
CORPORATE SUSTAINABILITY REPORT



Ercros



Barring those cases in which the comprehension of the text so requires, all references contained in this document using the masculine gender will be considered as indistinctly referring to all persons, men or women, in order to avoid the repetition of terms and to facilitate the reading thereof.

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LETTER FROM THE CHAIRMAN



Ladies and gentlemen,

This Statement of non-financial information - Corporate sustainability report reflects Ercros' commitment to sustainability and corporate social responsibility.

The preparation of this report complies with the requirements of Law 11/2018 and the EU Taxonomy Regulation, and is also aligned with the new European Directive on corporate sustainability reporting. Through a prior double materiality analysis, we have identified the issues that are important both to our company and to our stakeholders. We have also identified the impacts of our activities on society and the environment, as well as the risks and opportunities arising from our business development within the framework of social responsibility.

In 2024, we strengthened compliance with our ethical code of conduct through specific training aimed at our employees and made the ethics channel more accessible for the submission of reports. We approved a new Procurement policy that reaffirms our commitment to ethical and sustainable criteria in the supply chain. Additionally, we implemented tools and procedures that allowed us to analyse risks associated with our suppliers and customers, with the aim of ensuring responsible commercial transactions. In 2024, we obtained ISO 27001 certification, which confirms, among other things, the protection system for data generated by Ercros and its stakeholders. This new certification adds to the many existing accreditations that make up our robust sustainability management system, which is regularly audited by external entities.

Our 3D strategic plan, launched in 2021 and covering the period 2021–2029, remains the cornerstone of our transition toward a more sustainable company. The planned investments are progressing well and yielding positive results. This plan is complemented by our Climate transition plan, which outlines the company's objectives for reducing greenhouse gas emissions and reaching net-zero emissions by 2050.

Responsible water use is a priority for our company. Ercros factories reduced their water consumption by 2.2% compared to the previous year. At the same time, the use of reclaimed water from municipal treatment plants continued to increase, thereby reducing consumption from natural sources.

Waste reduction and efficient management is another of our goals. In 2024, we increased the use of recycled plastic in packaging placed on the market and reduced wood consumption through the reuse and recycling of our pallets. In addition, Ercros factories that produce or process PVC met the strict standards of the Operation Clean Sweep certificate to minimize microplastic loss.

Ercros employs 1,335 people, 94% of whom have permanent contracts, reflecting our commitment to job stability. 100% of our employees are covered by the 21st General Collective Agreement for the Chemical Industry, signed in 2024, and by the 2nd Improvement Agreement, ensuring fair and safe working conditions.

Over the years, the presence of women at Ercros has steadily increased. In 2024, women made up 19.4% of our workforce. We are also proud to highlight that three of our factories—38% of the total—are led by women, a milestone in the industrial sector.

Training of Ercros employees is a key element in the company's development: in 2024, 95% of the workforce took part in training initiatives, with a total of 32,357 hours delivered, averaging 24.2 hours of training per person. Furthermore, our partnerships with educational institutions enabled 91 students to complete internships at Ercros facilities.

The company not only creates direct employment but also has a positive impact on the communities in which it operates. In 2024, we estimate that our activities generated 4,126 jobs, including direct, indirect, and induced employment.

Our contribution to society is also reflected in our support for various charitable causes—from donations for those affected by the Dana storm to supporting projects run by Unicef, the Red Cross, Caritas, and food banks. Additionally, we have strengthened our community relations through sponsorship of cultural, social, and sports organizations, the organization of open house events, and participation in roundtables and conferences.

As in previous years, our sustainability performance has been assessed by external entities with the following results: 87 out of 100 on the EcoVadis questionnaire; 86 points in the ESG rating promoted by the Spanish Institute of Financial Analysts; 84.88 points in the Responsible Care program evaluation; and a B (Management) rating in the Carbon Disclosure Project questionnaire.

Ercros' efforts have also been recognized with the following awards: the Iberquimia Sustainability Award; the 2023 Safety Award granted by Feique to our Cerdanyola and Sabiñánigo plants; and the Cambra de Tortosa Innovation Award.

As required by law, the external certification body Bureau Veritas has verified this Statement of non-financial information, endorsing Ercros' commitment to sustainability.

Antonio Zabalza Martí
President and CEO of Ercros
Barcelona, March 28, 2025

2

THE KEYS OF 2024

2.1 Annual results ¹

Profit and loss account ²

THOUSANDS OF EUROS

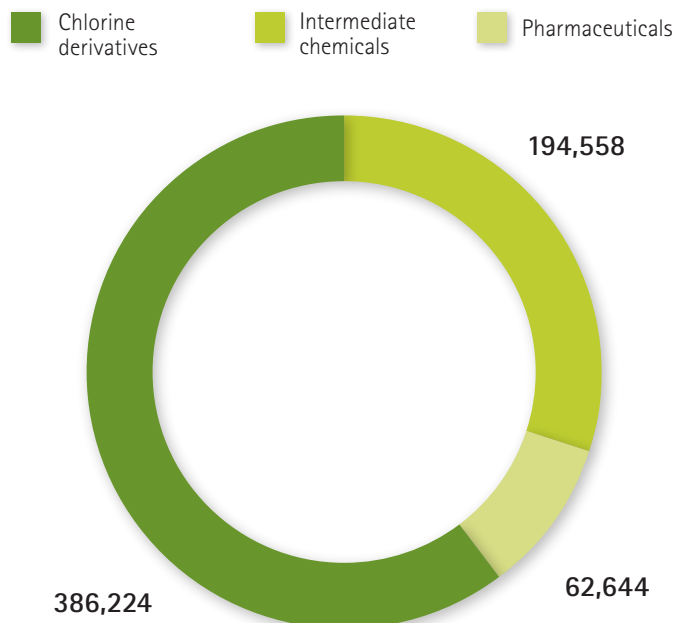
Revenue	700,358
Expenses	-670,982
Gross operating profit (ebitda)	29,376
Depreciation and amortization expense	-31,460
Impairment of non-current assets	-1,055
Operating profit	-3,139
Financial result	-9,115
Earnings before taxes	-12,254
Income tax expense	597
Result for the year	-11,657

¹ See Chapter 5. Strategy and business model.

² The full profit and loss account can be found in the Annual Report.

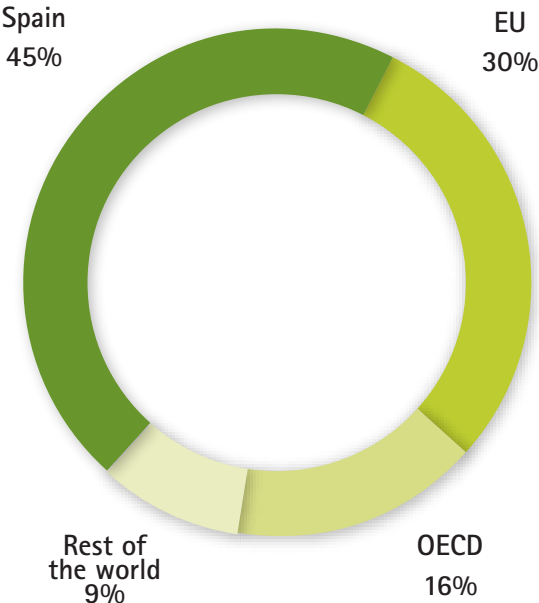
Business sales

THOUSANDS OF EUROS

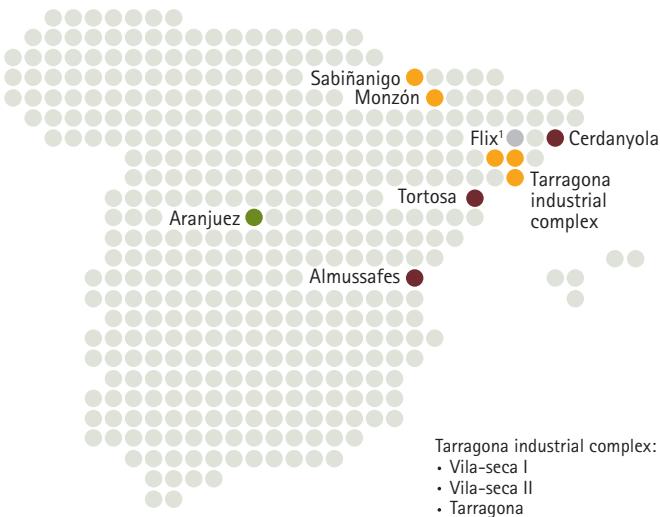


Sales by markets

THOUSANDS OF EUROS



2.2 Divisions and factories



¹ Non-productive centre.

Chlorine derivatives Intermediate chemicals Pharmaceuticals

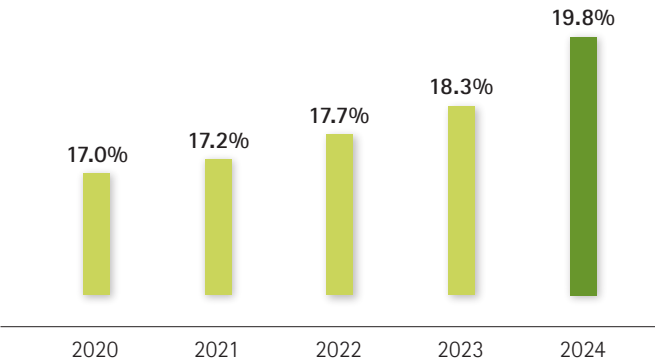
2.3 Ercros workforce ¹

Average workforce	1,335
Average workforce age	47,2
Staff with permanent contracts	95%
Training hours per person	24.2
Interns	95
Workforce that received training	91%
General accident frequency rate (AFR) ²	3.9
Absenteeism rate ³	5.3

¹ See chapter 15. Own workforce.
² Accidents with and without sick leave among internal and external personnel per million hours worked.
³ Hours of absenteeism (as defined by the 21th General Chemical Industry Agreement) out of the total possible working hours per 100.

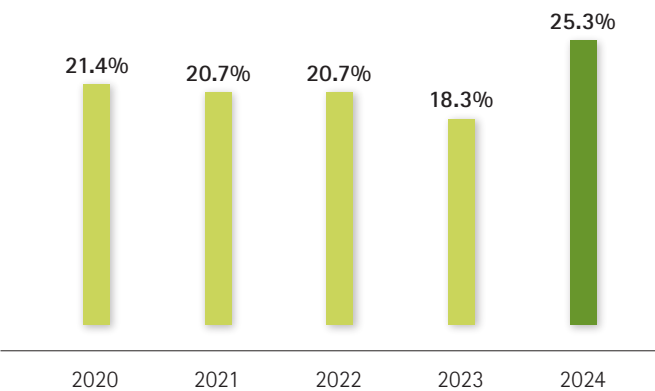
Women on staff

AT THE END OF THE FISCAL YEAR



Women managers

% OF TOTAL MANAGERS



2.4 Environmental performance ¹

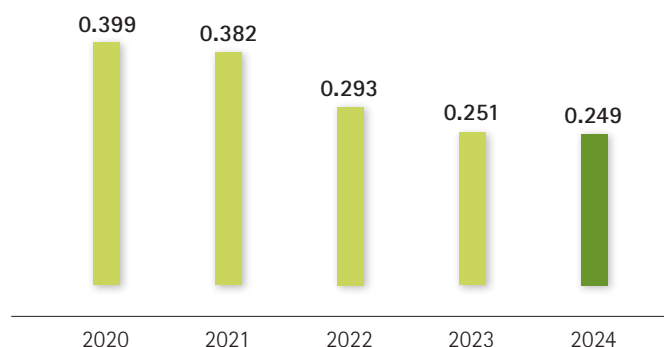
Energy consumption (GJ/t produced) vs. 2023	+1.3%
Emissions index per ton produced vs. 2023	-0.1%
CO ₂ emissions (Scope 1+2+3) ²	847,453 t CO ₂ /y
Water consumption (m ³ /t produced) vs. 2023	-5.9%
Reclaimed water consumption	772,747 m ³ /y
Percentage of reclaimed water as a percentage of total consumption vs. 2023	+ 2.9%
Waste generation (t/t produced) vs. 2023	-29.2%
Expenditures aimed at protecting and improving the environment	17.64 M€
Carbon Disclosure Project (CDP) questionnaire	B
Recovered waste	30.1%
Recycled plastic in flexible packaging	35.9%

¹ See chapters 8 to 14: Environment.

² GHG emissions for 2024 have not yet been verified.

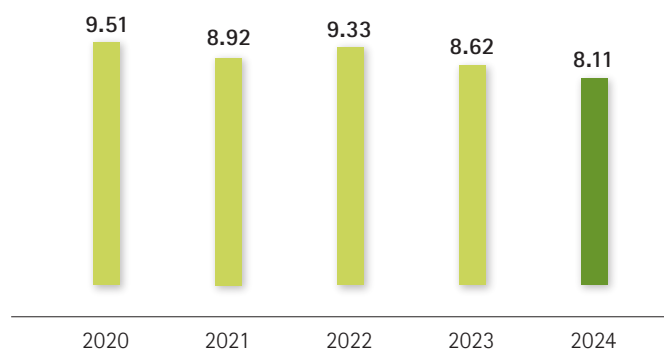
Greenhouse gases (Scope 1+2)

T CO₂ EQUIVALENT/T PRODUCED



Water consumption

M³/T PRODUCED



2.5 Social performance ¹

Employment generated ² (people)	4,126
Taxes, fees, and duties (€)	27,563,377
Sponsorship amounts (€)	97,525
Purchases from special employment centres (€)	286,939

¹ See Chapter 17. Stakeholder engagement.

² To calculate the number of indirect and induced jobs, the Ercros Group's average workforce in 2024 was multiplied by 2.4, following the criteria established by the Spanish Chemical Industry Business Federation ("FEIQUE") for the chemical sector.

2.6 Governance performance ¹

Internal audits	10
Payments supported by contract	99%
Complaints received through the ethics channel	11
IEAF ESG rating	86/100
EcoVadis rating	87/100
Average payment period to suppliers (days)	44.12
Compliance with the Code of Good Governance	96.2%
Responsible Care self-assessment rating	84.88/100

¹ See Chapter 18. Business conduct.

2.7 Awards and recognitions

- 2023 Safety Award from Feique for reporting zero accidents at the Cerdanyola and Sabiñánigo plants.
- Sustainability Award granted by Iberquimia at the Chemical Industry Congress in Tarragona.
- 2024 Cambra de Tortosa Innovation Award for Ercros' track record in R&D, awarded by the Cambra de Tortosa.
- LinkedIn has recognized Ercros as the sixth best Spanish company with fewer than 5,000 employees to build a professional career.



GENERAL INFORMATION

3

GENERAL BASIS AND SCOPE OF THE REPORT



3.1 Regulatory framework

Statement of non-financial information or Corporate sustainability report ("CSR") of Ercros S.A. and its consolidated group¹, for financial year 2024, has been prepared in accordance with:

- Spanish Law 11/2018, of 28 December, modifying the Spanish Commercial Code (*Código de Comercio*), the Spanish Corporate Enterprises Act (*Ley de Sociedades de Capital*) and the Spanish Audit Act (*Ley de Auditoría de Cuentas*), in relation to non-financial information and diversity.
- Regulation (EU) 2020/852, known as the EU Taxonomy Regulation, and its delegated regulations², whose main objective is to provide a uniform classification system to identify which economic activities can be considered environmentally sustainable.
- Directive 2013/34/EU of the European Parliament and of the Council on sustainability reporting standards.

In turn, the requirements set out in Commission Delegated Regulation (EU) 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (Corporate Sustainability Reporting Directive - CSRD) have been taken into account.

In previous years –until 2023–, Ercros reported its sustainability information in accordance with Spanish Law 11/2018 of 28 December. For the financial year 2024, the information reported in this report not only adapts to the requirements of Law 11/2018, but also extends its scope by also reporting the information (datapoint) required by the new CSRD, although its transposition into Spanish law has not yet been published. The structure of the report has been modified in order to adapt it to this structure.

The report is also aligned with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), which set out a uniform framework for reporting climate change-related risks and opportunities [see annex 2].

Ercros publishes the following reports:

- Financial statements.
- Directors' report:
 - Corporate governance report.
 - Directors remuneration report.
 - Statement of non-financial information.

To avoid repetition and facilitate the reading and understanding of the reports, cross-references are used in cases where a datapoint must be reported in different reports published annually by Ercros or in different chapters of this report.

To help locate the various datapoints derived from both the CSRD and other EU regulatory frameworks in this report, Appendix 2 provides a table detailing the location of:

- Key datapoints derived from the CSRD Directive.
- Material and non-material datapoints derived from other EU legislation.
- Due diligence datapoints.

3.2 Consolidation of the report

The sustainability report has been prepared on a consolidated basis¹, and the scope of consolidation is the same as for the financial statements. The time horizons established by Ercros are as follows²:

- Short term: one year.
- Medium term: from one year to four years.
- Long term: more than four years.

There is no obligation for any subsidiary³ included in the consolidation to present individual or consolidated sustainability information.

¹ Ercros, S.A. and its consolidated group are referred to interchangeably as "Ercros", "the Company" or the "Ercros Group".

² Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021; Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021; and Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023.

¹ The basis of consolidation is explained in note 1a) of the consolidated financial statements of the Ercros Group.

² The time horizons used in the financial statements are: short term (one year) / long term (more than one year).

³ The subsidiaries of the Ercros Group are described in note 1b) of the consolidated financial statements of the Ercros Group.

Subsidiary and associate companies included in the consolidated financial statements for 2024 and 2023

Company name	Registered office	% of ownership		Holding company	Consolidation method
		2024	2025		
Relevant companies:					
Salinas de Navarra, S.A.	Beriain (Navarre)	24	24	Ercros, S.A.	Holding
Aguas Industriales de Tarragona, S.A.	Tarragona (Tarragona)	21.14	21.14	Ercros, S.A.	Holding
Non-relevant companies:					
Ercros France, S.A. (in liquidation)	Paris (France)	100	100	Ercros, S.A.	Full
Ercekol, A.I.E.	Tarragona (Tarragona)	87.36	51.63	Ercros, S.A.	Full
Asociación Flix-Coquis, S.L. ¹	Barcelona (Barcelona)	50	50	Ercros, S.A.	Holding
Cloratita, S.A. ¹	Barcelona (Barcelona)	100	100	Ercros, S.A.	Full
Gades, Ltd. ¹	Jersey (United Kingdom)	100	100	Ercros, S.A.	Full

¹ Inactive.

In accordance with the CSRD, this report does not contain any confidential or sensitive information, nor any information relating to intellectual property, know-how or innovation results. Nor does it contain any information about imminent developments or matters under negotiation.

Some of the data reported may be subject to a degree of uncertainty due to, among other things, the inherent accuracy of the measurement methods used, limitations in the collection of the information or specific external factors.

Where the uncertainty is considered to be significant, the source of the data is detailed and the associated level of uncertainty is explained.

3.3 Data collection and estimation methodology

This report primarily discloses audited and certified data of Ercros. In these cases, the certifications obtained validate the methods used to measure and evaluate the data.

In the specific cases where estimated data are reported, official government sources or recognised databases have been used.

For the value chain in particular, most of the data disclosed is provided by suppliers and customers or is evaluated with information provided by suppliers and customers. In the case of estimated parameters, official European and Spanish chemical industry data such as those from the European Chemical Industry Council ("Cefic") and the Spanish Chemical Industry Business Federation ("Feique") or, in some cases related to Scope 3 GHG emissions, emission factors from the Ecoinvent 3.8 database were used as examples.

A low-angle photograph of a modern industrial building with a light-colored, vertically-ribbed facade. A prominent external metal staircase with black railings leads up the side of the building. The sky is a clear, deep blue. The right half of the image is overlaid with a semi-transparent green gradient.

4

DOUBLE
MATERIALITY
ANALYSIS

4.1 Introduction

The new CSRD establishes stricter disclosure requirements that standardise the way organisations report data on their activities, and introduces new features compared to the previous Law 11/2018. This new directive requires companies to report on environmental, social and governance (ESG) issues, with a broader focus on those issues that have been identified as material following a double materiality analysis.

This double materiality analysis has enabled Ercros to identify, on the one hand, the impact of its activities on people and the environment (impact materiality) and, on the other hand, the sustainability risks and opportunities that can have a financial impact on Ercros' business (financial materiality), taking into account that many aspects can have double materiality.

The transposition of the new CSRD into Spanish law is already at the draft stage. Meanwhile, in Spain, Law 11/2018 on non-financial information and diversity remains in force, which also requires companies to make transparent disclosures of non-financial information related to ESG factors such as climate change, environmental and social responsibility and human rights, including information on the risks and opportunities related to these factors.

In collaboration with AECOM, Ercros has carried out a more thorough identification of the issues that are considered material in 2024 compared to previous years. This analysis has enabled the inclusion of financial materiality in addition to traditional impact materiality, as well as stakeholder opinion. In this way, it has been possible to establish a framework for integrating these issues into the Group's decision-making processes, strategy updates and sustainability reporting.

The result was the identification of 10 material (most relevant) environmental, social and governance issues for Ercros and the key stakeholders with which the organisation interacts, from a double materiality perspective.

4.2 Methodology

The double materiality analysis was performed in accordance with the requirements of the European Sustainability Reporting Standards ("ESRS") and in line with EFRAG's draft "European Sustainability Reporting Guidelines 1: Conceptual Guidelines on Double Materiality" (ESRG 1), of January 2022¹, which provides a set of recommendations as practical guidance for determining which issues are material and how to present the information in companies' sustainability reporting.

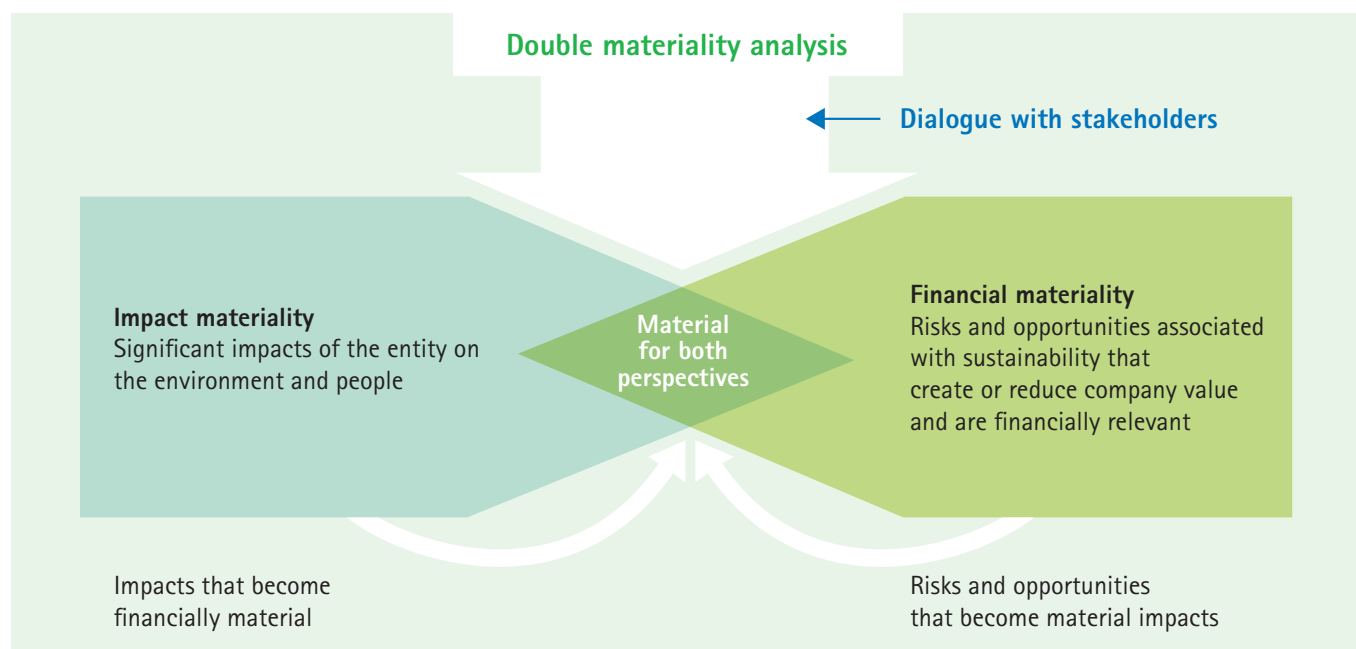


Figure 1: Diagram showing the relationship between the two materiality perspectives. Source: ESRG-1 "Double materiality conceptual guidelines for standard-setting" ("EFRAG").

¹ The double materiality analysis was drafted in April 2024, prior to the publication of EFRAG's final guidance in May 2024.

As stated in both reference documents, stakeholder engagement is fundamental to assessing materiality from both an impact and a financial perspective, as it enables the identification and analysis of the impacts that an organisation's activities have on people and the environment (impact materiality) and/or the ESG issues that may have a financial impact on the business (financial materiality). To achieve this, organisations must establish dialogue processes with their internal and external stakeholders to help identify potential impacts, risks and opportunities ("IROs") arising from an organisation's activities or the context in which it operates. Furthermore, considering the views and expectations of stakeholders helps to determine the relevance of potential material issues and to understand how the company or the environment may be affected if they materialise.

In February 2024, AECOM conducted an initial diagnostic based on information provided by Ercros and analysis of the regulatory context and market, social, environmental and macroeconomic trends. Based on this initial analysis, a total of 272 relevant issues were identified and contextualised for Ercros, resulting in a list of 29 issues that potentially represent impacts, risks and opportunities for Ercros' activities. These were analysed in more detail during the double materiality study and the stakeholder consultation process. As a result of the analysis process, 10 material issues were identified for Ercros [see Figure 2 Materiality Matrix].

Consultations and analysis of available information from internal (employees) and external (value chain, public administration, shareholders, local community, etc.) stakeholders were carried out to assign the relevance of each of the potentially material aspects.

In the case of consultation with internal groups, business line managers, executive staff and employee representatives participated in workshops and panel discussions on the relevance of material issues. For the external groups, a number of meetings, panel discussions and questionnaires were organised to gather feedback. Shareholders' views were taken into account through the record of consultations carried out throughout the year. These external groups were ranked in order to quantify the relevance of each aspect.

The aim of the stakeholder consultations was to determine the significance of the impacts, risks and opportunities, their internal and external relevance, taking into account factors such as their time horizon and transcendence, and finally, to generate a double materiality matrix by combining the results of the surveys and workshops.

The methodology used to process the results of this analysis is based on internationally recognised guidelines such as the Global Reporting Initiative ("GRI") and the ESRS reference guides and standards, allowing the relevance and materiality of each issue assessed to be defined. These methodologies were adapted to the reality of Ercros and specific weighting factors were applied to reflect the relative importance of each stakeholder group.

The 29 potentially material topics of the analysis were defined in line with and consistent with the material aspects listed in the Ercros 2022 and 2023 CSR Reports, the risks and opportunities that Ercros identified in 2023 and the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). Issues that are a priority in the sector's regulation and have been identified as being of concern to a large part of society have also been taken into account.

4.3 Results and scope of the report

Based on stakeholder consultations and a thorough review of sectoral and regulatory trends, issues with a significant impact on business strategy and of primary interest to stakeholders were prioritised. Ercros' sustainable development division supervised the validation of this information and ensured that it was in line with the company's strategic objectives.

In summary, of the 29 issues included in the stakeholder analysis, 10 issues were found to be material, both to internal and external stakeholders.

The impact of Ercros' activities on the environment and society was identified (impact materiality assessment), as were the sustainability-related risks and opportunities to which Ercros is exposed (financial materiality assessment). The following table classifies the aspects identified as material according to the corresponding ESRS standard and their materiality ranking (from most to least):

Table 1: Results of the materiality analysis

Material aspects	Description	ESRS standard
1. Energy efficiency	Implementing measures to reduce energy consumption and increase efficiency in production processes.	E1 Climate change
2. Mitigation and decarbonisation	Actions aimed at reducing or preventing greenhouse gas emissions and reducing dependence on fossil fuels for energy production.	E1 Climate change
3. Regulatory changes	Restrictions on greenhouse gas ("GHG") emissions, increasing environmental requirements and the cost of reducing emissions.	G1 Business conduct
4. Compliance with threshold values and emission reductions	Reducing the amount of pollutants released into the environment and complying with environmental legislation through measures such as improving energy efficiency and the appropriate treatment of emissions.	E2 Pollution
5. Market and macroeconomic trends	Rising raw material costs, loss of competitiveness due to increased local energy costs, increased capacity of competitors, falling demand, liquidity risk, energy dependency and energy price volatility.	ESRS 2 and G1 Business conduct
6. Value chain: occupational health and safety and sustainable management	Ensuring a safe and healthy working environment for all value chain employees, with the aim of preventing accidents and occupational illnesses. This includes reducing transport emissions, ensuring suppliers' ethical compliance and meeting customers' needs.	S2 Value chain workers
7. Sustainable water resources management	Efficient water management in manufacturing processes and reducing water consumption.	E3 Water and marine resources
8. Reusing and recycling, optimising resources	Promoting circular economy practices and the reduction, reuse and recycling of waste. Managing raw materials efficiently, reducing the use of natural resources and promoting sustainable alternatives.	E5 Use of resources and circular economy
9. Labour standards, human rights, equality and ethics	Promoting fair and safe working conditions for all Ercros employees in compliance with employment legislation. Adhering to high ethical standards, preventing corrupt practices and ensuring transparency in all operations and relationships.	S1 Own staff
10. Attracting and retaining talent	Developing strategies and practices to attract qualified candidates, create an attractive working environment and prevent the loss of key employees.	S1 Own staff

The 10 material aspects identified can be grouped into seven thematic ESRS standards, in addition to the two general ESRS, in line with the new CSRD Directive:

- ESRS E1: Climate change
 - Material aspect 1: energy efficiency.
 - Material aspect 2: Climate change mitigation and decarbonisation.
- ESRS E2: Pollution
 - Material aspect 4: compliance with threshold values and emission reductions.
- ESRS E3: Water and marine resources
 - Material Aspect 7: Sustainable water resources management.
- ESRS E5: Use of resources and circular economy
 - Material aspect 8: reuse and recycling, optimising resources.
- ESRS S1: Own workforce
 - Material aspect 9: Labour standards, human rights, equality and ethics.
 - Material aspect 10: attracting and retaining talent.

- ESRS S2: Value chain workers
 - Material aspect 6: value chain, occupational health and safety and sustainable value chain management.
- ESRS G1: Business conduct
 - Material aspect 3: regulatory changes.
 - Material aspect 5: market and macroeconomic trends.

Ercros has developed a matrix [see figure 2 Double materiality matrix] with the results of the analysis detailing the material issues for the Company and the ESRS standard to which they correspond.

This Statement of Non-Financial Information ("SNFI") - Corporate Sustainability Report ("CSR") includes all the information required by the ESRS standards that are material to Ercros in accordance with the CSRD, notwithstanding the fact that certain information required in the ESRS section is not material to Ercros.

Double materiality matrix

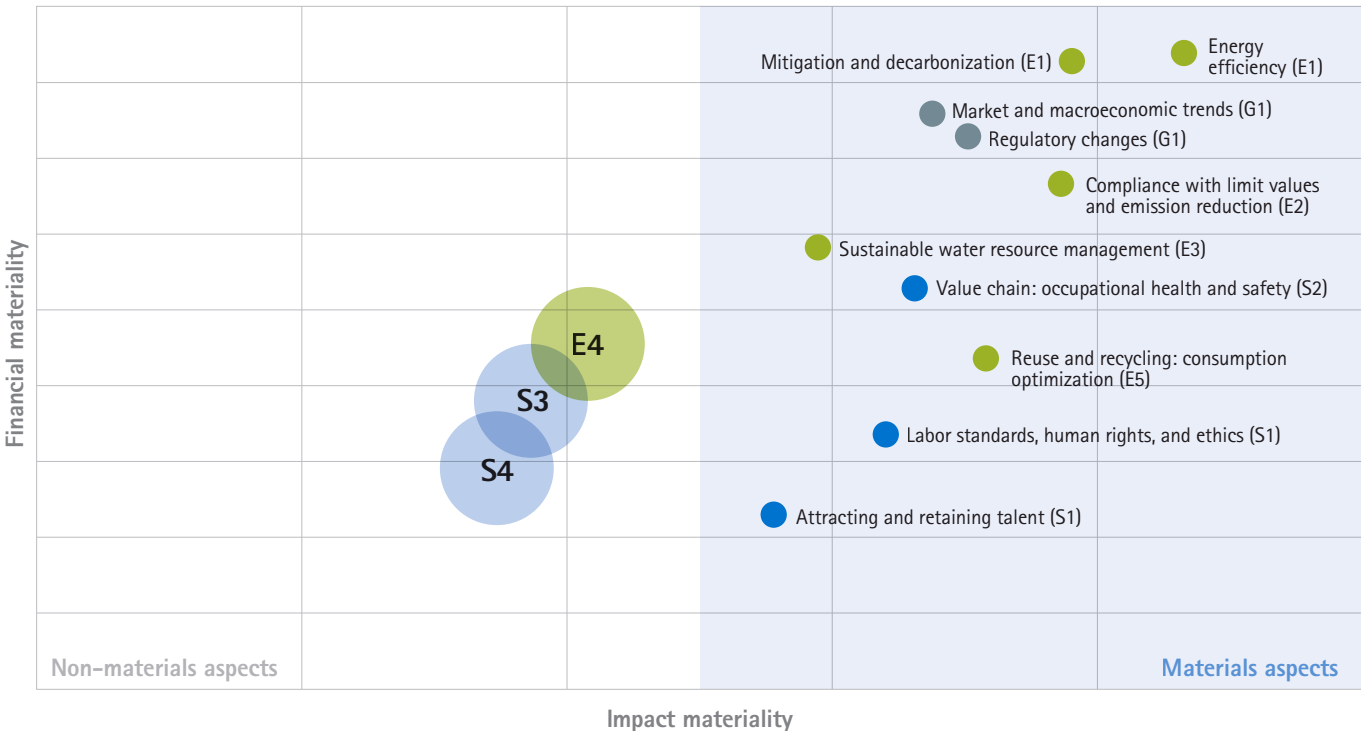


Figure 2: Double materiality matrix of matters relevant to Ercros and their corresponding ESRS

It can therefore be concluded that this Ercros sustainability report complies with the requirements of the CSRD to report on the ESRS relating to climate change (E1), pollution (E2), water and marine resources (E3), resource use and circular economy (E5), own workforce (S1), value chain workers (S2) and business conduct (G1). This report examines the impact, risks and opportunities that Ercros' activities have on these aspects, and that these aspects have on the company, with the aim of guiding future strategic decisions and developing policies aimed at improving the company's sustainability. To ensure that this information is in line with Ercros' strategic objectives, it has been validated by the sustainable development division and the business management division.

To comply with Law 11/2018 and maintain its commitment to the protection of biodiversity (E4), affected communities (S3) and consumers and end users (S4), these aspects, although not material, are also included in this sustainability report.

A photograph of a complex industrial facility, likely a refinery or chemical plant. The structure is composed of blue-painted steel beams and platforms, with numerous vertical and horizontal silver-colored pipes and tanks. A staircase is visible on the lower right. The sky is blue with some clouds. The right half of the image is overlaid with a semi-transparent green filter.

5

STRATEGY
AND BUSINESS
MODEL

5.1 The company

Ercros was formed through the merger, carried out on June 30, 1989, between Cros and Unión Explosivos Río Tinto, two century-old companies with a long tradition in the Spanish chemical sector. In 2005, Ercros acquired Aragonesas, Industrias y Energía and, almost a year later, Derivados Forestales Group XXI

As of the date of approval of this report – March 28, 2025 – the share capital of Ercros amounts to EUR 27,431 thousand (27,430,859.70 euros) and is represented by 91,436 thousand ordinary shares, with a nominal value of EUR 0.30, listed on the continuous market of the Barcelona, Bilbao, Madrid and Valencia stock exchanges.

The governing bodies of the Company are the general shareholders' meeting and the board of directors. The board of directors is composed of: Antonio Zabalza Martí, chairman and CEO, classified under the "executive" category; Lourdes Vega Fernández and Carme Moragues Josa, directors classified as "independent"; Laureano Roldán Aguilar and Eduardo Sánchez Morondo, directors classified as "other external"; and Joan Casas Galofré, director classified as "proprietary".

5.2 The Ercros Group

Ercros is made up of three business areas:

- The chlorine derivatives division, a strategic business unit whose main link is chlorine.
- The intermediate chemicals division, focused on formaldehyde chemistry.
- The pharmaceuticals division, dedicated to the manufacture of active pharmaceutical ingredients ("API").

In 2024, the Group's revenues amounted to EUR 700,358 thousand, a figure 7.6% lower than that achieved the previous year, which was EUR 757,626 thousand.

Expenses in 2024 amounted to EUR 670,982 thousand, 5.9% lower than in 2023. The cost of procurements and supplies decreased by 8.6% as a result of the fall in energy prices.

The evolution of revenues and expenses in 2024 resulted in a gross operating profit ("adjusted ebitda"), which fell by 33.7% compared to 2023 and reached EUR 29,376 thousand.

After accounting for: (i) amortisations, 2.5% lower than in 2023 due to lower amortisation of rights of use for leased assets and property, plant and equipment; (ii) impairment of investment properties amounting to EUR 1,055 thousand; (iii) financial results, which worsened by 13.9% due to higher financial costs stemming from increased interest rates and higher financial debt; and (iv) income from corporate income tax resulting from the recognition of tax credits earned during the year; a negative net result of EUR 11,657 thousand was recorded, compared to a profit of EUR 27,585 thousand in 2023.

In 2024, the Group paid public authorities a total of EUR 27,563 thousand in taxes, levies, fees and social security contributions, an amount 0.4% higher than in the previous year (EUR 27,450 thousand in 2023).

On the other hand, Ercros received public grants amounting to EUR 22,975 thousand (EUR 28,357 thousand in 2023), broken down as follows: (i) compensation for indirect greenhouse gas emission costs, EUR 7,874 thousand; (ii) greenhouse gas emission allowances amounting to EUR 13,983 thousand; (iii) compensation for electro-intensive consumers, EUR 405 thousand; (iv) capital investments for energy saving, EUR 500 thousand; (v) R&D&I support amounting to EUR 32 thousand; and (vi) training subsidies through the State Foundation for Employment Training ("Fundae"), EUR 181 thousand.

Full information on the Ercros income statement can be found in the Annual Report.

In 2024, the average Ercros workforce consisted of 1,335 people, 1 more than in 2023.

Ercros contributed EUR 27 million to the public administration in taxes, fees, and social security contributions

a) Factories and products

Divisions	Facilities	Main products	Main applications
Chlorine derivatives	Flix ¹ , Monzón, Tarragona, Sabiñánigo, Vila-seca I and Vila-seca II	Caustic potash Caustic soda Chlorine EDC Hydrochloric acid PVC Sodium chlorate Sodium chlorite Sodium hypochlorite Trichloroisocyanuric acid ("TCCA") VCM	Chemical industry Industry in general Manufacture of derivatives Manufacture of VCM Industry in general Construction Bleaching of paper pulp Water treatment Water treatment Swimming pool water Manufacture of PVC
Intermediate chemicals	Almussafes, Cerdanyola and Tortosa	Dipentaerythritol Formaldehyde Moulding compounds Paraformaldehyde Pentaerythritol Resins Sodium formate	Paints Manufacture of derivatives Electrical and sanitary material Resins Paints Lumber industry Tanning industry
Pharmaceuticals	Aranjuez	Erythromycins Fosfomycins Fusidic acid	Skin infections Respiratory infections Urinary infections

¹ Non-productive centre.

b) Market presence and sector leadership

Ercros holds a leading position in the main markets in which it operates. It supplies its products to more than 1,500 customers, located in 101 countries, across a wide variety of sectors, including: chemicals, construction, wood, paints, food, pharmaceuticals, electrical materials and water treatment.

In 2024, 55% of sales were allocated to exports. The European Union ("EU") is the main destination for foreign sales, accounting for 30% of Ercros' total sales. The remaining countries of the Organisation for Economic Co-operation and Development ("OECD") represent 16% of sales. Sales to other countries account for 9%.

Among the main export destinations are France and the United States, followed by Italy, Turkey, Germany and Portugal.

The intermediate chemicals and pharmaceuticals divisions have the highest level of international activity: the former exported approximately 67% of its sales and the latter, more than 96%. On the other hand, the chlorine derivatives division, which is more focused on the domestic market, exported approximately 43% of its turnover.

The products of the intermediate chemicals and pharmaceuticals divisions represent a significant share of the global market. Ercros is the world's leading producer of high-quality paraformaldehyde for the chemical industry and ranks second in the fusidic acid market¹.

In Europe, Ercros leads sales of trichloroisocyanuric acid ("TCCA"), and in Spain, it tops the sales of caustic soda and potash, 35% hydrochloric acid, sodium chlorate, formaldehyde, pentaerythritol and moulding powders. It also ranks as the second-largest supplier in the PVC and resins markets. Additionally, it is the European market leader for fosfomycin and its salts.

At the European level, Ercros ranks ninth in both the caustic soda and PVC markets. In both cases, it competes with large operators that are generally more vertically integrated.

¹ The positioning data provided comes from calculations performed by Ercros.

In 2024, Ercros' revenue from chemical product manufacturing amounted to EUR 643,246 thousand. This revenue does not include income from services rendered, reversal of provisions, increase in inventories or other sources. Ercros does not generate income from activities related to fossil fuels (coal, oil, and gas), nor from the manufacture of controversial weapons or the cultivation and production of tobacco.

5.3 Business model

Ercros is structured into three divisions, as mentioned in the previous section: chlorine derivatives, intermediate chemicals and pharmaceuticals¹.

Sales by business

THOUSANDS OF EUROS

	Year 2024	Year 2023	CNAE
Chlorine derivatives	386,224	442,729	2013/2014
Intermediate chemicals	194,558	197,392	2014
Pharmaceuticals	62,644	67,093	2110
Ercros	643,426	707,214	

Ordinary ebitda by business²

THOUSANDS OF EUROS

	Year 2024	Year 2023
Chlorine derivatives	12,452	33,873
Intermediate chemicals	14,972	13,423
Pharmaceuticals	1,202	811
Ercros	28,626	48,107

The main characteristics of each of the divisions are described below:

a) Chlorine derivatives division

Chlorine is the main link of the products in the chlorine derivatives division. Chlorine and caustic soda are obtained simultaneously in the same production process from sodium chloride dissolved in water (brine) and electricity, in a ratio of 1 ton of chlorine to 1.12 tonnes of caustic soda. This set is known as the electrolytic unit ("ECU"). This process also generates hydrogen, which is used for sale to third parties as a raw material and as a greenhouse gas-free fuel.

Caustic soda is a basic chemical reagent widely used in industry (the main consumers being the aluminium sector – and, consequently, the automotive sector – and the paper industry). Historically, its demand grows at a rate equivalent to 1.5 times GDP growth and it is marketed globally.

For safety and economic efficiency reasons, most of the chlorine produced is consumed at the production site, since it is obtained in gaseous form and is highly reactive. In 2024, 100% of the chlorine produced by Ercros was consumed internally to manufacture derivative products (sodium hypochlorite, hydrochloric acid, TCCA, and the EDC/VCM/PVC chain).

The main use of chlorine produced at Ercros is the manufacture of PVC. PVC is a thermoplastic in high global demand and, beyond its specific technical properties, it has the advantage—compared to other petroleum-based plastics—that chlorine is part of its composition, incorporated into the chain through EDC, making it the least oil-dependent plastic. Chlorine represents approximately 60% of PVC's weight.

The evolution of PVC is closely linked to the construction sector, its main consumer. The margin of this product is determined at any time by the relationship between its selling price and the variable manufacturing costs, particularly the price of ethylene and the cost of chlorine production (which is especially impacted by the cost of electricity).

The chlorine derivatives division mainly consumes electricity and sodium chloride to manufacture chlorine and caustic soda. Additionally, it consumes ethylene in the PVC production process.

The main input is electricity, the cost of which is set based on the awarded prices in the daily energy auctions carried out by Red Eléctrica de España ("REE"), to which regulated costs, taxes, and fees are added.

Electricity supply prices were lower in 2024 than in 2023, but still remained significantly higher than pre-energy crisis levels. CO₂ emission rights prices remained high, although lower than in 2022 and 2023.

¹ The list of ESRS sectors has not been published, so Ercros' activities are not classified according to this list.

² Adjusted ebitda is calculated by adding to the ebitda shown in the profit and loss account the items that are extraordinary in nature and do not affect business activity.

Electricity is the main raw material for the chlorine derivatives division

In 2024, Ercros remained highly exposed to Central European competition in an unfavourable energy scenario. Although spot electricity market prices in major EU countries evolved to levels more aligned with those in Spain, the impact of different local compensation schemes and aid for electro-intensive consumers across countries means that final electricity prices in Spain can be up to two or even three times higher than those in benchmark European countries.

Ercros maintained long-term bilateral renewable energy purchase agreements ("PPAs") in 2024, covering a percentage of the electricity consumed at its most energy-intensive sites. In addition, Ercros continues exploring other renewable energy supply options to adequately meet future needs.

Beyond electricity, the main raw material for the chlorine and caustic soda production process is sodium chloride. Ercros has long-term contracts to ensure supply at the required quality and competitive prices. It also carries out spot purchases from other international suppliers to complement and maintain a necessary degree of supply diversification in case of shortages.

Besides chlorine, ethylene—a petroleum-derived product—is essential for PVC production. The supply of this raw material is secured through contracts Ercros holds with two suppliers. Delivery is made through pipelines directly connecting the suppliers with Ercros' facilities.

PVC production also entails high thermal energy consumption, mainly obtained from natural gas. The price of natural gas is determined by geopolitical and operational factors tied to its availability in international markets.

The operation of the chlorine-caustic soda plants in 2024 was marked by a decline in European commercial demand, highly volatile markets with intense competition, and the need to adjust production to energy price fluctuations to optimize margins. Two additional events influenced the business activity:

- Supply restrictions of certain raw materials, which forced Ercros to declare force majeure for a few weeks on caustic soda sales.
- Autumn storms that impacted production and commercial activity, mainly at the Tarragona Industrial Complex ("CIT").

Ercros is undertaking several actions under its 3D plan and Climate transition plan aimed at reducing gas consumption and replacing fossil fuels. In 2024, the chlorine derivatives division focused its investment efforts on the execution of projects to:

- Reduce energy consumption and future associated costs.
- Decrease gas consumption by replacing fossil fuels with alternatives with net zero greenhouse gas ("GHG") emissions.
- Ensure energy comes from renewable sources.

Notable investment projects include [see Chapter 8.1 – Climate transition plan]:

- The brine reuse project in Sabiñánigo, operational since the first half of 2024.
- The heat recovery project in hydrochloric acid production at Vila-seca I, completed in the second half of 2024 and currently being commissioned.
- The construction of a semi-industrial green hydrogen generation plant in Sabiñánigo, installed by the end of 2024 and now in commissioning phase.
- The improvement project for brine conditioning at Vila-seca I, launched in 2024, aiming to equip the plant with facilities to process salt from various origins. Completion is expected in Q1 2026.
- The Monzón factory's photovoltaic plant, with a 750 kWp capacity and annual generation of 850 MWh, entered service in 2024. It will reduce CO₂ emissions at this site by 220 tonnes per year.
- Progress was made in 2024 on the photovoltaic plant at the Flix factory, expected to come online in Q1 2025.

In 2025, the investment plan will continue, launching other decarbonization projects, such as steam generation using biomass at the Vila-seca II factory and steam production with an electric boiler at Vila-seca I. Activities will also continue to consolidate PVC production and strengthen the productive structure to increase internal chlorine consumption capacity, enabling production diversification according to market needs.

In this regard, on February 13, 2023, the Catalan Government's Department of Business and Employment declared as strategic "Ercros' project to remodel its two plants in Vila-seca by incorporating facilities aimed at consolidating production capacity, decarbonization, and digitalization of its industrial activity."

In 2023, a specific investment plan for decarbonization was developed to apply for the "Comprehensive Action Aid for the Decarbonization of the Manufacturing Industry" under the Spanish Government's PERTE for Industrial Decarbonization within the Recovery, Transformation and Resilience Plan. The application was submitted in early 2024. In October 2024, the aid resolution for the activities at the Vila-seca I plant was published, and in February 2025, the resolution for the Vila-seca II plant was released. The total aid granted amounts to €14.6 million.

The main strengths of the chlorine derivatives division are:

- Integrated production.
- Synergies and complementarity between the division's plants and the efficiency of its modern industrial complex.

The main challenges for the chlorine derivatives division are:

- Reducing the carbon footprint of its processes.
- Continuing the digitalization of the entire value chain.
- Expanding the production capacity of higher value-added products.
- Diversifying the product portfolio by incorporating new products.

In the intermediate chemicals division, the main product is formaldehyde, and the main raw material is methanol

b) Intermediate chemicals division

In the intermediate chemicals division, the main product is formaldehyde and the primary raw material is methanol. Ercros maintains contracts of varying durations with several methanol suppliers. Other strategic raw materials for the division include acetaldehyde, urea, and phenol.

80% of the formaldehyde produced is used to manufacture derivatives, both liquid and solid. The solid derivatives have a global market (with export levels around 90%). The main foreign currency used in the market for solid products is the US dollar, so the business's competitiveness and profitability are affected by the USD/EUR exchange rate.

Solid products are used in the oil and gas sector, in the manufacture of resins for the automotive industry, paints, printing inks, antifreeze, synthetic lubricants, and electrical and sanitary components. The margin of this product group benefits from market recognition of the quality and know-how embedded in their production.

Due to their water content, liquid products incur higher transport costs and therefore serve a smaller, more localized market—typically within a radius of 800 to 1,000 km from the production centre. As a result, their primary currency is the euro, making them less affected by exchange rate fluctuations.

One of the division's top priorities is to become increasingly sustainable. To that end:

- It maintains close contact with suppliers to encourage the use of more sustainable raw materials, especially those with a lower carbon footprint.
- It builds strong relationships with customers to meet their needs by adapting its portfolio and product characteristics.
- It expands its range of green and/or sustainable products, such as the ErcrosGreen+ family, which includes, among others, sustainable resins and green polyols.
- It implements decarbonization projects aimed at minimizing greenhouse gas (GHG) emissions.
- It uses sustainable packaging with a higher percentage of recycled materials.

The main strengths of the intermediate chemicals division are:

- Proprietary know-how and technology in its production processes.
- The ability to develop tailor-made products for customers.

The main challenges of this division are:

- Maximizing profitability during a period of low demand and high energy costs for European industry, whose competitiveness is clearly lower than that of its counterparts in regions such as Asia or the United States.
- Continuing the development of new resin lines (ErcrosGreen+ and ErcrosTech).
- Maintaining a strong commitment to the progressive decarbonization of processes.
- Continuing the digitalization of the entire value chain.
- Further enhancing the quality and service standards of its products.
- Diversifying its current portfolio.

c) Pharmaceuticals division

The activity of the pharmaceuticals division focuses on the production of active pharmaceutical ingredients (APIs), which are used in the manufacture of both generic and branded drugs, primarily antibiotics. In addition, the division is also specialized in the production of custom-designed APIs and intermediates for third parties.

Antibiotics are therapeutically significant medicines, as they are the only ones capable of curing bacterial infections. The APIs produced by Ercros are recognized in the lists of essential medicines published by the Spanish Agency of Medicines and Medical Devices ("AEMPS"), the European Medicines Agency ("EMA"), the U.S. Food and Drug Administration ("FDA"), and the World Health Organization ("WHO").

These APIs are produced at the Aranjuez plant through synthetic and biological industrial fermentation processes. Ercros mainly manufactures three families of antibiotics and other products:

- Erythromycins, marketed as erythromycin base, salts, and semisynthetic derivatives (azithromycin and clarithromycin). These are used as broad-spectrum antibiotics, particularly for respiratory infections.
- Fosfomycins, in sodium salt and trometamol form, are also broad-spectrum antibiotics used for urinary and gynaecological infections.
- Fusidic acid and its salts, mostly used for dermatological infections.
- Gentamicin, another broad-spectrum antibiotic.

The pharmaceuticals division produces active ingredients for medications, primarily antibiotics

Currently, the pharmaceutical division has other products under development.

The main raw materials used by the pharmaceuticals division are basic and fine chemicals for synthetic products. Basic chemicals are generally purchased locally, while the more specific fine chemicals are sourced on the global market.

The biological fermentation used in antibiotic production relies on agricultural raw materials such as sugar, powdered milk, sunflower oil, and gluten. To avoid food waste and improve efficiency, purchases are closely aligned with the needs of the production processes.

The division has made significant efforts to rationalize the use of raw materials from a sustainability standpoint:

- The new biological extraction plant is focused on optimizing resource use, minimizing the use of organic solvents, incorporating equipment that enables more efficient water use, promoting water reuse, and reducing losses.
- To reduce environmental impact and support the circular economy, systems have been introduced to recover intermediate products from mother liquors in the processes for reuse.
- The division has improved solvent management with the installation of equipment that reduces losses and increases recovery efficiency.

The division's customers are mainly pharmaceutical laboratories that manufacture and market drugs using Ercros-produced APIs as their main ingredient. Depending on the country and market, the medicines may be generics or branded products. These products are tailored to their final pharmaceutical use and can be supplied in various forms (suspensions, tablets, pills, injectables, etc.). Ercros adjusts the final product using micronización, grinding, and compaction processes. The company also uses sterilization processes to prepare injectables.

The pharmaceuticals division exports more than 90% of its production

Moreover, Ercros works closely with clients on the preparation of pharmaceutical registrations worldwide, enabling the supply of products to high-demand markets or those where such products are not yet available. Ercros also collaborates with commercial partners in research related to the challenge of bacterial resistance.

International markets play a significant role in this division, which means that both sales volume and profit margins are influenced by the USD/EUR exchange rate.

Over the past two years, the pharmaceutical division has faced intense margin pressure due to increased raw material and energy costs, as well as sales price limits imposed by national health authorities. Additionally, geopolitical issues in the Middle East have created market restrictions and logistical problems for raw material supply.

The pharmaceuticals division's value chain begins with chemical and agricultural suppliers that provide the raw materials for the APIs produced by Ercros. Purchasing standards include sustainability and ethical code requirements and are evaluated annually. The most critical suppliers in the value chain are also audited at their facilities to ensure regulatory compliance.

Ercros's pharmaceutical customers are located in over 60 countries. However, the pharmaceutical regulations that apply to them are largely similar and monitored by international health authorities. These pharmaceutical companies are responsible for distributing the final forms to pharmacies and hospitals, ensuring safe and sustainable patient use.

The main strengths of the pharmaceutical division are:

- Mastery of fermentation processes.
- Capability to produce sterile products for injectable use.
- High degree of internationalization (more than 90% of sales are exports).
- Strong positioning as a reliable, high-quality supplier to the world's leading pharmaceutical labs.

The main challenges for the division are:

- Making the most of increased capacity for sterile drug production by introducing new products and entering new markets.
- Optimizing fermentation capacity by increasing the sales volume of existing products and initiating production of new ones.
- Keeping pace with new quality demands from customers and regulators.
- Competing with emerging markets.
- Expanding the product portfolio under the 3D plan.
- Continuing the digitalization of the entire value chain.

5.4 Sustainability objectives and commitments

Ercros' commitment to people's prosperity and the planet's sustainability is aligned with the Sustainable Development Goals (SDGs) included in the UN's 2030 Agenda [see Annex A4 Contribution to the SDGs].

Ercros' sustainability strategy is outlined in its Sustainability policy and is structured around specific objectives related to the following key areas:

- Products and Services: Ercros focuses on developing products that minimize environmental impact, promotes the circular economy, and prioritizes the use of sustainable materials whenever possible. In addition, it works to improve energy efficiency in its manufacturing processes and reduce the use of fossil-based energy to lower the carbon footprint of its products.
- Customers: Ercros maintains an ongoing dialogue with its customers to understand their sustainability needs, offering solutions that help them meet their environmental goals without compromising product quality. It also encourages sustainable practices across the value chain, such as material reuse and waste reduction.
- Geographical areas: Ercros prioritizes the implementation of sustainability projects in the regions where its factories are located, collaborates with local communities, and sponsors nonprofit organizations rooted in the territory.

- Stakeholders: The company maintains transparent communication with all stakeholders, including shareholders, employees, suppliers, customers, local communities, and regulators. In this way, it fosters strategic partnerships to advance shared sustainability goals and adapt its operations to stakeholder expectations regarding environmental and social impact.

Ercros continuously evaluates key products and services, as well as significant markets and customer groups, to ensure alignment with its established sustainability objectives.

To assess its sustainability performance, Ercros relies on ratings, questionnaires, and voluntary international programs. Among the most relevant are EcoVadis, Responsible Care, the Global Compact program, the CDP (Carbon Disclosure Project) questionnaire, and the Lighthouse Report from the Spanish Institute of Financial Analysts [see chapter 18.3 c)].

The results of these evaluations are communicated to stakeholders through information notes, presentations, strategic meetings, reports, or social media.

Ercros' corporate strategy integrates specific sustainability elements designed to maximize the positive impact on its operations, products, and stakeholder relationships. The key components of Ercros' strategy with an impact on sustainability are categorized into environment, social responsibility, governance, and sustainable economic impact. These are detailed below:

a) Environment

- Climate change: Ercros implements measures to reduce its carbon footprint through energy efficiency, the transition to renewable sources, and the promotion of a circular economy. The organization is certified under ISO 14064 for CO₂ emissions verification.
- Environmental management: Ercros optimizes the use of water, energy, and raw materials, minimizing the waste generated in its operations. The ISO 14001 environmental management system standard is implemented and certified across all its factories.
- Energy management: The factories in Almussafes, Aranjuez, Cerdanyola, Sabiñánigo, Tarragona, Tortosa, Vila-seca I, and Vila-seca II operate under energy management systems defined by the ISO 50001 standard, which is certified at all sites. This standard aims to continuously improve energy efficiency, energy security, energy use, and energy consumption.

- Sustainable innovation: Ercros develops products and services that help reduce the environmental impact of its customers and the broader value chain.

b) Social responsibility

- Working conditions: Ercros ensures safe and equitable work environments that foster personal and professional development. All facilities are certified for occupational health and safety management under ISO 45001. In addition, all Ercros workplaces are certified under the Healthy Organization Management System standard (SIGOS).
- Product quality: The quality standards applied by Ercros, defined in its sustainability management system, are based on the internationally recognized ISO 9001 certification. This standard is implemented in all production centres as well as in the commercial departments of the various business areas and is renewed annually following an external certification audit.

Ercros' strategy incorporates sustainability to improve its operations, products, and relationships

c) Governance

- Regulatory compliance: Ercros applies management systems that ensure compliance with sustainability-related regulations. AENOR certifies Ercros' criminal compliance according to the UNE 19601 standard, which validates the company's efforts to mitigate criminal risks and promote crime prevention [see chapter 18.5 a) (ii)].
- Ethics and transparency: Ercros has an ethical code of conduct ("Code of ethics") and anti-corruption policies that strengthen its culture of integrity in operations and business relationships. Additionally, Ercros is certified under ISO 27001, which ensures the security of information generated by Ercros and its stakeholders. AENOR has also granted Ercros the Good Corporate Governance Index (IBGC) certification.

d) Sustainable economic impact

- Ercros incorporates sustainability criteria into strategic decision-making, balancing economic growth with the generation of social and environmental value.
- Ercros promotes sustainability throughout the supply chain by evaluating and collaborating with suppliers who share these principles.
- Ercros conducts life cycle assessments of its products to identify areas for environmental improvement. It also calculates the carbon footprint, which measures emissions associated with production, including Scope 3 emissions.
- Additionally, Ercros identifies market and customer sustainability needs, enabling it to adapt its offerings to effectively meet expectations. Some initiatives include collaborating with customers to design more sustainable products.

These strategic elements are essential to ensure that Ercros not only meets its financial objectives but also actively contributes to global sustainability challenges, aligning with frameworks such as the SDGs.

- To facilitate the exchange of information.
- To encourage active collaboration.
- To promote the alignment of interests.
- To identify risks and opportunities.
- To build trust and transparency.

The outcomes of collaboration with key stakeholders—customers, shareholders, and employees—are incorporated into Ercros' decision-making process through an approach that seeks effective alignment between stakeholder expectations and the company's strategy and business model.

The board of directors, the executive committee, and the management committee are responsible for receiving information on the views and interests of key stakeholders when these are relevant to the company's development.

In the short term, Ercros does not foresee any additional steps or changes that would modify its relationship with stakeholders and their input. The company will continue to promote communication with stakeholders to identify new opportunities for improvement.

5.5 Commitment to stakeholders ¹

Stakeholders include organizations, groups, or individuals who can influence or be affected by a company's operations. At Ercros, significant stakeholders are defined in the Social Responsibility and Ethics Plan, and they are:

- Internal: Ercros employees and those of contracted companies, labour union representatives, and shareholders.
- External: Customers, suppliers, public administrations, neighbours and neighbouring companies, the educational community, the media, social and cultural organizations, and stock market participants.

Ercros manages engagement with its stakeholders through tailored strategies for each category, ensuring their contribution to the achievement of the company's business and sustainability goals with the following objectives:

Ercros manages collaboration with its stakeholders to meet its business and sustainability objectives

Ercros' strategy in relation to its key stakeholders is as follows:

a) Customers

Ercros' strategy addresses customer needs through the continuous improvement of its products. This involves adapting the company's business model to respond to these needs with products of greater added value, increased innovation, reduced environmental impact, lower CO₂ emissions, and higher quality.

This adaptation also impacts the logistics area, which works to promote safe, efficient, and environmentally friendly packaging and transportation.

¹ The relationship with stakeholders is explained in detail in Chapter 17 Stakeholder engagement.

The R&D departments across Ercros' various divisions launch new products and enhance existing ones with the goal of increasing customer satisfaction.

b) Shareholders

Ercros' strategy for shareholders is focused on ensuring sustainable and profitable growth and creating long-term value. This is achieved through revenue diversification, operational efficiency, and product innovation.

Additionally, the company implements risk management policies that identify and mitigate potential financial, operational, and environmental threats, ensuring business resilience. It also integrates sustainability practices that respond to market demands and evolving regulations.

c) Employees

Ercros' strategy for its workforce aims to ensure a healthy and safe work environment, guarantee fair working conditions, support employee development within the company, and promote equal opportunities. All employees at Ercros are covered by the 21st General Agreement of the Chemical Industry [see chapter 15. Own workforce].

5.6 Supply chain

a) Suppliers

Ercros includes social responsibility criteria in its contracts with suppliers of logistics, goods and services, raw materials, containers and packaging, in line with the standards set out in its ethical code of conduct. It sets out service conditions and requirements and promotes the safe distribution of products while seeking to minimise environmental impact.

Ercros has rules that define its actions with regard to the supply chain, such as those derived from the Responsible Care programme, the ethical code of conduct and its internal procedures.

In 2024, the supplier registration process was revised to ensure that suppliers with appropriate reputational references are engaged, including stricter social responsibility criteria.

To strengthen this aspect, Ercros uses the Refinitiv World-Check control programme, which, among other things, enables it to analyse the risks of financial crime or corruption among suppliers and customers. With this system, suppliers accounting for 84% of the amount of purchases were analysed.

In addition, an additional procedure has been put in place to prevent orders being placed with suppliers based in EU sanctioned countries without prior review and approval by the organisation.

Companies that supply products to Ercros must go through an initial approval process. Clauses relating to safety, environmental protection and ethical compliance are included in their contracts or orders.

Ercros carries out annual assessments to ensure that its suppliers, transporters and warehouses have the capacity to meet the supply and service agreements that have been put in place. These assessments include reviewing certifications, analysing service satisfaction and documenting any incidents or non-compliance with agreed conditions during the assessment period.

To improve the contracted service, Ercros carries out follow-up audits of transport companies, audits before contracting new warehouses and periodic audits to ensure compliance with the requirements of the products to be stored, as well as suppliers of raw materials, containers and packaging. A total of 17 audits were carried out in 2024. Technical visits were also made to customers to check unloading procedures and equipment and to suggest improvements.

Furthermore, Ercros offers its suppliers a confidential channel through which they can report any suspicion of unlawful conduct or non-compliance with the ethical code of conduct, and any situation of fraud or irregularity detected in the procurement process. No complaints or communications from suppliers were received through this channel up to the date of this report.

In 2024, Ercros held 385 individual meetings with suppliers of raw materials, containers, packaging materials and transport services. These meetings addressed issues related to the quality of the service provided, and the implementation of new rules and regulations, especially with regard to hazardous goods and safety aspects. Initiatives to improve environmental performance were proposed, accident reports reviewed and customer complaint reports assessed.

With regard to service providers, each factory has an inter-company committee formed by representatives from the facility and the companies that provide services, which coordinates actions between Ercros and the suppliers with regard to prevention, the accident rate, management procedures or training plans. In 2024, 20 inter-company committee meetings were held across all Ercros' factories.

Through business associations, Ercros participates in working groups with associations of suppliers and service companies. This is done in order to maintain an open dialogue and to achieve optimal conditions in terms of safety, environmental protection and improvement, quality of customer service and training of external employees. Specifically, through the Spanish Chemical Industry Business Federation ("FEIQUE"), Ercros participates in the Spanish Goods Transport Confederation ("CETM").

Ercros' suppliers must comply with safety, environmental, and ethics clauses

In the province of Tarragona, the agreement between the Tarragona Chemical Business Association ("AEQT") and the Tarragona Service Business Association ("AEST") enables the certification of the service companies contracted by its members, including Ercros' factories located in Tarragona, which guarantees compliance with prevention standards and facilitates business coordination. This agreement was issued through the Catalan Business Federation of the Chemical Sector ("FedeQuim"), to companies that provide service to the industry in the province of Barcelona, thus making it possible to certify the companies operating in the Cerdanyola facilities.

b) Distribution and transport

Ercros follows product distribution procedures that meet the maximum safety guarantees and minimise environmental impact.

In this sense, it prioritises freight transport by sea and rail, rather than opting for road transport. Ercros uses air freight when the volume to be sent is small and the distance to cover is long, as with the transport of active pharmaceutical ingredients.

For 2024, Ercros calculated the emissions generated in 2023 by the transportation of its raw materials and finished products, an initiative that started in 2019. This calculation covers all means of transport (land, sea, air and intermodal), which was also verified by an external company. Total emissions in 2023 were 22,657 tonnes of CO₂, a reduction of 14 % compared to the 26,254 tonnes recorded in 2022. Ercros continues to perform this calculation annually and to implement plans and actions to reduce its environmental impact [see chapter 8. Climate change].

In terms of the improvements made in 2024, the following should be highlighted:

- Improvements were made in the monitoring of transport emissions, which will allow more accurate estimates of emissions from sea and air transport.

- Significant progress was made towards the goal of self-sufficiency in liquid soda ash at the Sabiñánigo plant, reaching 89%. This has made it possible to avoid the transfer of almost 50,000 tonnes of this product from Vila-seca I, with the consequent reduction in costs and emissions.
- The company has optimised its internal lorry transport between the Port of Barcelona and the Sabiñánigo plant, reducing the number of lorries and trips by replacing them with others with greater capacity.

In accordance with the Responsible Care programme, three response drills for transport accidents were carried out in 2024. Furthermore, in compliance with current regulations, an external safety adviser carried out 16 technical visits to all the facilities that receive or dispatch hazardous goods.

During 2024, Ercros continued to work on measures to reduce emissions from the containers and packaging it uses to distribute its products. The main achievements were as follows:

- In 2024, 35.9% of the total weight (530 tonnes of plastic) of the flexible plastic containers purchased consisted of recycled plastic. This is assessed based on the percentage of recycled material in each container compared to the total weight of the container (data provided by packaging suppliers). 71.8% of the flexible plastic containers purchased (big-bag, bags, film, etc.) contained recycled plastic.
- In 2024, 50% (136,864 pallets, 3,278 tonnes) of the pallets purchased were reused or recycled pallets (data analysed by Ercros on the basis of its consumption of different types of pallets).

(i) Transport by sea

Ercros Group uses maritime transport for raw materials and finished products in large volumes – shipped both in bulk and in containers – and over long distances. To minimise risks, Ercros' vessel selection process imposes a maximum age limit, certain construction materials and CDI certifications (annual inspections of ships carrying bulk liquid products performed by the Chemical Distribution Institute).

To cover the distance from the ports of arrival or the dispatch of the goods and the production facilities, Ercros uses pipeline connections, which is the preferred route in the case of the factories of the Tarragona complex and the city's port. The delivery of goods by pipeline is also the priority form of distribution to other companies in Tarragona's industrial zone.

Container freight prices in the market have remained high, almost double the rates of 2023. The increase is mainly due to political instability and the conflict in Gaza, which has forced the diversion of routes through the Cape of Good Hope, raising costs and reducing supply to the market. In 2024, Ercros entered into price agreements for container transport, which allowed the company to keep its costs stable compared to 2023, despite high spot market prices.

In addition, Europe has introduced the ETS (Emissions Trading System) levy, which requires shipping companies to offset the CO₂ emissions generated on their routes. By 2024, 40% of these emissions will be mandatory, rising to 70% by 2025.

Container freight prices have doubled their 2023 levels

(ii) Rail transport

The Ercros Group opts for containerised transport by rail for destinations in which its service needs are covered and the costs are adequate. Intermodal transport (rail combined with road transport) is used for the distribution of finished products that have to travel medium and long distances, and for the supply of various raw materials to the Ercros' factories from Europe.

Despite the limited operation of rail transport in Spain, Ercros' goal is to promote its use, given the existing challenges presented by road transport and the reduced emissions and greater safety rail provides.

(iii) Road transport

When it is not possible to transport goods by other means (by sea or rail), Ercros resorts to road transport, although this type of transport is often combined with the two previous options.

When selecting transport companies, Ercros conducts audits prior to contracting their services and requires, especially for the transport of dangerous goods, the SQAS certification ("Safety and Quality Assessment System") promoted by the European Chemical Industry Council ("Cefic") that enables the safety, environmental management and quality levels of distributors, warehouses, transport services and tank cleaning stations to be evaluated.

2024 was not a particularly difficult year for the road transport sector. The main problems were caused by meteorological and social factors, such as the flooding caused by the Dana floods in Valencia, the blockage of the road between Spain and France at the port of Somport from September to December 2024, or the farmers' conflict in France and Spain in the first quarter.

Two transport incidents were recorded in 2024, after two years without any. The most serious occurred on 13 February, when a liquid potash tanker, loaded in Seville, went off the road and overturned. As a result, the driver suffered minor injuries. The product spillage was appropriately managed.

The transport market continues to suffer from stress and uncertainty due to the shortage of drivers, new environmental requirements and the entry of road transport into the EU Emissions Trading Scheme (ETS) in 2027.

In order to improve service and reduce transport times and costs, Ercros continues to pursue its strategy of bringing the distribution points of its products closer to its customers.

In line with the digitalisation objectives of the 3D plan, progress was made in 2024 in implementing projects to reserve slots for loading and unloading at the company's factories, as well as in the track & trace system for lorries. Both projects are scheduled for final deployment in the first half of 2025. These new systems will optimise factory operations, reduce loading times and improve real-time tracking of lorries, while providing Ercros' customers with more accurate and up-to-date information.

(iv) Air transport

Air transport is regularly used in the pharmaceuticals division since it is in keeping with the characteristics of the active ingredients Ercros manufactures. It is important to consider that the transport of pharmaceutical products does not present any risk and requires certain temperature and safety conditions that aircraft can provide. The volumes shipped are much lower than in other businesses and are easily transported in the cargo hold of long-haul commercial aircraft. It should be remembered that this business exports more than 90% of its products to countries across the world.

The distribution of APIs in Europe must meet the principles and directives of the best practices regulated by the Good Distribution Practices ("GDP"), which require that the quality of the APIs be insured from the moment they leave the factory until they are received by customers, including storage and transport.

(v) Mutual assistance agreements

Ercros collaborates in preventing emergencies and provides help, advice and technical assistance in the event of transport accidents involving dangerous goods, through its participation in the European International Chemical Environment network ("ICE") and in the Spanish centre for emergency responses during the transport of hazardous goods ("Ceret"). It is also a member of the agreement on the maritime transport of dangerous goods ("Ceremmp") and the mutual assistance agreement for the transport chlorine in bulk.

Ercros has contracted the Chemical Transportation Emergency Centre ("Chemtrec") system in its highest category ("Global Authorisation") for more than 60 countries, which allows it to address any situation that occurs in the distribution of its own products. It also has an agreement with the Chemical Emergency Response Service Provision ("NRCC"), exclusively for China.

c) Customers

The sustainability management system applied by Ercros includes the commitments it makes to its customers in terms of quality, service and product stewardship. To ensure responsible use of the products it markets and to comply with legal regulations, the Group concludes sectoral or product-specific agreements. It also made the Customer Service Centre ("CSC") and a contact form available to customers through the corporate website.

Ercros has tools in place to analyse customers' satisfaction with the answers to their claims and to their requests for technical advice. A detailed analysis of these results makes it possible to know their degree of satisfaction and to take additional actions in relation to negative issues.

In its interactions with customers, Ercros aims to:

- Satisfy their requirements and needs by supplying suitable products that meet the specifications, maximum safety in the handling of its products, respecting the delivery deadlines and on the terms agreed, to ensure that there are no customer claims.
- Collaborate with customers on best product stewardship practices.
- Comply with the legal requirements and voluntary agreements signed.

Ercros collaborates in emergency prevention and provides assistance in accidents involving dangerous goods

(i) Quality management

The quality requirements applied by Ercros –established in the sustainability management system– are based on the international standard UNE-EN ISO 9001:2015, to which all Ercros centres are certified.

Nine products from the Pharmaceuticals division have been registered with the Food and Drug Administration ("FDA"), the government agency responsible for drug regulation in the US; these products account for 85% of the division's production volume.

(ii) Customer Service Centre ("CSC")

The CSC is the department responsible for managing customer relations in relation to complaints, technical assistance requests, queries, suggestions, etc. It also manages customer orders, except for active pharmaceutical ingredients, which are managed directly by the sales department of the pharmacy division.

The key attributes of the CSC are:

- It operates under the premise of always being attentive to and continuously improving customer relations. It is governed by the general procedures that impact it and by its own specific procedures.
- It has a new organisational structure, which streamlines demand management, facilitates customer response and improves communication with the rest of Ercros' departments.
- It uses the Zendesk digitalisation tool, one of the most advanced customer relationship platforms on the market, which responds to the specific needs of the department.
- It uses the online platform of the Tarragona Chamber of Commerce, streamlining the process of obtaining certificates of origin for products and legalising invoices.

As in previous years, in 2024, the department has taken on trainees to enable students to complete their training in a practical way and to promote their entry into the labour market.

(iii) Customer satisfaction

The Group implements a range of actions to measure customer satisfaction and improve the service it provides. These include:

- The sales department of each business area periodically conducts surveys to determine the degree of customer satisfaction.
- These record the claims received, through an index that measures the volume of products affected by a customer non-conformity in relation to the total volume of own and third-party products distributed. In 2024 the rate was 0.31% (2023: 0.32%). As a result, the percentage of satisfactory deliveries was 99.7%. All orders shipped by Ercros are delivered with an analytical report certifying their conformity with the quality specifications agreed with the customer.

(iv) Product stewardship

Ercros provides its clients with knowledge and resources to engage in responsible and ethical management during the entire lifecycle of the products it sells. This extends from the design of industrial facilities and the sourcing of raw materials to the end of the useful life of products, either when they are consumed or when they become waste.

Ercros also maintains close contact with its clients and, if they need it, provides advice and information to ensure that the products they consume are used and handled correctly. Ercros provides its customers with the safety data sheets ("SDS") for the products it sells to them, which describe the exposure scenarios ("ES") for the uses of these products.

Ercros has SDSs for all products manufactured and mixtures sold in EU languages and in non-EU languages if required by the customer to comply with the regulations applicable in their country (China, India, South Korea, USA, Indonesia, Turkey and UK). The SDSs are reviewed and updated when new information emerges on the hazards of the substances or when the law concerning them is amended. A review of the SDSs of the substances updated in the REACH register during the year was carried out in 2024 due to changes in the exposure scenarios.

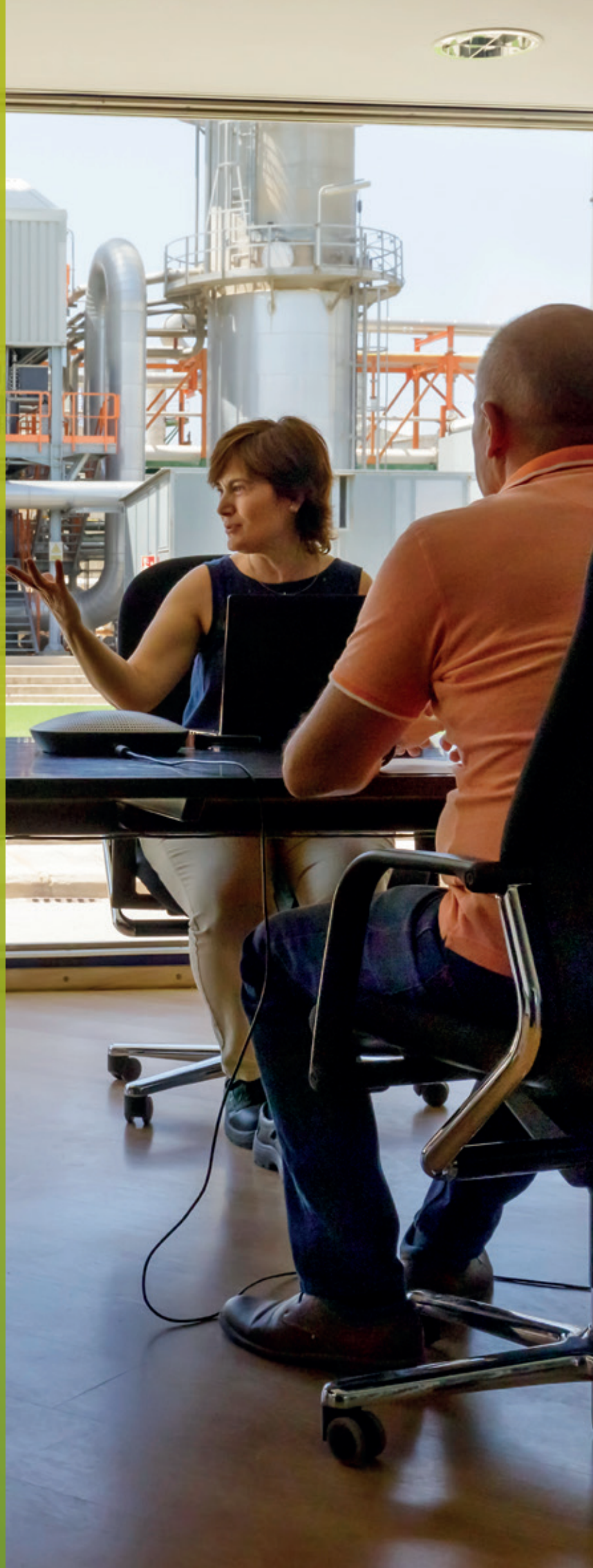
Suppliers provide Ercros with Safety Data Sheets ("SDS") for the raw materials they supply detailing the permitted uses and handling and application instructions for these materials. Ercros verifies that the intended uses are included in these SDSs.

Ercros has signed agreements with organisations and the public authorities to collaborate on the stewardship of particularly sensitive products:

- It has joined, through the Feique, a collaboration agreement on explosive precursors, promoted by the Secretary of State for Security of the Ministry of the Interior, the purpose of which is to fight against the diversion of chemical products towards the illicit manufacture of explosive.
- Since 2008 Ercros has signed the ethical code of conduct of the main EU manufacturers of sodium chlorate and hydrogen peroxide to implement a control system for their sale due to the fact that these products may be precursors for the illicit manufacture of explosives.
- It collaborates with the Organisation for the Prohibition of Chemical Weapons ("OPCW").

6

CORPORATE
GOVERNANCE



6.0 Introduction

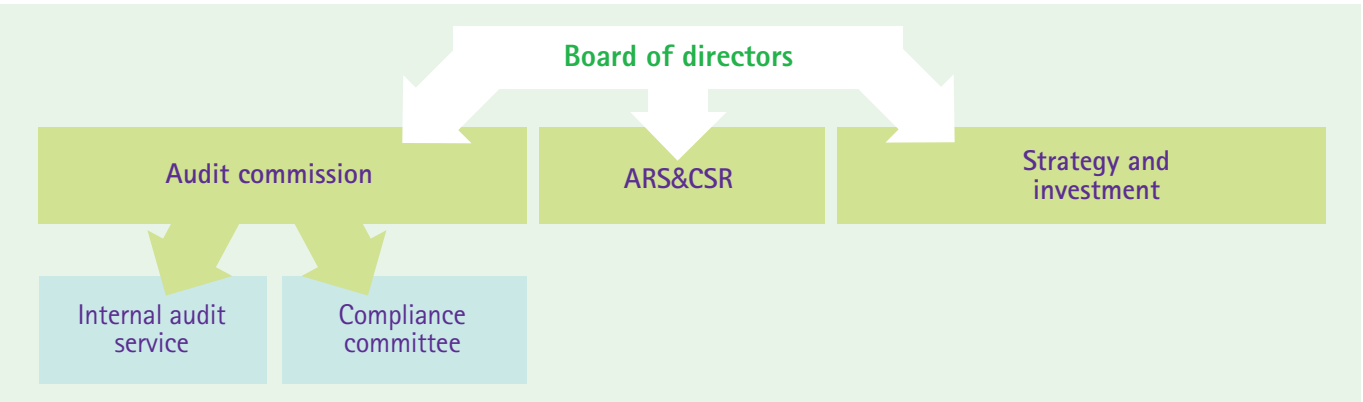
Ercros organizes its corporate management through the following structure:

- Governing bodies.
- Operational management bodies.

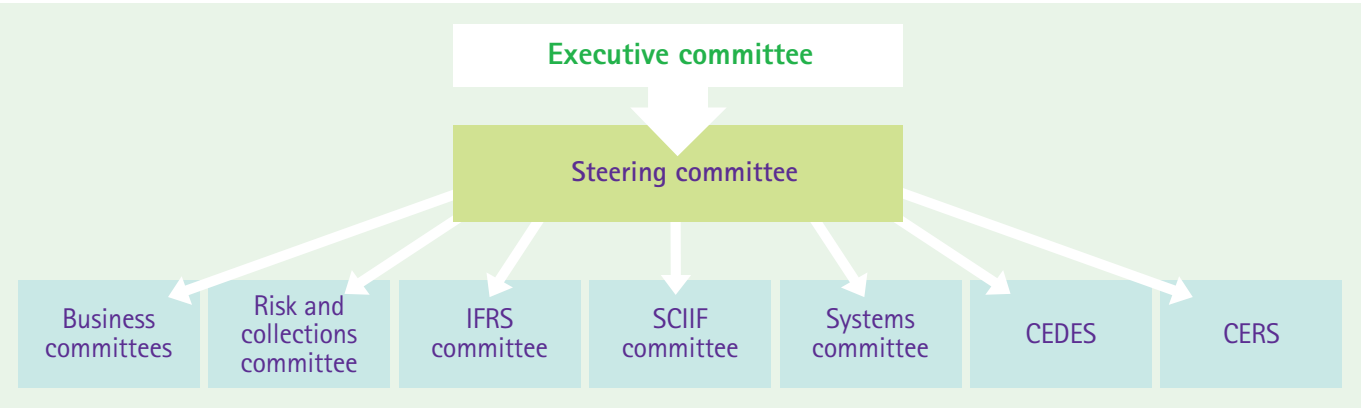
The governing bodies of Ercros, S.A. are the general shareholders' meeting and the board of directors, and within the latter, the audit committee; the appointments, remuneration, sustainability, and corporate social responsibility committee ("ARS&CSR"); and the strategy and investment committee.

The main operational management bodies are the executive committee and the management committee. In addition, Ercros has several specific management committees.

Governing bodies



Operational management bodies



The following table details Ercros' main corporate management bodies and a brief description of the functions each performs:

	Name of the body	Description of functions
Governing bodies	Board of directors	Establishes and oversees overall risk control mechanisms.
	Audit committee	Responsible for internal control systems and risk management.
	ARS&CSR committee	Oversees compliance with the Company's ESG policies and internal codes of conduct.
	Strategy and investment committee	Advises the board on the analysis and monitoring of the Group's strategic policy and investments.
	Internal audit service	Monitors the functioning of internal control systems.
	Compliance committee	Oversees the prevention of criminal risks.
Operational management bodies	Executive committee	Oversees operational management and general risks. Authorizes investments; annual corporate service contracts over €250,000; customer risks over €5 million; and other aspects such as communication and capital markets relations.
	Management committee	Oversees operational management and general risks.
	Business committee	Oversee the management and operational risks of their respective business areas.
	Risk and collections committee	Responsible for the control of trade credit risk.
	IFRS ¹ committee	Ensures correct application of IAS ² and IFRS ³ in the preparation of financial information and the control of tax risk.
	SCIIF ⁴ committee	Responsible for the functioning of the Internal Control System over Financial Reporting (SCIIF).
	IT systems committee	Manages cybersecurity risk.
	CEDES ⁵	Oversees non-financial risks.
	CERS ⁶	Oversees reputational risks.

¹ International Financial Reporting Standards (IFRS).

² International Accounting Standards (IAS).

³ International Financial Reporting Standards (IFRS).

⁴ Internal Control over Financial Reporting (ICFR) system.

⁵ Committee for Sustainable Development.

⁶ Committee on Ethics and Social Responsibility.

6.1 Governing bodies

The board of directors is the highest decision-making body of Ercros, except for matters reserved for the general shareholders' meeting. Its main functions are the governance of the Company, which it must carry out with unity of purpose and independent judgment, and the establishment and supervision of general risk control mechanisms.

The board of directors is the highest decision-making body

a) Composition of the board of directors

The board of directors is composed of a total of six directors; four men and two women:

Composition of the board of directors

Name	Position	Category
Antonio Zabalza Martí	President	Executive
Eduardo Sánchez Morondo	Member	Other external
Laureano Roldán Aguilar	Member	Other external
Lourdes Vega Fernández	Member	Independent
Carme Moragues Josa	Member	Independent
Joan Casas Galofré	Member	Proprietary

Categories of members of the board of directors

Directors	Number	Percentage
Executives	1	16.67%
Non-executives	5	83.33%
Total directors	6	100%
Independent	2	33.33%
Other external	2	33.33%
Proprietary	1	16.67%
Women	2	33.33%

Female directors are classified as independent and represent 33.33% of the board, 66.67% of the supervisory and control committees, and 100% of the independent directors.

b) Board of directors diversity

Ercros strives to achieve a balanced gender representation within the board of directors. As of the end of fiscal year 2024, women represent 33.33% of the board. In 2021, the Board diversity policy was updated to reinforce the commitment to achieving a balanced representation of men and women on the Ercros board of directors.

The Board diversity policy establishes the criteria that the Company's governing bodies must consider during the selection processes of new members of the board of directors and its supervisory and control committees, with the goal of fostering a proper composition and promoting diversity in knowledge, education and professional experience, age, and gender.

The basic diversity criteria that must guide director selection processes are:

- Avoiding any implicit biases that could lead to discrimination on the basis of race, gender, age, disability, or any other personal condition.
- Achieving a balanced representation of men and women on the board of directors and its supervisory and control committees. Ercros will promote measures to increase the representation of the underrepresented gender, taking into account the recommendations of the Good Governance Code, without prejudice to the essential criteria of merit and capability that must guide all personnel selection processes.
- Promoting the selection of individuals with different educational backgrounds to contribute a more comprehensive view on matters presented to the Board, provide diverse perspectives to the debate, and enrich decision-making.

- Ensuring that the board as a whole has technical knowledge and experience in the company's key areas of interest, including business management, auditing and risk management (both financial and non-financial), accounting, the chemical sector, human resources, R&D, sustainability, among others.

The ARS&CSR committee is responsible for ensuring the implementation of the diversity policy and verifying its alignment with the Company's strategy, as well as submitting to the board any observations or proposals for its amendment and improvement

Women represent 33% of the board of directors

deemed appropriate.

c) Selection of directors

The processes for selecting directors are primarily governed by the Director's selection policy, approved on February 18, 2016, along with other related internal regulations. according to this policy, the board of directors ensures that the proportion of director categories is respected during candidate selection and promotes diversity in gender, experiences, and knowledge, avoiding implicit biases that could result in discrimination.

On June 28, 2024, the ordinary general shareholders' meeting approved the reappointment, for a new maximum legal term (currently set at four years) and maintaining their existing category, of the following directors whose mandates were nearing expiration: Antonio Zabalza Martí, executive director; Lourdes Vega Fernández, independent director; Laureano Roldán Aguilar and Eduardo Sánchez Morondo, external directors; and Joan Casas Galofré, proprietary director.

Following this meeting, the board of directors unanimously approved the reappointment of Antonio Zabalza Martí as chairman and CEO of Ercros, after his reappointment as executive director by the general shareholders' meeting, and appointed the members of the Board's committees.

d) Board committees

The board of directors comprises three committees:

(i) Audit committee

The audit committee is responsible for overseeing internal audit and risk management systems, the preparation process and integrity of financial and non-financial reporting, and preserving the independence of the external auditor. This committee supervises both the compliance committee and the internal audit service.

The committee is chaired by Ms. Moragues, independent director, and includes Ms. Vega, independent director, and Mr. Roldán, external director. 100% of the committee members are non-executive directors. 66.67% are independent directors and 33.33% are classified as "other external".

the audit committee performs its functions independently. These functions are regulated by article 34 of the bylaws, article 16 of the board rules, and articles 2 and 6 of the audit committee regulations.

Key responsibilities related to information and internal control systems include:

- Overseeing the effectiveness of the Company's internal control, internal audit, and risk management systems, including tax risks, and identifying significant weaknesses in the internal control system in collaboration with the external auditor.
- Monitoring and assessing the preparation and integrity of financial and non-financial reporting in coordination with the ARS&CSR committee, as well as managing financial and non-financial risk control systems, including operational, technological, legal, social, environmental, political, reputational, and corruption-related risks. It also ensures compliance with regulatory requirements, the appropriate definition of the consolidation perimeter, and proper application of accounting principles.

The compliance committee, composed of the head of the Internal Audit Service and the head of Legal Counsel, assists the audit committee in preventing criminal risks and handles reports submitted through the ethics channel.

(ii) Appointments, Remuneration, Sustainability and Corporate Social Responsibility Committee (ARS&CSR)

The ARS&CSR committee oversees the appointment and remuneration of directors, reports on the hiring and compensation of senior executives.

Regarding sustainability, it regularly evaluates and reviews the corporate governance system and the Company's CSR and sustainability policies, and supervises compliance with the Company's ESG-related policies, practices, and internal codes of conduct.

This committee is chaired by Ms. Vega, independent director, and includes Ms. Moragues, independent director, and Mr. Sánchez, external director. 100% of the committee members are non-executive. 66.67% are independent directors and 33.33% are classified as "other external".

The ARS&CSR committee acts independently. Its functions are regulated by Article 35 of the bylaws, Article 17 of the Board Rules, and Articles 3 and 7 of the ARS&CSR committee Regulations.

Key responsibilities related to appointments and remuneration include:

- Evaluating the knowledge, skills, and experience needed on the board of directors. This includes defining the roles and capabilities of candidates for board of directors vacancies and assessing the time and dedication required to fulfil their duties effectively.
- Proposing the appointment of independent directors to the board of directors for co-option or for submission to the general shareholders' meeting, as well as their reappointment or dismissal.
- Reporting on the appointment of other directors for co-option or for submission to the general shareholders' meeting, and on their reappointment or dismissal.
- Setting representation targets for the underrepresented gender on the board of directors and developing guidelines for achieving such targets.

Regarding compliance with ESG policies and internal conduct codes, the ARS&CSR committee is responsible for:

- Supervising compliance with corporate governance rules and internal conduct codes, and ensuring that the corporate culture aligns with the Company's purpose and values.
- Overseeing, in coordination with the audit committee, the application of the policy related to the communication of financial, non-financial, and corporate information.
- Periodically evaluating and reviewing the corporate governance system and the Company's CSR and sustainability policies to ensure they fulfil their mission, promote social interest, and consider the legitimate interests of other stakeholders as appropriate.
- Monitoring that the Company's CSR and sustainability practices align with the strategy and policy established by the Company.
- Overseeing and evaluating the Company's stakeholder engagement processes.

(iii) Strategy and investment committee

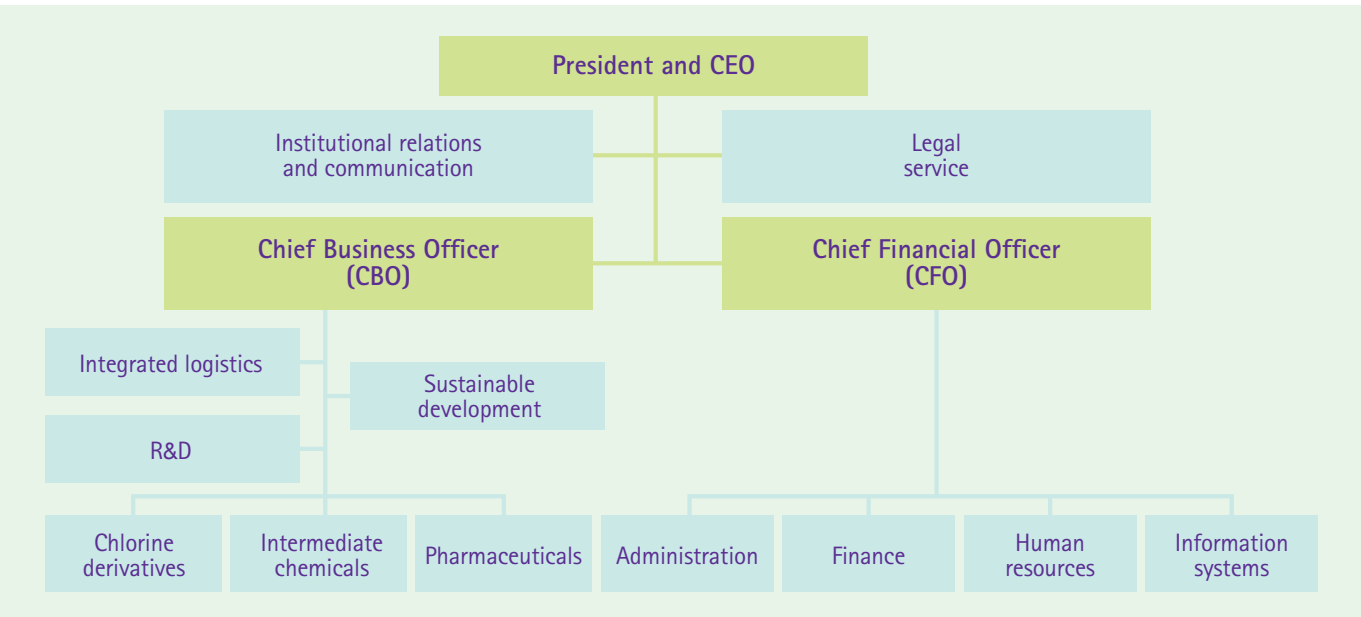
The strategy and investment committee operates independently of the board's supervisory and control committees. It performs advisory and strategic functions and supports the board in analysing and monitoring strategic policy and advising on investment-related matters.

This committee is chaired by Mr. Zabalza, Chairman and CEO, and includes Ms. Vega, independent director, and Mr. Casas, proprietary director. 33.33% of its members are executive directors and 66.66% are non-executive. 33.33% are proprietary directors and 33.33% are independent directors.

6.2 Operational management bodies

Ercros' main operational management bodies are the executive committee (made up of the chairman and CEO and the general managers of business and economics and finance) and the management committee (made up of the top executive level directors).

Organizational chart of the first executive level



Ercros has the necessary management bodies in place to oversee the development of the organization's overall strategy and to carry out their functions with the required efficiency, objectivity, and independence.

Among these management bodies are those specifically related to the company's sustainability management: the Committee for Sustainable Development (CEDES) and the Committee on Ethics and Social Responsibility (CERS).

CEDES is composed of the General Manager of Business (who serves as Chair), the Director for Sustainable Development, and the directors of the company's functional units and production centres. Its functions include, among others:

- Approving the Sustainability policy for subsequent submission to the Ercros board of directors for approval.
- Approving the sustainability manual.
- Reviewing the analysis of the company's context, stakeholder needs and expectations, assessment of environmental aspects and compliance with general legal requirements, as well as actions and objectives planned within this framework.
- Establishing policies, initiatives, and improvements.
- Endorsing the sustainability objectives of work centres, corporate departments functionally linked to the sustainability directorate, the sustainability plan, and the significant actions planned annually by the sustainability directorate.
- Ensuring the management system aligns with the organization's context and strategic direction.
- Evaluating sustainability performance.

CERS, for its part, is composed of the director for sustainable development (who serves as chair) and directors of functional units at Ercros. its functions include, among others:

- Approving the stakeholder engagement and dialogue model.
- Overseeing social responsibility plans and initiatives implemented.
- Identifying the most significant legal, social, labour, and environmental risks that could affect the organization in the area of social responsibility.
- Advising senior management on suggestions, initiatives, and improvement proposals in relation to social responsibility.

100% of employees are covered by the General Chemical Industry Agreement

- Taking responsibility for reviewing and interpreting the Corporate social responsibility policy.
- Promoting the implementation of an ethical and socially responsible management system aligned with the organization's strategy and objectives.
- Promoting awareness and dissemination of the ethical code of conduct among stakeholders and clarifying any doubts that may arise from its application.

Ercros has procedures in place to identify, measure, assess, control, and prioritize the risks to which it is exposed, as well as management systems that define the control, monitoring, and reduction or elimination of such risks. [See Chapter 7: Management of Impacts, Risks, and Opportunities].

Additionally, Ercros implements certified management systems at both the corporate level and its production sites, verified by independent firms in accordance with internationally recognized standards [See Chapter 5.4 – Sustainability Objectives and Commitments].

The regulatory framework governing labour relations at Ercros is the 21st General Agreement of the Chemical Industry. 100% of Ercros employees are covered by this agreement.

At Ercros, union representation is composed as follows: UGT, 38 representatives; CCOO, 33 representatives; Unión Sindical Obrera, 6 representatives; Sindicato de Trabajadores (STR), 4 representatives; and Sindicato Obrero Aragonés, 3 representatives. In 2024, union elections were held at the Tortosa, Vila-seca I, and Vila-seca II sites.

Ercros has several permanent joint committees, composed equally of company and union representatives, that focus specifically on topics such as equality, training, health and safety, environmental matters, collective bargaining agreement monitoring, and pension plan oversight. Additionally, ad hoc joint committees are established whenever necessary to address specific matters. Each work centre also has its own dedicated committees.

6.3 Information to governing bodies on sustainability matters

Among its assigned functions, the ARS&CSR committee oversees the Company's corporate social responsibility and sustainability practices in line with the Company's established strategy and policy. To this end, the sustainable development department submits a sustainability report to the ARS&CSR committee for approval every six months, which is subsequently submitted to the board of directors for approval.

The main purpose of this report is to report on the Company's monitoring of:

- The Company's main environmental indicators (environmental impact; climate change and circular economy; and environmental expenditures) and social indicators (equality; productivity, prevention; absenteeism; training; and communication).
- The progress of the sustainability strategy and objectives set for the current year and their comparison with the previous year; and the company's external assessments such as ratings (EcoVadis or ESG Rating IEAF Lighthouse) and voluntary initiatives (Responsible Care or Carbon Disclosure Project).

Furthermore, the managing directors annually present to the board of directors the risk map for the different businesses and an aggregated risk map for the company as a whole, which identifies the anticipated relevant risks. Management also presents to the board of directors the financial impact maps arising from risks and opportunities associated with climate change [see chapter 7. Impact, risk, and opportunity management].

Throughout the fiscal year, the reports and minutes of the most significant sustainability meetings are submitted to the executive committee.

This Statement of Non-Financial Information, audited by Bureau Veritas and approved by the board of directors on March 28, 2025, will be submitted as part of the Company's management report to the National Securities Market Commission, published on the company's website, and submitted for approval to the shareholders' meeting before the end of the first half of 2025.

7

MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES



7.0 Introduction

This chapter describes Ercros' complete process for managing impacts, risks and opportunities ("IRO") and covers how Ercros responds to all IRO-related datapoints included in the new CSRD.

a) Risk identification process

Ercros' activity involves various risks that are classified into different types, based on the criteria that it considers most appropriate for their efficient management. Not all the activities present the same risks, although on occasion they do share some. In general, Ercros is subject to operating, non-financial and financial risks.

Many of these risks are inherent to the performance of the activities that Ercros carries on, or are the result of external factors and, therefore, an attempt may be made to mitigate such risks but it is not possible to eliminate them completely. Ercros has taken out insurance policies to mitigate the possible impact of some of these risks.

Relevant risks are those that could potentially affect Ercros' ability to achieve its business strategy objectives, maintain its financial flexibility and solvency, and which require an immediate response due to their greater impact on the Company's performance.

Ercros has a comprehensive process in place to identify, assess and manage impacts, risks and opportunities, covering both financial and non-financial risks. To enable Ercros to identify, monitor and quantify the potential risks to which it is exposed, a risk alert system ("SARE") has been implemented. This system is activated when a relevant risk is identified. Ercros also has procedures in place to identify, measure, assess, control and prioritise the risks to which it is exposed and has management systems in place to define the control, monitoring and reduction or elimination of these risks.

The management presents a risk map for each business unit and an overall risk map for Ercros to the board of directors, identifying the relevant risks foreseen for the coming year based on the likelihood of their occurrence (on a scale of 0% to 100%) and their impact on Ercros (on a scale of 0 to 6). Based on these maps, the Ercros implements controls aimed at mitigating the risks detected.

Amongst these risks, the managing directors submit a detailed report to the board showing the financial impact of the risks and opportunities associated with climate change, identified by analysing climate scenarios (Representative Concentration Pathways, "RCP") and studying the reports of the Intergovernmental Panel on Climate Change ("IPCC") [see section 7.2 a)].

This process is unchanged from the previous year.

All production sites have a sustainability management system in place and are certified to internationally recognised standards. This certifies that sustainability risks are controlled, monitored and reduced or eliminated. Within the framework of this management system, Ercros has a sustainability manual that includes a chapter on risk management in the areas of safety, occupational health, environment and quality.

The Criminal Compliance Management System ("CCMS") includes the analysis of possible criminal risks that may affect Ercros, as a legal entity, as a result of the activities carried out in Spanish territory or in its delegations abroad, and the mitigation controls of such risks. This criminal compliance system is applied to all the activities of Ercros or to the industrial projects in which it is involved, with the aim of preventing and detecting the commission of crimes; it also promotes, within the scope applicable to it, the implementation of appropriate preventive measures vis-a-vis the companies and professionals it subcontracts or collaborates with.

Before concluding a contract, Ercros uses the software tool Refinitiv World-Check, which analyses the situation of customers and suppliers with regard to corruption, bribery or financial crime [see chapter 5.6 a)].

This Sustainability Report explains the non-financial risks. The operational and financial risks are explained in the Corporate Governance Report.

b) General aspects of non-financial risks

Areas of highest risk, such as specific manufacturing activities, critical business relationships and sensitive geographic locations, are prioritised in the non-financial risk and impact management process. Examples of risk management and mitigation include investing in low-carbon technologies, monitoring and remediating soil, as well as implementing social measures to promote work-life balance and employee loyalty.

Consideration is also given to both the direct impacts of Ercros' operations and those related to its business relationships. To this end, measures have been put in place to ensure that partners and suppliers are in compliance with Ercros' sustainability standards.

To better understand potential impacts and design effective mitigation measures, the risk management process includes the involvement of affected stakeholders, such as local communities and employees. Ercros also receives support from external consultants if necessary.

Finally, Ercros seeks to minimise environmental and social impacts and ensure sustainability throughout the value chain by managing occupational and regulatory risks through specialised training, certified safety measures and participation in industry associations.

Once the risks and opportunities have been identified, they are evaluated according to various criteria and according to the risk analysis methodology established by Ercros.

The risk management process includes the participation of affected stakeholders

7.1 Risks related to climate change

Ercros has integrated the identification, assessment and management of the impacts, risks and opportunities associated with climate change into its multi-disciplinary corporate risk management process. The assessment is carried out annually at a company-wide level, differentiating the three business divisions, and covers the entire value chain.

The process of identifying climate change impacts begins with the development of a greenhouse gas ("GHG") emissions inventory, managed at the organisational level in accordance with ISO 14064-1:2018 ("ISO 14064") and ISO 14067: 2018 ("14067") at product level. The control approach ensures that the inventory includes emissions from facilities over which Ercros has operational control. This inventory is regularly reviewed to ensure that it reflects the actual boundaries of the organisation.

In 2024, Ercros conducted a climate-related risk and opportunity analysis in line with the TCFD guidelines. The analysis is qualitative and is based on risk matrices that take into account the probability and magnitude of the consequences at corporate level, differentiating between the various business segments.

Based on the recommendations of the TCFD, Ercros has divided the risks associated with climate change into two dimensions: transition risks and physical risks [see chapter 8.1 – Climate transition plan].

Transition risks are those that arise from adapting to a low-carbon economy, taking into account climate change-related issues such as technology, market, reputation and policy. In this regard, Ercros is implementing the 3D strategic plan and its Climate transition plan, which include key projects under the following general action levers:

- Promoting energy efficiency, increasing the use of renewable energy, and improving processes.
- Maximising the use of hydrogen produced in electrolytic processes.
- Intensifying the circular economy and reducing water consumption.
- Sustainable mobility.
- Company adaptation to climate change.

Physical risks are those arising from the direct impact of climate change on Ercros' operations. These include extreme weather events, changes in weather patterns and increases in average temperatures.

The company has established protocols and action plans to manage potential adverse weather events, such as floods, droughts and other extreme weather events, to build resilience and ensure business continuity.

In addition, given the impact of global warming on water availability and the importance of the circular water economy within climate change adaptation strategies, the Ercros Climate transition plan includes among its actions a set of measures aimed at reducing water consumption [see chapter 10. Water and marine resources].

Ercros also invests in improving efficiency, leveraging resources and strengthening external infrastructure in collaboration with the authorities.

Transition risks are a consequence of the shift to a low-carbon economy, while physical risks are exacerbated by changing weather patterns due to global warming. These risks have been analysed for the short, medium and long term.

a) Scenario analysis

An RCP climate scenario analysis, as recommended by the TCFD, is used to identify risks and opportunities associated with climate change. In addition, a benchmarking analysis of the sector has been carried out for each of the business areas of Ercros. In total, 37 risks and opportunities were identified, of which seven priority risks (four transition risks and three physical risks) and seven priority opportunities were selected as the most relevant.

RCPs are a standard set of modelled possible future climate change scenarios that are used to normalise and harmonise reference conditions, historical data and future projections. Ercros has chosen to use the RCP scenarios in order to have a comprehensive and comparable structural study base.

Of the four RCP scenarios defined by the IPCC, Ercros' risk and opportunity analysis assesses the following scenarios:

- RCP 4.5, representing a medium emissions path, associated with a temperature increase of between 2.0°C and 2.5°C by 2100. Global emissions peak in 2040 and then gradually decline.

- RCP 8.5, which represents a high emissions path without mitigation, associated with a temperature increase of between 3.0°C and 4.5°C by 2100. It causes emissions to rise steadily throughout the century.

In the first scenario, RCP 4.5, the impact of transition risks is the most significant. In the second scenario, RCP 8.5, the greatest impact comes from the physical risks associated with climate change.

The climate scenarios used in this analysis are in line with the key climate-related assumptions on which the financial statements are based. In particular, the scenarios are based on assumptions about the long-term economic impact of decarbonisation, regulatory developments and expected market shifts towards sustainability. This ensures that the scenarios analysed and the underlying financial projections remain consistent.

Once identified, and in accordance with the risk analysis methodology established by Ercros for each business area, the risks and opportunities have been assessed according to various criteria. These criteria are assessed for all identified risks and opportunities (37) and for the two RCP scenarios selected.

The criteria for assessing climate risks and opportunities are consistent with Ercros' overall risk assessment. These include the probability of occurrence, the time horizon, the financial impact and the impact area.

Criterion	Subcategories	Value / Range
Probability of occurrence	Remote	< 15%
	Possible	≥ 15% and < 50%
	Likely	≥ 50% and < 90%
	Certain	≥ 90%
Horizon	Short term	< 3 years
	Medium term	3 – 10 years
	Long term	> 10 years
Financial impact	(1) Mild	< €6 million
	(2) Moderate	≥ €6 and < €15 million
	(3) High	≥ €15 million and < €30 million
	(4) Strong	≥ €30 million
Impact area of the financial strategy	Operational costs ("Opex")	—
	Capital expenditure ("Capex")	—
	Assets and liabilities	—
	Capital and financing	—

b) Results of the climate risk analysis

The results of the analysis of the two climate scenarios under consideration have shown that all of Ercros' activities and sites are compatible with the transition to a carbon-neutral economy. In addition, all of Ercros' businesses –chlorine derivatives, intermediates and pharmaceuticals– are exposed to varying degrees to transitional and physical climate change risks.

The results are presented in three blocks: (i) transition risks, (ii) physical risks and (iii) opportunities. Although risks and opportunities affect Ercros' three divisions differently, the aggregated results of the three business areas are presented taking into account the time horizon, probability and associated impact.

(i) Priority transition risks

Four priority transition risks have been identified, the impact of which cuts across several financial areas.

Transition risk scenario 4.5

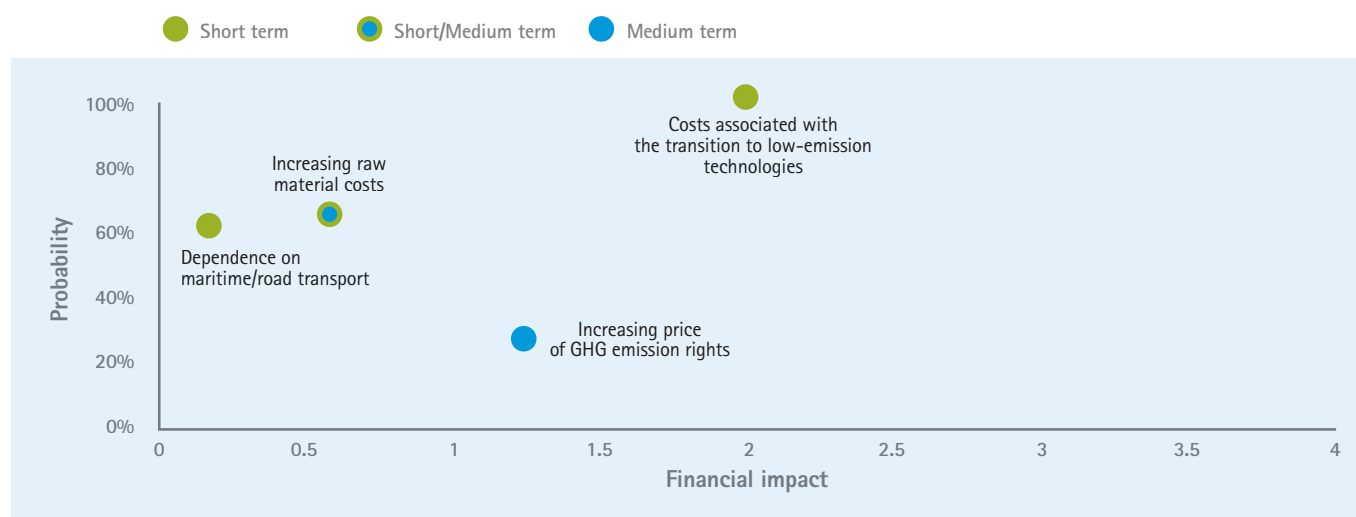


Figure 1: representation of the priority transition risks according to impact magnitude and probability of occurrence for the RCP 4.5 climate scenario.

Transition risk 8.5

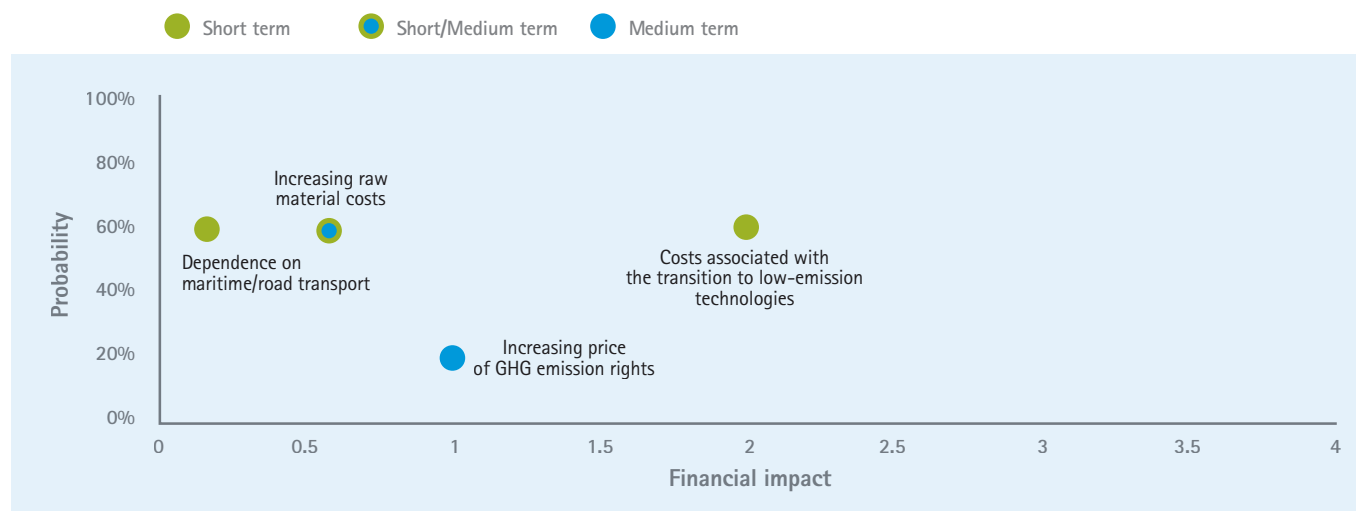


Figure 2: representation of the priority transition risks according to impact magnitude and probability of occurrence for the RCP 8.5 climate scenario.

With regard to the risks associated with the transition to a low-carbon economy, Ercros is implementing the 3D plan, one of the dimensions of which is decarbonisation, from which the Ercros Climate transition plan is derived [see chapter 8.1 - Climate transition plan].

The main objective that Ercros has set out in its Climate transition plan is to intensify the climate change mitigation efforts it has been making and to adapt to the new regulatory framework for industrial activities. To achieve this, Ercros is considering projects in the five general areas of action described above [see chapter 8.4 - Actions and resources for climate change adaptation and mitigation].

As examples of actions already carried out:

- The Sabiñánigo Brine Reuse Project, which began operating in the first half of 2024, and allows for a reduction of approximately 5,000 tCO₂ eq/year.
- Various energy-saving installations at the Tortosa plant, resulting in a reduction of approximately 7,000 tCO₂ eq/year.
- The Vila-seca I hydrochloric acid production heat recovery project, completed in the second half of 2024, which is expected to reduce emissions by approximately 2,000 tonnes of CO₂ eq/year.

The Transition plan is part of Ercros' strategic policy and is designed as a fundamental tool for planning and monitoring the company's actions and investments. However, the implementation of the Ercros Transition Plan may involve risks for its employees.

Physical risk scenario 4.5

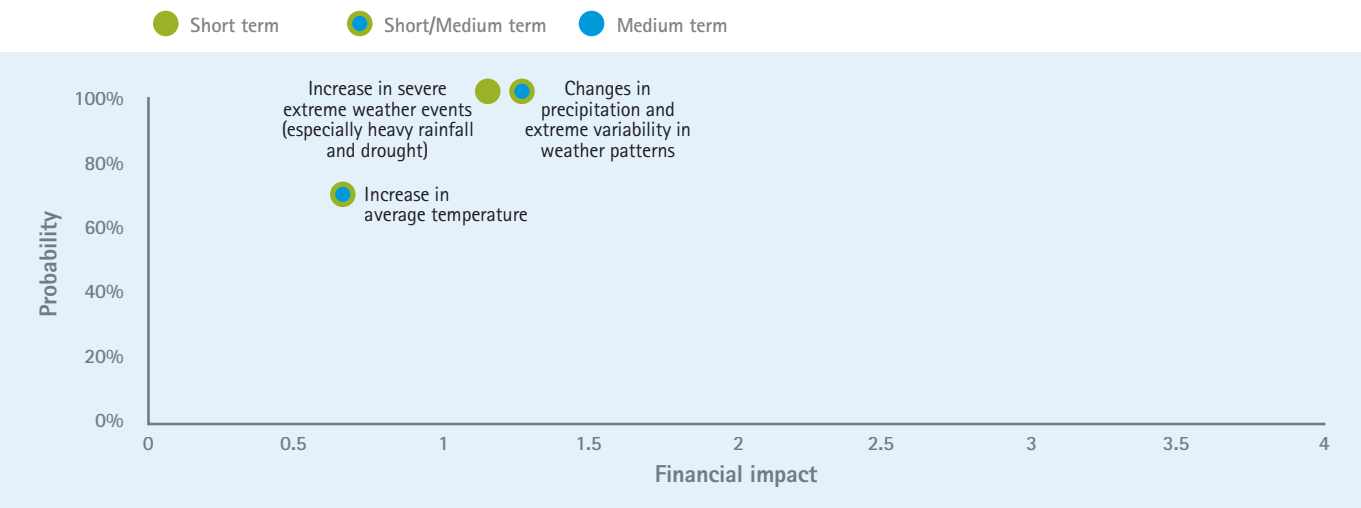


Figure 3: representation of the priority physical risks according to impact magnitude and probability of occurrence for the RCP 4.5 climate scenario.

A total of three potential risks to Ercros employees have been identified as a result of the implementation of the Climate transition plan:

- The transformation of roles, and the consequent changes in the skills required, which could result in some employees not being adequately prepared.
- Job losses due to, for example, decarbonisation of processes, plant closures, process changes or elimination of obsolete roles.
- Changes in working conditions, such as changes in working hours, relocation or adjustment of working conditions.

To mitigate and, where possible, eliminate these risks, Ercros:

- Establishes a retraining and re-skilling programme to prepare employees for the company's climate change transition as potential role changes are identified.
- Facilitates job mobility, internal relocation and the development of support strategies to ensure a just transition for affected employees.

(ii) Priority physical risks

Three priority physical risks have been identified whose impact spans several financial areas. These risks affect all three of Ercros' business areas equally and have been assessed in terms of time horizon, probability and associated impact.

Physical risk scenario 8.5

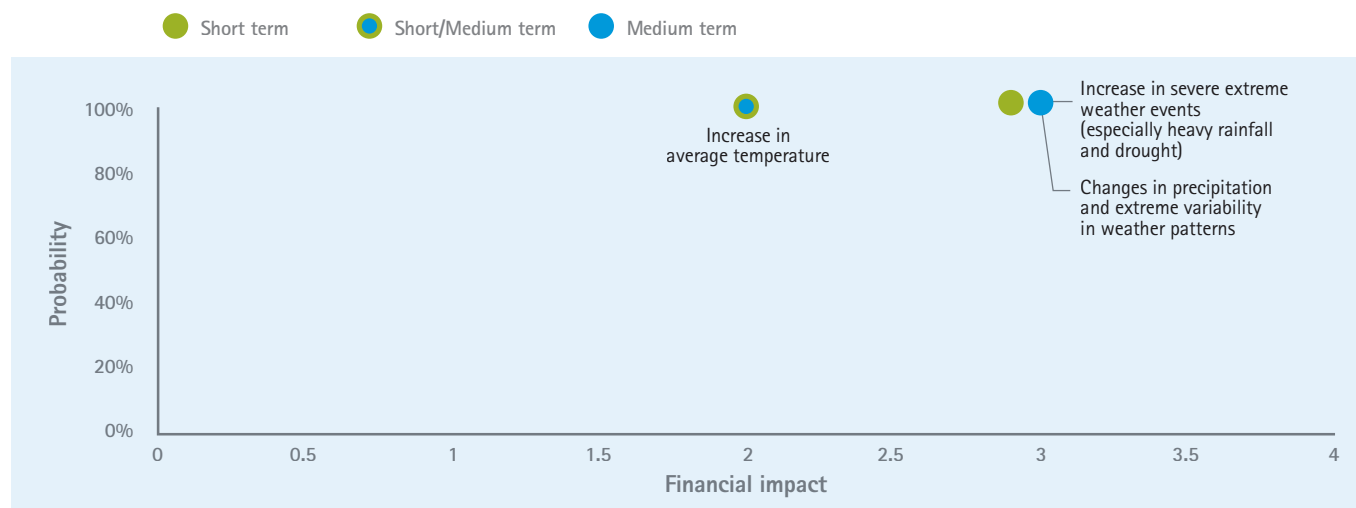


Figure 4: representation of the priority physical risks according to impact magnitude and probability of occurrence for the RCP 8.5 climate scenario.

The physical impacts of climate change are increasingly frequent and can cause extreme phenomena such as floods, droughts, heat waves or other situations that can put Ercros' workers at risk, causing serious damage to its facilities and preventing normal operations.

In an effort to mitigate the adverse effects of these abnormal climatic events, all Ercros plants have procedures and action plans for emergency situations caused by adverse meteorological events that take into account the different levels of alert, responsibilities and protocols for action in the event of potential weather phenomena such as heavy flooding, frost and snowfall, strong winds, droughts and heat waves.

In addition, Ercros is implementing a number of measures in its Climate transition plan to reduce water consumption and increase the use of reclaimed water. These measures are designed to minimise the impact of climate change on water availability. Examples include the use of reclaimed water in the Tarragona industrial complex and the improvement of water distribution circuits in Almussafes.

Furthermore, in the centres where this was considered necessary, the competent authorities were asked to improve the external facilities (water evacuation systems, access to main roads, etc.) necessary to reduce the adverse effects of extreme weather events to a minimum.

(iii) Priority opportunities

Seven priority opportunities have been identified whose impact spans several financial areas. These opportunities affect all three of Ercros' business areas differently and have been assessed in terms of time horizon, probability and associated impact.

Opportunities scenario 4.5

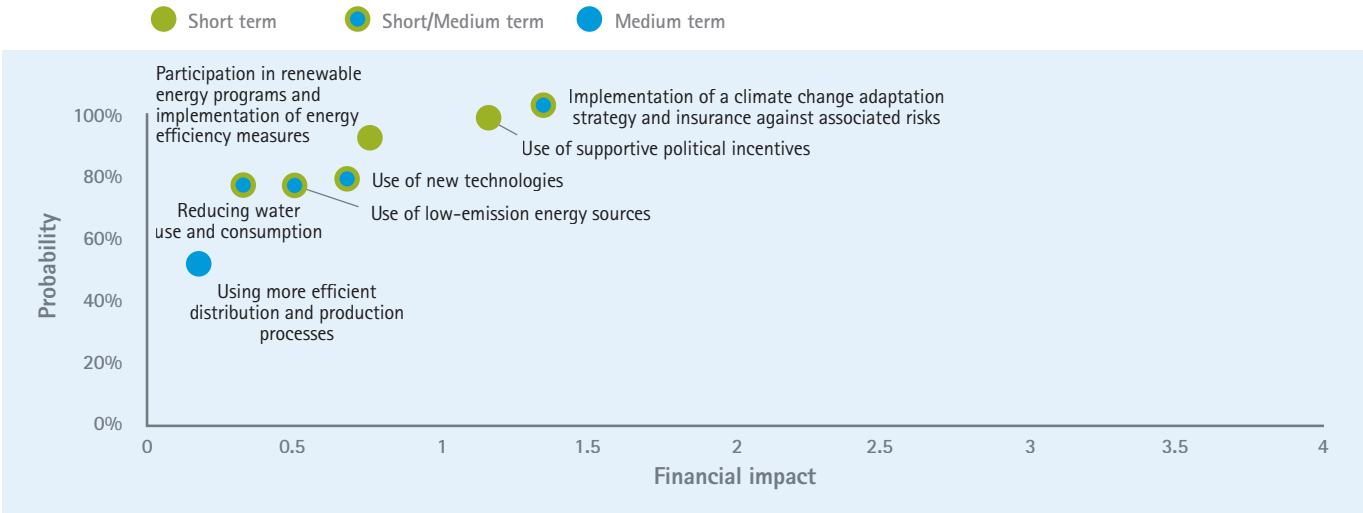


Figure 5: representation of the priority opportunities according to impact magnitude and probability of occurrence for the RCP 4.5 climate scenario.

Opportunities scenario 8.5

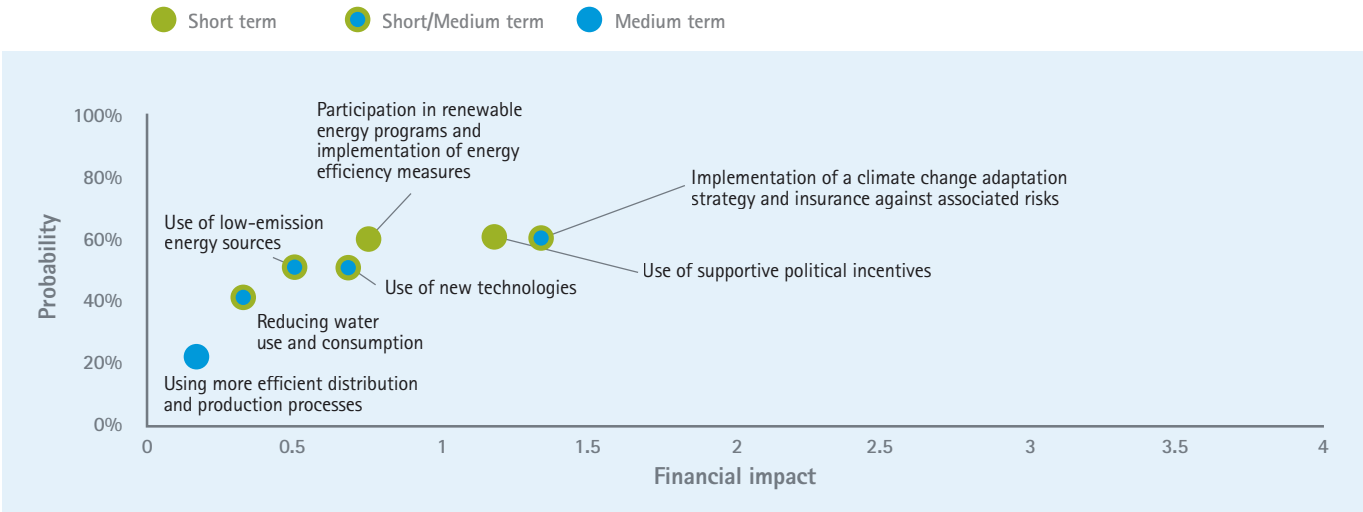


Figure 6: representation of the priority opportunities according to impact magnitude and probability of occurrence for the RCP 8.5 climate scenario.

Ercros intends to intensify its efforts to take advantage of opportunities related to the transition and adaptation to the new regulatory framework for industrial activities as a result of climate change.

These endeavours include projects defined by Ercros in its Climate transition plan, specifically in actions related to the following areas:

- Resource efficiency and cost savings.
- Adopting low-carbon energy sources.
- Developing new products and services.
- Access to new markets and financial grants.

Examples of these actions include:

- The project to build a semi-industrial green hydrogen production plant in Sabiñánigo, which completed its installation at the end of 2024.
- The 750 kWp photovoltaic plant commissioned at the Monzón plant in 2024, with a generation capacity of 850 MWh/year, which will reduce the plant's greenhouse gas emissions by 220 tCO₂ eq/year.
- Receiving the International Sustainability and Carbon Certification, ISCC plus, for the production of chlorine, caustic soda (liquid and beads), hydrogen, hydrochloric acid and sodium hypochlorite, produced at the Vila-seca I plant (Tarragona), as they are produced with renewable energy¹.
- Potential revenues from government subsidies in addition to those received as compensation for the indirect costs of greenhouse gas emissions or from the sale of greenhouse gas emission allowances.

Ercros also has four dedicated R&D centres in Aranjuez, Monzón, Sabiñánigo and Tortosa, which provide services to the pharmaceutical, chlorine derivatives and intermediates divisions, and collaborates with several universities and technology centres. R&D projects aimed at mitigating climate change include a project to improve membrane technology in the chlor-alkali process to reduce energy consumption.

Ercros' R&D expenditure in 2024 was EUR 6,688 thousand.

7.2 Environmental risks: pollution, water and marine resources and circular economy

All Ercros factories have environmental management systems in place to minimise the potential impact of the industrial activity on the environment. Furthermore, Ercros –because of the industry in which it operates– is subject to strict environmental regulations, mainly regarding emissions, discharges, waste, noise, light pollution, and soil and underground water remediation. Nevertheless, the centres are exposed to risks in the course of their activities that could cause environmental damage, such as accidental emissions or spills or fires, so the impacts derived from this risk are directly related to Ercros' production activities and materialise in the short term.

Negative human impacts include exposure to toxic substances that can cause health problems, while environmental impacts include contamination of the receiving environment (air, water, soil).

Ercros uses a comprehensive process to identify, assess and manage environmental IROs, taking into account material aspects related to air, water and soil pollution, sustainable use of water resources and the transition to a circular economy in its direct operations and value chain.

Ercros uses various methods and tools to identify and manage environmental impacts and dependencies².

- Environmental risk analysis: all of Ercros' centres have completed an environmental risk analysis study, which is regularly reviewed or in the event of a significant change.
- Continuous monitoring of production sites: Ercros systematically monitors all of its facilities and activities, identifying new impacts and dependencies as well as monitoring existing ones. The focus of monitoring is on indirect effects, such as emissions into the air or changes in the quality and availability of water. Industrial waste generation and management is also monitored, with priority given to reducing and recycling, ensuring that the most appropriate treatment is applied, and soil and groundwater quality is monitored.

¹ The ISCC PLUS certification is issued by the German ISCC System GmbH. Its whose mission is to provide credible certification to those companies that comply with environmental and social standards along the supply chain and can therefore communicate the sustainability success of their products.

² Dependency refers to the natural, human or social resources on which a company relies in order to carry out its processes.

All factories have environmental management systems in place that minimize the impact of their activities

- Double materiality assessment: in 2024, Ercros conducted a double materiality study that identified the most important impacts and dependencies at the corporate level. The results have been integrated to help guide Ercros' strategy for analysing environmental and sustainability risks. [see chapter 4. Double materiality analysis].
- Efficient management of water resources: Ercros has implemented various closed-loop cooling systems to optimise water consumption. It has also implemented projects to increase the proportion of reused water in production processes [see chapter 11. Water and marine resources].
- Circular economy initiatives: Ercros promotes reduction, reuse and recycling in the value chain through actions that reflect its commitment to sustainability [see chapter 12. Use of resources and circular economy].

To minimise and, if possible, eliminate its environmental impacts, Ercros:

- Carries out its activities in accordance with the provisions of its environmental authorisations and the requirements deriving from the regulations in force and the voluntary agreements signed.
- Officially monitors its environmental performance.
- Has implemented a sustainability management system certified by Aenor, which is audited annually.
- Has indicators in place to assess its environmental performance and adopt a sustainable approach to the use of natural and energy resources, and to collaborate in the protection of biodiversity in protected areas near its sites¹.
- Ercros has taken out an Environmental protection policy to cover possible environmental damage.

¹ Ercros only has two non-productive and inactive facilities located near or in areas of natural interest.

7.3 Environmental risks: past activities

In its risk management process, Ercros includes the risk of claims for soil remediation or closure of activities as an integral part of the company's potential risks related to contamination and considers them as specific and significant risks within this group of risks.

a) Soil remediation claims

Ercros has a long history of industrial activity and has always complied with and implemented the legislation in force. However, recent legal requirements and their partly retroactive application have increased the risk of liability claims for the costs of remediation or decontamination of affected soils and environments.

In order to mitigate the risk of claims, Ercros has submitted projects to the relevant authorities for controlling and rehabilitating or improving the quality of the soil in all those areas found to be affected. Remediation projects aim to meet stricter environmental regulations that promote sustainability, reduce risks to human health and restore damaged ecosystems. However, legal requirements are a major cost factor for Ercros and can be a constraint on its ability to act. Therefore, each year Ercros estimates the value of the remediation obligations and makes the corresponding provisions for remediation.

El Hondón

Specifically, with regard to the former site in El Hondón (Cartagena), in 2019 the Directorate-General for the Environment of the Region of Murcia declared the El Hondón sector to be a contaminated site. Although Ercros challenged this decision through judicial review, the company submitted a technical remediation project on 1 July 2020 to comply with the obligation established by the authorities.

The Directorate-General for the Environment subsequently demanded that the technical remediation project be rectified by issuing instructions to that effect in 2020 and 2021. Ercros appealed these instructions by means of an appeal, which was rejected, leading to a second appeal for judicial review.

During 2024, the two judicial review appeals filed by Ercros were dismissed. Ercros has appealed the dismissal of the first judicial review appeal by means of an appeal in cassation before the Supreme Court, which was admitted for processing on 15 January 2025, while in the second appeal, a request to supplement the judgment had already been filed before the appeal in cassation was lodged.

In addition to the appeals filed, in 2021 Ercros presented a new, updated version of the technical project for the remediation of El Hondón, in response to the instructions to correct its project, incorporating the points raised by the various experts and academic centres that evaluated it. This project includes specific measures to safely manage the waste, minimise the massive extraction of materials and prioritise on-site containment techniques.

Both the Nuclear Safety Council and the Confederación Hidrográfica del Segura have issued favourable reports on Ercros' proposal. However, the Directorate-General for the Environment of the Region of Murcia reported unfavourably on the proposal in August 2024. Ercros challenged this decision by means of an appeal, which was dismissed. Subsequently, on 23 January 2025, the Director General of the Environment of the Region of Murcia issued instructions to proceed and a subsidiary enforcement warning to present a new technical decontamination project.

Meanwhile, and as part of the actions proposed by Ercros in its project, in 2024 Ercros transferred 30 m³ of waste from El Hondón with a high concentration of radionuclides to the El Cabril waste storage facility, under the supervision of the National Radioactive Waste Company ("Enresa"). This relocation was carried out under an agreement with the relevant authorities and is the first of ten actions envisaged in the recovery plan submitted by the company.

b) Claim for closure of activities

Terrera Vella in Cardona

As for the situation of the Herrera Vella de Cardona tailings dump, this is classified as a mining resource under Section B) of the Mining Act, which Ercros operated between 2007 and 2017, the year in which Ercros proposed that operations be suspended.

In 2017, the obligation arising from the Chlor-Alkali BREF to switch to membrane technology in electrolysis, with the consequent need to use high purity salt, forced Ercros to suspend extraction activities.

In the light of this situation, Ercros proposed a modified rehabilitation programme to the competent authorities, to be applied during the production suspension period, consisting of surface water management compatible with the environment and consistent with the integral Valle Salino rehabilitation project.

The proposal aimed to reinforce the maintenance of the Herrera Vella during the period when the works were suspended. The Directorate-General for Environmental Quality and Climate Change of the Autonomous Government of Catalonia ("DGQA") did not deliver a favourable opinion on the plan and instead approved an Environmental Impact Statement which reclassified Herrera Vella as a mining waste facility.

In February 2024, the DGQA instructed Ercros to submit a closure and decommissioning project for Herrera Vella, as if it were a mining waste facility. Ercros appealed this decision in judicial review proceedings (September 2024).

In addition, in 2022, the Mining Authority announced the expiry of the operating licence for the Herrera Vella site, owned by Ercros, and established Ercros's obligation to leave the site in safe conditions for people and property. Ercros has asked the Administration on several occasions to verify the correct safety status of the Herrera.

In July 2024, Ercros obtained a favourable report from the control entity Bureau Veritas regarding the correct safety of the site. In September 2024, Ercros filed an appeal for judicial review in order to obtain permission to permanently cease operations.

7.4 Social risks

Ercros is exposed to social risks arising from the management and conditions of both its employees and the workers in its value chain. These risks are mainly related to:

- Low productivity.
- Losing talent.
- Operational aspects, such as industrial accidents or occupational illnesses.
- Ethical and sustainability aspects in the value chain.

a) Risks, impacts and dependencies arising from the own workforce

Ercros is exposed to risks arising from the impacts and dependencies associated with its own workforce. These can be grouped into the following categories:

(i) Low productivity risk

The risk of low productivity due to the rate of staff absenteeism of its workforce (6.3 in 2024), which in some workplaces can occasionally make it difficult to cover all production shifts.

To mitigate the impact of this risk, Ercros has taken specific measures, including the following:

- Implementing relief contracts to ensure operational coverage.
- Establishing absenteeism committees in the facilities where this risk is greatest, with the authority to adopt measures to reduce it.

(ii) Risk of losing talent due to the departure of key employees

The performance and continuity of Ercros' operations may be affected by the departure of strategic or highly qualified personnel.

To retain talent and mitigate this risk, Ercros has developed a number of measures:

- Social measures to promote work-life balance and flexible working hours.
- Strengthening training plans and internal promotion initiatives.
- Implementing a talent management model and performance review system.
- Encouraging loyalty through rewards, defined contribution pension plans and life and health insurance.

(iii) Risk of occupational accidents among personnel operating in Ercros factories

The technical and operational nature of the activities carried out in the company's factories creates an inherent risk of occupational accidents for employees.

Ercros is working to mitigate the social risks to which it is exposed

To mitigate and, where possible, eliminate this risk, Ercros:

- Has implemented and certified, since 2007, a safety management system in accordance with ISO 45001:2018 (formerly OHSAS 18001).
- Offers initial occupational risk prevention training.
- Monitors and upgrades all its facilities to meet the highest safety standards.
- Analyses all accidents and incidents that have occurred at its facilities to prevent their future recurrence.
- Establishes three-year accident reduction plans, with actions in all the fields described above.

b) Risks and opportunities arising from the impacts and dependencies of value chain workers

Ercros is also exposed to risks arising from the impacts and dependencies associated with workers in the value chain who provide services at its facilities, such as employees of external companies, suppliers or transporters. These risks can be grouped into two main categories:

(i) Employees of external companies, whose main risks include:

- Shortage of skilled labour: A lack of skilled workers in certain sectors may slow down production or increase recruitment and training costs.
- Poor working conditions in the value chain: Failure by suppliers or subcontractors to provide adequate working conditions could result in failure to comply with regulatory requirements, legal sanctions or reputational damage.

In addition, Ercros has identified specific risks associated with groups of workers from external companies who carry out activities in certain contexts. These include:

- Factory maintenance workers who are at increased risk of occupational accidents and exposure to hazardous substances due to the technical and potentially dangerous nature of their work, such as repairing industrial equipment.

To mitigate these specific risks, Ercros has implemented strict health and safety protocols, complies with legislation on the coordination of activities, provides specific and regular training on the safe use of tools and materials, constantly monitors the activities carried out and establishes the mandatory use of personal protective equipment ("PPE").

- Lorry drivers who carry out loading and unloading activities at Ercros factories. These workers are exposed to risks related to the handling of chemicals, accidents while manoeuvring around the facilities and fatigue due to long working hours.

Ercros provides mandatory pre-training on loading and unloading safety protocols, delivered via an electronic platform available in 11 languages, to reduce the risks faced by transport operators. The company has also introduced a sanctioning procedure for drivers who do not comply with the company's internal rules. In 2024, 14 drivers were sanctioned as a result of this procedure.

(ii) Suppliers, for which the following risks have been identified:

- Failure to meet ethical and sustainability standards: if a supplier does not comply with Ercros' ethical or environmental requirements, the business relationship may be interrupted, affecting the sustainability of the business and generating costs associated with the search for new suppliers.
- Social or economic instability in countries of origin: social change, conflict or economic crises can disrupt the operations of key suppliers.
- Regulatory changes: Tighter regulations can potentially increase operational costs for the company and its suppliers.

In addition to risks, Ercros has identified opportunities arising from the impacts and dependencies of workers in the value chain:

- Strengthening supplier relationships: by prioritising local suppliers and establishing trusting relationships, Ercros fosters sustainable economies and ensures the stability of its supply chain.
- Innovation and sustainable development: collaborating with suppliers to develop more sustainable products and processes creates competitive advantages and reduces environmental impact.
- Access to regulatory and financial incentives: adopting sustainable practices can open up funding opportunities and access to government support programmes.

7.5 Governance risk

Governance risks include those arising from regulatory changes and from market and macroeconomic trends. These two aspects have been identified as material and are classified as governance aspects under ESRS G1 "Business Conduct" [see chapter 4. Double materiality analysis].

Governance risks include regulatory changes and market and macroeconomic trends

a) Risks arising from regulatory changes

(i) Changes in environmental regulations

In recent years legal requirements in relation to environmental matters have become increasingly demanding and have given rise to significant changes in the chemical industry, in Europe, Spain and at the autonomous community level. Ercros makes significant efforts to adapt to this new regulatory framework, making the necessary investments to adapt to the regulations in force and developing the activities and measures required to comply with the requirements of the various regulations, particularly those relating to plant and staff safety, occupational health, environmental protection and climate change, as well as the transport, packaging and handling of hazardous goods.

Given that regulatory changes in environmental matters are partly derived from the new climate change regulation, this risk was analysed as part of the identified transition risks by means of a climate scenario analysis in accordance with the recommendations of the TCFD [see section 7.1 Climate change-related risks].

(ii) New taxes and charges

On 1 January 2023, the "plastics tax" on the use of plastics in the supply of containers and packaging began to be applied. The application of this tax has not had a major impact on Ercros, as the company has taken steps in recent years to incorporate recycled material into its packaging, to reuse it and to reduce its thickness.

On the other hand, the gradual introduction in some European Union countries of a tax on CO₂ emissions from lorries based on the number of kilometres travelled and the possible inclusion of road transport in the European Union emissions trading system in 2027 may increase the cost of road transport. Maritime transport is in a similar situation. In Europe, the ETS levy has been introduced, which requires shipping companies to compensate for the CO₂ emissions generated on their routes.

b) Risks arising from market and macroeconomic trends

The main risk for Ercros in this area is the uncertainty arising from the lack of a stable and predictable legal framework for the energy market. This uncertainty makes it impossible to know the level of remuneration and administrative exemptions for electricity-intensive companies in the medium term, and prevents Ercros from making accurate forecasts about the price of electricity in the future.

To mitigate the impact of this risk, Ercros:

- Monitors the sector and calls for decarbonisation grants through its participation in sectoral groups and associations.
- Implements actions to improve energy efficiency and the gradual reduction of the use of fossil fuels.
- Enters into long-term contracts for the supply of electricity from renewable energy sources to reduce price volatility and environmental impact.





ENVIRONMENT

8

CLIMATE
CHANGE



8.1 Climate transition plan

Ercros has a Climate transition plan that includes both the evolution of its greenhouse gas ("GHG") emissions and the targets the company has set for their reduction, as well as actions taken and planned to achieve them.

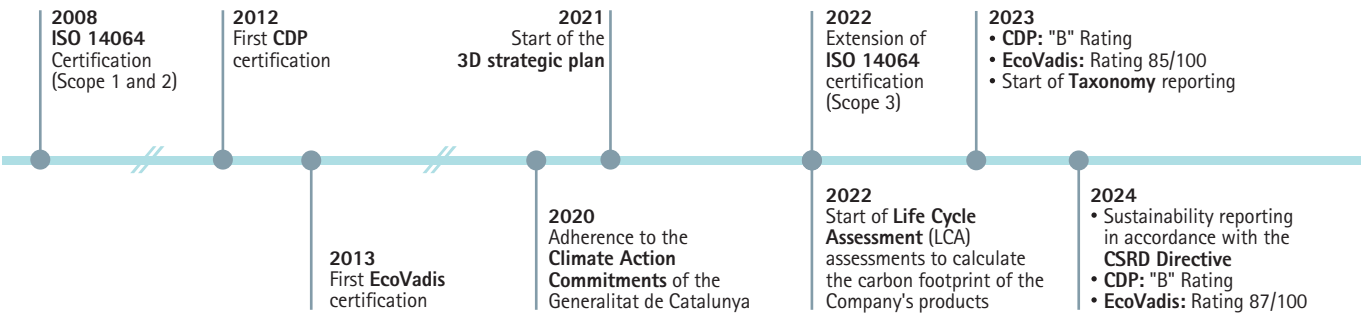
Ercros first certified its GHG emissions assessment¹ according to ISO 14064 in 2008. Since then, the company has carried out various actions and investments in the area of climate change. To assess their validity and effectiveness, Ercros has participated in voluntary sustainability programmes and commitments that have evaluated the company's performance in mitigating and adapting to climate change. Among these programmes are the Carbon Disclosure Project (CDP), in which Ercros participated for the first time in 2012, and EcoVadis, which has been under evaluation since 2013 [see Chapter 14. Environmental certificates and voluntary programmes].

Since the Paris Agreement was adopted in 2015 and ratified by the European Union in 2016, EU initiatives to combat global warming have increased significantly. This momentum intensified with the launch of the European Green Pact in 2019, the adoption of the GHG emission reduction strategy in 2020 and the European Climate Law in 2021, which led to a relevant increase in legal obligations for European companies.

In Spain, Law 7/2021 on climate change and energy transition contains minimum national reduction targets. This regulation provides a legal framework for the National Integrated Energy and Climate Plan 2021-2030 (PNIEC). According to the latest update of this in 2024, the national target is a 32% reduction of GHG emissions by 2030 compared to 1990 levels.

In response to these new obligations and in line with Ercros' commitment to sustainability, Ercros approved its 3D Strategic Plan in 2021, which aims to transform the company into a long-term sustainable organisation. In addition, Ercros has made progress in its contribution to the fight against global warming by optimising resources and involving its value chain, and has complied with all new legal requirements relating to the environment and climate change.

Ercros' main milestones in climate change and sustainability



There are three dimensions to the Ercros 3D strategic plan:

- Diversifying Ercros' production structure in order to mitigate the volatility of the economic cycle and reduce Ercros' cyclical dependence on the development of activity in the markets in which it sells its products.
- Digitalising and automating the Group's production, commercial, logistical and administrative processes through automated data management in order to increase productivity and competitiveness.

¹ In 2008, the evaluation included Scopes 1 and 2. From 2021, it includes Scope 1, 2 and 3.

The Transition plan establishes GHG emission reduction targets

- Decarbonising Ercros' activities, intensifying its efforts to mitigate climate change, adapting to the new regulatory framework for industrial activity and adapting its behaviour to the EU's climate change requirements. This dimension includes the activities planned by Ercros to transition its operations to mitigate global warming and to address the impacts, risks and opportunities associated with climate change.

The 3D plan, approved by Ercros' board of directors on 22 January 2021, envisaged an initial investment of EUR 69 million over the period 2021-2025, of which EUR 31.4 million specifically related to the decarbonisation of its activities. Further investments were subsequently made and planned, which were also included in the 3D plan, and which form the so-called "Extended 3D plan", resulting in the Ercros Climate transition plan. The initial 3D plan and its extensions will be carried out with the company's own resources and the resources that can be obtained thanks to the official grants applied for.

Ercros' Climate transition plan is therefore based on the decarbonisation dimension of its extended 3D strategic plan. For this reason, 2020 has been taken as the base year for the Transition Plan. The plan has been prepared in accordance with best available practice, following guidance provided by various official bodies, most notably the EFRAG Guidance on the Implementation of Transition Plans for Climate Change Mitigation¹. The Transition Plan covers the period 2021-2050.

The main objective of the Transition Plan is to reduce Ercros' GHG emissions and to mitigate the risks and take advantage of the opportunities that the company has identified in relation to climate change. This Plan forms part of Ercros' strategic policy and is conceived as a fundamental instrument in the design and monitoring of the company's actions and investments, and is reviewed and approved by its governing and operational management bodies.

Ercros' Sustainable Development Division coordinates the implementation and monitoring of the Transition Plan and reports regularly to the company's stakeholders. Each year, the Sustainable Development Division evaluates various indicators to measure the implementation and degree of compliance with the Transition Plan and prepares an annual monitoring report summarising the degree of progress and implementation of the initiatives foreseen in the Plan. Corrective actions are proposed if significant variances are identified. The monitoring report is submitted to the board of directors for approval.

In order to comply with the Paris Agreement and contribute to limiting the average global temperature increase to 1.5°C above pre-industrial levels, the Ercros Transition Plan sets ambitious GHG emission reduction targets, in line with those set by Spain² and the EU³ at both global and sectoral levels. As Ercros' activities do not fall under the exemptions reflected in Article 2 of Delegated Regulation (EU) 2020/1818, it is not excluded from the EU benchmarks harmonised with the Paris Agreement.

In this context, Ercros plans to reduce its Scope 1 and 2 emissions by more than 70% in 2025, taking as a reference the level of 2008 (the year in which Ercros certified its CO₂ emissions for the first time). This target for the reduction of GHG emissions reflects a high level of ambition in relation to Spain's and the EU's commitments, and confirms the alignment of Ercros' objectives with the Paris Agreements in the medium term. In line with the Paris Agreement and the Spanish and European climate change strategies, Ercros is also committed to achieving climate neutrality by 2050.

8.2 Climate change mitigation and adaptation policies

Ercros' commitment to the fight against climate change is set out in its Sustainability policy, which has been approved by the board of directors. In this policy, the Group commits itself to contribute to the climate neutrality objectives of the European Green Pact and to apply the principles of the circular economy. In doing so, it directs its actions towards the total decarbonisation of its activities, with the aim of achieving this by 2050. The Sustainability policy applies to all employees and production sites.

¹ The EFRAG Guidance dated 4 November 2024, the latest version available at the time of preparation was used as the basis to prepare the Transition Plan.

² Emission reduction target of 32% by 2030 compared to 1990 (National Integrated Energy and Climate Plan (PNIEC) 2021-2030).

³ Emission reduction target of 55% by 2030 compared to 1990 (European Climate Law).

Similarly, Article 13 of the ethical code of conduct, a regulation also approved by the board of directors and applicable to all employees, sets out Ercros' commitment to environmental protection, climate neutrality and the decarbonisation of its operations.

In addition, in 2024, the Ercros board of directors approved the company's new Energy policy, which includes the following principles, among others:

- Integrating energy considerations into the company's strategy.
- Identifying and evaluating the energy consumption of activities with the aim of eliminating or, where appropriate, minimising it, if the consumption in question is dispensable or if more efficient alternatives exist.
- Maintaining an energy management system in accordance with the UNE-EN ISO 50001 standard at its production centres.
- Continuously improving performance in terms of energy use and consumption by setting objectives and targets for improving the energy efficiency of activities.
- Optimising energy consumption.
- Informing, training and sensitising all employees to energy saving and efficiency.

Ercros' actions to mitigate climate change also include, among others, the following actions and commitments:

- The GHG emissions of all Ercros factories are certified by AENOR in accordance with the ISO 14064 standard.
- More than 98% of Ercros' energy consumption (corresponding to the Almussafes, Aranjuez, Cerdanyola, Sabiñánigo, Tortosa, Tarragona, Vila-seca I and Vila-seca II facilities) is certified in accordance with the ISO 50001 standard.
- Ercros has adhered to the climate action commitments to curb global warming, established by the Catalan government in 2020.
- As a company in the industrial sector, Ercros is a party to the climate commitments of the business organisations in its sector at the European level and adopts the principles of Industry 4.0, always with a view to reducing the climate impact of its activities.

- Since 2022, the Cerdanyola factory has adhered to the Voluntary Agreements programme promoted by the Catalan Office of Climate Change for those plants in Catalonia that are not included in the emissions trading scheme.
- Ercros is a Gold Member of the Business and Climate Foundation, a non-profit organisation –official observer of the UN– and a benchmark in climate change adaptation and mitigation in business.
- Since 2012, Ercros has completed the Carbon Disclosure Project ("CDP") questionnaire, which evaluates the transparency and performance of organisations in relation to climate change. In 2024, Ercros received a B (Management) rating, which certifies that the company assesses the impacts of its activity on the climate, implements meaningful actions to reduce GHG emissions and reports transparently on its carbon footprint strategy, actions and results.

The company's new Energy policy was approved in 2024

8.3 Metrics: GHG emissions and energy consumption

a) GHG Emissions

Ercros calculates and monitors its carbon footprint annually. Ercros' GHG emissions inventory is audited and certified annually by AENOR in accordance with the ISO 14064-1:2018 standard, which guarantees the validity of the methodologies, hypotheses and emission factors used for its evaluation.

According to the Greenhouse Gas Protocol Corporate Standard, Ercros' GHG emissions are classified into three climate change related Emission Scopes:

- Scope 1: direct GHG emissions. Include all emissions under Ercros' control, such as internal fuel combustion, its fleet of vehicles, internal processing equipment, etc.

— Scope 2: indirect GHG emissions from energy consumption. Include all emissions resulting from Ercros' purchase and consumption of electricity, heat, steam or cooling services. These emissions are assessed using two different methodologies for quantifying emissions associated with electricity generation:

- Market-based assessment: Evaluates the GHG emissions of the electricity purchased by Ercros, in accordance with the contracts with its electricity suppliers.
- Location-based assessment: Evaluates the GHG emissions of the electricity purchased by Ercros, in accordance with the average electricity generated in Spain. It does not consider instruments such as guarantee of origin ("GoO") or renewable energy certificates.

Market-based Scope 2 emissions are used in the GHG emissions inventory prepared by Ercros.

— Scope 3: GHG emissions that occur as a result of Ercros' activities, but are beyond its control. They include emissions from its value chain (supply, and transport and distribution), business travel, investments, etc.

Ercros has an internal carbon pricing system in place for its Scope 1 emissions based on the EU Allowance for emissions rights (EUA). This system applies to all the company's Scope 1 emissions and is based on the average market price in December of the previous year. If any further internal allocations are made during the financial year, the internal price used corresponds to the market price at the time of the allocation.

In 2024, Ercros' internal carbon price was EUR 71.32 per tonne of CO₂ equivalent. This price coincides with the carbon pricing reflected in the company's financial statements. As the company has not experienced a deficit of CO₂ emission rights in recent years, it has not implemented any additional strategies for the purchase of emission rights.

(i) Absolute emissions

The facilities covered by the greenhouse gas emission allowance trading scheme are the Almussafes, Sabiñánigo, Tarragona, Vila-seca I, Vila-seca II and Tortosa plants.

In 2024, more than 90% of Ercros' Scope 1 GHG emissions came from regulated emissions trading schemes.

40% of the electricity consumed by Ercros is from renewable sources

By 2024, approximately 40% of the electricity consumed by Ercros came from renewable sources. Thanks to this use of renewable energy, Ercros has managed to reduce its Scope 2 GHG emissions by approximately 60,000 tonnes of CO₂eq/year over the period 2021-2024. Renewable energy consumption is a key component in the company's decarbonisation strategy, enabling it to move towards more sustainable energy consumption.

The evolution of Ercros' absolute GHG emissions from 2020, the base year of the 3D plan, to 2024 is shown in the following tables and graphs¹. In the case of Scope 3 emissions, 2021 is taken as the reference year as this is the year in which Ercros started to assess and certify its Scope 3 emissions.

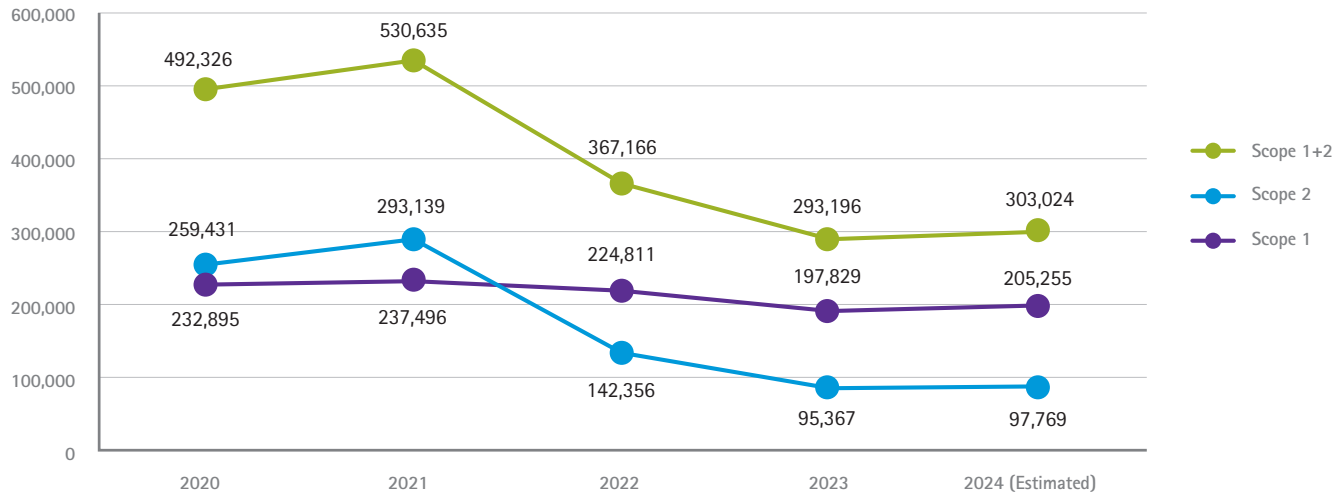
¹ Ercros only has production activities in Spain and therefore data are reported at national level.

	2020	2021	2022	2023	2024 Estimated ¹
Scope 1					
t CO ₂ eq/year	232,895	237,486	224,811	197,829	205,255
Annual evolution	—	+4,601	-12,685	-26,982	+7,426
Cumulative evolution vs. 2020	—	+4,601	-8,084	-35,066	-27,640
% annual evolution	—	+1.98%	-5.34%	-12.00%	+3.75%
% evolution vs. 2020	—	+1.98%	-3.47%	-15.06%	-11.87%
Scope 2 (market) ²					
t CO ₂ eq/year	259,431	293,139	142,356	95,367	97,769
Annual evolution	—	+33,708	-150,784	-46,989	+2,402
Cumulative evolution vs. 2020	—	+33,708	-117,076	-164,064	-161,662
% annual evolution	—	+12.99%	-51.44%	-38.01%	+2.52%
% evolution vs. 2020	—	+12.99%	-45.13%	-63.24%	-62.31%
Scope1+2 (market)					
t CO ₂ eq/year	492,326	530,635	367,166	293,196	303,024
Annual evolution	—	38,309	-163,469	-73,970	+9,828
Cumulative development	—	38,309	-125,160	-199,130	-189,302
% annual evolution	—	7.78%	-30.81%	-20.15%	+3.35%
% evolution vs. 2020	—	7.78%	-25.42%	-40.45%	-38.45%
Scope 3					
t CO ₂ eq/year		810,828	711,357	657,616	544,432
Annual evolution		—	-99,471	-53,741	-113,184
Cumulative development		—	-99,471	-153,212	-266,396
% annual evolution		—	-12.27%	-7.55%	-17.21%
% evolution vs. 2021		—	-12.27%	-18.90%	-32.85%
Scope 1+2 (market)+3					
t CO ₂ eq/year		1,341,463	1,078,523	950,812	847,456
Annual evolution		—	-262,940	-127,711	-103,356
Cumulative development		—	-262,940	-390,651	-494,007
% annual evolution		—	-19.60%	-11.84%	-10.87%
% evolution vs. 2021		—	-19.60%	-29.12%	-36.83%

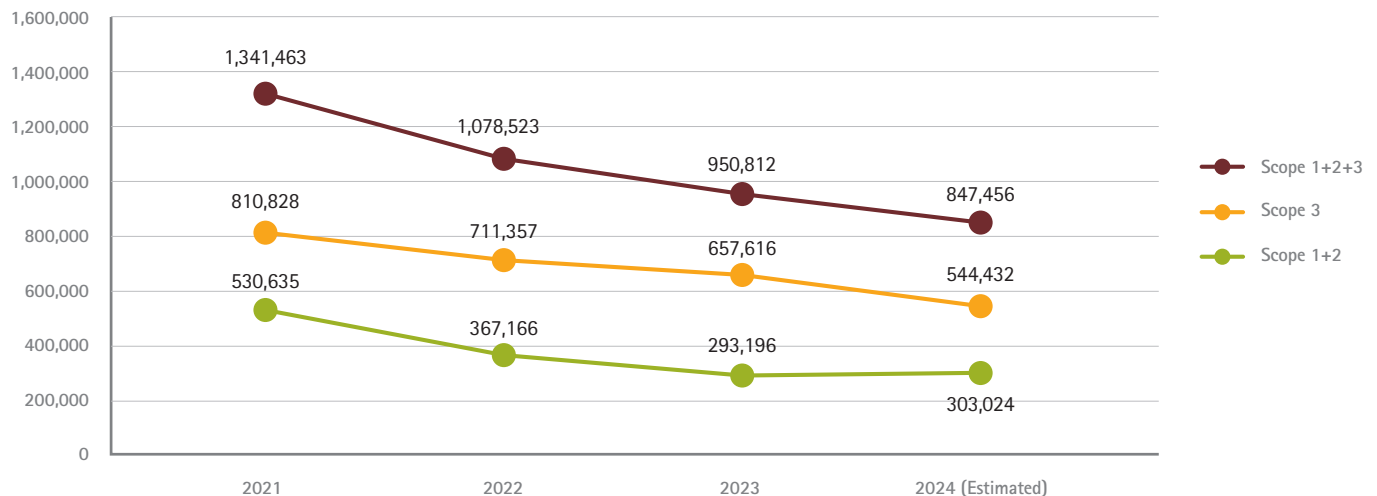
¹ The data for 2024 are a first estimate. They may be subject to revision once verified annual data are available.

² In 2024, the Scope 2 emissions calculated on a location basis stood at 115,733 t CO₂ eq/year. This represents a variation of +2.60% compared to 2023 (112,803 tCO₂ eq/year in 2023) and -50.58% compared to the base year (234,194 tCO₂ eq/year in 2020).

Scope 1+2 (t CO₂ eq/year)



Scope 1+2+3 (t CO₂ eq/year)



All data have been calculated based on Ercros' actual consumption, to which the emission factors provided by its suppliers have been applied. Official emission factors were used where these were not available.

Scope 3 categories included in this inventory are: downstream transport and distribution; purchased goods (raw materials, process chemicals, containers and packaging, and production, transport and distribution of fuels and energy); capital goods; and services used.

The following Scope 3 categories are not significant for Ercros and are therefore not included in the inventory, although they have been assessed: upstream transport and distribution, business travel and commuting. Due to the diversity of use and end-of-life scenarios of Ercros' products, GHG emissions associated with the use of Ercros' products are also not included in the inventory.

Ercros does not generate any biogenic CO₂ emissions from the combustion or biodegradation of biomass.

(ii) Emissions intensity per tonne produced

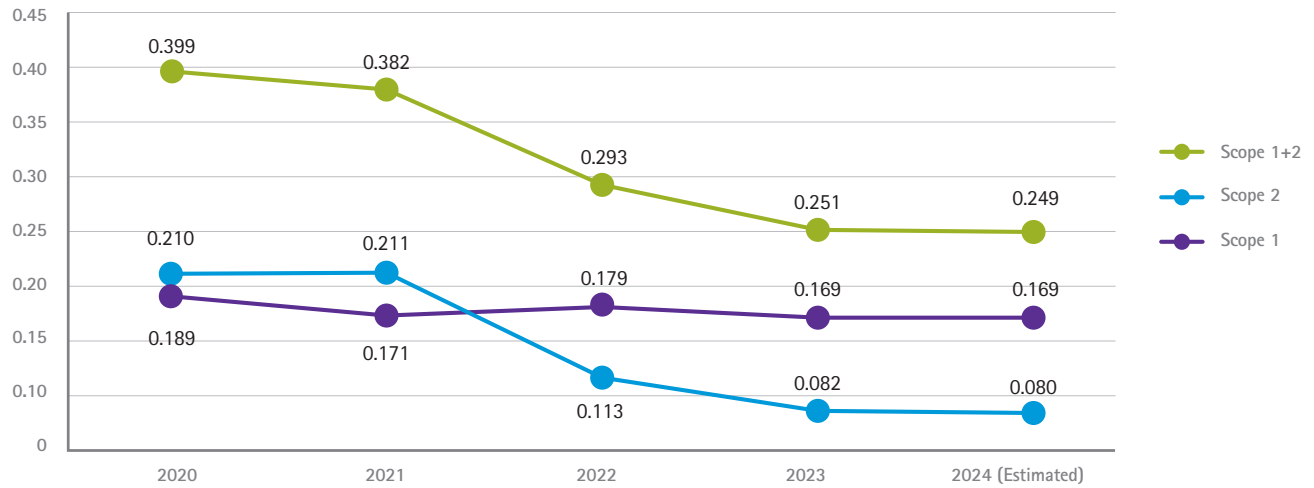
The following tables and graphs show the evolution of emissions intensity, expressed in tonnes of CO₂ equivalent per tonne produced, from 2020, the base year of the 3D plan, to 2024. In the case of Scope 3 emissions, 2021 is taken as the reference year as this is the year in which Ercros started to assess and certify its Scope 3 emissions.

	2020	2021	2022	2023	2024 Estimated ¹
Scope 1					
t of CO ₂ eq/t produced	0.183	0.171	0.179	0.169	0.169
% annual evolution	—	-9.33%	4.77%	-5.63%	-0.19%
% evolution vs. 2020	—	-9.33%	-5.00%	-10.35%	—
Scope 2 (market) ²					
t of CO ₂ eq/t produced	0.210	0.211	0.113	0.082	0.080
% annual evolution	—	+0.47%	-46.25%	-28.16%	-1.37%
% evolution vs. 2020	—	+0.47%	-46.00%	-61.20%	—
Scope 1+2 (market)					
t of CO ₂ eq/t produced	0.399	0.382	0.293	0.251	0.249
% annual evolution	—	-4.17%	-23.42%	-14.36%	-0.57%
% evolution vs. 2020	—	-4.17%	-26.61%	-37.15%	—
Scope 3					
t of CO ₂ eq/t produced		0.584	0.567	0.562	0.448
% annual evolution			-2.90%	-0.90%	—
% evolution vs. 2021			-2.90%	-3.77%	—
Scope 1+2 (market)+3					
t of CO ₂ eq/t produced		0.966	0.860	0.813	0.697
% annual evolution			-11.01%	-5.48%	—
% evolution vs. 2021			-11.01%	-15.89%	—

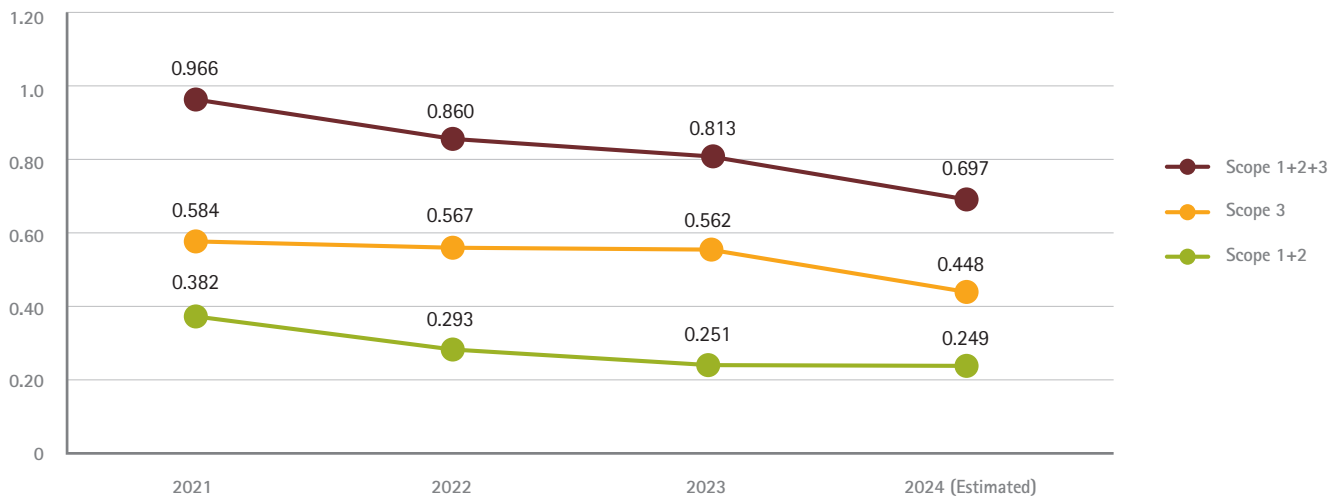
¹ The data for 2024 are a first estimate. They may be subject to revision once verified annual data are available.

² In 2024, the intensity of Scope 2 emissions calculated on a location basis stood at 0.095 t CO₂ eq/t. This represents a variation of -1.30% compared to 2023 (0.096 tCO₂ eq/year in 2023) and -49.83% compared to the base year (0.190 tCO₂ eq/year in 2020).

Scope 1+2 (t CO₂ eq/t produced)



Scope 1+2+3 (t CO₂ eq/t produced)



(iii) GHG emissions intensity per net income

The evolution of emissions intensity, expressed in tonnes of CO₂ equivalent per euro (net revenue as reported in the financial statements¹), from 2020, the base year of the 3D plan, to 2024 is shown in the following tables and graphs. In the case of Scope 3 emissions, 2021 is taken as the reference year as this is the year in which Ercros started to assess and certify its Scope 3 emissions.

	2020	2021	2022	2023	2024 Estimated ¹
Scope 1					
t CO ₂ eq/€	0.398	0.282	0.212	0.261	0.293
% annual evolution		-29.03%	-24.87%	23.08%	12.24%
% evolution vs. 2020		-29.03%	-46.68%	-34.38%	-26.34%
Scope 2 (market) ²					
t CO ₂ eq/€	0.443	0.349	0.134	0.126	0.140
% annual evolution		-21.36%	-61.46%	-6.30%	10.90%
% evolution vs. 2020		-21.36%	-69.69%	-71.60%	-68.50%
Scope 1+2 (market)					
t CO ₂ eq/€	0.841	0.631	0.346	0.387	0.433
% annual evolution		-24.99%	-45.08%	11.69%	11.80%
% evolution vs. 2020		-24.99%	-58.81%	-53.99%	-48.56%
Scope 3					
t CO ₂ eq/€		0.964	0.672	0.868	0.777
% annual evolution			-30.37%	29.26%	-10.44%
% evolution vs. 2021			-30.37%	-10.00%	-19.39%
Scope 1+2 (market)+3					
t CO ₂ eq/€		1.595	1.018	1.255	1.210
% annual evolution			-36.19%	23.28%	-3.58%
% evolution vs. 2021			-36.19%	-21.33%	-24.15%

¹ The data for 2024 are a first estimate. They may be subject to revision once verified annual data are available.

² In 2024, the Scope 2 emissions intensity calculated on a location basis stood at 0.165 tCO₂ eq/€. This represents a variation of +10.99% compared to 2023 (0.149 tCO₂ eq/€ in 2023) and -58.70% compared to the base year (0.400 tCO₂ eq/€ in 2020).

¹ See note 3 a) to the consolidated financial statements.

b) Energy consumption

The following table shows Ercros' energy consumption and energy mix for the years 2024 and 2023.

Item ¹	2024 ² (Estimated)	2023
Consumption of fuels from coal and coal products	0 MWh	0 MWh
Consumption of fuel from crude oil and petroleum products	483 MWh	1,697 MWh
Fuel consumption from natural gas	775,196 MWh	717,133 MWh
Fuel consumption from other fossil fuel sources	53,432 MWh	67,881 MWh
Consumption of electricity, heat, steam or cooling purchased or acquired from fossil sources	530,514 MWh	517,135 MWh
Total fossil energy consumption	1,359,625 MWh	1,303,846 MWh
% of fossil fuels in total energy consumption	75.6%	76.3%
Consumption of fuel from nuclear sources	0 MWh	0 MWh
% of nuclear sources in total energy consumption	0%	0%
Fuel consumption by renewable source such as biomass (including biowaste, biogas, renewable hydrogen, etc.)	55,804 MWh	37,548 MWh
Consumption of electricity, heat, steam and cooling purchased or procured from renewable sources	383,313 MWh	366,699 MWh
Consumption of self-generated renewable energy not used as a fuel	278 MWh	0 MWh
Total renewable energy consumption	439,395 MWh	404,246 MWh
Share of renewable energy consumption in total energy consumption	24.4%	23.7%
Total energy consumption	1,799,019 MWh	1,708,092 MWh

¹ Consumption data from the corporation's offices are not included.

² The data for 2024 are a first estimate. They may be subject to revision once verified annual data are available.

Ercros' activities do not fall within the sectors considered to have a high climate impact, so the energy intensity assessment does not apply³.

8.4 Actions and resources for climate change mitigation and adaptation

The investments and actions envisaged in the Ercros Climate transition plan are designed to achieve the following main objectives:

- Meeting Ercros' GHG reduction targets in the short and medium term, and achieving climate neutrality by 2050.
- Mitigating risks and taking advantage of priority opportunities identified by Ercros in relation to climate change [see chapter 7. Management of impacts, risks and opportunities]:
 - Transition risks:
 - i. Costs associated with the transition to low-emission technologies.
 - ii. Increase in the price of emission allowances.
 - iii. Increase in the cost of raw materials.
 - iv. Dependence on road and sea transport.

³ According to the reference system of the statistical classification of economic activities NACE Revision 2 and Commission Delegated Regulation (EU) 2022/1288.

- Physical risks:
 - i. Changes in precipitation and extreme variability of weather patterns.
 - ii. Increase in severe extreme weather events.
 - iii. Increase in average temperature.
- Opportunities
 - i. Implementing a climate change adaptation strategy and monitoring the associated risks.
 - ii. Using political support incentives.
 - iii. Participating in renewable energy programmes and implementing energy efficiency measures.
 - iv. Using new technologies.
 - v. Using of low-emission energy sources.
 - vi. Reducing water use and consumption.
 - vii. Using more efficient production and distribution processes.

The total investment of the Transition plan is EUR 90.29 M in the period 2021-2029¹, and envisages a reduction of Scope 1+2 GHG emissions of 127,755 tCO₂ eq/year.

- Total investment (period 2021-2029): EUR 90.29 M
 - Investment already made (2021-2024): EUR 18.95 M
 - Pending investment: EUR 71.34 M
 - i. Short-term investment (2025): EUR 17.24 M
 - ii. Medium-term investment (2026-2029): EUR 54.10 M
- GHG reduction (period 2021-2029) (Scope 1+2): 127,755 tCO₂ eq /year
 - GHG reduction associated with investments already made (2021-2024): 74,517 tCO₂ eq/year
 - Pending GHG reduction: 53,238 tCO₂ eq/year
 - i. Short-term reduction (2025): 8,650 tCO₂ eq/year
 - ii. Medium-term reduction (2026-2029): 44,588 tCO₂ eq/year

The Climate transition plan envisages five levers for action, in line with the 3D strategic plan and the climate scenario analysis carried out by Ercros [see chapter 7.2 Risks related to climate change]:

- Implementing investments to promote energy efficiency, increase the consumption of renewable energy, and improve processes.
- Maximising the use of hydrogen produced in electrolytic processes.
- Intensifying the circular economy and reducing water consumption.
- Sustainable mobility.
- Company adaptation to climate change.

In turn, the actions included within each lever of action correspond to the following types of solutions:

- Technological and engineering solutions.
- Management and/or operational solutions.
- Nature-based solutions ("NBS") (planned for the period 2030-2050).
- Solutions based on CO₂ capture, transport, storage and utilisation technologies ("CAUC technologies", envisaged for the period 2030-2050).

¹ The long-term investments and GHG reductions planned for the period 2030-2050 are not detailed because of the uncertainties associated with technological and environmental developments over such a long time horizon.

The table below shows the investments made and planned, and the associated Scope 1+2 GHG reductions, by lever and time period.

Period ⁽¹⁾	Lever	Investment	Scope 1+2 GHG reduction
Investments already made (Period 2021-2024) ³	Energy efficiency, renewable energy consumption, and process improvement	EUR 5.52 M	69,186 tCO ₂ eq/year
	Circular economy and reducing water consumption	EUR 13.11 M	5,111 tCO ₂ eq/year
	Sustainable mobility	EUR 0.32 M	⁽²⁾
	Climate change adaptation	EUR 0 M	220 tCO ₂ eq/year
	TOTAL 2020-2024	EUR 18.95 M	74,517 tCO₂ eq/year
Short-term investments (2025) ⁴	Energy efficiency, renewable energy consumption, and process improvement	EUR 10.11 M	5,549 tCO ₂ eq/year
	Climate change adaptation	EUR 4.43 M	2,980 tCO ₂ eq/year
	Maximising the use of hydrogen produced in electrolytic processes	EUR 2.37 M	121 tCO ₂ eq/year
	Sustainable mobility	EUR 0.33 M	⁽²⁾
	TOTAL 2025	EUR 17.24 M	8,650 tCO₂ eq/year
Medium-term investments (Period 2026-2029)	Energy efficiency, renewable energy consumption, and process improvement	EUR 32 M	23,780 tCO ₂ eq/year
	Climate change adaptation	EUR 18.3 M	18,408 tCO ₂ eq/year
	Maximising the use of hydrogen produced in electrolytic processes	EUR 3.8 M	2,400 tCO ₂ eq/year
	TOTAL 2026-2029	EUR 54.1 M	44,588 tCO₂ eq/year
TOTAL (2021-2029)	Energy efficiency, renewable energy consumption, and process improvement	EUR 47.63 M	98,515 tCO ₂ eq/year
	Climate change adaptation	EUR 22.73 M	21,608 tCO ₂ eq/year
	Circular economy and reducing water consumption	EUR 13.11 M	5,111 tCO ₂ eq/year
	Maximising the use of hydrogen produced in electrolytic processes	EUR 6.17 M	2,521 tCO ₂ eq/year
	Sustainable mobility	EUR 0.65 M	⁽¹⁾
	TOTAL (2021-2029)	EUR 90.29 M	127,755 t CO₂ eq/year

¹ The planned long-term investments (2030-2050) and GHG reductions are not included because of the uncertainties associated with technological and environmental developments over such a long time horizon.

² GHG emission reductions from sustainable mobility actions are not included as they fall under Scope 3

³ Includes actual PPAs

⁴ Does not include possible additional PPAs for the period.

All proposed investments involve a reduction of operational costs and therefore no Opex monetary amounts are necessary to implement the investments to reduce GHG emissions.

8.5 GHG emission reduction targets and monitoring

Ercros' Climate transition plan sets out four key targets:

Dimension	Description
Targets	Net-Zero (climate neutrality) in 2050
	– Short term (2025): - 39% in 2025 compared to 2020 (base year of the 3D plan)
	– Medium term (2029): - 42% in 2029 compared to 2020 (base year of the 3D plan)
	Scope 1+ 2 emissions intensity:
	– Short term (2025): 0.272 t CO ₂ / t produced.
	– Medium term (2029): 0.213 t CO ₂ / t produced
	Water consumption ¹ :
	– Short term (2025): 6,87 m ³ water/ t produced.
	– Medium term (2029): 5,81 m ³ water/ t produced.

¹ Ercros has not set location-based Scope 2 emission reduction targets because its GHG emissions inventory uses market-based Scope 2 emissions.

Ercros' GHG emission reduction targets do not include Scope 3 emissions in 2025. It is envisaged that reduction targets for this type of emissions, compatible with the Paris Agreement, will be set for the period 2026-2029 under the Science Based Targets (SBTi) initiative.

In addition, due to the impact of climate change on water availability, Ercros has set water consumption targets as part of its Climate transition plan. The Plan also envisages a set of actions to achieve these targets [see chapter 10. Water and marine resources].

Ercros ensures consistency between its reduction targets, its GHG emissions inventory and its baseline (the 2020 baseline), as they all have the same emissions scope and cover all the activities of the company.

Ercros will meet its targets for reducing GHG emissions and water consumption on schedule if the planned investments and measures are implemented. The potential emissions locked in by key assets and products do not compromise the achievement of Ercros' GHG emission reduction targets.

9

POLLUTION



9.1 Pollution-related policies

Ercros has policies, manuals, plans and procedures that set out the principles that the company implements to manage the material impacts, risks and opportunities related to pollution. These corporate instruments include the following:

- The Sustainability policy, which sets out the reference framework that governs, among other matters, the company's actions in the field of environmental pollution, with the aim of protecting people and the environment.
- The ethical code of conduct, which, among other things, defines the rules that Ercros' own employees and workers in the value chain must follow with regard to environmental protection and pollution prevention.
- Environmental management systems based on the UNE-EN ISO 14001:2015 standard ("ISO 14001"), certified by Aenor in all its facilities.

In addition, Ercros has:

- The sustainability manual, which elaborates on the Sustainability policy, explaining the management system and setting out its main principles. This manual is the basis for the general corporate procedures, which are used to draw up specific documents for each workplace.
- The sustainability plan, which sets out the annual corporate environmental targets.
- The European Eco-Management and Audit Scheme ("EMAS"), in which the Monzón, Sabiñánigo and Tortosa plants and the three centres integrated into the Tarragona Industrial Complex ("CIT") are registered.
- Procedures, guidelines and protocols for governing aspects related to the sustainability of the activity and its facilities.
- The whistleblowing channel procedure, which establishes the mechanism for reporting cases of alleged infringement of the values of the Ercros ethical code of conduct, including environmental protection and prevention of pollution.
- Operation Clean Sweep ("OCS") certification at the Vila-seca II and Monzón sites [see section 9.2].

In particular, the Sustainability policy provides the basis for managing incidents, risks and opportunities related to pollution prevention and control:

- With regard to the reduction of negative impacts related to the pollution of the air, water and soil:
 - Ensuring environmental protection and pollution prevention, as well as the sustainable use of resources, applying the precautionary principle where potential damage is suspected.
 - Contributing to the carbon neutral objectives of the European Green Pact and applying the principles of the circular economy, by directing Ercros' actions towards the complete decarbonisation of its activities, with the aim of achieving this by 2050 [see section 8.1 Climate transition plan].
 - Contributing to the conservation of biodiversity in protected areas within the sphere of influence of the company's production centres [see chapter 13. Protection of biodiversity].
- With regard to the use of substances of concern:
 - Ensuring that no unlawful activities are carried out with chemical products acquired, manufactured or marketed by Ercros that could be diverted to the production of chemical weapons, drugs or explosives. Cooperating with the authorities in combating these activities.
 - Meeting customer requirements and expectations by delivering products in accordance with specifications and other contractually agreed terms.
 - Working with customers in accordance with current product stewardship regulations to enable them to achieve their own sustainability goals.
 - Ensuring the safe use of products manufactured and marketed by Ercros, especially those used in the food industry.
- With regard to incident and emergency management:
 - Drawing up, reviewing and training self-protection plans and improving and systematising emergency planning, taking into account the applicable laws on major accidents.

These principles are further elaborated in the Sustainability manual, in the general procedures, and in site-specific procedures.

The emissions index has shown positive growth over the past five years

9.2 Metrics: Air, water and soil pollution

Ercros' factories assess and monitor the pollutants included in their environmental permits, as well as those they have voluntarily chosen to monitor in both the water and air vectors. In the case of waste generation, the factories keep records to supervise the storage and treatment of waste generated, which is managed by authorised waste managers.

Ercros has an internal indicator (emissions index) calculated on the basis of the quantities of substances emitted into the air and water and the waste produced by each of its production centres, so as to have indicators that facilitate the evaluation of its pollution control performance. This data is weighted by factors depending on the environmental risk of the products concerned, which are based on the thresholds set out in Annex II to Regulation (EC) No 166/2006 ("E-PRTR Regulation").

The emission rates of the factories form the basis of Ercros' total emissions index. Emission rates (by vector, by factory and Ercros overall) are evaluated and monitored every six months.

Emissions indices

PER TONNE PRODUCED

	2020	2021	2022	2023	2024
Air	0.159	0.093	0.085	0.096	0.089
Water	1.271	1.056	1.022	1.058	1.082
Waste	0.126	0.118	0.126	0.089	0.071
Total Ercros	1.556	1.267	1.234	1.243	1.242

The Ercros emissions index over the last five years has evolved positively, reflecting the company's pollution reduction efforts.

The emissions index includes greenhouse gas ("GHG") emissions –reported in greater detail in the chapter on climate change– and emissions to land.

Each year, Ercros submits its emissions broken down by pollutant, as specified in Annex II of Regulation (EC) No 166/2006 ("E-PRTR Regulation"). When the threshold values are exceeded, this information is made public in the E-PRTR register. In any case, all Ercros' production facilities comply with the limits on emissions into the air and discharges into water established in their respective environmental authorisations.

Regarding microplastic waste generation, the Monzón and Vila-seca II plants¹ are certified according to the Operation Clean Sweep (OCS) programme, which aims to reduce the potential release of microplastics into the environment in the form of granules, flakes or resin powder. One of the requirements of this programme is the recording of microplastic losses, which can be reported as microplastic generation. Microplastics are not a raw material in the company's production processes and are not part of its end products.

The environmental declarations of the production sites include both microplastic losses and reduction targets.

9.3 Substances of concern and very high concern

Ercros uses sodium dichromate and 1,2-dichloroethane ("EDC"), two substances of very high concern ("SVHC").

The Company does not produce them as end products, nor do they form part of its products. It does, however, buy them and uses them as intermediates in the production of other substances. Sodium dichromate is used exclusively as an additive in the sodium chlorate production process, while EDC, which is purchased or produced by Ercros, is an intermediate in the production of PVC.

Ercros also manufactures, sells and procures products classified as substances of concern, such as formaldehyde, paraformaldehyde, biocides, VCM, melamine or methanol. However, since all the substances described above are substances whose use is legal both in the EU market and in the markets of third countries, Ercros purchases, uses, manufactures and sells them in compliance with the conditions and requirements of the EC Regulation 1907/2006 (Reach).

¹ The remaining Ercros sites do not handle microplastics.

9.4 Pollution-related actions and resources

Ercros' facilities have systems in place to reduce pollution and minimise their impact on the environment:

- Water pollution: to prevent and reduce water pollution, the Ercros factories have implemented various measures: special waste water treatment plants (biological, physicochemical, mercury, nitrified and chlorinated), fixed and mobile retention systems to prevent accidental spills, in-line control equipment to guarantee the quality of treated and discharged water, retention basins for emergencies, systems to reuse waste water in industrial processes, spill protection kits and monitoring plans integrated into the ISO 14001 environmental management system.
- Air pollution: Ercros implements various measures to reduce air pollutant emissions. These include volatile organic compound ("VOC") abatement systems such as scrubbers and thermal oxidisers, particulate filtration systems (cyclones and bag filters), tank inertisation, reuse of waste streams in boilers, reduction of nitrous gases, treatment of chlorinated gases and continuous monitoring of emissions. In addition, Ercros has integrated monitoring plans into its ISO 14001 environmental management system.
- Noise and light pollution: Ercros minimises the impact of noise and light pollution by means of acoustic shielding, enclosing noisy equipment, using silencers, programmes to replace mercury vapour lamps with sodium or LEDs, controlling lighting with sensors and replacing conventional luminaires with LED fittings in various factories.

Factories have systems in place to reduce pollution and minimize impact

The expenses for the protection and improvement of the environment in 2024 amounted to EUR 17,643 thousand.

Ercros acts in accordance with Regulation (EC) No 1907/2006 ("Reach") and the Environmentally Sustainable Products Regulation ("ESPR") with regard to the prevention and control of substances of concern.

With regard to preventing and monitoring soil pollution, Royal Decree 9/2005, establishing the list of potentially soil polluting activities and the criteria and standards for declaring polluted soil, requires industries to characterise the soils and launch, if appropriate, a remediation project, subject to approval by the competent authority.

Over the past year, Ercros continued with its characterisation and/or remediation work on the soil at the Aranjuez, Flix, Vila-seca I and Vila-seca II factories in accordance with the projects submitted to the competent authorities. In turn, the control and monitoring plan for soil and groundwater approved by the authorities is underway at the Sabiñánigo and Monzón factories. In Ercros' other centres, the annual preventive checks on groundwater continue to be carried out without any impact being observed.

Lastly, work to improve the aquifer is being carried out on the land owned by Ercros, on the site of the former Palos de la Frontera factory, with the agreement of the administration. The final characterisation of the land on which the former Silla factory was located has been submitted to the Valencia Regional Government to obtain authorisation to carry out work to improve the quality of the land.

Details of actions taken and planned at the former El Hondón and Cardona centres are included in chapter 7.3 Environmental risks.

In 2024, Ercros made provisions for various environmental remediation activities amounting to EUR 2,463 thousand (2023: EUR 3,514 thousand).

In addition, Ercros, together with its suppliers and customers, carries out various actions to minimise its environmental impact throughout the value chain. These actions include:

- Approval of suppliers: Ercros evaluates all its suppliers. To this end, they must all submit the quality, environmental and other certificates required for approval. All suppliers must also adhere to the Ercros ethical code of conduct or have their own equivalent code in place.
- Reuse of materials: At its Cerdanyola plant, Ercros works with its moulding powder customers to promote the reuse of products that it sells and that they do not use, so that they can be reintroduced as raw materials into production processes. This initiative helps reduce the amount of waste generated and promotes the circular economy.
- Customer complaints: Ercros has a management system that defines the process for handling and responding to customer complaints in all areas, including pollution.

- Complaints to suppliers: Ercros has a management system that defines the process of complaints to suppliers for pollution incidents in material unloading processes.

In 2024, Ercros participated in 33 accident drills: 12 official drills involving external emergency services, 18 internal drills at production sites and three Ceret road accident response drills.

Drills

	2023	2024
Official	13	12
Internal	19	18
Ceret	10	3
Total	42	33

9.5 Pollution targets

Ercros' main pollution targets are determined by the conclusions of the Best Available Techniques ("BAT") of the BREFs in force for each of its factories, as reflected in their environmental authorisations. BREFs have a 4-year deadline for adoption and Ercros has made and continues to make significant efforts to adapt within the deadline. In any case, and once the facilities have been adapted, continuous improvement objectives continue to be set.

Each Ercros factory therefore sets its own annual targets. These targets can relate to both operational aspects and emission levels. Examples of current targets include:

- Aranjuez: 5% decrease in VOC leaks.
- Tortosa: reduction of scrubber venting events.
- Vila-seca I: 16% reduction in leaked emissions of chlorine and hydrochloric acid.
- Cerdanyola: reduction of the concentration of total nitrogen in discharges.
- Monzón: Ercros aims to reduce the specific rate of microplastic spills by 10% compared to the previous year.

The factories have their environmental management certified according to ISO 14001

Ercros monitors the effectiveness of its actions and the degree of compliance with its environmental targets across all its production centres through a sustainability management system, which is certified and verified annually by an accredited company, based on the following specific environmental reference standards:

- Standard ISO 14001, accrediting the implementation of an environmental management system that promotes the protection of the environment and the prevention of pollution. Since April 2009, all of Ercros' industrial facilities have been certified in accordance with this standard.
- The European Eco-Management and Audit Scheme ("EMAS") registration system is a voluntary regulation that accredits companies that have a defined Environmental policy and regularly report on the operation of that system by means of an environmental declaration verified by independent bodies. The Monzón, Sabiñánigo and Tortosa factories, and the three integrated facilities in the CIT are included on that register.



10

WATER AND
MARINE RESOURCES

10.1 Water resources management policies

Ercros has set out the principles it applies to ensure responsible and sustainable management of water and marine resources in its Sustainability policy, Sustainability manual and procedures, in accordance with applicable regulations and recognised best practices.

Integrated water management at Ercros is based on the following principles:

- Conservation of water and marine resources: Ercros is committed to the efficient use of water, minimising the impact on aquatic ecosystems and protecting marine biodiversity.
- Risk identification and mitigation: the company conducts regular assessments to identify risks associated with water and marine resource use, such as water scarcity, pollution and climate change impacts, and develops mitigation measures [see chapter 7. Management of impacts, risks and opportunities].
- Regulatory compliance Ercros ensures that its operations comply with local and international regulations relating to water management and marine ecosystems.
- Responsible management: Ercros prioritises the efficient use and conservation of water in its activities, setting targets to reduce consumption, minimise waste and prevent contamination of water sources.
- Monitoring and continuous improvement: Ercros implements systems to monitor water use and reduce the impact of its activities on water.
- Stakeholder participation: Ercros works with local communities, governments and non-governmental organisations to promote the sustainable management of water and marine resources, seeking a balance between economic development and environmental protection.
- Campaigns: Ercros organises campaigns for the employees to promote the saving and efficient use of water.

Furthermore, Ercros has adopted practices and standards related to the sustainability of the oceans and seas, in particular in the Vila-seca II and Monzón plants, which are certified according to OCS-Zero Pellets Loss, a standard promoted by the EU, which aims to prevent the loss of microplastic waste that can enter the environment, especially the aquatic environment.

10.2 Water consumption

In 2024, water consumption ¹ at all Ercros' plants was 9,863,000 m³. This figure represents a 2.16% reduction in water consumption compared to 2023, when 10,081,000 m³ were consumed.

In 2024, the consumption intensity of the production sites is 8.11 m³ per tonne produced. This is a reduction of 5.9% compared to 2023, when 8.62 m³ per tonne produced was consumed.

Furthermore, in 2024, Ercros consumed 772,747 m³ of reclaimed water, which is 0.72% higher than the reclaimed water consumption of 767,233 m³ in 2023.

All of Ercros' reclaimed water consumption takes place at the Tarragona Complex ("CIT"). The water comes from the Aguas Industriales de Tarragona (Aitasa) water reclamation plant, which treats water from the Tarragona and Vila-seca municipal water treatment plants. It is worth noting that the CIT's water supply is managed by Aitasa, which not only provides reclaimed water but also mains water from the Consorci d'Aigües de Tarragona.

Broken down by hydrological basin, 66.2% of the water consumed comes from the Ebro basin, 17.6% from the Tajo basin, 8.1% from the Xúquer basin, 7.8% is reclaimed water from the aforementioned Aitasa plant and 0.3% from the Catalan river basin.

Ercros' water consumption data is mostly obtained through direct meter readings. Water consumption measured with direct readings accounts for approximately 73% of the total water consumed by Ercros. Only the water supplied by Aitasa and consumed in the CIT is not measured directly, but accounted for by the supplier on their invoices. Water consumption measured with supplier data accounts for approximately 27% of the total water consumed by Ercros.

Ercros facilities do not store more water than is strictly necessary for fire-fighting systems.

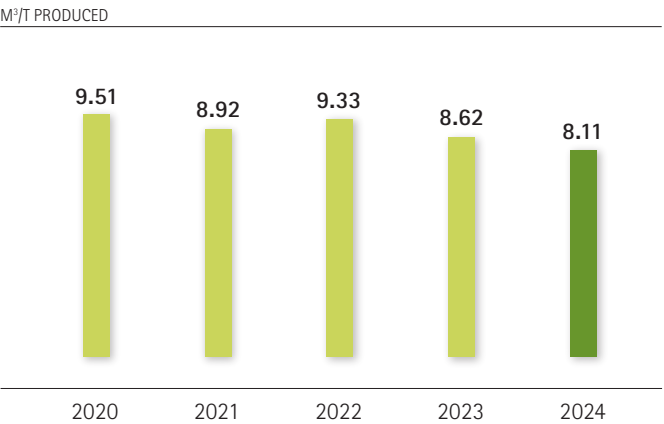
In 2024, Ercros' water intensity was 14,083 m³/million euros of revenue, compared to 13,306 m³/million euros of revenue in 2023, as a result of the decrease in revenue due to the decrease in sales prices of finished products.

¹ Water consumption includes the consumption of reclaimed water.

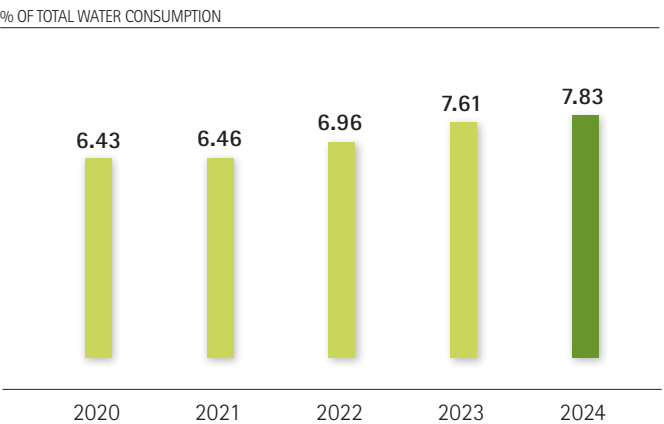
In terms of the historical evolution of water consumption:

Water consumption

Water consumption (including reclaimed water consumption)



Consumption of reclaimed water



With regard to fresh water consumption ¹ at Ercros' production centres, in 2024 it stood at 7.24 m³/t produced, compared to 7.54 m³/t produced in 2023. The target for 2024 was 7.12 m³/t produced. Water consumption has been within target thresholds but the index has been affected by lower production.

¹ Fresh water is defined as water that has not undergone prior recovery or reuse processes.

10.3 Actions and resources implemented

Ercros performs a series of actions to maintain and intensify its commitment to sustainability and efficient water management, with emphasis on:

- Reducing water consumption.
- Promoting the use of reclaimed water.
- The treatment and proper management of its wastewater, prioritising, where possible, the optimisation of wastewater treatment plants through the use of shared facilities.
- Monitoring and controlling its discharges.

Ercros' actions and resources in the area of water management are described in its Climate transition plan [see chapter 8.1 - Climate transition plan]. Ercros has included these actions in the Climate transition plan due to the potential impact of global warming on water management. The Transition plan classifies water actions into three time horizons:

- Investments and actions already carried out (period 2021-2024).
- Investments and actions planned in the short term (year 2025).
- Investments and actions planned in the medium term (period 2026-2029).

In the 2021-2024 period, Ercros has reduced its water consumption by 74,000 m³ per year, thanks mainly to the commissioning of the new brine recrystallisation plant in Sabiñánigo.

By 2029, Ercros expects to have reduced its fresh water consumption by an additional 1,298,955 m³ per year compared to 2024. The main actions envisaged to achieve this additional reduction include the following:

- In the CIT factories, increasing the use of reclaimed water by incorporating reclaimed water from the joint industrial water treatment plant managed by Aitasa in the Entrevies industrial estate, between Tarragona and Vila-Seca. This action should save approximately 600,000 m³/year of fresh water consumption.

It should be added that the three Ercros factories in the CIT discharge their wastewater into this industrial water treatment plant. The plant, operational since June 2022, was developed by Aitasa in collaboration with several companies in the southern industrial estate of Tarragona for the joint treatment of wastewater from these industrial companies. The Aitasa plant enables efficient, centralised wastewater management, and is a major project among Ercros' efforts to optimise its wastewater treatment and increase its consumption of reclaimed water.

- Increasing condensate recovery and improving cooling circuits at the Aranjuez factory. These actions should save approximately 230,000 m³/year of water consumption.
- At the Tortosa plant, the consumption of reclaimed water from the wastewater treatment plant (WWTP), and the consumption of rejected water from the reverse osmosis plant. These actions should save approximately 200,000 m³/year of fresh water consumption.
- Improving the cooling circuits at the Sabiñánigo factory. This action should save approximately 30,000 m³/year of water consumption.

According to the information provided by Aemet¹ none of the Ercros facilities is located in an area of prolonged drought. However, this does not mean that, in exceptional drought situations, the company will have any difficulty in strictly complying with the recommendations issued by the relevant authorities and maintaining and intensifying the measures it has implemented to reduce and optimise its water consumption.

10.4 Objectives related to water and marine resources

Ercros has set voluntary short term (2025) and medium term (2029) targets to reduce the intensity of its freshwater use per tonne produced. The company has also set interim annual targets. These interim targets have been set to encourage a gradual and sustainable reduction in water consumption and to facilitate the monitoring of the effectiveness of the water saving policies and measures implemented through clear indicators to assess compliance with the targets.

The targets for reducing freshwater consumption are part of the objectives set out in the Ercros Climate transition plan and are designed to help manage the impacts, risks and opportunities arising from both the management and consumption of water resources and climate change. In particular, these objectives contribute to mitigating the physical risks described as "Changes in precipitation and extreme variability of weather patterns" and "Increases in average temperature". They also help to maximise the opportunity to "Reduce water use and consumption".

In the short term (2025), Ercros aims to reduce fresh water consumption to 6.87 m³/t produced, which represents a reduction in consumption of 9.72% compared to 2020 (base year).

In the medium term (2029), the aim is to reduce fresh water consumption to 5.81 m³/t produced, which represents a reduction in consumption of 23.65% compared to 2020 (base year).

With regard to the composition of its wastewater, Ercros' objectives are determined by the environmental authorisations of its factories, which set specific discharge limits for each of them. Ercros complies with these limits and with the requirements of both its environmental authorisations and current water discharge legislation [see chapter 9. Pollution].

¹ Drought and water shortage situation report (February 2025).

11

USE OF
RESOURCES
AND CIRCULAR
ECONOMY



11.1 Circular economy policies

As part of its commitment to sustainability and the transition to a circular economy, Ercros has established policies and strategies to manage its material impacts, risks and opportunities related to the use of resources.

In line with this commitment, the Sustainability policy reaffirms its dedication to implementing the circular economy. This policy is in line with the objectives of the European Green Pact, which sets out measures for the sustainable use of resources and the prevention of pollution.

In turn, the Corporate social responsibility policy complements this sustainable approach by extending the principles of the circular economy to the entire supply chain. By promoting responsible practices, Ercros contributes to sustainable development that benefits both the environment and its stakeholders, thus consolidating its role as a company committed to sustainability.

Ercros also has a Procurement policy, approved on 31 October 2024, which integrates ethical and sustainability criteria to, among other things, promote the circular economy. This policy aims to reduce emissions and strengthen the economies of local communities by prioritising the selection of local suppliers. It also promotes efficient management of economies of scale and planning to maximise medium and long term environmental and economic benefits.

In this way, Ercros' policies reflect a firm commitment to the transition to a circular economy, to the minimisation of the waste generated and to the responsible sourcing and conservation of resources. However, they do not explicitly envisage abandoning the use of virgin resources because the appropriate technologies are not yet available.

11.2 Metrics: material resource inputs

The main materials consumed by Ercros in its production processes include raw materials such as sodium chloride (vacuum salt), methanol, ethylene, urea and acetaldehyde [see chapter 5.3 - Business model].

82.8% of the salt used by Ercros as a raw material in its chlor-alkali processes comes from slag heaps, salt mountains created from the residues of the potash mining operations.

In 2024, 32.97 tonnes of wood were recovered from used pallets

In 2024, Ercros procured no biofuels or biobased materials for non-energy purposes.

Among the main materials consumed by Ercros that are not directly related to production, the most important are containers and packaging. In this respect, Ercros promotes the maximum use of reused or recycled materials and has achieved the following results:

- In 2024, 35.9% of the total weight (530 tonnes of plastic) of the flexible plastic containers purchased consisted of recycled plastic. This is assessed based on the percentage of recycled material in each container compared to the total weight of the container (data provided by packaging suppliers). 71.8% of the flexible plastic containers purchased (big-bag, bags, film, etc.) contained recycled plastic.
- In 2024, 50% (136,864 pallets, 3,278 tonnes) of the pallets purchased were reused or recycled pallets (data analysed by Ercros on the basis of its consumption of different types of pallets).
- In addition, 32.97 tonnes of wood were recovered from unusable pallets in 2024. These pallets are sent to a management company for reconditioning and marketing, thus avoiding their disposal as waste. This figure is determined by directly weighing the recovered pallets.

11.3 Metrics: material resource outflows

Ercros is a manufacturer of chemical products for use by its customers as raw materials in their production processes. Products can be shipped packaged or in bulk. Ercros ships 72.4% of the products it sells in bulk.

Products sold may be returned in the event of non-conformity. In these cases, Ercros has procedures for the recovery and reuse of returned products. This avoids generating waste and increases the use of resources. These procedures are included in the ISO 14001 environmental management system implemented in all Ercros' factories.

With regard to waste generation, the following table shows a breakdown of Ercros' data, classified by type of waste:

Waste generated

TONNES

	2021	2022	2023	2024
Inert waste ¹		143	3,955	1,390
Non-hazardous waste	48,289	41,274	9,763	10,200
Hazardous waste	11,491	13,877	11,588	8,985
Total	59,780	55,294	25,306	20,575

¹ The figure of *inert waste* is calculated in accordance with Royal Decree 646/2020.

In 2024, waste generation was reduced by 18.7%.

In 2024, Ercros managed 30.11% (6,195.16 tonnes) of the total waste it generated through recovery. The following table provides a breakdown of the waste generated by Ercros, classified by type of processing (recovery/non-recovery) and by type of waste non-hazardous/hazardous).

TONNES

Category	Non-hazardous waste ¹	Hazardous waste	Total
Recovered waste			
Preparation for re-use	2,585	924	3,509
Recycling	2,067	161	2,228
Other operations	182	276	458
Total recovered waste	4,835	1,361	6,195
Non-recovered waste			
Incineration	5	3,994	4,000
Landfill	3,933	115	4,047
Other operations	2,817	3,515	6,333
Total non-recovered waste	6,755	7,624	14,379
Total	11,590	8,985	20,575

¹ Includes inert waste. The weight provided by the waste managers is used to calculate the waste generated.

The main waste streams that characterise Ercros' activity are: treatment sludge, produced waste products that cannot be reused, materials contaminated with chemical products (packaging, absorbents, cleaning materials, etc.) and chemical waste products (laboratory waste, solvents or cleaning liquids, etc.).

Ercros no longer produces radioactive waste ¹ following the shutdown of dicalcium phosphate production at the Flix plant.

In terms of packaging placed on the market, Ercros placed a total of 7,149 tonnes of packaging on the market in 2024. Of these, 21.76% (1,555.53 tonnes) were made of plastic, which contained 9.0% (140.25 tonnes) of recycled plastic (data provided by the packaging suppliers).

Packaging ¹	Quantity
Total packaging (t)	7,149
Total plastic packaging (t)	1,556
Total recycled plastic (t)	140
% recycled plastic	9.02%
% of plastic packaging as a % of total packaging	21.76%

¹ This table includes all types of packaging (big-bag, drums, sacks, film, labels, etc.)

11.4 Actions and resources

Ercros promotes the circularity of the products it manufactures. Other actions include manufacturing products that have been certified in terms of their circularity. At its Tortosa plant, Ercros produces low-carbon polyols, and at its Vila-seca I plant it manufactures chlorine, caustic soda, hydrogen, hydrochloric acid and sodium hypochlorite, all of which are produced from renewable energy. These products are ISCC plus certified, which guarantees that they are made from raw materials of biological origin with a low carbon footprint (Tortosa), or that they are manufactured using processes based on renewable energy (Vila-seca I, certified since June 2024).

In addition, a number of initiatives were implemented at several Ercros production sites during 2024 that contributed to the sustainable use of materials.

- Almussafes: Ercros has managed to reduce the waste generated in the production plant by 10% compared to 2023, with prevention as a key strategy.
- Aranjuez: Ercros is working towards a 5% improvement in hazardous waste management, with a target of 5.24 kg of waste management per kg of production by 2024. Ercros is currently in the process of achieving this target (with a score of 5.86) and continues to implement operational improvements towards this goal, focusing on waste recovery and reduction.

¹ In accordance with the definition of radioactive waste set out in Article 3(7) of Directive 2011/70/Euratom.

With regard to packaging, actions have included reducing the weight of packaging, increasing the proportion of recycled material and using recovered materials. Similarly, in order to minimise the environmental impact associated with the packaging waste it places on the market, Ercros encourages its customers to use larger capacity packaging or bulk product packaging. These initiatives are part of the packaging waste prevention plan submitted to Envalora, which will become a sectoral plan between 2024 and 2029, after incorporating the values of scrap processing companies.

11.5 Objectives related to resource use and the circular economy

Ercros' circular economy targets are determined by the conclusions of the Best Available Techniques ("BAT") of the BREFs in force for each of its factories, as reflected in their environmental authorisations. The BREFs establish consumption and waste generation values based on the facilities' production capacity. Compliance is verified through environmental inspections of each factory.

In addition, Ercros has developed a system of strategic objectives covering various critical areas of its operations, focusing on increasing the circularity of its products, optimising the use of resources and improving waste management, in order to ensure the effectiveness of its policies and actions.

This system is based on four main axes:

a) Increasing the production of circularity-certified products

Ercros aims to increase the production of ISCC Plus certified products, and to increase the number of circularity-certified products.

b) Reducing the use of resources at facilities

Ercros aims to optimise the use of water, electricity and fuel at its operating facilities. Specific indicators have been defined to assess the reduction of these consumptions, such as the resource consumption index, measured in m³ of water, kWh of electricity and GJ of fuels per tonne of product. Each production site has quantified reduction targets.

The new Recycled Carbaicar range allows for the production of more sustainable products

Of particular note is the company's commitment to the reduction of fossil fuel consumption and the use of secondary energy in its processes, as set out in the 3D strategic plan and the Climate transition plan.

c) Recovering customer wastage for use as raw materials

Ercros is implementing new projects to recover raw materials from customer waste, in addition to increasing the amount of moulding powder recovered at the Cerdanyola plant. This makes Ercros the first producer in the world to manufacture and market recycled moulding powders under the Recycled Carbaicar brand. These are sourced through an innovative process that recycles material discarded by customers. In this way, the product lifespan is extended whilst promoting recycling in the manufacture and use of moulding powders.

The new Recycled Carbaicar range enables more sustainable products to be manufactured without altering the properties of the standard product, while at the same time reducing the carbon footprint thanks to savings in raw materials and energy. It is one of the projects included in the Ercros 3D plan for the period 2021-2025.

d) Increasing recycled material in packaging for Ercros' products

Ercros aims to increase the proportion of recycled material in the packaging it puts on the market in order to increase its circularity. The effectiveness of these actions can be measured by indicators such as the percentage of recycled material in packaging and the percentage of customer material used in the process.

12

EU TAXONOMY



12.0 Introduction

Regulation (EU) 2020/852 of 18 June 2020 sets out the general framework for determining whether an economic activity can be considered to be sustainable from an environmental point of view. Delegated regulations are derived from this regulation, complementing it and making it possible to implement a classification system that constitutes the EU's taxonomy.

The EU Taxonomy Regulation sets out technical screening criteria, linked to six environmental objectives¹, on the basis of which a company's activities are classified as environmentally "sustainable" or "non-sustainable". These technical criteria are reflected in two delegated acts: the Climate Delegated Act (Delegated Regulation (EU) 2021/2139), which sets out the conditions for an activity to make a substantial contribution to climate change mitigation and adaptation, and the Environmental Delegated Act (Delegated Regulation (EU) 2023/2486), which sets out the technical criteria for determining the conditions under which an economic activity is considered to make a substantial contribution to the sustainable use and protection of water and marine resources, the prevention and control of pollution, the protection and restoration of biodiversity and ecosystems, or the transition to a circular economy.

The delegated acts contain a number of activities which are considered "eligible", i.e. likely to make a significant contribution to achieving the objectives, and which have to be analysed on the basis of technical selection criteria. If they are met, the activity is considered to be taxonomy-aligned. There are three types of technical selection criteria to be considered:

- Criteria of substantial contribution to the objective being assessed.
- Do No Significant Harm ("DNSH") criteria for all other objectives.
- Minimum safeguards in social and governance matters.

Ercros' activities fall within the scope of this set of rules, with some of its activities being eligible under the delegated acts.

Ercros is carrying out an analysis of the alignment of its activities with the criteria of the EU taxonomy with the help of AECOM, a renowned international consulting firm. For financial year 2024, the Climate Delegated Act and the Environmental Delegated Act require an examination of the eligibility and alignment of activities for the six environmental objectives according to the criteria established for each of them.

Accordingly, the eligibility of the activities carried out by Ercros and the investments and operating costs that can be considered eligible under the activities covered by these Delegated Acts and as required by the Taxonomy Regulation were verified.

In addition, against the established technical alignment criteria, a technical assessment of the environmental characteristics and performance of the activities at the plant level has been carried out. The analysis makes it possible to determine whether or not Ercros' activities are aligned with the EU taxonomy criteria at the activity and plant level, and to identify the range to be covered to achieve alignment for each criterion and objective, together with specific recommendations.

Compliance with minimum social and governance safeguards has been assessed at company level, using the methodology and sources of information described in the final report published by the European Sustainable Finance Platform.

12.1 Eligibility

Ercros' industrial activities are divided into three areas: chlorine derivatives, intermediates and pharmaceuticals, with ten production facilities: Sabiñánigo, Vila-seca I, Vila-seca II, Tarragona, Monzón and Flix, associated with the first area; Cerdanyola, Tortosa and Almussafes, associated with the second; and Aranjuez, associated with the third [see chapter 5. Strategy and business model].

Having analysed the activities carried out by Ercros in its plants, it was concluded that the following were eligible:

- Activity 3.13² - Manufacture of chlorine: Sabiñánigo factory (Huesca) and Vila-seca I factory (Tarragona).
- Activity 3.14² - Manufacture of basic organic chemicals: Vila-seca II plant (Tarragona, vinyl chloride monomer - VCM).
- Activity 3.15² - Manufacture of anhydrous ammonia: Sabiñánigo plant (Huesca).
- Activity 3.17² - Manufacture of plastics in primary forms, manufacture of resins, plastic materials and non-vulcanisable thermoplastic elastomers, as well as custom mixing and blending of resins and manufacture of synthetic resins not produced to order: Vila-seca II plant (Tarragona, PVC), Cerdanyola plant (Barcelona, moulding powders) and Monzón plant (Huesca, PVC plastic compounds).

¹ Climate change mitigation; 2. Climate change adaptation; 3. Sustainable use and protection of water and marine resources; 4. Pollution prevention and control; 5. Protection and restoration of biodiversity and ecosystems; and 6. Transition to a circular economy.

² Qualification according to Annex I of Delegated Regulation (EU) 2021/2139.

- Activity 1.1¹ - Manufacture of pharmaceutical ingredients ("APIs") or active substances: Aranjuez factory.

The eligibility of these activities was determined based on the description of the activity in the delegated acts (and not on the basis of the CNAE codes, which the Taxonomy Regulation considers to be only indicative).

12.2 Results of the alignment analysis. Evaluation and compliance with Regulation 2020/852/EU

The following table summarises the results of the alignment study carried out:

Results of alignment with the taxonomy's climate objectives

Production plant		Sabiñánigo and Vila-seca I		Vila-seca II		Sabiñánigo and Monzón		Vila-seca II and Aranjuez	
Activity		3.13	3.14	3.15	3.17	3.17	3.17	1.1	1.1
Climate change mitigation objective	Climate change mitigation	Y: Vila-seca I N: Sabiñánigo	N	N	N				
	DNSH Climate change adaptation	Y	Y	Y	Y				Not eligible
	DNSH Sustainable use and protection of water and marine resources	Y	Y	Y	Y				
	DNSH Pollution prevention and control	Y	Y	N	N				
	DNSH Protection and restoration of biodiversity and ecosystems	Y	Y	Y	Y: Vila-seca II and Cerdanyola				
	Minimum safeguards	Y	Y	Y	Y				
Activity aligned to the climate change mitigation objective		Vila-seca I	N	N	N				
Climate change adaptation objective	Climate change adaptation	Y	Y	Y	Y				
	DNSH Climate change mitigation	Y	Y	N	N				
	DNSH Sustainable use and protection of water and marine resources	Y	Y	Y	Y				Not eligible
	DNSH Pollution prevention and control	Y	Y	Y	Y				
	DNSH Protection and restoration of biodiversity and ecosystems	Y	Y	Y	Y: Vila-seca II and Cerdanyola				
	Minimum safeguards	Y	Y	Y	Y				
Activity aligned to the climate change adaptation objective		Y	Y	N	N				
Pollution prevention and control objective	Pollution prevention and control	Not eligible	Not eligible	Not eligible	Not eligible				N
	DNSH Climate change mitigation								N
	DNSH Climate change adaptation								Y
	DNSH Sustainable use and protection of water and marine resources								N
	DNSH Transition to a circular economy								Y
	DNSH Protection and restoration of biodiversity and ecosystems								Y
	Minimum safeguards								Y
Activity aligned to the pollution prevention and control objective									N

Y: Yes.

N: No.

¹ Qualification in accordance with Annex III of Delegated Regulation (EU) 2023/2486.

According to the table above, the technical alignment criteria are met for the following objectives and activities:

- For the climate change mitigation objective:
 - Chlorine production at the Vila-seca I factory.
- For the climate change adaptation objective:
 - Chlorine production at the Vila-seca I and Sabiñánigo plants.
 - Manufacture of vinyl chloride at the Vila-seca II plant.

a) Alignment: chlorine manufacturing (Vila-seca I) – Climate change mitigation target

(i) Technical criteria for demonstrating substantial contribution to the objective

The Vila-seca I plant produces chlorine in accordance with the technical criteria established to demonstrate a significant contribution to climate change mitigation.

- With regard to the power consumption of the membranes in the electrolysis process, the latest and most efficient available technology ("BAT") of bipolar membrane cells with zero-gap technology is used.
- In terms of lifecycle GHG emissions from electricity used in chlorine production, GHG emissions are below the limit of 100 g CO₂e/kWh set by the Climate Delegated Act (assessment performed and certified annually according to ISO 14064-1:2018).¹

(ii) Technical criteria for no significant harm to other environmental objectives (DNSH)

Regarding compliance with the criteria for demonstrating no significant harm to the other environmental objectives:

- For chlorine production, Ercros has applied climate change adaptation solutions that significantly reduce the physical climate risks identified in the climate risk and vulnerability analysis carried out for the lifetime of the Vila-seca I plant and for different scenarios based on best practices and scientific analysis [see chapter 8. Climate change].

The adaptation solutions for the Vila-seca I factory have been designed specifically for this factory and according to its own material vulnerabilities.

- Ercros has assessed climate risks and opportunities for the 2030 and 2050 horizons and has developed a corporate action plan, the Climate transition plan [see chapter 8 Climate change], based on advanced scientific and technological criteria. The Vila-seca I plant has implemented or is implementing energy efficiency and electrification measures, the use of hydrogen, and maintenance prevention and management procedures in the face of climate risks.
- Chlorine production at Vila-Seca I is subject to an environmental permit and an environmental impact study has been carried out in accordance with the legislation in force, which specifically analyses the impact of the operation on the bodies of water in the receiving environment. The plant's effluent is discharged to an external treatment plant (Aitasa) together with the companies in the area, which in turn regulates compliance with the discharge quality parameters and their monitoring [see chapter 10. Water and marine resources].
- There is no production, marketing or use of persistent organic compounds, mercury, ozone depleting substances, hazardous substances in electrical and electronic equipment, or substances covered by Article 57 of the Reach Regulation. Emissions meet the BAT conclusions for chlor-alkali production and for common waste water and waste gas treatment systems in the chemical sector. There are no cross-media effects.
- The plant is subject to environmental impact assessment procedures for the activity in accordance with legislation on the environmental impact assessment of projects, including the assessment of potential impacts on protected natural areas.

(iii) Criteria for ensuring compliance with minimum social and governance standards and safeguards

Ercros has human and labour rights, anti-corruption, tax and free competition policies and mechanisms in place to identify and manage risks.

¹ At the time of writing this report, the 2024 certification is still pending.

b) Alignment: chlorine production (Vila-seca I and Sabiñánigo) – Climate change adaptation objective

(i) Technical criteria for demonstrating substantial contribution to the objective

The Vila-seca I and Sabiñánigo plants produce chlorine in accordance with the established technical selection criteria:

- For chlorine production, Ercros has applied climate change adaptation solutions that significantly reduce the physical climate risks identified in the climate risk and vulnerability analysis carried out for the lifetime of each plant and for different scenarios based on best practices and scientific analysis [see chapter 8. Climate change].
- Ercros has assessed climate risks and opportunities for the 2030 and 2050 horizons and has developed a corporate action plan, the Climate transition plan [see chapter 8. Climate change], based on advanced scientific and technological criteria. The Sabiñánigo the Vila-seca I plants have implemented or are implementing energy efficiency and electrification measures, the use of hydrogen, and maintenance prevention and management procedures in the face of climate risks.

(ii) Technical criteria for no significant harm to other environmental objectives

With regard to the criteria for demonstrating no significant harm to other environmental objectives, the Sabiñánigo and Vila-seca I electrolysis plants use the latest and most efficient available technology ("BAT") of zero gap bipolar membrane cells.

The average lifecycle greenhouse gas (GHG) emissions of electricity used for chlorine production are below the limit of 270 g CO₂ e/kWh set by the Climate Delegated Act (assessment performed and certified annually according to ISO 14064-1:2018).¹

With the aim of achieving good ecological status, both sites are taking measures to address identified risks to water bodies.

There is no production, marketing or use of persistent organic compounds, mercury, ozone depleting substances, hazardous substances in electrical and electronic equipment, or substances covered by Article 57 of the Reach Regulation. Emissions meet the BAT conclusions for chlor-alkali production and for common waste water and waste gas treatment systems in the chemical sector. There are no cross-media effects.

The plants are subject to environmental impact assessment procedures for the activity in accordance with legislation on the environmental impact assessment of projects, including the application of the identified mitigation measures and the assessment of potential impacts on protected natural areas.

(iii) Criteria for ensuring compliance with minimum social and governance standards and safeguards

Ercros has human and labour rights, anti-corruption, tax and free competition policies and mechanisms in place to identify and manage risks.

c) Alignment: vinyl chloride manufacturing (Vila-seca II) – Climate change adaptation objective

(i) Technical criteria for demonstrating substantial contribution to the objective

The Vila-seca II plant produces basic organic chemicals, in particular vinyl chloride, in accordance with established technical selection criteria:

- The vinyl chloride production at the Vila-seca II plant has implemented climate change adaptation solutions that significantly reduce the physical climate risks identified in a climate risk and vulnerability analysis [see Chapter 8. Climate change].
- Ercros has assessed climate risks and opportunities for the 2030 and 2050 horizons and has developed a corporate action plan, the Climate transition plan [see chapter 8. Climate change], based on advanced scientific and technological criteria. At Vila-seca II, energy efficiency measures, the re-use of residual energy and raw materials, steam generation through biomass combustion and the use of hydrogen as well as procedures for the prevention and management of maintenance in view of climate risks have been or are being implemented.

(ii) Technical criteria for no significant harm to other environmental objectives

In terms of compliance with the criteria for not causing significant harm to other environmental objectives:

- GHG emissions from the production process of vinyl chloride are below the limit of 0.268 tCO₂ e/t vinyl chloride set by the Delegated Climate Act.

¹ At the time of writing this report, the 2024 certification is still pending.

- The activity at the Vila-seca II plant is subject to an environmental permitting procedure, during which the impact on the receiving waters has been assessed. In addition, the Water Framework Directive control requirements are specifically addressed in the discharge monitoring programme.
- There is no production, marketing or use of persistent organic compounds, mercury, ozone depleting substances, hazardous substances in electrical and electronic equipment, or substances covered by Article 57 of the Reach Regulation. BAT emission limits are respected, including the assessment of alternatives to avoid cross-media effects.
- The environmental impact assessment ("EIA") for the Vila-seca II plant has been completed, although the submission of an EIA was not mandatory. The monitoring plan, which checks the effect of bioaccumulation of pollutants on the fauna of the receiving environment, has shown that the ecosystem remains in good condition and that bioaccumulation does not occur. Moreover, the plant is located on industrial land.

(iii) Criteria for ensuring compliance with minimum social and governance standards and safeguards

Ercros has human and labour rights, anti-corruption, tax and free competition policies and mechanisms in place to identify and manage risks.

12.3 Key performance indicators

Following the alignment analysis carried out in accordance with:

- Delegated Regulation (EU) 2021/2178 of 6 July 2021
- Communication C/2023/305 of the Spanish Securities Market Commission ("CNMV"), of 20 October 2023, on the interpretation and application of certain provisions of the Delegated Act on disclosure of information under Article 8 of the EU Taxonomy Regulation on the reporting of taxonomy-eligible and taxonomy-aligned economic activities and assets;
- The report on the breakdowns relating to the European taxonomy for the financial year 2022 issued by the CNMV, specifically the section on quantitative information on non-financial institutions.

The key performance indicators have been calculated and are summarised below.

THOUSANDS OF EUROS

Activity	2024			2023 ¹		
	% Net turnover	% Opex	% Capex	% Net turnover	% Opex	% Capex
Non-aligned eligible activities						
Manufacture of anhydrous ammonia	0.42	0.71	0.00	0.62	0.64	0.06
Manufacture of plastics in primary forms	27.57	14.03	4.24	27.70	14.11	9.52
Chlorine production - Sabiñánigo	1.98	—	—	2.42	—	—
Manufacture of pharmaceutical ingredients or active substances	9.38	11.11	7.47	9.25	11.58	11.93
Total	39.35	25.85	11.71	39.99	26.33	21.51
Aligned eligible activities						
Chlorine production - Vila-seca	11.22	12.68	2.62	14.14	14.46	2.77
Chlorine production - Sabiñánigo	—	6.28	11.29	—	5.06	19.45
Basic organic chemicals	—	13.33	5.84	—	13.03	2.05
Total	11.22	32.29	19.75	14.14	32.55	24.27
Ineligible activities	49.43	41.86	68.54	45.87	41.12	54.22
Total Ercros	100	100	100	100	100	100

¹ Amounts for 2023 have been restated to reflect the 2024 criteria.

12.4 Content of key performance indicators

a) Calculation of key performance indicators

The key indicators have been calculated according to Annex 1 of the Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021.

(i) Key performance indicator related to turnover

The turnover ratio is calculated as the share of net turnover derived from products or services related to activities that conform to the taxonomy (numerator) divided by net turnover (denominator).

The breakdown of the products associated with each activity is as follows:

- 3.13 - Production of chlorine: CIF sales of chlorine, soda and hypochlorite (Vila-seca I and Sabiñánigo).
- 3.14 - VCM production: no sales (Vila-seca II).
- 3.15 - Production of anhydrous ammonia: CIF sales of ammonia (Sabiñánigo).
- 3.17 - Manufacture of plastics in primary forms: CIF sales of PVC suspension (Vila-seca II), PVCD compounds (Monzón) and moulding powders (Cerdanyola).
- 1.1 - Manufacture of pharmaceutical ingredients ("APIs") or active substances: CIF sales of the Aranjuez plant.

(ii) Key performance indicator for fixed asset investments (Capex)

The Capex ratio is calculated as the share of investments in fixed assets related to the taxonomy (numerator) divided by the total acquisitions of tangible and intangible assets during the reference year (denominator), as defined in point 1.1.2 of Annex 1 to the abovementioned Delegated Regulation.

(iii) Key performance indicator for operating expenditure (Opex)

The Opex ratio is calculated as the share of operating expenses related to assets or processes associated with economic activities that comply with the taxonomy, including training and other adaptation needs of human resources and non-capitalised direct costs representing research and development (numerator), divided by the total operating expenses incurred during the reference year (denominator), as defined in point 1.1.3 of Annex 1.

The types of expenditure used are as follows:

- Leases and royalties, taking into account international financial reporting standards ("IFRS").
- Repair and maintenance, including the cost of own maintenance staff.
- Technical studies and collaborations.
- Environmental services.
- Cleaning service.

12.5 Content of key performance indicators

a) Key indicators associated with turnover

Year	2024			Substantial contribution criteria						Absence of significant harm ("Does not cause significant harm")									
Economic activities	Codes	Absolute net turnover	Proportion of net turnover	Climate change mitigation	Adaptation to climate change	Water	Contamination	Circular economy	Biodiversity	Climate change mitigation	Adaptation to climate change	Water	Contamination	Circular economy	Biodiversity	Minimum guarantees	Proportion of net turnover that conforms to the taxonomy year 2023 ¹	Facilitative activity category	Transition activity category
		Thousands €	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N		F	T

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1 Sustainable environmental activities (in line with the taxonomy)

1. Chlorine manufacturing	CCM 3.14 CCA3.14	74,904	11.22%	Y	EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	NA	Y	Y	14.14%	–	T(CCM) -(CCA)
Incn of sustainable environmental activities (in line with the taxonomy) (A.1)		74,904	11.22%	11.22%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Of which: facilitators		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Of which: transitional		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

A.2 Activities eligible under the taxonomy but not environmentally sustainable (activities that do not conform to the taxonomy)

				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
1. Manufacture of plastics in primary forms	CCM 3.17 CCA3.17	184,039	27.57%	EL	EL	N/EL	N/EL	N/EL	N/EL	–	–	–	–	–	–	–	–	–	–
2. Manufacture of anhydrous ammonia	CCM 3.15 CCA3.15	2,795	0.42%	EL	EL	N/EL	N/EL	N/EL	N/EL	–	–	–	–	–	–	–	27.70	–	–
3. Chlorine Manufacturing - Sabiñánigo	CCM 3.13 CCA3.13	13,246	1.98%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.62		
4. Manufacture of pharmaceutical ingredients or active substances	PCP 1.16	62,585	9.38%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								2.42		
5. Manufacture of basic organic chemicals	CCM 3.14 CCA3.14	–	–	EL	EL	N/EL	N/EL	N/EL	N/EL								9.25		
Incn of activities eligible according to the taxonomy but not environmentally sustainable (non-taxonomy activities) (A.2)		262,665	39.35%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total A.1 + A.2		337,569	50.57%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

B. ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY

Incn of activities not eligible according to the taxonomy		329,846	49.43%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total A + B		667,415	100.00%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

¹ The amounts corresponding to the 2023 financial year have been restated in accordance with the 2024 financial year criteria

S: Yes
N: No
NA: Not applicable

EL: Eligible
N/EL: Not eligible
CCM: Climate change mitigation

CCA: Climate change adaptation
F: Facilitating activity
T: Transition activity

Objective	Ratio of turnover to total turnover	
	That fits the taxonomy by objective	Taxonomy eligible by objective
CCM	11.22%	41.19%
CMA	0.00%	41.19%
PCP	0.00%	9.38%

b) Key indicators associated with fixed asset investments (Capex)

Year	2024			Substantial contribution criteria						Absence of significant harm ("Does not cause significant harm")										
Economic activities	Substantial contribution criteria	Proportion of Capex	Absence of significant harm ("Does not cause significant harm")	Climate change mitigation	Adaptation to climate change	Water	Contamination	Circular economy	Biodiversity	Climate change mitigation	Adaptation to climate change	Water	Contamination	Circular economy	Biodiversity	Minimum guarantees	Proportion of Capex that conforms to the taxonomy year 2023 ¹	Facilitative activity category	Transition activity category	
				S; N; N/EL	S; N; N/EL	S; N; N/EL	S; N; N/EL	S; N; N/EL	S; N; N/EL	S; N; N/EL	S; N; N/EL	S; N; N/EL	S/N	S/N	S/N	S/N	S/N	S/N	F	T
				Thousands €	%															

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1 Sustainable environmental activities (in line with the taxonomy)

1. Chlorine manufacturing - Vila-seca	CCM 3.13 CCA 3.13	999	2.62%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	NP	Y	Y	2.77%	—	T (CCM) -(CCA)
2. Chlorine Manufacturing - Sabiñánigo	CCM 3.13 CCA 3.13	4,312	11.29%	N	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	NP	Y	Y	19.45%	—	T (CCM) -(CCA)
3. Manufacture of basic organic chemicals	CCM 3.14 CCA 3.14	2,230	5.84%	N	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	NP	Y	Y	2.05%	—	T (CCM) -(CCA)
Capex of sustainable environmental activities (in line with the taxonomy) (A.1)		7,541	19.75%	2.62%	19.75%	—	—	—	—	Y	Y	Y	Y	NP	Y	Y	—	—	—
Of which: facilitators		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which: transitional		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

A.2 Activities eligible under the taxonomy but not environmentally sustainable (activities that do not conform to the taxonomy)

				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
1. Manufacture of plastics in primary forms	CCM 3.17 CCA 3.17	1,620	4.24%	EL	EL	N/EL	N/EL	N/EL	N/EL	—	—	—	—	—	—	—	9.52%	—	—
2. Manufacture of anhydrous ammonia	CCM 3.15 CCA 3.15	0	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL	—	—	—	—	—	—	—	0.06%	—	—
3. Manufacture of pharmaceutical ingredients or active substances	PCP 1.16	2,854	7.47%	N/EL	N/EL	N/EL	EL	N/EL	N/EL	—	—	—	—	—	—	—	11.93%	—	—
Capex of activities eligible under the taxonomy but not environmentally sustainable (non-taxonomy compliant activities) (A.2)		4,474	11.71%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total A.1 + A.2		12,015	31.46%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

B. ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY

Capex of activities not eligible according to the taxonomy		26,185	68.54%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total A + B		38,200	100.00%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

¹ The amounts corresponding to the 2023 financial year have been restated in accordance with the 2024 financial year criteria

S: Yes
N: No
NA: Not applicable

EL: Eligible
N/EL: Not eligible
CCM: Climate change mitigation

CCA: Climate change adaptation
F: Facilitating activity
T: Transition activity

Objective	Ratio of turnover to total turnover	
	That fits the taxonomy by objective	Taxonomy eligible by objective
CCM	2.62%	23.99%
CMA	19.75%	23.99%
PCP	0.00%	7.47%

c) Key indicators associated with operating expenses (Opex)

Year	2024			Substantial contribution criteria						Absence of significant harm ("Does not cause significant harm")						Proportion of Opex that conforms to the taxonomy year 2023 ¹	Facilitative activity category	Transition activity category	
Economic activities	Codes	Absolute Opex	Proportion of Opex	Climate change mitigation	Adaptation to climate change	Water	Contamination	Circular economy	Biodiversity	Climate change mitigation	Adaptation to climate change	Water	Contamination	Circular economy	Biodiversity				Minimum guarantees
		Thousands €	%	S; N; N/EL	S; N; N/EL	S; N; N/EL	S; N; N/EL	S; N; N/EL	S; N; N/EL	S/N	S/N	S/N	S/N	S/N	S/N				S/N

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1 Sustainable environmental activities (in line with the taxonomy)

1. Chlorine manufacturing - Vila-seca	CCM 3.13 CCA 3.13	5,528	12.68%	S	S	N/EL	N/EL	N/EL	N/EL	S	S	S	S	NP	S	S	14.46%	–	T (CCM) -(CCA)
2. Chlorine Manufacturing - Sabiñánigo	CCM 3.13 CCA 3.13	2,740	6.28%	N	S	N/EL	N/EL	N/EL	N/EL	S	S	S	S	NP	S	S	5.06%	–	T (CCM) -(CCA)
3. Manufacture of basic organic chemicals	CCM 3.14 CCA 3.14	5,815	13.33%	N	S	N/EL	N/EL	N/EL	N/EL	S	S	S	S	NP	S	S	13.03%	–	T (CCM) -(CCA)
Capex of sustainable environmental activities (in line with the taxonomy) (A.1)		14,083	32.29%	12.68%	32.29%	–	–	–	–	S	S	S	S	NP	S	S	–	–	–
Of which: facilitators		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Of which: transitional		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

A.2 Activities eligible under the taxonomy but not environmentally sustainable (activities that do not conform to the taxonomy)

				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
1.	Manufacture of plastics in primary forms	CCM 3.17 CCA 3.17	6,120	14.03%	EL	EL	N/EL	N/EL	N/EL	N/EL	–	–	–	–	–	–	–	14.11%	–	–
2.	Manufacture of anhydrous ammonia	CCM 3.15 CCA 3.15	311	0.71%	EL	EL	N/EL	N/EL	N/EL	N/EL	–	–	–	–	–	–	–	0.64%	–	–
3.	Manufacture of pharmaceutical ingredients or active substances	PCP 1.16	4,844	11.11%	N/EL	N/EL	N/EL	EL	N/EL	N/EL	–	–	–	–	–	–	–	11.58%	–	–
Opex of activities eligible under the taxonomy but not environmentally sustainable (non-taxonomy compliant activities) (A.2)			11,275	25.85%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total A.1 + A.2			25,358	58.14%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

B. ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY

Opex of activities not eligible according to the taxonomy		18,250	41.86%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total A + B		43,608	100,00%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

¹ The amounts corresponding to the 2023 financial year have been restated in accordance with the 2024 financial year criteria

S: Yes
N: No
NA: Not applicable

EL: Eligible
N/EL: Not eligible
CCM: Climate change mitigation

CCA: Climate change adaptation
F: Facilitating activity
T: Transition activity

Objective	Ratio of turnover to total turnover	
	That fits taxonomy by objective	That fits the taxonomy by objective
CCM	12.68%	47.03%
CCA	32.29%	47.03%
PCP	0.00%	11.11%

12.6 Nuclear and fossil gas activities

In relation to the reporting obligation on nuclear and fossil gas activities of Delegated Regulation 2022/1214, the completed form 1 is attached.

Line	Nuclear-related activities	
1	The company conducts, finances, or has exposures to the research, development, demonstration, and deployment of innovative power generation facilities that produce energy from nuclear processes with minimal fuel cycle waste.	NO
2	The company conducts, finances or has exposures to the construction and safe operation of new nuclear facilities to produce electricity or process heat, including for district heating purposes or industrial processes such as hydrogen production, as well as their safety improvements, using the best available technologies.	NO
3	The company conducts, finances or has exposures to the safe operation of existing nuclear facilities that produce electricity or process heat, including for district heating purposes or industrial processes such as the production of hydrogen from nuclear energy, as well as their safety improvements.	NO
Activities related to fossil gas		
4	The Company conducts, finances, or has exposures to the construction or operation of electricity generation facilities that produce electricity from gaseous fossil fuels.	NO
5	The Company conducts, finances or has exposures to the construction, renovation and operation of combined heat/cold and power generation facilities from gaseous fossil fuels.	NO
6	The company conducts, finances, or has exposures to the construction, renovation, and operation of heat generation facilities that produce heat/cold from gaseous fossil fuels.	NO

13

PROTECTION OF BIODIVERSITY ¹

¹ As part of the double materiality analysis carried out by Ercros, ESRS E4 Biodiversity was not identified as a material aspect for the company. Nevertheless, Ercros considers it essential to address this issue in its Sustainability Report, both because of its intrinsic commitment to protecting the natural environment and because of the obligations established in Spanish Law 11/2018 on non-financial information and diversity.



Ercros' operating facilities are located in industrial areas specially designed for the location of factories and businesses, and without any impact or proximity to protected areas or areas of natural interest.

Ercros has two non-productive and inactive sites, which are located near or in areas of natural interest, and which have historically housed various industrial activities:

- The old Flix factory is located opposite the Espai Natural de Sebes and ceased its activity at the beginning of 2023, when the only production activity it carried out, the manufacture of dicalcium phosphate, was closed. In Flix, Ercros has continued the collaboration it began in 2001 with the Espai Natural de Sebes, and is a member of its board of trustees. Ercros is also a member of the Sebes management plan monitoring committee.
- The former Cardona factory, located in the town's Valle Salino area, which ceased operations in 2018. In Cardona, Ercros collaborates with the Catalan government and the Cardona Municipal Council in the recovery of the Vall Salina located there, through an agreement signed in 2001. The purpose of this agreement is the restoration and protection of this site, which is also included in the Plan for Areas of Natural Interest (PEIN), through the replanting of the spaces recovered after the end of operations at Terrera Nova mine dump.

The remediation situation of the Terrera Vella de Cardona landfill is discussed in chapter 7.3 Environmental risks.

In addition to the projects in Flix and Cardona, Ercros works with environmental organisations and subscribes to international biodiversity commitments:

- Ercros collaborates with the Foundation for the Conservation and Recovery of Marine Animals ('CRAM') by supplying CRAM with chemical products to disinfect and maintain its marine wildlife recovery facilities. In 2024, company staff took part in a sea turtle release day organised by the organisation.
- Ercros is participating in the project funded by the Centre for Technological Development and Innovation ("CDTI") "Research into environmentally sustainable alternatives to the use of intentionally added microplastics in detergents and cosmetics".
- The Monzón and Vila-seca II plants have a system for collecting accidental losses of plastic micro-waste to prevent it from entering the soil and aquatic environment. Both facilities are certified under the OCS Europe scheme to reduce the potential release of microplastics into the environment.
- Ercros participates in the public-private project with the State Research Agency to develop antifouling, bio-based and biodegradable paints for marine applications.
- In 2024, a training video on the prevention of crimes against natural resources and the environment was distributed to all employees, emphasising the importance of reducing the impact of production sites and not damaging the environment.
- A World Turtle Day campaign was launched on the corporate website with a new homepage banner.

14

ENVIRONMENTAL
CERTIFICATIONS
AND VOLUNTARY
PROGRAMMES



14.1 Environmental certifications

The Group uses an environmental management system that is certified and verified annually by an accredited company, based on the following specific environmental standards:

- The UNE-EN ISO 14001:2015 ("ISO 14001") standard, accrediting the implementation of an environmental management system that promotes the protection of the environment and the prevention of pollution. Since April 2009, all the Group's industrial facilities have been certified in accordance with this standard.
- The European Eco-Management and Audit Scheme ("EMAS") registration system is a voluntary regulation that accredits companies that have a defined Environmental policy and regularly report on the operation of that system by means of an environmental declaration verified by independent bodies. The Monzón, Sabiñánigo and Tortosa factories, and the three integrated facilities in the Tarragona complex are included on that register.

In addition, the Group applies other environmental standards at its production facilities that are certified and verified annually by an accredited company, based on:

- UNE-EN ISO 14064-1:2018 ("ISO 14064") standard on specifications for the quantification and declaration of greenhouse gas emissions.
- The UNE-EN ISO 50001:2018 ("ISO 50001") standard on energy management systems that has been implemented in the Almussafes, Aranjuez, Cerdanyola, Sabiñánigo, Tarragona, Vila-seca I, Vila-seca II, and Tortosa factories.
- Operation Clean Sweep ("OCS") certification to reduce potential spillage of microplastics in the form of pellets, flakes or resin powder into the environment at the Vila-seca II and Monzón facilities.
- The ISCC plus international sustainability and carbon certification, which aims to recognise companies that comply with environmental and social standards throughout the supply chain, at the Tortosa and Vila-seca I sites.
- The "Industria de los Plásticos Española y Sostenible" ("Ipes") seal of the Spanish Plastics Industry Association (Anaip) recognises companies in the Spanish plastics sector that are committed to sustainability and managing their social, economic and environmental impacts.

14.2 Adherence to voluntary programmes

The voluntary programmes to which the Group adheres also contain environmental protection commitments, such as:

- In 2024, the Group renewed its Responsible Care CSR certification, a global chemical industry initiative promoted in Spain by the Spanish Chemical Industry Federation ("Feique"), designed, among other things, to establish a Preventive policy aimed at preventing and controlling the environmental impact of companies' facilities and operations, in accordance with the best environmental practices of the chemical industry.
- The Global Compact, promoted by the UN, principles 7, 8 and 9 of which establish that "Businesses should support a precautionary approach to environmental challenges", "Businesses should undertake initiatives to promote greater environmental responsibility" and "Businesses should encourage the development and diffusion of environmentally friendly technologies", respectively.
- The climate action commitments to curb global warming, promoted by the Catalan government in 2020.
- The OCS-Zero Pellets Loss programme, an action plan promoted by the EU that aims to avoid the loss of microplastics to the environment, especially the aquatic environment.
- The ECVI Charter, promoted by the European Council of Vinyl Manufacturers ("ECVM") to measure and monitor the production, use and disposal of vinyl (EDC, VCM and PVC) with a view to, where appropriate, reducing their environmental impact.

Ercros applies a sustainability management system certified by an accredited company

-
- The VinylPlus 2030 Commitment, signed by Europe's leading PVC manufacturers, aims to proactively contribute to global sustainable development by achieving measurable targets for recycling, carbon reduction and renewable energy use. Some of the products manufactured in Monzón were certified as VinylPlus Supplier in 2024.

- The RE4Industry project, under the European Horizon 2020 framework promoted in Spain by the Ministry of Science and Innovation, for the promotion of 100% renewable energy in energy-intensive industries. The Ercros Group participates in this project as a member of the national multi-thematic body called Cluster ES, an advisory group of a technical nature.
- Commitment to the GetHyGA initiative, an action plan promoted by the Government of Aragon that aims to create an industrial ecosystem around producing, transporting, storing and consuming hydrogen as an energy source.
- The Voluntary Agreements programme promoted by the Catalan Office of Climate Change, of which the Cerdanyola facility is a member, which supports and recognises those companies that are actively committed to the fight against climate change and that are not part of the emissions trading market.



SOCIAL



15

OWN
WORKFORCE



15.1 Human resources management

The management of the Ercros team, in accordance with the corporate social responsibility ("CSR") plan, the ethical code of conduct and the 21st General collective bargaining agreement for the chemical industry is based on the following principles: (i) encouraging the commitment of employees to the principles of social responsibility; (ii) promoting their personal and professional development; (iii) adapting their level of training to the needs of the business; (iv) providing a working environment with equal opportunities and without discrimination or coercion; and (v) prioritising occupational safety, risk prevention and people's health over any business decision.

Some of the mechanisms used by Ercros to ensure compliance with these principles include training, joint committees with company and employee representatives, internal communication channels, sustainability management policies and systems, and healthy organisation.

The working hours of Ercros employees are regulated at each workplace according to the activity performed. Production workers in factories often work in shifts. In addition, 24-hour on-call shifts are in place in areas such as production, maintenance, customer service centre and information systems to deal with any eventuality. Most non-shift workers have flexible start and end times.

a) Human resources policies

Ercros has policies, manuals, a collective agreement and management systems designed to reduce risks, provide safe working conditions and promote a healthy working environment.

Ercros identifies specific operational risks, such as accidents at work or occupational illnesses. Due to the nature of their duties and the environment in which they work, operational staff may be exposed to more serious risks than office staff. In any case, all workplaces have a risk assessment that is regularly updated.

Ercros employees are informed about the risks associated with their activities so that they can perform their duties safely [see chapter 7.4 - Social risks].

The regulatory framework governing Ercros' working relationships is the 21st General collective bargaining agreement for the chemical industry in force for the 2024-2026 period. All Ercros employees are covered by this agreement.

In addition, the 2nd Accord to Improve the Collective Agreement, agreed by the union representatives and Ercros management, is in force.

Ercros has adopted the following policies for managing its workforce:

- Work-life balance policy.
- Equality and non-discrimination policy.
- Digital disconnection policy.

In addition, Ercros has a general regulatory framework that also applies to the management of the workforce:

- Ethical code of conduct.
- Corporate social responsibility policy.
- Sustainability policy.
- Data protection policy.
- Criminal compliance policy.
- Anti-corruption and crime prevention policy.
- Information security policy.
- Internal whistleblowing and whistleblower protection policy.
- Communication policy.

In 2024, Ercros has made significant updates to some of its policies, reaffirming its commitment to sustainability and the wellbeing of its employees. These updates were approved by the board of directors and focus on ensuring an inclusive and balanced working environment.

In particular, the board of directors has approved the following equal treatment and equal employment opportunity policies:

- Equality and non-discrimination policy: updated to broaden its scope and reinforce the company's commitment to diversity and inclusion. The revisions include the explicit prohibition of all forms of discrimination based on sexual orientation and identity, gender expression, sexual characteristics and religion [see section 15.7 Gender diversity and equal opportunity].

- Work-life balance policy: revised to reaffirm measures to facilitate the work-life balance of employees. These measures include adapting working hours and working arrangements to meet individual staff needs [see section 15.7 e) Work-life balance and social benefits].

Both policies, along with the rest of Ercros' regulations, are available for consultation on a virtual board set up by the company on the SharePoint platform. This space, aimed at employees, ensures that the policies are properly disseminated and correctly implemented throughout the organisation.

Ercros organizes training on ethical conduct for its staff

Throughout the year, Ercros organises specific training on the ethical code of conduct and its updates, with the aim of ensuring that all employees are aware of its ethical principles and commitments. Additional training is provided for the most relevant policies at launch and during subsequent updates. Training videos on specific aspects of the policies are also made available to all staff to ensure effective and continuous dissemination of information.

Furthermore, Ercros has a recruitment procedure and up-to-date records of its active employees' professional history. It also identifies staff training needs and produces annual training plans and reports.

In addition to the benefits for its employees that are already implicit in Ercros' good practice as a company, Ercros also carries out initiatives that aim to have an additional positive impact on its employees, such as the implementation of the Healthy Organisation Management System, which promotes and protects the health and safety of employees and their environment.

b) Commitment to human rights policy

Article 8 of the Ercros ethical code of conduct reflects the company's commitment to respecting and protecting human rights and civil liberties as recognised in the Universal Declaration of Human Rights, the principles of the United Nations Global Compact, the conventions of the International Labour Organisation ("ILO") and the UN Sustainable Development Goals ("SDGs").

Ercros is committed to respecting the human and labour rights of its workforce. It therefore upholds and protects these rights through a holistic approach. This commitment is based on the strict observance of the current European and Spanish legislation on labour rights and human rights. In particular, the rights enshrined in:

- The Workers' Statute.
- Spanish employment regulations.
- The 21st General collective bargaining agreement for the chemical industry.
- The 2nd Accord to Improve the Collective Agreement.

Furthermore, as part of the integration process, Ercros provides all new hires with the welcome manual, which includes the ethical code of conduct and the human rights principles that guide the company's actions.

Ercros also has a whistleblowing channel and the aforementioned internal whistleblowing and Whistleblower policy, thus guaranteeing protection mechanisms for employees who report irregularities confidentially and without reprisals [see section 15.3 b) The whistleblowing channel].

The ethical code of conduct, policies and procedures are available for consultation on the corporate bulletin board via the SharePoint platform mentioned above.

Ercros has also adopted a Corporate social responsibility policy that commits the company to eradicating child and forced labour. In line with this policy, article 8.2 of the ethical code of conduct rejects forced, compulsory or coerced child labour.

All Ercros personnel, both its own employees and those who provide their services on a regular basis at the company's facilities, are of legal age (>18 years old) and operate within the European Union and are covered by its regulations, which eliminates the risk of human rights violations such as forced or child labour. We have the tools and procedures in place to ensure that we act in accordance with our ethical code of conduct when doing business with countries at risk.

Finally, all of Ercros' internal policies are developed to ensure strict compliance with the current national and European legal framework on human and employment rights.

15.2 Staff description

Ercros operates exclusively in Spain and its entire workforce is made up of employees covered by the aforementioned 21st General collective bargaining agreement for the chemical industry. This agreement establishes the minimum remuneration for each category or role. The services of people recruited through temporary employment agencies may be required on an ad hoc basis.

In addition to the company's own personnel, the workplaces also employ people through external companies (external employees). These workers are covered by the industry, branch or company collective agreement that applies to their situation. However, they do not form part of the workforce at Ercros, but are considered to be workers in the value chain [see chapter 16. Value chain workers].

The workforce data is generally presented with reference to 31 December 2024, the year of this report. In some cases, however, the average number of employees for the year is given in order to better explain the development and composition of the workforce.

The percentage of women in the workforce was 19.4%

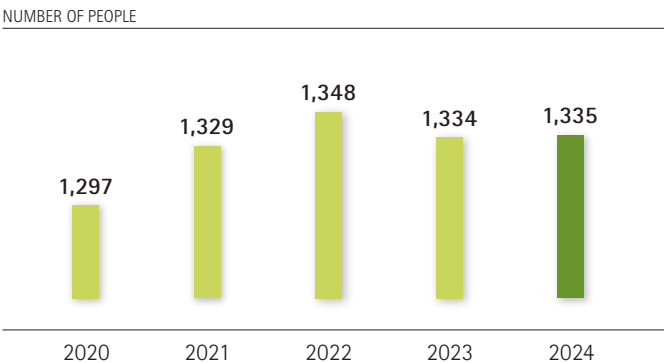
The number of full-time employees is calculated by adding the percentage of hours worked by each part-time employee to determine the number of employees on the workforce. When the sum of these percentages reaches 100%, the worker is counted as a full-time employee.

a) Workforce evolution and distribution ¹

In 2024, Ercros' average headcount remained stable compared to the previous year, with a total of 1,335 employees. The percentage of women was 19.4%, up from 18.3% the previous year [see section 15.6 Gender diversity and equal opportunities].

¹ The data described correspond to the data reported in the annual financial report. [See Note 5 f) Expenses and personnel structure of the consolidated financial statements of the Ercros Group].

Evolution of average headcount



An analysis of the data on the number of employees at the end of 2024, broken down by gender and expressed in terms of both total number of persons and full-time equivalents ("FTE"), is provided below².

Gender	Headcount at 31/12/2024	Headcount at 31/12/2024 ("FTE")
Men	1,130	1,057
Women	264	261
Other	—	—
Not notified	—	—
Total employees	1,394	1,318
Average number of employees in 2024 ("FTE")		1,335

² Ercros mostly uses full-time equivalents to measure the number of employees, which ensures a more accurate measurement of human resources. This conversion is explicitly indicated by the acronym FTE when used.

Average headcount by job category

AVERAGE NUMBER OF PEOPLE

	2024			2023		
	Total	Men	Women	Total	Men	Women
Managers	27	20	7	28	23	5
Senior line personnel	63	47	16	67	49	18
Line personnel	257	161	96	253	166	87
Group 6	100	84	17	93	79	14
Group 5	158	147	11	168	156	12
Group 4	574	488	85	565	477	88
Group 3	132	116	15	139	130	9
Group 2	24	13	11	23	11	12
Total	1,335	1,076	259	1,334	1,090	244

In terms of the average number of employees by occupational group¹, group 4 is the category with the largest number of employees in 2024, with 574, followed by line personnel with 257 and group 5 with 158. These figures show a slight change compared with the previous year, and the trend in the distribution of the workforce has been maintained.

At 31 December 2024, Ercros' workforce consisted of 1,318 people, of whom 1,057 were men and 261 were women. There were no employees in other gender categories or cases where this information was not reported. In terms of age, 126 were under 30, 619 were between 30 and 50 and 573 were over 50.

b) Hiring and job stability

Headcount by type of contract, gender and region

HEADCOUNT AT YEAR-END ("FTE")

	Barcelona		Huesca		Madrid		Tarragona		Valencia		France		Total
	H	M	H	M	H	M	H	M	H	M	H	M	
Permanent	151	58	221	38	152	66	391	69	98	10	1	1	1,257
Temporary	4	2	13	5	9	6	16	4	1	1	—	—	61
Part-time	—	—	—	—	—	—	—	—	—	—	—	—	—
Non-guaranteed hours	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	156	61	234	43	161	72	407	73	99	11	1	1	1,318

¹ The characteristics of the professional groups included in the 21st General collective bargaining agreement for the chemical industry are explained in section 15.8.

Headcount by type of contract and gender

HEADCOUNT AT YEAR-END ("FTE")

	Men	Women	Others	Not reported	Total
Permanent	1,014	243	—	—	1,257
Temporary	43	18	—	—	61
Part-time	—	—	—	—	—
Non-guaranteed hours	—	—	—	—	—
Total	1,057	261	—	—	1,318

The majority of the workforce, 1,257 employees, have permanent contracts, reflecting the stability of employment in the company. Meanwhile, 61 employees had temporary contracts. There are no part-time contracts or employees with non-guaranteed hours.

c) Employee turnover

In 2024, a total of 105 employees left the Ercros workforce for various reasons. The main reason for leaving was contract termination, which affected 35 people, followed by retirements, with 26 cases.

The following table summarises the main causes of employee terminations at Ercros in 2024.

Departure from the company and causes

NUMBER OF PEOPLE

Cause	People
Expiry of temporary disability period	6
Dismissal due to redundancy plan	1
Voluntary departure	16
Declaration of disability	1
Dismissal for objective causes	6
Disciplinary dismissal	7
Voluntary leave	4
End of contract	35
Retirement	26
Failure to pass probationary period	3
Total	105

In 2024, the churn rate is 7.5%, calculated using the following formula:

Churn rate (CR) = No. of departures / No. of employees

15.3 Staff management

a) Staff participation

Ercros takes into account the opinions of its employees and integrates their contributions into the management of the company as much as possible. This is put into practice through regular meetings with workers' representatives, with the workers themselves and through negotiation processes that formalise the commitments made. In addition, Ercros has a dialogue improvement plan that includes quarterly bulletins, cascade meetings, training pills and other information of general interest to encourage communication and active participation by employees.

As part of this social dialogue, Ercros has an equality committee that deals with issues related to the gender gap, the protection of vulnerable groups based on race, gender or religion, and LGTBI+ discrimination. The effectiveness of this commitment is evaluated through social dialogue, meeting with employees themselves and conducting psychosocial surveys.

The human resources department is ultimately responsible for ensuring this collaboration and its effective integration into the company's management.

Ercros workforce has the possibility to use the whistleblowing channel which, together with the Whistleblower policy, are the tools that the company has at its disposal to resolve any possible negative situations involving its own workforce.

In addition, employees are represented by works councils, staff delegates and trade union delegates, to whom they can submit concerns and complaints, which are forwarded to the company through the various committees in place, depending on the type of committee:

- Works council: work-related issues.
- Ercros occupational health, safety and environment committee: prevention, occupational health and environment issues at corporate level.
- Workplace health and safety committees: concerns about prevention and the environment.
- Equality committee: equal opportunities and non-discrimination issues.
- Training committee: questions about the further development and training of employees.

Both the staff and the employee representatives actively participate in the committees. They also have direct access to HR to deal with complaints and queries.

Ercros ensures the availability of these channels through training, web access and the cascade meetings of the dialogue improvement plan. Employees can also take part in the election of committee representatives, and access to the grievance procedure is explained in the equality plan in force. In addition, Ercros does not prevent its employees from using the mechanisms for raising concerns or complaints managed by third parties, such as workers' associations, NGOs or government bodies.

(i) Opportunities for improvement

Ercros has several mechanisms in place to involve its workforce in the process of setting improvement targets:

- Dialogue improvement plan meetings.
- Joint committees with company and employee representatives.
- Addressing concerns to works councils and directly to the human resources department.
- Suggestions competition.

Proposals submitted under each of these mechanisms are dealt with as follows:

- Dialogue improvement plan: Questions and concerns are answered by those responsible for the meetings.

- Joint committees: the issues dealt with are forwarded to the corresponding committees according to the subject matter (safety, training, employment and equality).
- Concerns submitted to works councils and the human resources department are handled in the most appropriate manner depending on the subject matter.
- The way the suggestions competition works is explained in chapter 17.4.

Ercros has also developed a project focused on managing employee talent, the implementation of which is planned for the coming years.

b) The whistleblowing channel

During 2024, a total of 11 complaints were registered through the company's whistleblowing channel. Of these, nine did not meet the requirements for admission and were therefore not processed. The remaining two complaints were accepted, handled in accordance with internal procedures and resolved within the relevant deadlines, with no disciplinary sanctions imposed¹.

No fines, penalties or compensation for damages have been imposed in relation to the above-mentioned complaints to the whistleblowing channel. The corresponding total amount is zero euros, which is reconciled with the financial statements presented.

With regard to data collection, the Ercros compliance committee, delegated by the audit committee of the board of directors, which is responsible for ensuring the confidentiality and anonymity of the cases, manages the complaints submitted through the whistleblowing channel.

The channel complies with existing legislation, including Spanish Law 2/2023 on whistleblower protection. To ensure confidentiality, an external platform (*Whistleblower Software*) is used to enable secure and anonymous communication between the whistleblower and the compliance committee, without direct contact if the whistleblower so wishes.

Complaints to the whistleblowing channel may be submitted verbally, in writing or both. At the whistleblower's request, a meeting with the channel manager can be arranged within a maximum of seven days.

The manager must complete the investigation within three months, which can be extended by a further three months in complex cases. If the complaint is not considered relevant, the chair of the audit committee will reject the complaint and inform the complainant of this decision. If there is prima facie evidence of an infringement, the complaint is admitted and an investigation is launched.

¹ In 2024, no complaints were filed through the OECD National Contact Points for Multinational Enterprises.

In 2024, two complaints were processed through the ethics channel

(i) Guarantee of confidentiality

The audit committee is the body responsible for taking the necessary organisational and technical measures to preserve and guarantee the confidentiality of the identity: (i) of the whistleblower, the party concerned and any third party mentioned in the report; (ii) of the facts investigated; and (iii) of the actions carried out during the management, processing and investigation of the facts that are the subject of the report.

(ii) Protection against retaliation

Acts constituting retaliation against the person reporting any type of irregularity or planned infringement are expressly prohibited, provided they have acted in good faith. In any case, the guarantee of non-reprisals is given without prejudice to any criminal or other liability that the whistleblower may incur if they were involved in the facts that are the subject of the whistleblowing report.

Any Ercros employee who retaliates against a whistleblower may be subject to disciplinary measures or other appropriate action, depending on the legal relationship established and the circumstances involved.

c) Serious human rights-related incidents, complaints and infringements

Ercros affirms its commitment to managing discrimination and harassment situations responsibly, ensuring compliance with relevant regulations and implementing corrective and preventive measures where appropriate.

Ercros did not record any serious human rights incidents among the company's workforce during the reporting period, including infringements of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises.

In line with the above, Ercros has not received any fines, penalties or compensation for damages as a result of incidents related to the human rights of its workforce. The corresponding total amount is zero euros, which is reconciled with the financial statements presented.

15.4 Commitment to workers and responsible practices

Ercros allocates human, material and economic resources to the responsible management of its workforce. In particular, it develops and implements a range of policies, initiatives and resources aimed at preventing negative impacts, promoting positive impacts, identifying and promoting opportunities and evaluating the effectiveness of its actions for the benefit of its employees:

- Training and development: planning and implementing the annual training plan with an agenda of sustainability, professional development, environment, quality and prevention.
- Equality and non-discrimination: implementing the measures set out in the Equality Plan through awareness-raising campaigns.
- Balancing work and family life: implementing policies to promote work-life balance.
- Improving working conditions: wage improvements resulting from the application of the collective bargaining agreement.
- Occupational health and safety: reinforcing practices that ensure a safe and healthy working environment.
- Social dialogue: promoting open communication with workers' representatives.
- Time off and leave of absence: facilities for the enjoyment of these rights, promoting the wellbeing of staff.
- Evaluating effectiveness: the effectiveness of these measures is tracked and evaluated through social dialogue, employee satisfaction surveys and monitoring of the company's low churn rate.

Ercros guarantees a safe and healthy working environment for its workforce through the following initiatives:

- ISO 45001: Ercros' production facilities have certified their sustainability management system, which includes the occupational health and safety management system in accordance with the ISO 45001:2018 standard for occupational health and safety management systems.
- Luxembourg Declaration: Ercros is committed to integrating the basic principles of occupational health promotion into its business strategy, to implementing the objectives of occupational health promotion beyond those established by the legislation and to following the reference framework in managing its employees' health.

- Healthy organisation management system ("Sigos"): Ercros applies this system in all its workplaces. The system takes into account aspects of prevention in people's health and focuses on promoting health and a healthy lifestyle for both Ercros employees and the people around them.
- ISO 27001: certification that ensures the protection of data and information belonging to employees, customers, suppliers and partners.
- Policy and procedures: implementation of policies and procedures to promote responsible practices.
- Compliance policy and complaints channel [see section 15.3 b) above].
- Information pills and awareness-raising campaigns: dissemination of information on identified risks and awareness-raising among staff.

a) Social protection

All Ercros employees are covered by comprehensive social protection for situations such as loss of income due to illness, unemployment, work-related injury, disability, parental leave and retirement. The company supplements public benefits by paying 100% of fixed salary in the event of illness. Employees are also entitled to unemployment benefits from the moment they join the company, based on their contributions.

Ercros also offers additional benefits such as study grants for employees' issue and salary allowances for children or family members with disabilities. It also guarantees protection in the event of parental leave and has a pension plan and a mutual fund to support its employees in their retirement, thus providing comprehensive support throughout their working lives [see point 15.7(e)].

In addition, there have been no massive job cuts or redundancies as a result of the transition to a greener, climate-neutral economy. In other circumstances (previous years), the company engaged outplacement companies to help the affected workers return to the employment market.

The data on employees covered by social protection coincide with the data reported in section 15.2 a) Evolution and distribution of the workforce, as 100% of Ercros' employees are covered.

Finally, two Ercros factories have a canteen service, in both cases under the management of an external company. These companies manage food purchasing based on menus confirmed the day before, virtually eliminating wasted food.

b) Trade union relations

Trade union representation at Ercros takes place exclusively at national level, so there are no arrangements in place for representation at European level.

An overview of collective bargaining and social dialogue coverage of employees is provided below:

Type of collective agreement	Percentage of employees covered
Employees covered by collective bargaining agreements	100%
Own employees covered by collective agreements within the EEA ¹	100%
Own employees covered by collective agreements outside the EEA, by region	0%
Employees in the EEA covered by employee representatives	100%

¹ EEA: European Economic Area.

In 2024, union elections were held at the Vila-seca I, Vila-seca II and Tortosa workplaces. A table showing trade union representation at Ercros is presented below.

Facilities	UGT	CCOO	USO	SOA	STR
Almussafes	5	4	—	—	—
Aranjuez	5	4	—	—	—
Barcelona	5	4	—	—	—
Cerdanyola	3	5	—	—	—
Flix	1	4	—	—	—
Monzón	1	2	—	—	—
Sabiñánigo	4	2	—	3	—
Tarragona	3	2	—	—	—
Tortosa	3	2	4	—	—
Vila-seca I	3	2	2	—	2
Vila-seca II	5	2	—	—	2
Ercros	38	33	6	3	4

15.5 Occupational health and safety

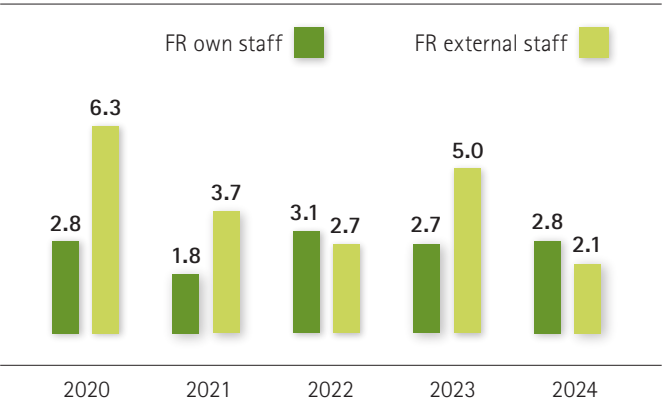
Ercros has an occupational health and safety management system certified to the aforementioned ISO 45001 standard, which provides a framework for continuous improvement in the prevention of occupational risks. This system covers 100% of the workforce. It ensures that all employees work in a safe environment and comply with legal and regulatory standards. The certification confirms the company's commitment to safety and ensures that effective measures are in place to protect the health and wellbeing of its team.

a) Accident rate

In 2024, Ercros had no fatalities among its employees due to work-related injuries or illnesses. There were also no recordable occupational diseases among employees.

Twelve work accidents occurred in 2024, nine among the company's own employees and three among external employees. Of these 12 accidents, eight resulted in sick leave and four did not. The frequency rate ("FR") of occupational accidents among own staff was 2.8, a slight increase from 2.7 in 2023. For external workers, there was a significant reduction in the accident rate from 5.0 to 2.1.

Evolution of the accident frequency rate "FR" ¹



¹ Number of accidents with leave for every 1 million hours worked.

Accident frequency rate by gender¹

2023			2024		
Total	Men	Women	Total	Men	Women
2.7	3.3	0.0	2.8	3.4	0.0

¹ Number of accidents with leave for every 1 million hours worked.

When analysing the data by gender, we observe that accidents affected exclusively men, with a rate of 3.4, while for women it remained at 0.0. This difference is due to the different types of tasks performed, where the higher proportion of men in the workforce increases their exposure to certain occupational risks.

In 2024 the severity index, which measures the number of days lost due to accidents per thousand hours worked, was 0.33 (2023: 0.16)..

Accident severity rate by gender¹

2023			2024		
Total	Men	Women	Total	Men	Women
0.15	0.18	0	0.33	0.40	0

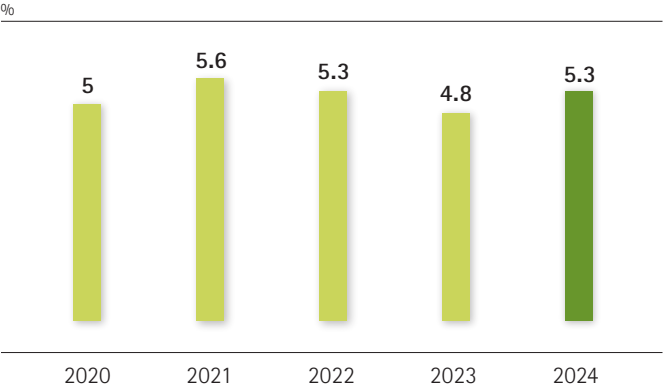
¹ Represents the number of working days lost due to accidents per 1,000 hours worked.

b) Absenteeism

With regard to absenteeism due to temporary disability, it stood at 5.3% in 2024, up from 4.8% in 2023. This increase has prompted Ercros to step up the measures implemented in its centres to reduce absenteeism and to strengthen its initiatives in the area of occupational wellbeing and health, with the aim of reducing the impact of absenteeism on productivity and organisational performance.

In 2024, accident rates among external employees were reduced

Absenteeism rate ¹



¹ Absenteeism hours per 100 possible working hours.

Absenteeism among men was 5.5%, while among women it stood at 4.2%, an increase from the 2023 values (3.7% for men and 1.5% for women).

Absenteeism rate by gender¹

%

2023			2024		
Total	Men	Women	Total	Men	Women
4.8	3.7	1.5	5.3	5.5	4.2

¹ Absenteeism hours over total possible working hours per 100.

c) Prevention campaigns

In 2024, Ercros' centres carried out their usual training and prevention campaigns to monitor health, promote healthy habits and control exposure risks, aimed at the staff working in the facilities, whether their own employees or those of contractors.

In total, 29 prevention campaigns were carried out, reaching 21,142 people (20,933 people in 2023).

Prevention campaigns in 2024

Participants	
Cancer prevention	2,583
Prevention of accidents at work	2,583
Protection against heat and sun	1,845
Order, cleanliness and planning	1,644
Physical activity	1,482
Overconfidence and haste	1,344
Healthy eating	967
Medical examinations	728
Emotional health	707
Giving up smoking	677
Road safety	670
Healthy Christmas	544
Celebrating accident-free days	531
Cardiovascular health	515
World Occupational Health and Safety Day	512
Flu vaccination	504
Diabetes prevention	478
Back workshop	399
Preventing high blood pressure	373
Getting to know Ercros	359
Plank challenge	351
What are you made of?	323
Stress management workshop	291
General health advice	243
Eye examinations	200
Preventing mosquito bites	117
Login screen information	115
Protocol to follow in a health emergency	55
Tetanus vaccination	2
Total	21,142

Ercros carries out campaigns to promote healthy lifestyle habits

In addition, 129 prevention courses were held in 2024, in which a total of 3,264 people participated.

Prevention training courses in 2024¹

	Participants
First aid and life-saving. Using an AED	507
Physical and mental health	420
Fire prevention and firefighting	339
Accident prevention and investigation	315
Digital work permits	266
Certifications and management systems	266
General safety provisions	244
Sustainability days	231
Chemical handling and storage	222
Using personal protective equipment	100
IT tools and prevention	93
Operating machinery and tools	85
Technical and health prevention	63
Order and cleanliness	56
Work in explosive atmospheres	38
Risk assessment and management policy	14
Others	6
Total	3,264

¹ The table shows the training courses grouped by subject in simplified form.

95% of the workforce participated in training activities

d) Employment claims

Occasionally, Ercros must face claims from former employees, or their heirs, related to compensation for damages arising from asbestos exposure and public benefit surcharges for an alleged lack of safety measures for exposure to asbestos.

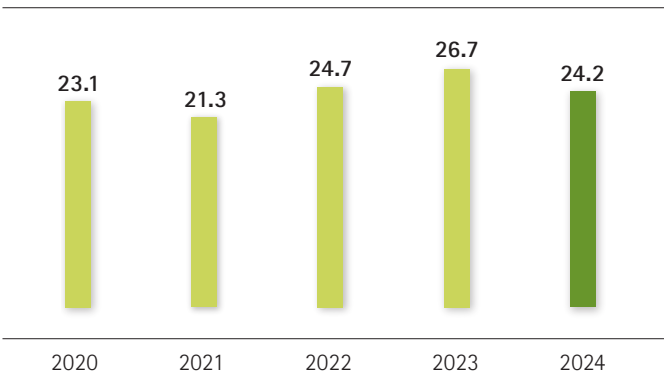
All of the indemnities paid by the company are the result of court judgments requiring the company to pay damages. These types of liabilities are not attributable to the Ercros' current management, nor do they relate to damage caused to current, active employees, rather, they are liabilities claimed of the Group as the universal successor of companies that have been defunct for many years and are not related in any way to current activities. Ercros makes provisions when this risk is detected.

The company has a life and accident insurance policy for the entire workforce that covers the contingency of death, accident or occupational illness up to a certain amount.

15.6 Training

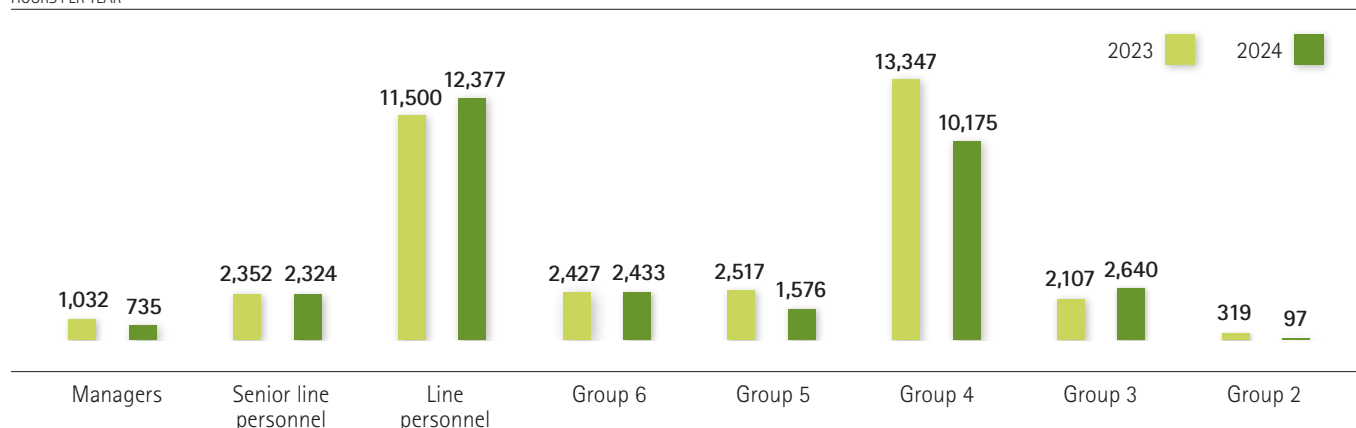
In 2024, 95% of Ercros' workforce participated in training activities, with an average of 24.2 hours of training per person per year, totalling 32,357 hours of training attended by 6,995 people.

Annual hours of training per person



Training by job category

HOURS PER YEAR



All job categories at Ercros received training in 2024: line personnel were the group that received the highest number of hours with 12,377, followed by group 4 with 10,175 hours and group 3 with 2,640 hours.

In gender terms, men received 25,108 hours of training and women 7,249 hours, which can be explained by the higher proportion of men in the workforce. However, an analysis of the average number of hours per person shows that women received 28 hours of training per employee, while men received 23.3 hours per employee, suggesting that efforts are being made to ensure equal access to training.

Expenses for training in 2024 amount to EUR 337 thousand (EUR 412 thousand in 2023), of which EUR 182 thousand is subsidised by the loan granted by the State Foundation for Employment Training ("Fundae") for the year 2024.

The staff of the contractors who frequently work at the workplaces also receive training from Ercros. Throughout 2024 the staff of these companies received 1,171 hours of training (2023: 1,363 hours).

Ercros has signed 38 agreements with educational centres to conduct employment training at its workplaces, including dual education courses. In 2024, a total of 91 students availed themselves of this possibility (69 students in 2023).

Ercros trains all new hires on the code of ethical conduct and provides them, among other documents, with the Ercros code of ethical conduct and a welcome manual containing information of general interest and specific details of the production centre they are joining. Last year, 127 new hires received the above documentation.

15.7 Gender diversity and equal opportunities

a) Equality policies and labour inclusion

Ercros has an Equality and non-discrimination policy and a code of ethical conduct, which guide the company's practices in terms of equal opportunities, without discrimination on the basis of gender, sexual orientation, race, religion or any other condition. It also has an equality plan, in accordance with current legislation, which sets out specific actions to ensure effective equality in the workplace.

The Ercros Equality and non-discrimination policy specifies the grounds for discrimination that the company seeks to prevent and eliminate. The text emphasises that equal opportunities and non-discrimination on grounds such as gender, sexual orientation and identity, gender expression, sexual characteristics, religion, work-life balance and the prevention of sexual harassment are fundamental pillars of its Corporate social responsibility policy.

In accordance with the General Disability Act, Ercros has a certificate of exception valid for three years, which is renewed periodically. This certificate enables Ercros to engage the services of special employment centres, thus promoting the integration of vulnerable groups into the job market.

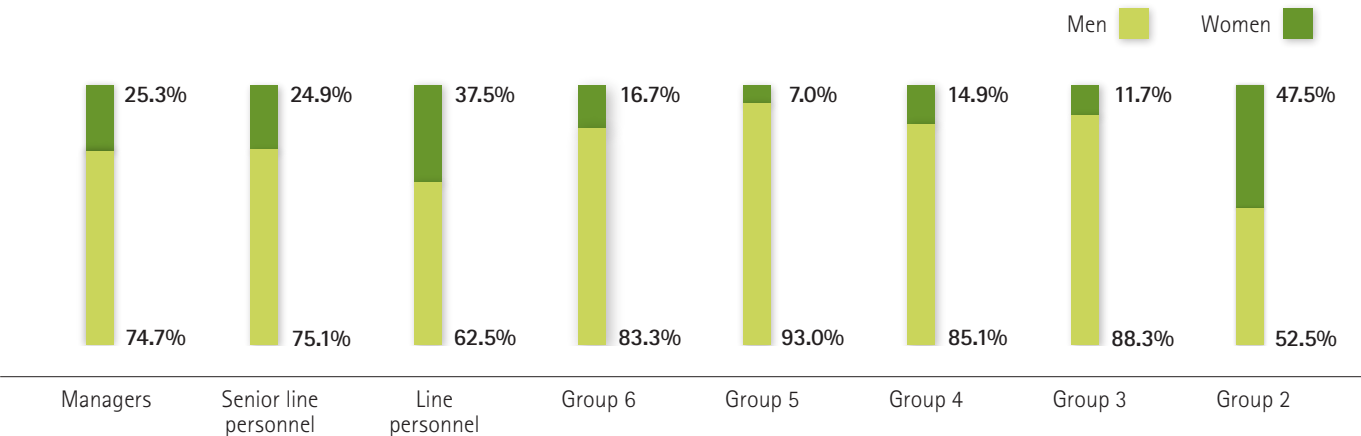
The Equality policy described in the previous section is implemented through the equality plan and human resources manuals and procedures, such as:

- The manual for the prevention of sexual and psychological harassment.
- Personnel selection procedure.
- Training management procedure.
- Procedure for integrating and managing trainees.

All of Ercros' policies, including those relating to equality and inclusion in the workplace, are made available to the relevant individuals, groups or entities through a number of channels. The policies are available on the virtual noticeboard/SharePoint. This is accessible to anyone with access to digital media.

Distribution of job categories by gender

AVERAGE PERCENTAGE OF EMPLOYEES IN THE YEAR



b) Management and equal opportunities

Ercros does not discriminate based on gender in the hiring process or in its wage and functional policies. Even so, the presence of women in the workforce is far from what is desired.

Between 2023 and 2024, the proportion of women in the average Ercros workforce increased from 18.3% to 19.4%, reaching 19.8% by the end of 2024. This increase is in line with the upward trend of recent years. This development can be attributed to generational change, the greater presence of women in the technical and scientific fields, and Ercros' efforts to increase the presence of women in its workforce.

However, Ercros acknowledges that there is still a significant lack of gender parity in the workforce, particularly in the job categories associated with factory operations. For this reason, the company remains committed to making additional efforts to promote the participation of female candidates in the hiring process.

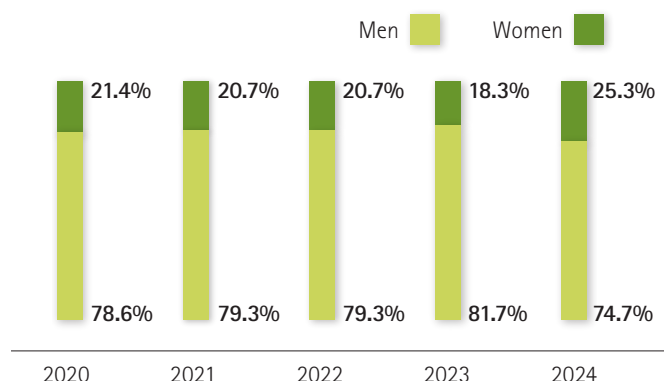
The Ercros board of directors is composed of six people, four men and two women.

The senior management of Ercros consists of the Chief Financial Officer, the Chief Business Officer and the Internal Audit Manager. The gender distribution of senior management positions consists entirely of three men, representing 100% of the total.

In 2024, the executive staff consisted of 27 people, 20 men and seven women. It is worth noting that three of Ercros' factories (Aranjuez, Tortosa and Sabiñánigo) are run by a woman, a milestone in an industry dominated by men.

Evolution of executive staff by gender

AVERAGE PERCENTAGE OF EMPLOYEES IN THE YEAR



c) Fair remuneration

All Ercros employees, both direct employees and outsourced staff, benefit from a comprehensive and diverse remuneration package that includes not only economic aspects, but also elements that promote their professional development, wellbeing and contribution to society.

This remuneration package includes a fixed monthly salary, bonus pay, benefits in kind and a variable incentive-based component, ensuring stability and recognition for all employees.

It is complemented by social benefits, a social security system, access to a preventive and supportive health monitoring service and various training activities for the professional development of each employee.

Ercros ensures that all its employees are adequately remunerated in accordance with applicable regulatory standards. Wages are paid in accordance with the legislation in force, as well as the provisions of the 21st General collective bargaining agreement for the chemical industry and the various pacts and agreements specific to each workplace.

As part of this commitment to pay equity, Ercros has carried out an analysis of the distribution of salaries between men and women in the different professional groups. The results show that there is no gender pay gap. The difference in average pay between genders does not exceed 25% in any of the occupational categories.

Average salary and wage gap by job category and gender¹

EUROS

	2024			
	Women	Men	Difference	Gap (%)
Managers ²	142,827	151,706	-8,879	-5.9
Senior line personnel	90,878	93,283	-2,405	-2.6
Line personnel	53,618	62,264	-8,646	-13.9
Group 6 ³	42,521	51,387	-8,866	-17.3
Group 5	43,832	44,385	-553	-1.2
Group 4	35,662	37,125	-1,463	-3.9
Group 3	33,844	34,389	-545	-1.6
Group 2	29,559	29,723	-164	-0.6

¹ To calculate the average remuneration for each category, the corresponding average fixed remuneration was taken after applying the necessary adjustments to avoid distortions and facilitate consistent comparison. For example, the Group has eliminated bonuses for length of employment and specific supplements for the job, such as bonuses for working at night, on bank holidays, in shifts, etc.).

² The calculation of executive staff does not include the chairman or the two general managers that belong to senior management. Senior management consists of three men and their average salary in 2024 was EUR 356 thousand, included fixed and variable remuneration.

³ The classification of the professional groups is established by the collective agreement for the industry. Groups 2, 3 and 4 include operators, group 2 includes staff with the lowest salaries and group 4 includes staff with the highest salaries; groups 5 and 6 include supervisors.

The largest divergences are found in occupational group 6, where the average pay of women is 17.3% lower than that of men, and in the line personnel category, with a gap of 13.9%.

At management and senior line personnel levels, the pay gap is smaller, at 5.9% and 2.6% respectively. In occupational groups 5, 4, 3 and 2, the pay gap is below 4 %.

These variations may be due to structural factors such as the distribution of the workforce by workplaces, specialisation within each category, accumulated experience and the composition of the sample in each occupational group. It should be recalled that women have joined the Ercros workforce more recently and therefore have less seniority.

The ratio between the total annual remuneration of the highest paid employee and all employees excluding the highest paid employee is 11.3. In absolute terms, the total annual remuneration of the highest paid employee amounts to EUR 660,932, while the broad average remuneration (including overtime, social benefits and pension plans) of all other employees is EUR 59,377.

The data presented have been obtained from the company's wage records, and ensure consistency with the remuneration structure established in the 21st General collective bargaining agreement for the chemical industry and the different agreements in force at each workplace. Any observed differences in pay distribution are due to structural factors such as seniority, occupational category, location of the workplace and the industry in which each employee works.

Ercros does not include climate-related considerations in the remuneration of the board of directors, senior management or other employees. For this reason, the percentage of remuneration linked to climate criteria is 0%.

d) Disabilities

Ercros complies with Royal Legislative Decree 1/2013, of 29 November, approving the revised text of the General Act on the Rights of Persons with Disabilities and their Social Inclusion (*Ley General de derechos de las personas con discapacidad y de su inclusión social*). This requires companies with more than 50 permanent employees to ensure that at least 2% of their workforce is made up of people with a degree of disability of 33% or more, unless alternative measures are applied.

In this regard, Ercros complies with current legislation by (i) directly employing people with disabilities and (ii) contracting services from specialised employment centres. In 2024, expenditure on these special employment centres amounted to EUR 286,939.

According to the information provided voluntarily by employees to the human resources departments, in 2024, 1.22% of the workforce was made up of employees with a recognised degree of disability of 33% or more. In absolute terms, the annual average number of employees in this situation is 16.25, of whom only one is a woman.

Staff with disabilities by job category

AVERAGE NUMBER OF EMPLOYEES IN THE YEAR

	2023	2024
Managers	—	—
Senior line personnel	1	1
Line personnel	1	1
Group 6	1	1
Group 5	1	1
Group 4	11	11
Group 3	1	1
Group 2	—	—
Total	16	16

Given the type of productive activity carried out at the Ercros' factories, they are not fully adapted to people with disabilities. However, the corporate offices in Barcelona are accessible to persons with reduced mobility.

Ercros has carried out a risk assessment of all its workplaces. Due to the nature of plant operations, it is not possible to accommodate all types of disabilities.

e) Work-life balance and employment benefits

The collective agreement and its improvements, agreed between Ercros management and trade union representatives, define the social benefits and work-life balance measures that the company offers to its employees:

- Contributions to pension plans of which all Ercros employees are beneficiaries and contributions to investment funds of which employees of the former company Aragonesas, Industrias y Energía, acquired by Ercros in 2005, who joined before 2017 in the Sabinánigo and Vila-seca I facilities are beneficiaries.
- Life and accident insurance: 100% of Ercros' employees are covered by life insurance paid for by it.
- Health insurance: Ercros subscribes to a group health insurance plan that offers advantageous conditions, simplifies access requirements without prior medical questionnaire, provides extensive coverage and, in accordance with current regulations, results in tax benefits for the employee. In 2024, a total of 998 people (466 employees and 532 beneficiary family members) were enrolled in the Ercros collective health plan.
- Measures to support studying.
- Repayable advances.
- Work cafeteria, vouchers or supplements for food.
- Transport bonuses or supplements.
- Measures to support maternity/paternity: childbirth bonus, reduced working hours and vouchers for childcare.
- The framework agreement on telecommuting reached between the company and employee representatives, which regulates the terms under which staff can choose this form of working.
- The Digital disconnection policy, which includes the right of workers not to connect to any digital device of a professional nature during rest periods.

Ercros has also signed an agreement to collaborate with the *Fundación Salud y Persona*, whose mission is to promote prevention, wellbeing and the emotional quality of people, and which offers programmes that help to minimise any psychological discomfort experienced by employees and their families.

Ercros guarantees 100% of its employees the right to take family leave in accordance with current legislation and within the framework of its internal work-life balance policies.

In 2024, a total of 49 employees exercised this right, representing 3.67% of the total workforce. Broken down by gender, 35 men applied for leave, representing 3.2% of all male employees, while 14 women applied, representing 5.4% of the female workforce.

15.8 Tables and additional information

a) Tables relating to the description of the workforce

Staff by workplace

AVERAGE NUMBER OF EMPLOYEES IN THE YEAR ("FTE")

	2023	2024
Complejo de Tarragona	335	335
Vila-seca I	151	152
Vila-seca II	157	157
Tarragona	27	26
Sabiñánigo	232	240
Flix	23	10
Monzón	32	31
Aranjuez	228	232
Almussafes	113	115
Tortosa	116	116
Cerdanyola	87	85
Factories	1,166	1,164
Sales	36	36
Corporate	132	136
Total Ercros	1,334	1,335

Headcount by age and gender

HEADCOUNT AT YEAR END

	31-12-2023			31-12-2024		
	Total	Men	Women	Total	Men	Women
Less than 18	—	—	—	—	—	—
18-25	34	22	12	53	35	18
26-30	91	63	28	94	65	29
31-35	118	92	26	116	90	26
36-40	151	113	38	142	102	40
41-45	158	120	38	152	118	34
46-50	232	190	42	231	187	44
51-55	198	162	36	204	167	37
56-60	237	220	17	228	210	18
More than 60	94	82	12	98	83	15
Total	1,313	1,064	249	1,318	1,057	261

Headcount by job category and gender

HEADCOUNT AT YEAR END

	31-12-2023			31-12-2024		
	Total	Men	Women	Total	Men	Women
Managers	27	21	6	27	20	7
Senior line						
personnel	64	47	17	62	47	15
Line personnel	256	163	93	256	156	100
Group 6	95	79	16	104	87	17
Group 5	160	150	10	153	142	11
Group 4	562	476	85	568	478	90
Group 3	125	116	9	134	119	15
Group 2	24	12	12	14	8	6
Total	1,313	1,064	249	1,318	1,057	261

Headcount by country of origin

HEADCOUNT AT YEAR END

	31-12-2023	31-12-2024
Spain	1,253	1,252
Rest of the EU	21	24
OECD countries	6	6
Rest of the world	33	36
Total	1,313	1,318

Headcount by type of contract and job category

HEADCOUNT AT YEAR END

31-12-2023									
	Total	Managers	Senior line personnel	Line personnel	Group 6	Group 5	Group 4	Group 3	Group 2
Permanent	1,253	27	63	253	94	160	535	113	8
Temporary	60	—	1	3	1	—	27	12	16
Part time	—	—	—	—	—	—	—	—	—
Total	1,313	27	64	256	95	160	562	125	24

HEADCOUNT AT YEAR END

31-12-2024									
	Total	Managers	Senior line personnel	Line personnel	Group 6	Group 5	Group 4	Group 3	Group 2
Permanent	1,257	27	62	254	103	152	542	111	6
Temporary	61	—	—	2	1	1	26	23	8
Part time	—	—	—	—	—	—	—	—	—
Total	1,318	27	62	256	104	153	568	134	14

Headcount by type of contract and gender

HEADCOUNT AT YEAR END

	31-12-2023			31-12-2024		
	Total	Men	Women	Total	Men	Women
Permanent	1,253	1,024	229	1,257	1,014	243
Temporary	60	40	20	61	43	18
Part time	—	—	—	—	—	—
Total	1,313	1,064	249	1,318	1,057	261

Headcount by type of contract and age

HEADCOUNT AT YEAR END

31-12-2023										
	Total	18-25	26-30	31-35	36-40	41-45	46-50	51-55	56-60	More than 60
Permanent	1,253	24	77	108	142	152	227	196	237	90
Temporary	60	10	14	10	9	6	5	2	—	4
Part time	—	—	—	—	—	—	—	—	—	—
Total	1,313	34	91	118	151	158	232	198	237	94

HEADCOUNT AT YEAR END

31-12-2024										
	Total	18-25	26-30	31-35	36-40	41-45	46-50	51-55	56-60	More than 60
Permanent	1,257	27	80	112	137	149	225	202	228	97
Temporary	61	26	14	4	5	3	6	2	—	1
Part time	—	—	—	—	—	—	—	—	—	—
Total	1,318	53	94	116	142	152	231	204	228	98

Evolution of executive staff

AVERAGE NUMBER OF EMPLOYEES IN THE YEAR

	Total	Men	Women	Women/total executives (%)
2020	28	22	6	21.4
2021	29	23	6	20.7
2022	29	23	6	20.7
2023	28	23	5	18.3
2024	27	20	7	25.3

Dismissals by age and gender

HEADCOUNT IN THE YEAR

31-12-2023			31-12-2024			
Total	Men	Women	Total	Men	Women	
Less than 18	—	—	—	—	—	—
18-25	1	1	—	3	2	1
26-30	3	2	1	2	—	2
31-35	3	3	—	2	2	—
36-40	2	1	1	3	2	1
41-45	6	6	—	1	1	—
46-50	1	1	—	1	1	—
51-55	1	1	—	1	1	—
56-60	9	9	—	—	—	—
More than 60	16	15	1	1	1	—
Total	42	39	3	14	10	4

Dismissals by job category and gender

HEADCOUNT IN THE YEAR

31-12-2023			31-12-2024			
Total	Men	Women	Total	Men	Women	
Managers	1	1	—	—	—	—
Senior line personnel	1	1	—	—	—	—
Line personnel	10	9	1	1	1	—
Group 6	4	4	—	—	—	—
Group 5	9	8	1	1	1	—
Group 4	7	6	1	5	4	1
Group 3	9	9	—	3	2	1
Group 2	1	1	—	4	2	2
Total	42	39	3	14	10	4

Employees entitled to family leave

NUMBER AND PERCENTAGE OF PEOPLE BY GENDER

	Employees entitled to family leave ¹	Employees who made use of the leave in 2024	% of employees who used the leave
Men	1,076	35	3.2%
Women	259	14	5.4%
Total	1,335	49	3.7%

¹ 100% of the Ercros workforce is entitled to take family leave.

b) Tables relating to staff training

Training by job category and gender

NUMBER OF HOURS IN THE YEAR

	2023			2024		
	Men	Women	Total	Men	Women	Total
Managers	595	438	1,032	484	251	735
Senior line personnel	1,523	829	2,352	1,812	512	2,324
Line personnel	6,478	5,022	11,500	8,037	4,340	12,377
Group ¹ 6	1,932	496	2,427	2,184	249	2,433
Group 5	2,075	442	2,517	1,391	184	1,576
Group 4	11,450	1,897	13,347	9,179	996	10,175
Group 3	1,693	414	2,107	1,971	669	2,640
Group 2	74	245	319	50	48	97
Total	25,818	9,783	35,601	25,108	7,249	32,357

¹ The occupational groups are explained at the end of the chapter.

Hours of training per person and percentage of training per category

IN 2024

	2023		2024	
	Hours per person	% hours per category	Hours per person	% hours per category
Managers	23.7	1.9%	36.2	3.5%
Senior line personnel	38.3	7.2%	32.7	7.1%
Line personnel	50.0	32.0%	45.1	59.9%
Group 6	26.1	8.7%	14.8	3.4%
Group 5	9.5	5.5%	16.8	2.5%
Group 4	18.8	36.6%	11.7	13.7%
Group 3	16.9	7.8%	43.4	9.2%
Group 2	4.0	0.2%	4.2	0.7%
Total	23.3	100%	28.0	100%

c) Tables relating to staff remuneration

Remuneration by job category and age ¹

EUROS

	2023				2024			
	< 25 years	25-40 years	41-55 years	> 55 years	< 25 years	25-40 years	41-55 years	> 55 years
Managers ²	—	—	141,359	155,276	—	—	133,527	165,838
Senior line personnel	—	—	76,908	92,344	—	71,452	86,731	101,772
Line personnel	29,050	41,506	54,785	65,374	—	47,740	60,551	71,076
Group 6 ³	—	40,126	43,954	46,298	32,960	47,980	49,602	53,279
Group 5	—	38,238	39,010	39,784	—	43,199	44,457	45,345
Group 4	31,808	31,720	32,562	33,133	34,465	36,353	36,774	37,964
Group 3	24,760	28,205	30,340	31,372	30,057	32,164	34,264	36,581
Group 2	25,596	25,475	25,173	26,774	29,443	29,011	—	—

¹ To calculate the average remuneration for each category, the corresponding average fixed remuneration was taken after applying the necessary adjustments to avoid distortions and facilitate consistent comparison. For example, the Group has eliminated bonuses for length of employment and specific supplements for the job, such as bonuses for working at night, on bank holidays, in shifts, etc.).

² The calculation of executive staff does not include the chairman, whose remuneration was explained above, or the two general managers that belong to senior management. Senior management consists of three men and their average salary in 2024 was EUR 356 thousand, included fixed and variable remuneration.

³ The classification of the professional groups is established by the collective agreement for the industry. Groups 2, 3 and 4 include operators, group 2 includes staff with the lowest salaries and group 4 includes staff with the highest salaries; groups 5 and 6 include supervisors.

Individual remuneration of directors

THOUSANDS OF EUROS

	Executive director (1 person)		Non-executive directors (4 people)								Proprietary director (1 person)	
	Antonio Zabalza		Laureano Roldán		Eduardo Sánchez		Lourdes Vega		Carme Moragues		Joan Casas	
Salary item	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Fixed remuneration	573	590	53	54	53	54	69	71	69	71	53	54
Fixed remuneration	573	590	53	54	53	54	53	54	53	54	53	54
Chair of supervisory and control committee	—	—	—	—	—	—	16	16	16	16	—	—
Variable remuneration ¹	—	—	—	—	—	—	—	—	—	—	—	—
Payments in kind	26	37	—	—	—	—	—	—	—	—	—	—
Life insurance premiums	12	34	—	—	—	—	—	—	—	—	—	—
Total	611	661	53	54	53	54	69	71	69	71	53	54

¹ According to the Directors' remuneration policy, the executive director is the only member of the board of directors who may receive variable compensation – up to a maximum of 40% of his or her gross annual salary. In 2023 and 2024, this director's variable compensation was 0%.

d) Professional groups

Functions of the professional groups in accordance with the General collective bargaining agreement for the chemical industry ("CGIQ")

Professional group 6	Functions that consist of integrating, coordinating and monitoring the execution of multifaceted tasks with the responsibility to order work to be carried out by a group of collaborators. This also includes carrying out complex but homogeneous tasks that, even if supervisors were not involved, would require high intellectual content, as well as those that consist of establishing or developing programmes or applying techniques according to general instructions.
Professional group 5	This group includes the functions of integrating, coordinating and monitoring the execution of various homogeneous tasks with the responsibility to order work to be carried out by a group of collaborators. It also includes the performance of tasks that, although they do not involve ordering work to be carried out, have an average content of intellectual activity and human relations.
Professional group 4	Work to be carried out independently that usually requires initiative and reasoning on the part of the workers in charge of its execution, carrying out the work under supervision, responsible for this work, being able to be assisted by other workers, as well as the basic use of foreign languages when necessary for the performance of the job.
Professional group 3	Functions that consist of executing operations that, even when carried out under specific instructions, require adequate professional knowledge and practical skills, and the responsibility of which is limited by direct and systematic supervision, with the possible use of peripheral information systems provided that the worker has been trained in their use.
Professional group 2	Functions that consist of operations carried out following a precise and specific work method, with a high degree of supervision, normally requiring elementary professional knowledge, with the possible use of peripheral information systems provided that the worker has been trained in their use.
Professional group 1	Tasks involving operations carried out in accordance with specific, clearly defined instructions, involving a high degree of independence, predominantly requiring effort or attention, not requiring specific training, and possibly involving the use of basic peripheral elements of information systems, such as readers or scanners, provided that the worker has received training in their use.

Source: 21st General collective bargaining agreement for the chemical industry.

16

VALUE CHAIN
WORKERS



16.0 Introduction

As part of its commitment to sustainability and respect for labour rights, Ercros identifies and prioritises its impact on four groups of workers in its value chain. Ercros' level of responsibility varies according to the relationship and the degree of influence it has over these workers:

- Staff of external companies: these are people who work for companies that provide their services on a regular basis in the company's workplaces, but who are not Ercros' own staff. These people are mainly involved in maintenance, cleaning, security, cooking, logistics and landscaping. Ercros has a responsibility to ensure that they work in safe and fair conditions in accordance with internal regulations and national and international labour standards.
- Transporters: lorry drivers who transport raw materials to factories and finished products to customers. Ercros interacts directly with transporters as part of its logistics operations and its responsibility is to ensure that the procedures for loading, unloading, receiving and dispatching products are carried out safely, to protect the integrity of workers, facilities and the environment, and to promote responsible practices in the transport of materials.
- Suppliers' employees: people who work for Ercros' suppliers. The company evaluates and monitors its suppliers for compliance with ethical, labour and sustainability criteria through its Procurement policy and supplier approval processes. Ercros promotes respect for labour rights and continuous improvement of working conditions for this segment of the workforce.
- Customer workforce: people who work for the companies that buy Ercros products. Ercros' impact on its customers' workers is small. The company ensures that its products are marketed responsibly and promotes safety standards and good practices that benefit its customers' employees in the use and handling of its products.

Ercros has policies to manage relationships with its external workforce

16.1 Value chain worker policies and governance

a) Policies

Ercros has the following policies in place to manage material impacts, risks and opportunities related to workers in the value chain:

- Ethical code of conduct: establishes that all persons and entities linked to Ercros work under ethical principles that respect the rights and dignity of workers in the value chain. Its main objective is to prevent practices that may compromise the wellbeing or professional reputation of workers, thus ensuring a fair, safe and respectful working environment.
- Procurement policy: includes the approval and regular evaluation of suppliers, promoting relationships based on trust and cooperation, prioritising the local economy and promoting safety, sustainability and continuous training. Any changes to this policy will be reflected in the standard terms of purchase, which will be sent with each order.
- Corporate social responsibility policy: assumes fundamental principles in the fight against corruption and bribery, among which the following stand out in relation to the value chain: (i) strictly complying with current legislation; and (ii) incorporating responsible practices in the supply chain, encompassing all participants in the supply chain.
- Sustainability policy: this policy establishes a reference framework that governs Ercros' actions in terms of sustainability, with the aim of protecting both the workers in the value chain and the environment, guaranteeing product quality and satisfying the needs of its customers.
- Criminal compliance policy Ercros promotes strict compliance with legislation and focuses on the identification, assessment and prevention of criminal risks in order to minimise their negative impact. To this end, it is committed to maintaining, monitoring and reviewing the certification of its criminal compliance management system in order to instil a culture of business ethics at all levels of the organisation. This system, which aims to prevent and detect potential crimes, applies to all the company's activities and all related industrial projects.

- Anti-corruption and anti-bribery policy: Ercros does not tolerate any form of corruption, bribery or extortion, either in its own operations or in those of related third parties. This policy sets out the principles that guide the company in identifying and eradicating any corrupt practices that come to its attention. The purpose of the Anti-corruption and crime prevention policy is to establish the principles that govern Ercros' activity in relation to the eradication of any corrupt practice of which it is aware.
- Data protection policy: Ercros guarantees the protection of the personal data of all individuals with whom it deals, respecting their right to reputation and privacy in the processing of any type of personal information.
- Information security policy: in its activity as a manufacturer and marketer of chemical and pharmaceutical products, Ercros applies standards that ensure the integrity, availability and confidentiality of information, which are considered essential principles in its management.
- Internal whistleblowing and whistleblower protection policy: Ercros promotes a culture of ethical and transparent communication; it provides mechanisms to prevent and detect possible irregularities and ensures that they are dealt with promptly and responsibly.

Ercros communicates its policies to relevant individuals, groups or entities through: the corporate website, press releases, sending notices by email and/or newsletter.

b) Respect for human rights

Article 8 of the Ercros ethical code of conduct "Human rights and public freedoms" presents the company's human rights commitments:

- Persons subject to the code must respect and protect the human rights and civil liberties recognised in the Universal Declaration of Human Rights, the principles underlying the United Nations Global Compact, the conventions of the International Labour Organisation, the United Nations Sustainable Development Goals ("SDGs") and the Responsible Care programme.
- Persons subject to the code will ensure that any foreign citizens who are hired by Ercros have documents allowing them to legally stay in Spain. They will use the official template for any letters of invitation issued to facilitate access to our country for foreign customers, suppliers, or third parties.

Likewise, in accordance with the provisions of the ethical code of conduct and the Ercros Corporate social responsibility policy, labour rights such as freedom of association, collective bargaining, personal dignity and protection of minorities will be respected, rejecting child, forced or coerced labour.

The code of ethics includes the human rights commitments that impact workers in the value chain

To ensure compliance with ethical and human rights standards, the supplier registration procedure requires that suppliers, if they do not have their own ethical code, adopt the company's ethical code of conduct. The standard terms of purchase also incorporate environmental, social and governance sustainability criteria.

Ercros applies a specific procedure for the evaluation and registration of suppliers and the evaluation of customers: guaranteeing regulatory compliance with the Refinitiv World-Check software tool. [See chapter 5.6 a)]. This process checks that suppliers and customers have not been sanctioned by international bodies, are not linked to illegal activities such as money laundering or terrorist financing, and are not on international watch lists such as the United Nations ("UN"), the Office of Foreign Assets Control ("OFAC") or the US Treasury Department's Clinton List.

Ercros has a management procedure to prevent and detect illegal or irregular transactions, which requires that those suppliers or origins of goods located in countries with economic sanctions from the EU or its satellite countries are checked by the product stewardship and compliance departments and authorised by the business management division.

In addition, Ercros provides value chain workers with a whistleblowing channel, accessible through its website and with an anonymous option, to report negative human rights impacts if necessary [see section 15.3 below].

On-site audits of suppliers are also conducted to detect, among other things, possible human rights violations. When such impacts are identified, Ercros acts proactively and requests corrective action from the supplier or third parties to ensure respect for human rights in its supply chain and compliance with its ethical and legal principles. This system ensures that human rights are respected and protected in the company's supply chain, in accordance with applicable ethical and legal principles.

c) Alignment of policies with international guiding principles

Ercros' policies in relation to workers in the value chain are aligned with the following international instruments:

- UN Guiding Principles on Business and Human Rights:
 - The ethical code of conduct guarantees the protection of human rights, equal opportunities and the rejection of child, forced or compulsory labour.
 - The Corporate social responsibility policy reinforces this alignment by adhering to the UN Global Compact, promoting a diverse and inclusive work environment that respects freedom of association and collective bargaining.
- The International Employment Organisation ("ILO") Declaration on Fundamental Principles and Rights at Work.
- Organisation for Economic Co-operation and Development ("OECD") Guidelines for Multinational Enterprises:

Ercros declares that there have been no recorded instances of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the International Labour Organisation ("ILO") Declaration on Fundamental Principles and Rights at Work or the Organisation for Economic Co-operation and Development ("OECD") Guidelines for Multinational Enterprises involving workers in its value chain.

16.2 Collaborative incident response processes

In 2024, Ercros conducted a double materiality analysis that included the participation of various stakeholders. The perspectives of suppliers and customers were taken into account through specific surveys designed to identify material aspects of the value chain [see chapter 4. Double materiality analysis].

Ercros' commitment to workers in the value chain is primarily through their legitimate representatives, who are involved at various stages of the process to ensure proper management of actual and potential impacts. The involvement of these representatives is carried out through various mechanisms and on a regular basis, in line with the commitment to transparency, security and sustainability:

- Weekly coordination meetings: during the operational phase, weekly coordination meetings are organised between representatives of Ercros and the external companies operating at its facilities. These meetings cover key issues such as coordination, monitoring, safety, ongoing campaigns and any changes in production that may affect external workers.
- Quarterly inter-company committee meetings: once a quarter, inter-company committee meetings are organised in all Ercros' factories. These meetings promote structured dialogue between employee representatives and external companies and cover topics such as safety and prevention, environment, health, compliance with the ethical code of conduct, review of incidents and accidents, operational incidents at the sites and administrative issues. They also provide a space for employee representatives from the value chain to raise questions or proposals related to Ercros' activities.
- Meetings with suppliers and transporters: meetings are also held with suppliers and transporters, indirectly involving the staff representatives of external companies and suppliers:
 - Meetings with suppliers: these are the most appropriate scenario to assess issues related to ethics, sustainability and safety at work, to verify compliance with commitments made and to discuss areas for improvement in collaboration with suppliers.
 - Meetings with transport companies: the integrated logistics division holds meetings with representatives of transport companies.

For their part, the factory managers and, in the case of transport companies, the integrated logistics division are responsible for ensuring Ercros' commitment to the workers in the value chain in everything related to the operation of the workplaces. The actions implemented include:

- Preventive safety observations and internal audits of employees of external companies providing services at the workplaces. These actions are included in the workplace prevention plans.
- Regular supplier audits: Ercros conducts regular supplier audits as part of the evaluation and monitoring stage. These audits represent an opportunity to ensure compliance with ethical, employment and sustainability criteria.

- Factory safety audits: legislation on the transport and handling of dangerous goods requires that safety audits be carried out on operations at industrial facilities. These audits are carried out twice a year by an external safety advisor. In 2024, a total of 16 such audits were carried out.
- Ceret drills: In 2024, Ercros participated in two drills as part of the prevention programme of the Spanish centre for emergency responses during the transport of dangerous chemical goods ("Ceret").

Ercros is committed to promoting effective participation spaces and to strengthening cooperation with workers' representatives at all stages of the value chain, with the aim of ensuring transparency, safety and sustainability in its operations.

Ercros implements various measures to identify and understand the perspectives of the most vulnerable workers within its value chain, such as women, migrants and people with disabilities. Ercros assesses the effectiveness of its interaction with employees of external companies through three main mechanisms: the whistleblowing channel, inter-company meetings and audits.

16.3 Repairing impacts and consultation channels

Ercros has several mechanisms in place to ensure or contribute to the remediation of any negative impacts caused to employees of external companies in its value chain. These mechanisms are:

- Whistleblowing channel: this channel allows employees to lodge complaints about possible breaches of the ethical code of conduct so that any negative impact on working conditions can be identified and addressed. Ercros has an Internal reporting system policy, which ensures that all communications made through the whistleblowing channel are confidential and, if desired, anonymous. Whistleblowers are protected from any form of retaliation and complaints are investigated objectively, discreetly and diligently. This procedure is known to workers and is implemented as part of the company's compliance mechanisms. The company includes the address of the whistleblowing channel in contracts with suppliers.

Ercros' compliance committee is responsible for handling and, if necessary, resolving complaints submitted through the whistleblowing channel. This committee reports to the audit committee and comprises the head of the internal audit service and the head of the legal service [see Chapter 18.5(c)].

- Inter-company meetings: as already explained, quarterly meetings are held between Ercros and its external suppliers to assess the negative impacts identified and to discuss corrective and remedial actions.
- Workers can also raise their concerns through the companies where they work. These companies will forward these concerns or needs to Ercros at the above meetings. However, beyond ensuring that these channels and processes are in place, the company does not assess whether external workers are aware of and use these means.
- The criminal compliance, anti-corruption and crime prevention, and corporate social responsibility policies, already mentioned in section 16.1 a).

These mechanisms not only help minimise negative impacts, but also have a positive impact on workers in the value chain [see section 16.4 below].

16.4 Resources for managing material impacts, risks and opportunities

By implementing management systems, policies and training programmes that promote high standards of health, safety and labour rights, Ercros works to ensure that its own practices do not cause or contribute to significant negative impacts on workers in its value chain. The impacts, risks and opportunities related to workers in the value chain are explained in Chapter 7 on managing impacts, risks and opportunities.

Ercros has a procedure in place to ensure the safety of external service companies and to coordinate business activities. This procedure is mandatory for all personnel of external companies working in Ercros' facilities.

Firstly, Ercros applies the ISO 45001 management system, which certifies that its factories operate to the highest international standards of occupational health and safety. This system establishes rigorous procedures to identify, prevent and mitigate occupational risks and ensures that the company's operations and value chain practices promote a safe and healthy working environment for all employees.

In addition, Ercros incorporates its ethical code of conduct into contracts with suppliers, clearly stating the principles and requirements to be followed with regard to respect for human rights, decent working conditions and the protection of workers' health and safety. This code sets standards for safety, respect for workers' rights and sustainability. In addition, suppliers are regularly audited to monitor their compliance with these principles.

Ercros also carries out regular assessments of the occupational impacts and risks of external personnel working in its factories, such as maintenance, logistics, lorry drivers, landscaping, kitchen, cleaning and security staff. These assessments are aligned with ISO 45001. The three main areas for mitigating impacts and risks are:

- Training in safety and prevention: training is a fundamental pillar of this approach. Ercros develops training programmes and specific campaigns for both its own employees and the employees of external companies that provide services in the company's production centres. This practice strengthens the technical skills of the external workforce, promotes a culture of safety and encourages the use of good working practices.

Ercros offers prevention training for external workers. This measure is designed to address significant negative impacts, such as accident rates, and to generate positive impacts, such as promoting a safer working environment. Throughout 2024, contractors' staff received 1,171 hours of training (2023: 1,363 hours).

This prevention training system includes evaluations to ensure its effectiveness. Its effectiveness is reflected in a reduction in accident rates and an improvement in their work skills.

Ercros factories operate a safety training system specifically designed for lorry drivers carrying out loading and unloading operations. These drivers must first complete such training as a condition for access to the company's facilities. The training consists of a video and a comprehension test covering access regulations, the use of personal protective equipment ("PPE") or emergency procedures. In addition, all product loading and unloading operations are carried out in the presence of specialised operators who have been properly trained for these activities.

- Supervision of suppliers' working conditions: although Ercros has limited control over the suppliers' workforce, all suppliers are required to have their own ethical code or to comply with the Ercros ethical code of conduct. In turn, Ercros ensures that the people who are part of its suppliers' workforce and who work at Ercros' facilities do so under the same safety conditions as its own employees.
- Incident response and implementation of corrective actions: in the event of occupational accidents or ethical breaches in the value chain, Ercros analyses them and acts to implement corrective actions.

Ercros carries out its activities in areas that have specific laws prohibiting child labour and forced or compulsory labour. In any case, as stated in Article 8 of the Company's ethical code of conduct, persons bound by the ethical code of conduct will not tolerate child, forced or compulsory labour, or work carried out under duress. All Ercros' workplaces, where the staff of external companies provide their services are located in Spain and are therefore subject to the Spanish employment, safety and prevention legislation.

In 2024, there were no negative impacts on workers in the value chain and therefore no measures to remediate significant negative impacts were required. Nor were there any human rights issues in the upstream or downstream value chain. The overall accident frequency rate¹, which measures accidents with and without sick leave among the external workforce, was 3.2, a significant improvement on the 2023 rate of 5.97. During the year, three accidents were recorded among external company employees (two with sick leave and one without sick leave). There were also two accidents during the transport of Ercros products.

In addition to impact and risk management, Ercros works on finding material opportunities for and creating positive impacts on workers in the value chain. Planned actions to identify opportunities include active collaboration with actors in this chain.

¹ The overall frequency rate reflects the number of accidents with and without sick leave per million hours worked.

In selecting its suppliers, Ercros requires compliance with a code of ethical conduct

Ercros implements various measures and policies that have a positive impact on the workers in its value chain, the following activities and their influence are highlighted. Some of these measures are outlined below:

- In relation to the workforce of external companies:
 - Training and awareness-raising for external company staff.
 - Coordination and prevention through inter-company committees.
- In relation to suppliers:
 - Supplier selection based on ethical and sustainable criteria: the supplier registration process requires compliance with Ercros' ethical code of conduct or the existence of their own code of ethics.
 - Prioritising local suppliers: the new Procurement policy approved in 2024 prioritises the selection of local suppliers to strengthen regional economies and reduce transport emissions. In this way, the company creates local jobs, boosts local economies and reduces the environmental impact of logistics.
 - Trusting relationships and improvement plans with suppliers: Ercros encourages innovation and establishes medium and long term improvement plans with its suppliers, creating synergies for sustainable development. The result is greater stability and growth for suppliers, which benefits their employees.

Together, these activities reinforce Ercros' commitment to sustainable development, social justice and the wellbeing of workers in its supply chain.

The material impact on the workforce of external companies providing services at Ercros centres is managed through the prevention system in accordance with the ISO 45001 standard. Ercros has limited influence over workers in the rest of the value chain, but the company has tools to limit the risks for these workers: audits, signing the ethical code of conduct, etc.

16.5 Incident and risk management targets

Ercros' targets for managing the impacts, risks and opportunities related to its value chain are as follows:

Reducing the accident rate according to the established plan to ensure the safety of the employees of external companies.

Maintaining a quality management system that ensures efficiency and compliance with standards.

Implementing freight digitalisation projects that optimise logistics processes and improve working conditions throughout the supply chain.

At Ercros, the objectives related to sustainability, safety and wellbeing of workers in the value chain are set directly by the company. Value chain workers, their legitimate representatives or credible spokespersons¹ are not currently directly involved in setting these targets.

Ercros sets these targets based on international standards, applicable regulations and its commitment to the principles of sustainability and corporate responsibility, ensuring that they are in line with best practice and the needs identified in its value chain.

¹ Credible spokespersons: Individuals with sufficient experience of working with affected stakeholders in a particular region or context to help communicate their potential concerns effectively.



17

STAKEHOLDER
ENGAGEMENT



17.1 Introduction

Stakeholders are organisations, groups or individuals that can influence or be affected by a company's activities. Ercros' main stakeholders are defined in the social responsibility and ethics plan, and they are:

- Internal: own staff and contractors' employees, suppliers, trade union representatives and shareholders.
- External: customers, authorities, neighbours and neighbouring businesses, the education community, the media, social and cultural organisations and stock market agents.

Each factory identifies its own stakeholders through social mapping. This map considers aspects such as local proximity and influence in the area of the workplace.

The social map, which includes a list of local external stakeholders associated with each workplace, is a dynamic document that is updated regularly. It is an essential tool for managing relations between factories and their immediate environment. In 2024, Ercros' workplaces had identified 332 stakeholders in their social maps (424 stakeholders in 2023). The decrease in the number of stakeholders in the social maps is mainly because the Flix factory map is no longer included due to its closure at the beginning of last year.

In 2024, 84 stakeholder meetings were organised by factories, compared to 179 in 2023. This decrease is due to an adjustment in the definition of meetings accounted for at the Tarragona Industrial Complex ("CIT").

17.2 Society at large

Ercros' main social contribution is materialised through the employment and activity it generates. Half of its facilities are located in towns with a population of less than 20,000, which means that these communities are somewhat dependent on Ercros. In 2024, Ercros' activity is estimated to have generated 4,126 jobs, including direct, indirect and induced jobs¹. The employment generated by Ercros represents on average 3% of the active population of the municipalities where the production plants are located (the active population of each site was calculated on the basis of the activity rate of the respective province).

¹ To calculate the number of indirect and induced jobs, the average workforce of Ercros in 2024 was multiplied by 2.4, following the criteria set by the Spanish Chemical Industry Federation ("Feique").

In 2024, Ercros paid EUR 27.56 million in taxes, levies, fees and social security contributions to the public authorities (EUR 27.45 million in 2023).

The main actions carried out by Ercros for society at large are detailed below:

- The annual economic and financial report, which contains the most relevant economic and financial figures for the year.
- The annual corporate governance report ("ACGR"), which provides information on the governance of the Company and the degree of fulfilment of the recommendations of the code of good governance ("CGG").
- The directors' remuneration report, which reports on the application of the Directors' remuneration policy in the year.
- This SNFI-CSR, which reports on corporate social responsibility, stakeholder relations and other non-financial information.
- The corporate website, providing users with relevant updated information about Ercros: news, relevant events, certifications, campaigns, graphic material and other documentation of interest. In 2024, the website had 36,493 users and received 210,822 visits.

As part of our commitment to continuous improvement, the following new features have been introduced to the website over the past year: (i) a new form for users who want to send their CV to work for the company; (ii) pages for the new certificates (ISCC Plus, ECVM charter, Vinyl plus supplier, IPES and ISO 27001); (iii) full accessibility of the website for people with disabilities; (iv) a new section to inform and make available to users the public documents relating to the two IPOs for Ercros' share capital; and (v) banners on the occasion of anniversaries and world days such as Environment Day, LGBTI Pride, Recycling, Prudent Use of Antibiotics or the 250th anniversary of the discovery of chlorine.

- The digital newsletter that contains the most relevant information published by Ercros. In 2024, 12 newsletters were sent to an average of 135 recipients (2023: 10 newsletters to an average of 175 recipients). This year, in addition, a new section on the website makes all the newsletters published available to users.
- The Ercros page on LinkedIn, which has 16,282 followers (14,047 the previous year) and had 29,882 views (28,359 in 2023).
- Informative videos on the shareholders' meeting, the presentation of the financial statements, the 75th anniversary of the Aranjuez plant and the celebration of the International Day of Women and Girls in Science.

- Group visits to Ercros' production centres. In 2024, 35 visits took place (24 in 2023), involving 903 participants (892 in the previous year).

In 2024, Ercros collaborated with the following solidarity initiatives:

- Donation of 100,000 bottles of bleach and the participation in sporting events in Monzón and Santander to raise money for those affected by the Dana storm that devastated several towns in Valencia. Ercros' workforce donated 186 Christmas hampers to families affected by the storm.
- Participation in Unicef's programme to raise funds for water, sanitation and hygiene projects and to raise awareness of the impact of climate change on children.
- Sponsorship of the charity race organised by the town council and Forat del Vent secondary school in Cerdanyola to raise funds for Caritas.
- Donation of a year's worth of bleach to Caritas' Breakfast and Welcome programme.
- Sponsorship of charity Christmas menus, which Caritas distributes among the needy people of Monzón.
- Sponsorship of a new room for newborn babies' families at the Hospital del Tajo in Aranjuez.
- Participation in the Fundación Seur's "Caps for a new life" campaign to collect plastic caps to help treat children with serious health issues. In 2024, 502 kilos of caps were collected (2023: 384 kilos).

17.3 Media

The main actions carried out in 2024 with the aim of informing society through the media were as follows:

- Press releases are the main tool for contact with the media. In 2024, Ercros made 173 announcements, of which 104 were sent to the media (119 in 2023) and 112 were uploaded on the corporate website.
- The press conference to announce the annual results for 2023, given by the chairman and CEO of Ercros, Antonio Zabalza.
- Media attendance to mark the 75th anniversary of the Aranjuez factory and the inauguration of a new plant.

- Notices relating to the state of progress of the environmental remediation of the soils of the former, now inactive, Ercros production sites in El Hondón (Cartagena) and Cardona.
- Conducting interviews, responding to requests for information and writing articles were other activities carried out in the interest of information transparency.

17.4 Own staff and contractors' staff

Over the course of 2024, Ercros has developed various initiatives aligned with social responsibility towards its workforce and that of the contractors that provide their services on a regular basis at Ercros' production centres. The main activities were:

- Social contributions to business groups amounting to EUR 85,474 (2023: EUR 72,513).

In 2024, the company groups of the Vila-seca I and Vila-seca II factories organised sports activities, cultural outings and nature excursions for their members.

- Ercros sent 165 information notes to the workforce (the same number as in 2023). Over the past year, Ercros has made a special effort to keep its staff informed about the IPO process.
- The dialogue improvement plan, a tool to promote internal communication through cascade meetings involving all personnel. In 2024, 604 meetings were held that were attended by 3,641 people (2023: 776 meetings, attended by 4,177 people). The reduction in the number of meetings and attendees is explained, on the one hand, by shutdown of the Flix factory and, on the other, by the adjustment of the parameters for counting meetings at the CIT.

Following the conclusions of an audit of the operation of the dialogue improvement plan, four training sessions were held last year for the people who lead the cascade meetings of the Tarragona complex ("CIT") in order to improve the functioning of this system of communication and dialogue.

- The dialogue improvement plan's quarterly internal newsletter, which contains information on the Ercros Group and serves as a script for cascade meetings. In 2024, the design of the newsletter was improved to make it easier to read and disseminate.
- In 2024, a new staff-wide communication tool, SharePoint, was implemented to replace the virtual notice board. This new virtual space allows employees to access documents, images and information that may be of interest to them.

- The suggestions competition, which channels and rewards suggestions for improvement proposed by staff. In 2024, 15 proposals were submitted (34 in 2023), of which 11 have been implemented or are in the process of being implemented.
- Visits by corporation employees to the CIT to familiarise them with the company's workplaces.
- Celebration of International Women's Day at several factories and the participation of Ercros staff in two videos on the occasion of Women and Girls in Science Day and International Women's Day.
- Celebration of an open day for the staff, family and friends to celebrate the 75th anniversary of the Aranjuez factory.
- Participation of Ercros personnel, together with their families, in a day of releasing recovered sea turtles, organised by the Centre for the Recovery of Marine Animals ("CRAM") on the beach of El Prat de Llobregat.
- Organisation of a kids' drawing competition for the children of the staff at Sabiñánigo.
- In 2024, in addition, a number of campaigns aimed at staff were conducted:
 - Two general accident prevention campaigns, the first consisting of a letter from the general business manager and a poster with the slogan "At work and in your daily life, overconfidence and haste are a bad combination. Don't underestimate the risks", and the second one included a poster with the slogan "Thoughtless actions and a cluttered environment can make accidents worse!".
 - The mental health campaign after a free telephone counselling service was made available to staff.
 - Distribution of training videos on workplace harassment, data protection, prevention of environmental crime, ethical code of conduct and language.
 - A campaign to raise awareness and promote water saving in response to the drought in certain regions of Spain.
 - Sports activities such as paddle tennis tournaments, nature walks, bike rides and popular races were sponsored and organised as part of Ercros' campaign to promote a healthy lifestyle, while the "Enjoy fruit" programme was continued to promote daily consumption of fruit.
 - Also in the context of this corporate campaign, the "Walk, be healthy" initiative was held, in which the staff of Almussafes, Aranjuez, Cerdanyola, Sabiñánigo, Tortosa and the corporation signed up to the challenge of walking 10,000 steps every day.
 - It should be remembered that all the workplaces of the Ercros Group have implemented the Sigos healthy organisation management system, which, in addition to including aspects of prevention in people's health, also has an impact on the promotion of health and healthy lifestyles.
 - All the prevention and health campaigns can be found in chapter 15.5 c) Prevention campaigns.

17.5 Shareholders and securities market

The Ercros Group has a shareholders' office with a dedicated manager, which is the channel for dialogue and relations with shareholders, analysts, investors, securities market brokers and regulatory and supervisory bodies. Dialogue takes place through the sharing of relevant information and the handling and resolution of questions and concerns about the company.

Ercros has a policy on reporting economic-financial, non-financial and corporate information and another policy on communication and contact with shareholders and securities market brokers, along with specific procedure that regulates the operation of the shareholders' office.

In addition, the "Shareholders and investors" menu of the corporate website complies with the requirements of Circular 3/2015 of the CNMV, which is regularly updated with information of interest to shareholders

The material information disseminated through the CNMV and Ercros websites are the means of communication with the securities market. In 2024, 35 communications on material information were published (the same number as in 2023): 31 communications of other material information ("OMI") and four of privileged information ("PI").

The Shareholders' Office deals with enquiries and queries about the company and sends out relevant information to interested parties who request it using a form on the corporate website.

In 2024, the number of requests for information handled by the shareholders' office by telephone, mail or in person was 545 (364 in 2023). In a normal year, the number of shareholder enquiries increases in the period before and after the AGM. However, the IPOs submitted in March and June 2024 have led to a significant increase in the number of enquiries (+50%) during the year.

On 28 June, Ercros held its AGM meeting in person and online, which was broadcast live via streaming.

It should be noted that in order to comply with the duty of passivity required in an IPO, Ercros did not hold any meetings with analysts, investors or fund managers, nor did it attend the annual meeting of the Foro de Empresas de Mediana Capitalización ("MedCap") organised by Bolsas y Mercados Españoles ("BME").

On 2 January 2025, in accordance with the technical rules for the composition and calculation of the Ibex and Equity Strategy Indices managed by Sociedad de Bolsas S.A., the Ibex Technical Advisory Committee decided that Ercros would join the Ibex Medium Cap index of 20 stocks.

Last year, Ercros scored 54 points in the Reporta Report (55 points in 2023). This report deals with the quality of the information provided to shareholders by the companies included in the General Index of the Madrid Stock Exchange during the general meeting. This score is based on the analysis of 36 indicators grouped around four principles: transparency, commitment, relevance and accessibility.

17.6 Customers and suppliers

The Ercros Group maintains direct and active participation in business organisations of a sectoral or territorial nature, as described in chapter 18.6 b).

In 2024, Ercros had its own stand at the CPhI pharmaceutical fair in Milan, where it presented the two latest products added to its portfolio, vancomycin and gentamicin, both antibiotics specifically indicated for hospital infections.

The company's representatives also took part in the most important trade fairs, conferences and meetings in their respective sectors. The pharma division participated in CPhI China, in Shanghai; CPhI Worldwide, in Milan (Italy); Farmaforum, in Madrid; Supplyside West, in Las Vegas (USA), and CPhI India, in Delhi. The chlorine derivatives division participated in the Es Piscina and Veteco trade fairs in Madrid; Hispack, Paint and Coating and Plastic and Rubber in Barcelona; Piscina Spain in Malaga; Pool and Spa USA in Dallas (USA); Piscine Global in Lyon (France); Fensterbau in Nuremberg (Germany); PVC Conference in Edinburgh (UK); VinylPlus Sustainability Forum in Cologne

(Germany), and PLA World Congress in Munich (Germany). The intermediate chemicals division participated in the ExCom Formacare trade fairs and events in Bordeaux (France); IMPCA in Prague (Czech Republic); EPCA in Berlin (Germany); Maderalia in Nantes (France); Isee Annual Conference in Savannah (USA); American Coating Show in Indianapolis (USA); and Lubricant Expo Europe in Düsseldorf (Germany).

Information on Ercros' relationship with the workers in its value chain –customers and suppliers– is detailed in chapter 16 Workers in the value chain.

17.7 Public authorities

Throughout 2024, Ercros' factories were visited by representatives of the public authorities, who had the opportunity to see first-hand the facilities and the progress made in terms of sustainability. Some of these visits included:

- The mayor of Almussafes and the director of the Agency for Local Development and Socio-economic Promotion visited the factory facilities in this municipality.
- The mayor of Tortosa, the councillor for urban planning and economic promotion and the councillor for youth and sports toured the factory located in Tortosa.
- The mayor of Aranjuez and several councillors attended the factory in Aranjuez to celebrate its 75th anniversary.
- The visit, also to the Aranjuez factory, of the director of economic development of the Autonomous Community of Madrid.
- The councillor for economic promotion of Cerdanyola town council visited the factory facilities in this town.
- The CIT received several visits from representatives of the Catalan Government in Tarragona, including the director of territorial services and the head of the enterprise service, the director of territory, housing and ecological transition and representatives of the unified environmental management office ("OGAU").

17.8 Educational community

Ercros' interaction with students, teachers and academic institutions is based on mutual cooperation, aimed at promoting scientific knowledge, innovation and environmental awareness. Various initiatives reinforce the company's commitment to bringing industry into the classroom. Some of these initiatives are detailed below:

- Collaboration agreements to hire trainees with secondary schools, dual training institutions, universities and other organisations [see chapter 15. Own workforce].
- Visits to facilities by students pursuing secondary education, vocational training, work-linked training, university degrees, postgraduate courses, master's degrees and Erasmus programmes. It should be noted that these meetings are adapted to the nature of the students' studies, so that the content learned in the classroom can be transferred to the industrial reality.
- Collaboration with the "Reto Experimenta en el Aula" programme, which celebrates its fifth anniversary in 2024, promoted by the Rovira i Virgili University ("URV") of Tarragona; through this programme, Ercros' technical staff sponsor experimental and scientific classes for secondary school students.
- The mentoring of two students from the Cerdanyola Talent Factory programme, promoted by Cerdanyola town council, which aims to recognise and promote young entrepreneurial talent.
- Sponsorship of the Xperimenta programme, promoted by the Catalan Foundation for Research and Innovation ("FCRI"), which entered its 14th year in 2024. This is a competition for schools to make a video about a scientific experiment.
- Participation of CIT's technical staff in the graduation ceremony of the URV's chemistry degree with double mention. It is worth mentioning that the final year projects of the students who have completed their curricular internships at Ercros were defended at the event.
- Collaboration with the first edition of the +45 Job Fair, promoted by Tortosa City Council and the Tortosa Chamber of Commerce.
- Participation in the 2nd 3E Exhibition in Monzón, on education, employment, companies and dual vocational training; a proposal promoted by the town council, the Chamber of Commerce of Huesca and the Business Association of Monzón-Cinca Medio.
- Participation of CIT technical staff in the meeting of training companies organised by the Comte de Rius Institute in Tarragona, aimed at students in the first year of the higher degree in industrial chemistry.
- Sponsorship of the Ercros-Fundación Hidrógeno Aragón 2024 prize for the best thesis, awarded to a chemical engineering student for her work on "Electrolytic green hydrogen and its use in obtaining renewable ammonia".
- The presence of the head of the pharmaceutical division and of the Aranjuez plant in a meeting with the students completing their curricular internships at this facility, to celebrate the International Day of Women and Girls in Science.
- Participation of the Tortosa factory in the 78th edition of the Expobre fair, with the sponsorship of the Ebretech space, dedicated to new technology projects.
- The renewal of the agreement between Ercros and the University of Barcelona ("UB") for the archaeological intervention on the land of the Flix factory known as "la cloratita", with the aim of recovering and preserving the area's industrial heritage.
- Collaboration with the Flix municipal music school.

17.9 Local community and neighbouring businesses

The Ercros Group works to maintain positive and constructive relationships with its neighbouring companies, the local community and organisations close to its operations. Below is a list of some of these activities:

- Distribution of information notes of local interest to external stakeholders. In 2024, 88 notices were sent between all of Ercros' factories (80 in 2023).
- The support of CIT management staff to the Mammoth Museum in La Canonja (Tarragona), a new space designed to raise awareness of prehistory and the first populations of Camp de Tarragona.
- Collaboration with the Cardona Salt Festival, a local event that included a guided tour of the Valle Salino part of which runs through Ercros' land.

Ercros sponsored 35 organizations, contributing EUR 97,525

- Organisation of technical seminars at the Tortosa factory aimed at training firefighters from the Tortosa fire station of the Catalan Government.
- Visit by representatives of the Tortosa Chamber of Commerce to this factory to see its facilities and production processes.
- Visit of representatives of the Spanish Chemical Industry Business Federation ("Feique") to the Vila-seca I factory to see its processes and plants following the investments made within the framework of the 3D plan.
- The public hotline ("LAP"), which deals with the submission of complaints, grievances and suggestions for improvement from Ercros stakeholders, and which did not receive any calls in 2024.

17.10 Social and cultural organisations

Through partnerships with various social and cultural organisations, Ercros strengthens its commitment to sustainable development and social cohesion. The main activities carried out in 2024 were:

- Sponsorship and collaboration actions with 35 organisations (32 in 2023) to which it contributed EUR 97,525 (EUR 102,312 in 2023). In addition to the actions mentioned in the society at large and educational community sections above, it is worth mentioning the sponsorship of the basketball, athletics and chess clubs, and the Valenta sugar cup women's football tournament in Almussafes; the rhythmic gymnastics club and the Santiago Rusiñol cycle in Aranjuez; the football club in La Canonja; a women's children's volleyball team in Tarragona; the Sebes nursery school and nature reserve in Flix; the festivities programme and the Apertura photography club in Monzón; sports activities (cycling, ballet, indoor football, golf, athletics and swimming) and the decoration of a nursery school in Sabiñánigo; and the festivities programme in Campredó.
- Purchases made from special employment centres and/or job placement companies, for a value of EUR 286,939 (2023: EUR 288,531).
- The celebration of a contemporary dance performance by the Peace of Mind company in the Sabiñánigo factory, as part of a new edition of Sabiñánigo Contemporáneo.

17.11 Awards and recognitions

Throughout 2024, Ercros has been recognised for its good work in different areas, receiving the following awards and recognition:

- The Cerdanyola and Sabiñánigo plants were awarded the 2023 Safety Prize by Feique for having zero accidents among their own employees in 2023.
- Iberquimia recognised Ercros' sustainable behaviour by awarding it the Sustainability Prize at the third edition of the Chemical Industry Congress in Tarragona.
- The Tortosa Chamber of Commerce, Industry and Services awarded Ercros the Cambra de Tortosa 2024 prize in the Innovation category.
- The Monzón-Cinca Medio Business Association has awarded Ercros the "Monzón-Cinca Medio Company in the Innovation category".
- Pilar Salsé, R&D technician at the Monzón factory, was awarded the extraordinary master's degree prize and first prize in the Unizar professorship.
- LinkedIn, the largest social network for business content, named Ercros as the sixth best Spanish company with less than 5,000 employees to develop a professional career.

17.12 Knowledge sharing

In 2024 Ercros staff participated in conferences and round tables on various areas of knowledge:

- Participation of the head of the chlorine derivatives division and the head of R&D for basic chemistry in the conference of the Institute for Energy Diversification and Saving ("IDAE") at the international energy and environment fair Genera 2024 with a presentation on the application of new technologies for energy saving.
- Presentation by the head of the intermediate chemicals division at a panel discussion on the benefits and challenges of methanol with a low carbon footprint at the Argus Methanol Forum in Houston (Texas, USA).
- Participation of the head of the pharmacy division and the Aranjuez factory in the 10th edition of Farmaforum España, which was held in Madrid and in which she gave the conference "API manufacturing in Spain, a challenge and an opportunity".

- The head of the pharmaceutical division also took part in the panel "The chemical industry as a driver of quality employment", held during the Madrid Invest Forum 2024, organised by the Community of Madrid.
- Participation of the head of R&D in the panel "Challenges for the industry in the context of decarbonisation" organised by the FI Group in the Port of Tarragona.
- Presentation by the internal auditor and member of the compliance committee at the One Day Compliance BCN Conference organised by Cumplen, an organisation that promotes criminal compliance in companies.
- Participation of the manager of the Sabiñánigo factory in the graduation ceremony of the degree and master's degree of the School of Engineering and Architecture ("Eina"), of the University of Zaragoza, with the conference "My experience as an engineer in Aragón".
- Facilitation by the head of the Monzón factory as moderator at the round table "Mentally healthy companies", organised by the Monzón-Cinca Medio Business Association.
- Participation of the head of the CIT's technical, quality and environmental department in a round table on the role of women in chemistry, at an event organised by the URV.
- Attendance of the head of industrial relations of the Aranjuez factory at a meeting of the local employment Panel, organised by the town council, the Red Cross and Caritas.
- Participation of the head of transport and foreign trade in the colloquium "Mediterranean: the emerging triangle of cooperation between Europe - Asia - Africa", held as part of the International Logistics Exhibition ("SIL") in Barcelona.
- Participation of the technical prevention manager of the Tortosa plant as a speaker in the round table "Ergonomics, human factors engineering and mental workload" at the International Congress on Ergonomics and Psychosociology in Gijón.
- The head of technical prevention at the Ercros factory in Tortosa spoke at the Professional Forum on Occupational Risk Prevention organised by the Catalan employers' association Foment del Treball, as part of its programme to promote occupational health and safety as a strategy for business competitiveness.
- Presentation by the Almussafes plant's integral safety manager at the annual APPI Industrial Safety Conference, organised by the Ribera Baixa Industrial Parks and Business Association to raise awareness among its members of the importance of safety and emergency prevention.
- Participation of the head of R&D of the intermediate chemicals division in a round table on the management of innovation grants, organised by the Acció programme of the Catalan Government and the Centre for Technological Development and Innovation ("CDTI").
- Attendance, as a speaker, of the R&D manager of the pharmaceutical division at the conference on the rational use of antibiotics organised by the Hospital del Tajo.

17.13 Accountability

This CSR, published by the Ercros Group, complies with Spanish Law 11/2018 on non-financial reporting and diversity and with Directive 2013/34/EU of the European Parliament and of the Council regarding sustainability reporting standards.

The CSR is published on the websites of the Ercros Group and the CNMV. It is also sent to the Ministry of Labour and Social Economy for publication in the corporate social responsibility reports section of its website (<https://www.mites.gob.es/es/rse/>) and on the Catalan Government's portal on social responsibility ("Rscat") (<https://treball.gencat.cat/ca/rscat>), as well as being disseminated globally through Global Compact (<https://unglobalcompact.org/Ercros>) and nationally through the Spanish Global Compact network.

Ercros is also accountable for its responsible actions through the information it provides on the degree of compliance with (i) the recommendations of the Code of Good Governance for Listed Companies ("CGG"), within the ACGR; (ii) the CSR rating, which is assessed each year by EcoVadis; (iii) the Carbon Disclosure Project ("CDP") questionnaire, which assesses the behaviour of companies in relation to climate change; and (iv) the ESG Lighthouse rating, promoted by the Spanish Institute of Financial Analysts ("IEAF").

Ercros is registered in the register of stakeholders of the Catalan Government and pays particular attention to new legislation and recommendations of good governance, incorporating best practices; it contributes to promoting transparency and the proper functioning of the stock markets and safeguards the interests of investors with regard to confidentiality of information, privileged information, conflicts of interest, transactions with treasury shares and stock market manipulation. It periodically updates its internal regulations and implements procedures to manage communication with employees and other stakeholders and to be prepared in the event of a crisis.

Reports, production processes, products, and certifications are audited annually

Ercros submits its financial statements and other reports, production processes and products, and sustainability and governance certifications to audit:

- The external auditor, PricewaterhouseCoopers Auditores, S.L. ("PwC"), carries out the statutory audit of the financial statements of the Company and of the Group, as well as a review of the information provided in the corresponding management reports, the ACGR and the ARCI, and a review of the Group's presentation of the ICS as part of the management report, as part of the audit of the annual financial statements.
- Bureau Veritas verifies the CSR, as required by Law 11/2018, EU Regulation 2020/852 and delegated acts; and assesses it in accordance with EU Regulation 2023/2772.
- Aenor is Ercros' usual certification body for accrediting compliance with its sustainability and governance management systems. Aenor is the representative in Spain of the international certification network, IQNet.

Every year, this company audits the correct implementation of the sustainability management system (ISO 9001, ISO 14001, ISO 45001 and ISO 50001¹) in the production plants, as well as in the sales departments and the integrated logistics and sustainable development departments. The same organisation verifies the greenhouse gas inventory annually, in accordance with the ISO 14064 standard.

Aenor also verifies Ercros' compliance with the good corporate governance index ("GCGI"), the UNE 19601 criminal compliance system and the healthy organisation management system ("Sigos").

Finally, Aenor certifies that the Monzón and Vila-seca II plants have adhered to the Operation Clean Sweep (OCS) programme, a global voluntary commitment by the plastics industry to achieve zero pellet losses.

In 2024, Ercros underwent the following audits for the first time:

- Applus, which has certified Ercros' internal security management system ("ISMS") with the international ISO 27001:2022 seal, guarantees the protection of the data it generates and the security of the information of its customers, suppliers, employees and shareholders, providing them with a safe and dependable environment.
- The German firm SGS, which has awarded the international sustainability and carbon certification ISCC Plus to the chlorine, caustic soda, hydrogen, hydrochloric acid and sodium hypochlorite produced at the Vila-seca I factory.
- Dekra Assurance Services, which certified compliance with the voluntary ECVI Industry Charter programme, promoted by the European PVC Manufacturers Council, which recognises high standards of control over the production processes and use of EDC, VCM and PVC at the Vila-seca II factory.
- Kiwa, which has certified the Monzón factory's compliance with the VinylPlus Supplier agreement, which validates the selection of raw materials based on their environmental, social and energy credentials.
- The Spanish Plastics Industry Association ("ANAIP"), which awarded the Monzón factory the Spanish Sustainable Plastics Industry certificate ("IPES"). This recognition is given to companies in the Spanish plastics sector that manage their social, economic and environmental impact.
- The Government of Aragon, which for the ninth consecutive year has awarded the Aragon Social Responsibility Seal (RSA) to the Sabiñánigo and Monzón factories for integrating their social responsibility policies, operating transparently, contributing to the wellbeing of the environment and promoting the training and development of their employees.

All the company's certifications are available for consultation on the corporate website.

¹ Rina Services has certified the ISO 50001 energy management of the Cerdanyola factory





GOVERNANCE

18

BUSINESS CONDUCT

Hacia una movilidad

Desarrollando tecnologías de combustibles limpios de alta eficiencia como los gases renovables, incluyendo el hidrógeno y el biogás o los ecombustibles neutros en emisiones



18.1 Introduction

Ercros' policies are oriented towards fostering ethical and responsible practices in accordance with international standards and applicable regulations. This includes implementing measures to prevent corruption, protect human rights and promote social, economic and environmental sustainability.

The Company's governing bodies are the annual general meeting and the board of directors. The board of directors is composed of: Antonio Zabalza Martí, Chairman and CEO, within the "executives" category; Lourdes Vega Fernández and Carme Moragues Josa, directors, within the "independent" category; Laureano Roldán Aguilar and Eduardo Sánchez Morroondo, directors, within the "other external" category; and Joan Casas Galofré, director, within the "other external" category.

The board of directors has three committees: the audit committee, the appointment, remuneration, sustainability and corporate social responsibility committee ("ARS&CSR") and the strategy and investment committee. The operational management bodies are the executive committee and the steering committee [see chapter 6.1a)].

18.2 Education and professional experience of the board of directors

Ercros' board members have a wide range of experience and backgrounds. In selecting directors, the company takes into account the recommendations on good governance and complies with its internal regulations (board of directors' regulations and guidelines for the selection of directors and board diversity), in particular with regard to the obligation to ensure diversity on the board [see chapter 6.1 b)].

The full curricula vitae of the directors are available on the corporate website <https://www.ercros.es/es/accionistas-e-inversores/gobierno-corporativo/consejo-de-administracion>

The following table sets out the education and professional experience of each member of the governing bodies, the category of position held and the date of their most recent appointment:

Name	Training and Professional Experience	Category	Date of last appointment
Antonio Zabalza Martí	<p>He has a B.S. and PhD in Economics from the University of Barcelona ("UB") and an MSc. and PhD from the London School of Economics (University of London). He was a Post-doctoral Fellow at the University of Chicago, and an assistant professor in the Department of Economics at the London School of Economics. Professor of Economic Theory at the University of Valencia. He was the Secretary-General of Planning and Budgets; Secretary of State for Finance and manager of the Cabinet of the Spanish President.</p> <p>On several occasions he has acted as a consultant for the World Bank, the International Monetary Fund and the OECD. He has also been a board of directors member of: Minas de Almadén; Transmediterranea; Instituto Nacional de Industria; Instituto de Crédito Oficial; Iberia and the Instituto Nacional de Hidrocarburos. He has been chairman of the Spanish Association of Large Energy Consumers ("AEGE"), chairman of the Catalan Business Federation of the Chemical Sector ("Fedequim") and vice-chairman of the Spanish Chemical Industry Business Federation ("Feique").</p>	Executive	28-06-2024 (AGM) ¹

¹ AGM: Annual general meeting

Name	Training and Professional Experience	Category	Date of last appointment
Lourdes Vega Fernández	<p>PhD in Physical Sciences from the Universidad de Seville and Professor of Chemical Engineering at Khalifa University of Science and Technology in Abu Dhabi, United Arab Emirates. Founder and Director of the Research and Innovation Center on CO₂ and Hydrogen ("RICH Center") at Khalifa University of Science and Technology, Abu Dhabi, United Arab Emirates ("UAE"). Founder of the company Alya Technology & Innovation in Spain, member of the Emirates Scientific Council of the UAE and member of the Gadea Foundation for Science in Spain.</p> <p>She has been a scientific researcher at the Spanish National Research Council, professor and vice-director of external and international affairs at the School of Chemical Engineering of the Universitat Rovira i Virgili in Tarragona. In the US, she has been postdoctoral associate of the School of Chemical Engineering of Cornell University and visiting scholar of the Department of Chemical Engineering of the University of Southern California.</p> <p>She has held the following positions, among others: general manager of MATGAS (a strategic alliance between Air Products, the Spanish National Research Council and the Autonomous University of Barcelona); global technology manager of that group; R&D manager of the subsidiary Carbueros Metálicos; and senior director of the Petroleum Institute in Abu Dhabi.</p> <p>In the field of R&D, she has led several national and international consortia projects. She is currently leading several international projects related to clean energy, hydrogen and sustainable processes.</p>	Independent	28-06-2024 (AGM)
Carme Moragues Josa	<p>She has a B.S. in Economics and Business from the University of Barcelona and completed the management development program at the IESE Business School.</p> <p>She began her career in the research Department of the Chamber of Commerce, Industry and Navigation of Barcelona and later joined Price Waterhouse Coopers, where she remained until 2017 as a partner-auditor.</p> <p>She is a member of the Spanish Institute of Chartered Accountants, Spanish Official Auditors' Register and expert accountant certified by the Spanish Register of Expert Accountants. She was also a member of the Technical Committee of the Catalonia Institute of Chartered Accountants.</p>	Independent	11-06-2021 (AGM)
Laureano Roldán Aguilar	<p>He has a B.S. in Economics and Business from Comillas Pontifical University ("ICADE"), with a focus in Accounting and Business Management.</p> <p>Among others, he has held the following positions: auditor at Espacontrol, Deloitte and Ernst & Young, and director of the Internal Audit Department of Banco Árabe Español, S.A.</p> <p>He was the sole director of the Torras Group and is currently the CEO and director of that company.</p>	Other non-executive	28-06-2024 (AGM)

Name	Training and Professional Experience	Category	Date of last appointment
Eduardo Sánchez Morondo	He has a B.S. in Chemistry from the University of Oviedo and received his PhD in Chemistry (Technical Chemistry) from the same university in 1980. Among others, he has held the following positions: professor of Chemical Sciences at the University of Oviedo, chairman and CEO of Dow Chemical Ibérica and Dow Europe. He was a member of the Steering Committee of British Petroleum España and, since 2002 he has been the chairman and founder of the Bonheur business group, which groups together various companies.	Other non-executive	28-06-2024 (AGM)
Joan Casas Galofré	He has extensive experience in business analysis and in the management of shareholdings in different entities, most notably including the ownership interest in Ercros, S.A., a company in which he is a significant shareholder.	Proprietary	28-06-2024 (AGM)

18.3 Corporate culture and policies

As a listed company, Ercros has a comprehensive regulatory framework that includes regulations, codes, policies, procedures, IT systems and internal controls (available on its website) that guide Ercros' actions in all areas of its operations. Furthermore, the company regularly undergoes external and internal audits to verify and ensure the application of the internal regulations and management systems in place and the effectiveness and correct functioning of the procedures and tools implemented.

a) Regulatory framework

As part of the company's regulatory framework, the provisions relating to identifying, reporting and investigating possible unlawful conduct or violations of the ethical code or similar internal rules are of particular relevance.

(i) Ethical code of conduct

Ercros' ethical code of conduct, the latest update of which was approved by the board of directors on 28 April 2023, sets out the standards of ethical and responsible conduct to be observed by Ercros personnel in the course of their professional activities. This code pays particular attention to the behaviour employees should adopt regarding anti-corruption and anti-bribery. Throughout the year, Ercros organises specific training for its employees on the ethical code of conduct and its updates.

Among the rules incorporated, the following stand out: (i) cooperating with the authorities responsible for combating fraud and money laundering; (ii) supervising accounting records and books to ensure that they clearly and accurately reflect all transactions carried out by Ercros; (iii) the obligation of personnel involved in administrative and accounting activities to strengthen internal control and ensure accurate bookkeeping;

(iv) the prohibition of any conduct that may constitute bribery, attempted bribery or the exercise of undue influence in relation to authorities, public officials or regulatory bodies; and (v) the requirements to be complied with in commercial transactions with foreign companies.

This code applies both to Ercros as a legal entity and to the members of the board of directors, managers, employees, any natural or legal person to whom Ercros entrusts the provision of a service and any other natural or legal person who, as determined by the board has business or professional relations with Ercros or who, due to their relations, activities or professional performance, may affect the reputation of Ercros or give rise to any kind of liability.

Failure to comply with the ethical code of conduct may result in disciplinary action imposed by the audit committee and enforced by the human resources department.

In line with its ethical commitment, Ercros does not carry out research that involves the abuse of animals, thus reaffirming its social responsibility.

(ii) Criminal compliance policy

The Criminal compliance policy encompasses the principles that foster a culture of business ethics at all levels of the organisation, aligned with Ercros' core values. These values include its culture of respect for the environment and natural resources, its service vocation to build solid and trusting long-term relationships with stakeholders, and its economic and social principles.

One of the main principles of the Criminal compliance policy is to promote strict compliance with the law by the professionals working at Ercros. Priority is also given to identifying, assessing and preventing criminal risks that may arise in the company, with the aim of effectively minimising them.

Exposed personnel according to the criminal compliance management system, including directors and management committee, industrial and factory managers, renew their commitment to the criminal compliance management system ("CCMS") and the Criminal compliance policy every two years by signing a periodic statement of compliance.

(iii) The Anti-corruption and crime prevention policy

The purpose of the Anti-corruption and crime prevention policy, updated in 2024, is to establish the principles that govern Ercros' activity in relation to the eradication of any corrupt practice of which it is aware. Among the main principles of that policy it is worth highlighting:

- Taking a zero-tolerance stance towards corruption in business and other illicit activities.
- Active cooperation with relevant authorities.
- Establishing a comprehensive model to detect, prevent and tackle crime.
- Applying corrective measures to those who engage in corrupt behaviour.

(iv) Internal whistleblowing and whistleblower protection policy

The Internal reporting and whistleblower protection system policy approved in 2023, which forms part of the internal reporting system, together with the internal reporting channel and the procedures of the whistleblower channel and internal investigations, establishes the structure, regulatory framework and general principles of action required within the Company, in accordance with Spanish Law 2/2023, of 20 February, regulating the protection of persons who report infringements of regulations and the fight against corruption, in order to prevent and detect alleged irregularities within the company and to deal with them promptly and effectively.

(v) Zero tolerance policy on market manipulation

The Zero tolerance policy on market manipulation is aimed at ensuring that Ercros bases its market conduct on the principles of free competition and equal opportunities. Any action aimed at obtaining an unfair or unlawful advantage, benefit or advantage over customers, suppliers, competitors and other market participants is prohibited.

(vi) Procurement policy

Approved by the board of directors on 31 October 2024, this policy sets out the ethical and sustainability criteria that should govern purchases and reflects Ercros' commitment to managing the business in a responsible and sustainable manner. Purchasing decisions and processes are governed by specific principles to ensure this commitment, such as:

- Legal and regulatory compliance.
- Approval and evaluation of suppliers.
- Priority for local suppliers.
- Improving economies of scale between production centres.
- Procurement planning and continuous improvement.
- Staff specialisation and training.

b) Internal control systems

Ercros has established an internal control system to prevent, among other risks, bribery or corrupt practices by its employees. The internal control system revolves around the following three axes:

- The International Financial Reporting Standards ("IFRS") Committee that conducts a monthly analysis of the different items of the Ercros Group's financial statements, as well as the implementation of the new IFRS and their impact on the Group's financial statements.
- The Ercros Group's monthly closing audit, which aims to verify the main items of the balance sheet and the income statement. This review is carried out by means of a monthly questionnaire, which confirms that the closing procedures have been carried out correctly in the different areas of the organisation that may have an economic impact on Ercros' financial statements.

- The Ercros risk alert system, which is the tool through which business managers and functional managers report the actual or potential risks that may affect the company in some way.

The rules governing conflicts of interest are set out in the Ercros Group's own internal regulations in accordance with article 24 of the code of ethics, in article 20 of the internal rules of conduct for persons subject to securities market legislation and in the conflict of interest procedure.

In addition, the Company's directors must comply with article 41 of the Board Regulations and exercise their professional responsibilities towards the Ercros Group with diligence and loyalty, and refrain from any activity that may lead to a conflict of interest with the Company.

In 2024, the internal audit service, which provides a systematic and disciplined approach to assessing and improving the effectiveness of risk management, control and governance processes, carried out ten audits. These audits resulted in 42 recommendations for improving operating procedures. Before the end of the year, 33 of these measures had been successfully implemented.

c) External voluntary programmes and agreements

The Ercros Group makes voluntary commitments and supports programmes and agreements that pursue more demanding goals than those set by legislation, such as:

- The Responsible Care programme: in 2024, Ercros renewed its CSR certification as a Responsible Care company. Ercros is a benchmark company in the implementation of this international programme, of which it has been a member since 1994. This initiative, supported in Spain by the Spanish Chemical Industry Business Federation ("Feique"), requires an annual self-assessment according to the criteria established by the European Chemical Industry Council ("Cefic").

In 2024, Ercros scored 84.88 out of 100 in this self-assessment, outperforming the average score of 75.4 out of 100 of the 307 European companies that completed the questionnaire. In 2023, the score was 81.90 out of 100.

- Global Compact Programme: Since 2000, Ercros has voluntarily adhered to the Global Compact Programme, an initiative promoted by the United Nations ("UN"), which aims to achieve a corporate commitment to social responsibility through the implementation of ten universal principles in areas such as the protection of human rights, working conditions, respect for the environment and the fight against corruption.

- EcoVadis CSR Rating: the Ercros Group scored 87 out of 100 points in the international evaluation of corporate ESG (environmental, social and governance) practices, placing it in the top 1% of companies analysed. This result secures the company a Platinum rating for the fifth year in a row. In 2023, the score was 85 out of 100. In the course of 2024, Ercros shared its EcoVadis results with 25 customers and suppliers who requested it through the platform provided by the rating.
- IEAF ESG Rating: in 2024, Ercros scored 86 out of 100 points (80 out of 100 in 2023) in the rating promoted by the Spanish Institute of Financial Analysts ("IEAF"), which assesses the company's level of compliance with ESG criteria.
- The Sustainalytics ESG risk rating: Ercros received a medium risk score of 21.5 in 2024, improving on its score of 21.9 in 2023 in the assessment conducted by Sustainalytics, a subsidiary of Morningstar. This rating measures the company's exposure to, and progress in addressing, industry-specific ESG risks. Ercros is ranked 61st out of the 585 chemical companies analysed and 38th out of the 288 commodity chemical companies assessed by the agency worldwide.
- The code of good governance for listed companies ("CGG"): approved by the CNMV, the CGG contains 64 recommendations, 12 of which are not applicable to Ercros. Of the remaining 52 recommendations, it complies with 50. Of the other two, one is partially complied with and the non-compliance of the other is justified. In 2024 the degree of compliance with the recommendations contained in the corporate governance code for listed companies applicable to the Group stood at 96.2% (the same as in 2023).
- The 21st General collective bargaining agreement for the chemical industry for 2024-2026: the declaration of principles of article 119 of that agreement establishes "Respect for People" as a prerequisite for individual and professional development, and with emphasis on "Respect for Legality" and "Respect for Human Rights" to regulate the activity of all people in the exercise of their duties, requiring them to ensure appropriate, respectful and dignified treatment, guaranteeing the safeguarding of fundamental labour rights, dignity, personal privacy and equality.
- Sustainability management systems: the Ercros Group applies management systems in its facilities that are certified by independent companies, following internationally recognised standards. that are verified and renewed annually. Specifically, it applies the EMAS, ISO 14001:2015, UNE-EN ISO 14064-1:2012 and UNE-EN ISO 50001:2018 energy management standards in environmental matters; UNE-EN ISO 9001:2015 in quality matters; and ISO 45001:2018 in occupational health and safety matters.

- The Good Corporate Governance Index ("GCGI"): in 2024, Ercros maintained its GCGI compliance verification certification, once again confirming the highest rating (G++) in terms of good corporate governance practices. The purpose of the GCGI is to assess and identify improvement actions and benchmark against other companies, based on European legal regulations and the CNMV's Code of Good Governance.

18.4 Supplier relationship management and payment practices

Ercros' Procurement policy establishes the ethical and sustainability criteria that must govern purchases and includes the company's commitment to responsible and sustainable management of its relationship with suppliers [see section 18.1 a) (vi) above].

Although Ercros does not currently have a formal late payment prevention policy, particularly for SMEs, the company has a number of internal procedures in place to ensure the optimal functioning of third party payments.

As a general rule, invoices are paid by bank transfer, in accordance with the prearranged payment schedule, by the date stipulated in the contract or order, otherwise 45 days with two fixed monthly payment dates, except in the case of road haulage suppliers, where the standard payment terms are 30 days, with the same fixed payment dates. The regulations allow for early payment in those cases in which there could be a delay due to Ercros' internal processes, which could lead to a delay in payment.

In addition, the company publishes annually in note 6.n.i) of the consolidated financial statements, which are part of the consolidated annual financial report, the average payment period of suppliers, prepared in accordance with Law 15/2010, of 5 July, which establishes measures to combat late payment in commercial transactions, as well as with the amendments enacted in Law 18/2022, of 28 September, on the creation and growth of companies.

As of 31 December 2024, the average payment period to suppliers was 44.12 days (46.64 days at 2023 year-end), representing a decrease of 2.52 days between the two years. The calculation of the average payment period is carried out in accordance with the provisions of the Law.

Last year, as in the previous year, 99% of the payments made by Ercros were supported by a prior order or agreement; this high percentage reflects the company's control over the economic transactions it carries out and is a result of the financial transparency with which it operates.

There are currently no legal proceedings against Ercros for late payment to its suppliers.

18.5 Preventing and detecting corruption and bribery

a) Prevention policies and tools

Ercros has adopted a proactive and unambiguous stance on preventing corruption and bribery to uphold a zero tolerance policy towards crimes such as fraud, bribery, money laundering or tax evasion. The tools used by Ercros to achieve this objective include: policies, regulations, procedure manuals, IT systems and internal controls such as the Internal reporting and whistleblower protection system policy; the whistleblowing channel procedures; conflict of interest; anti-bribery and anti-corruption and internal investigations; and the whistleblowing channel on the corporate website.

(i) The whistleblowing channel

Since 2023, Ercros has implemented the digital platform of the whistleblowing channel on the home page of its corporate website (www.ercros.es), which is accessible on all pages of the site via the "Whistleblowing Channel" icon. This platform makes it possible for anyone within the company to report suspected infringements and non-compliance with regulations, both external and within the internal regulatory framework of the Ercros Group, which are identified in a work or professional context.

This channel complies with the law and, in particular, with the provisions of Law 2/2023 of 20 February, regulating the protection of persons who report infringements of regulations and the fight against corruption, and other applicable legislation.

Ercros' compliance committee is the body delegated by the audit committee to deal with complaints submitted through the whistleblowing channel. The audit committee is responsible for ensuring the confidentiality and anonymity of the cases handled.

All communications made through the whistleblowing channel digital platform are confidential and can be made anonymously if requested. Whistleblowers are protected from any form of retaliation and complaints are investigated objectively, discreetly and diligently.

In 2024, 11 complaints were filed through the whistleblowing channel. Of these, nine were not accepted for processing because they did not meet the conditions established for this purpose, and two were accepted, processed in a timely manner and closed without imposing any disciplinary sanctions.

To ensure the confidentiality, security and, if necessary, anonymity of the whistleblower, the Ercros Group uses an external platform (Whistleblower Software) that receives and processes the communication between the whistleblower and the compliance committee so that, if the whistleblower so desires, there is no direct contact between the two parties at any time during the process [see section 18.4 a) (ii)].

The compliance committee issues annual reminders to encourage the use of the whistleblowing channel, pointing out that in all cases the identity and information will be treated with the utmost confidentiality. During the current financial year, the reminder was delivered by means of a training video.

The ethics channel guarantees the confidentiality and anonymity of the complaints filed

(ii) Criminal compliance management system ("CCMS")

Ercros has certified its criminal compliance management system in accordance with the UNE 19601 standard. This standard establishes the requirements for management systems with the goal of going beyond compliance with the law and helping companies and organisations prevent crimes from being committed and reduce criminal risk and, thus, promote a culture of ethics and compliance.

The UNE 19601 standard requires certified companies to implement measures to prevent the commission of crimes, promote a culture of prevention and compliance among employees, establish the necessary monitoring measures to reduce the risk of crimes being committed, and provide a greater guarantee of security for shareholders, investors and other stakeholders.

In addition, Ercros regularly conducts external audits to ensure the effectiveness and proper functioning of these tools.

In 2024, the compliance team received specific training on key regulatory changes in criminal compliance as well as on complex legal structures (including training on corruption and bribery prevention). The Ercros training programme covered 100% of the functions considered at risk. It should be noted that Ercros does not differentiate its training activities by region, thus ensuring a homogeneous and consistent approach throughout the organisation.

b) Risk management and control policy

Within the compliance committee, the head of the internal audit service is in charge of the internal whistleblowing system (registered with the Anti-Fraud Office of Catalonia on 11 May 2023) and is tasked with processing the investigation files of facts reported or accusations made, either through the established channels or ex officio, without the need to have received a formal complaint.

Ercros also uses the Refinitiv World-Check control programme, which, among other things, enables it to analyse the risks of financial crime or corruption among suppliers and customers. In 2024, this system has enabled 100% of customers and 84% of the amount of purchases to be monitored [see chapter 5.6 a)].

In 2024, Ercros updated its criminal risk map to adapt it to legislative developments. This map classifies these risks according to their likelihood of occurrence and the impact they would have on Ercros. Based on these risk maps, the Ercros implements controls aimed at mitigating the risks detected.

Ercros also has a policy on agents and commissions, aimed at defining and establishing the system to be followed to manage and supervise sales agents and the payment of commissions arising from their sales.

Ercros has an internal control system in place to prevent, among other risks, the involvement of its employees in bribery or corruption, which is based on three pillars: the IFRS committee, the monthly closing audit of the Ercros Group and the SARE risk alert system [see section 18.2 b) above].

With regard to the specific regulation of conflicts of interest, Ercros' internal regulations regulate this in article 24 of the code of ethical conduct, in article 20 of the internal rules of conduct for persons subject to securities market legislation and in the conflict of interest procedure.

In 2024, the internal audit service carried out 10 audits [see section 18.2 b) above].

c) Corruption and bribery cases

Ercros is committed to business ethics, based on transparency, integrity and compliance with current regulations. No incidents or sanctions related to corruption or bribery were reported in any of the company's business areas in 2024. In particular, the total number of convictions for violations of anti-corruption and anti-bribery laws was zero, and the amount of fines imposed for such violations was zero.

In addition, there were no confirmed cases of corruption or bribery, with a total of zero cases reported during the period. This result reflects the fact that no workers were dismissed or sanctioned for reasons related to these practices (zero cases) and that no contracts with business partners were terminated or not renewed due to non-compliance in this area (zero cases).

For prevention purposes, Ercros has provided its employees with specific anti-corruption and anti-bribery training. These programmes aim to make employees aware of the importance of acting with integrity and provide them with tools to identify risks and implement preventive measures. In this way, the company reinforces its corporate culture based on transparency and accountability.

Moreover, no public legal proceedings have been initiated in connection with corruption or bribery involving Ercros employees or the organisation as a whole. This has kept the number of recorded cases at zero.

In accordance with the legislation in force and, in particular, with Law 2/2023, of 20 February, which regulates the protection of persons who report violations of regulations and the fight against corruption, Ercros also allows, through the digital platform of the whistleblowing channel on its corporate website, the submission of reports of alleged violations and breaches of regulations and the internal regulatory framework of Ercros, including those related to corruption and bribery, which are identified by any person in the company in a professional or professional context.

The compliance committee is the collegiate body delegated by the audit committee to resolve complaints received through the whistleblowing channel. During the year, two complaints, neither of which related to corruption or bribery, were upheld by this committee and closed without the imposition of disciplinary sanctions. Ercros was not found liable for discrimination, corruption, bribery and competition law convictions or fines for breaching anti-corruption and anti-bribery laws in 2024.

18.6 Political influence and lobbying activities

Ercros strives to ensure that its behaviour and that of the people who perform work or professional activities in the company are in accordance with and comply with current legislation, its internal regulatory framework (rules, principles, company policies and procedures) and the principles of ethics and social responsibility.

The expectations of Ercros' stakeholders regarding the prevention of corruption and bribery drive the company to adopt a proactive and unquestionable stance in maintaining a zero tolerance policy towards the commission of crimes such as fraud, bribery, money laundering or tax evasion. Ercros does not tolerate, permit or engage in any form of corruption, extortion, bribery or any other illegal activity in the conduct of its business or in the activities of third parties with whom it deals.

The Company therefore pays particular attention to: (i) the management of its relations with its stakeholders (public authorities and regulatory bodies, individuals, suppliers, customers, competitors, the community, etc.); (ii) the defence of its interests as a company; and (iii) the definition of the services, considerations and activities that it considers acceptable and permissible within its activity.

a) Regulatory framework

On 26 July 2024, Ercros' board of directors approved the revision of Ercros' Criminal compliance, anti-corruption and crime prevention policy, which is binding for all Ercros professionals, as well as for those persons who act on behalf of or for the account of the company in the course of their professional activities with Ercros. The audit committee and, by delegation, the compliance committee are responsible for ensuring and monitoring compliance with these policies.

In accordance with the code of ethical conduct, corporate policies and anti-bribery and conflict of interest procedures, those bound by these rules must refrain from offering, receiving, promising, or authorising cash payments, in-kind payments, or other benefits to persons serving public entities, private entities, political parties, business associations, or trade union organisations, or persons who are candidates for public office, with the intention of obtaining, from them or through them, deals or other unlawful advantages for the subject person or for the Company.

In addition, cash contributions to local communities may not be made to political parties, business or trade union organisations or their representatives, except in cases expressly provided for by applicable legislation.

Persons bound by the ethical code of conduct must avoid any confusion between their activities outside the company or their membership or cooperation with political parties or other types of entities, institutions or associations with public purposes and those of Ercros.

The managers of each division, department or production centre of the company are responsible for appointing the persons in charge of representing Ercros on the board of directors of non-listed companies in which Ercros has a shareholding or in social institutions in which Ercros is a partner.

The procedure governing the conditions for representing Ercros in external non-listed companies or social institutions by its employees applies to all natural persons employed by Ercros who are entrusted with representing the company (i) on the board of directors of an external non-listed company in which Ercros holds a share or (ii) in an institution of a social or representative nature in which Ercros participates as an associate.

In 2024, no incidents related to corruption or bribery were recorded

b) Political and lobbying contributions

Ercros does not make any financial or in-kind political contributions, the total value of which is zero euros. In addition, the company does not spend any money on lobbying, either internally or externally, so the total amount of this expenditure is also zero euros.

The information relating to the financial contributions and contributions in kind made by Ercros in the political field is set out in detail below. This table reflects the company's commitment to a policy of transparency and zero tolerance of corruption, in accordance with its ethical code of conduct and current legislation.

Type of contribution	Description	Value (€)	Remarks
Financial contributions	Payments made directly to political parties, campaigns, candidates or similar.	0	Ercros does not make financial contributions to political parties, candidates or organisations.
In-kind contributions	Goods or services provided free of charge to political parties, campaigns or candidates.	0	Ercros does not make in-kind contributions of any kind to political entities.

However, Ercros maintains a direct and active participation in organisations related to its sector or to the regions in which it operates, in particular:

- Organisations in the chemical sector: European Chemical Industry Council ("Cefic"); Federación Empresarial de la Industria Química Española ("Feique"); Federación Empresarial Catalana del Sector Químico ("Fedequim"); Associació Empresarial Química de Tarragona ("AEQT"), and Federación de Empresas Químicas y Plásticos de Aragón ("Feqpa").

- Product manufacturers organisations: European Chlorine Manufacturers Association ("EuroChlor"); Spanish Association of Chlor-alkali Manufacturers ("ANE"); European Hydrogen Peroxide Producers ("Peroxigens"); Plastics Europe; European Council of Vinyl Manufacturers ("ECVM"); Spanish Association of Compostable Biodegradable Plastics ("Asobiocom"); Plastics Platform ("EsPlásticos"); Spanish Association of Swimming Pool Professionals ("Asofap"); European Association of Formaldehyde Manufacturers ("Formacare"); European Association of Phenolic Resins ("Epra"); Association of Fine Chemical Manufacturers ("Afaquim"); European Biocides Forum (Biocides for Europe); International Association of Methanol Producers and Consumers ("Impca"); Association of Energy Intensive Companies (AEGE); Vall de l'Hidrogen de Catalunya and Fundación Hidrógeno Aragón.
- Local business organisations: Chambers of Commerce, Industry and Navigation of Barcelona, Madrid and Tarragona; Foment del Treball; AliaAragon; Federación Empresarial Intersectorial de la Comarca del Cinca Medio (Ceos-Cepyme Cinca Medio); Asociación de Empresarios Pirineos Alto Gállego (Aepag); Associació Cerdanyola Empresarial; Associació d'Empresaris del Polígon Industrial Baix Ebre de Tortosa (Appibe); Associació d'Empresaris de les Comarques de l'Ebre ("Aece"); Asociación de Parques y Polígonos Industriales de Almussafes ("Appi"); and Entidad de Gestión y Modernización del Polígono Norte de Almussafes ("EGM").
- Other business organisations: Asociación para el Progreso y la Dirección ("APD"); Cercle d'Economia de Barcelona; and Fundación Empresa y Clima; Pacto Mundial and Cumplen.

Through its membership, Ercros actively participates in activities related to the ECVM Charter agreement promoted by the European Council of Vinyl Manufacturers ('ECVM') to measure and monitor the production, use and disposal of materials in the PVC production chain, with a view, where appropriate, to reducing its environmental impact.

c) Transparency Register

Ercros is a member of Feique, which is registered in the EU Transparency Register. On 25 September 2024, Ercros applied for its own registration in the Transparency Register. It is currently in the pre-registration phase.

The Company is registered in the code of tax companies and in the register of stakeholders of the Catalan Government.

d) Incompatibility of board members

None of the board of directors members has held a comparable position in public administration in the two years prior to their appointment to the board of directors or during their tenure as a Company director.



ANNEXES

A1. Glossary of terms

Acronyms and terms	
AEGE	Association of Energy Intensive Companies (Asociación de Empresas con Gran Consumo de Energía)
AEMPS	Spanish Agency for Medicines and Health Products (Agencia Española de Medicamentos y Productos Sanitarios)
AENOR	Spanish Association for Standardisation and Certification (Asociación Española de Normalización y Certificación)
AEQT	Tarragona Chemical Business Association (Associació Empresarial Química de Tarragona)
AII	Independent Whistleblower Protection Authority (Autoridad Independiente de Protección del Informante)
AITASA	Aguas Industriales de Tarragona
ANE	Spanish Chlor-alkali Manufacturers' Association (Asociación Española de Fabricantes de Cloro-álcali)
API	Active Pharmaceutical Ingredients
TCCA	Trichloroisocyanuric acid
BREF	Reference documents on best available techniques
CSC	Customer Service Centre
CCG	Code of Good Governance
CDP	Carbon Disclosure Project
CDTI	Centre for Technological Development and Innovation (Centro para el Desarrollo Tecnológico y la Innovación)
Cefic	European Chemical Industry Council
CSRC	Corporate Social Responsibility Committee
CGIQ	General Collective Bargaining Agreement for the Chemical Industry
CIT	Tarragona Industrial Complex
CNMV	Spanish National Securities Market Commission
ARS&CSR	Appointments, remuneration, sustainability and corporate social responsibility committee
CRAM	Foundation for the Conservation and Recovery of Marine Animals (Fundación para la Conservación y Recuperación de Animales Marinos)
DGQA	Directorate-General for Environmental Quality and Climate Change of the Catalan Government (Direcció General de Qualitat Ambiental i Canvi Climàtic de la Generalitat de Catalunya)
ECVM	European Council of Vinyl Manufacturers
WWTP	Waste water treatment plant
EMA	European Medicines Agency
EMAS	Eco-Management and Audit Scheme
ESG	Environmental, social and governance
EuroChlor	European Chlorine Manufacturers Association
FDA	Food and Drug Administration (USA)
Feique	Spanish Chemical Industry Federation (Federación Empresarial de la Industria Química Española)
Formacare	European Formaldehyde Manufacturers' Association
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
R&D	Research and Development
GCGI	Good Corporate Governance Index
IEAF	Spanish Institute of Financial Analysts (Instituto Español de Analistas Financieros)
IPCC	Intergovernmental Panel on Climate Change
IRO	Impact, Risk and Opportunity
AGM	Annual General Meeting
LVOC	Large-volume organic chemicals
BAT	Best Available Technologies
ESRS	European Sustainability Reporting Standards
IFRS	International Financial Reporting Standards.
OECD	Organisation for Economic Co-operation and Development
OCS	Operation Clean Sweep
ILO	International Labour Organisation
WHO	World Health Organisation
UN	United Nations
PEIN	Plan for areas of natural interest (Pla d'espais d'interès natural)
PMD	Dialogue improvement plan (Plan de mejora del diálogo)
PNIEC	Spanish National Integrated Energy and Climate Plan (Plan nacional integrado de energía y clima)
PPA	Power Purchase Agreements
PRTR	State Register of Emissions and Pollutant Sources
PVC	Polyvinyl chloride
REE	Red Eléctrica de España
HR	Human Resources
SARE	Ercros Group Risk Alert System
CCMS	Criminal Compliance Management System
SIGOS	Healthy organisation management system (Sistema de gestión de organización saludable)
SII	Internal whistleblowing system (Sistema interno de la información)
SVHC	Substances of very high concern
TCFD	Taskforce on Climate related Financial Disclosure
EU	European Union
VCM	Vinyl chloride

A2. Datapoints reported and their location in the report

a) Material datapoints derived from the CSRD directive

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	16.2 Collaborative incident response processes	127
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S2-4	16.3 Repairing impacts and consultation channels	128
	16.4 Resources for managing material impacts, risks and opportunities	128
S2-5	16.2 Collaborative incident response processes	127
	16.3 Repairing impacts and consultation channels	128
	16.5 Incident and risk management targets	130

Business conduct (ESRS G1)		
Requirement	Section	Page
G1.GOV	18.1 Introduction	143
	18.2 Education and professional experience of the board of directors	143
G1-1	15.1 Human resources management	103
	18.3 Corporate culture and policies	145
	18.5 Preventing and detecting corruption and bribery	148
G1-2	18.4 Supplier relationship management and payment practices	148
G1-3	18.5 Preventing and detecting corruption and bribery	148
G1-4	18.5 Preventing and detecting corruption and bribery	148
G1-5	18.6 Political influence and lobby activities	150
G1-6	18.4 Supplier relationship management and payment practices	148

b) Material and non-material datapoints derived from other EU legislation

List of European legislation

- (1) SFDR: Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p.1).
- (2) Pillar 3: Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p.1).
- (3) Benchmark Regulation: Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).
- (4) EU Climate Law: Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law") (OJ L 243, 9.7.2021, p. 1).
- (5) Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation, in the index statement, of how environmental, social and governance factors are reflected in each index provided and published (OJ L 406, 3.12.2020, p.1).
- (6) Commission Implementing Regulation (EU) 2022/2453.
- (7) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU climate transition indices and indices aligned to the EU Paris Agreement (OJ L 406, 3.12.2020, p.17).

General disclosures (ESRS 2)		
Requirement	Pages	Related European legislation
GOV-1	35 – 39	(1) Indicator No. 1 Table #1 in Annex 1 (5) Annex II
GOV-4	155; 163	(1) Indicator No. 10 Table #3 of Annex 1
SBM-1	20 – 26	(1) Indicator No. 4 Table #1 of Annex 1 (1) Indicator No. 9 Table #2 of Annex 1 (1) Indicator No. 14 Table #1 of Annex 1 (2) Article 449a Regulation (EU) No 575/2013 (5) Annex 2 (6) Table 1: Qualitative information on Environmental risks and Table 2: Qualitative information on Social risks (7) Article 12
Climate change (ESRS E1)		
Requirement	Pages	Related European legislation
E1-1	22 – 50 59 – 71	(2) Article 449a Regulation (EU) No 575/2013 (2) Regulation (EU) No 575/2013 (4) Article 2 (6) Template 1: banking book – Transition risk due to climate change: Credit quality of exposures by sector, issues and residual maturity (3)(7) Article 12.1, paragraphs (d) to (g), and Article 12.2.
E1-4	44 – 50 59 – 71	(1) Indicator No. 4 Table #2 of Annex 1 (2) Article 449a (2) Regulation (EU) No 575/2013 (6) Template 3: banking book – Transition risk due to climate change: alignment metrics (3)(7) Article 6
E1-5	61 – 68	(1) Indicator No. 5 Table #1, Indicator No. 5 Table #2 and Indicator No. 6 Table #1 of Annex 1
E1-6	61 – 74	(1) Indicators No. 1, No. 2 and No. 3 Table #1 of Annex 1 (2) Article 449a; Regulation (EU) No 575/2013; (6) Template 1: banking book – Transition risk due to climate change: credit quality of exposures by sector, issues and residual maturity. (3) (7) Articles 5(1), 6 and 8(1) (7) Article 6
E1-7	–	(4) Article 2
E1-9	–	(2) Article 449a of Regulation (EU) No 575/2013 (6) Template 5: banking book – Physical risk due to climate change: exposures subject to physical risk. (3)(7) Annex 2 (6) Paragraph 34, Template 2: banking book – Transition risk due to climate change: property-secured lending – Energy efficiency of securities

Pollution (ESRS E2)		
Requirement	Pages	Related European legislation
E2-4	74; 82 – 83	(1): Indicator number 8, Table #1 of Annex 1 Indicator number 2, Table #2 of Annex 1 Indicator number 1, Table #2 of Annex 1 Indicator number 3, Table #2 of Annex 1

Water and marine resources (ESRS E3)		
Requirement	Pages	Related European legislation
E3.1	78 – 80	(1) Indicators No. 7, No. 8, No. 12 Table #2 in Annex 1
E3-4	78 – 79	(1) Indicators No. 6.1 and No. 6.2 Table #2 of Annex 1

Biodiversity (ESRS E4)		
Requirement	Pages	Related European legislation
E4.SBM-3	Non-material	(1) Indicator No. 7 Table #1 in Annex 1 (1) Indicators No. 10 and No. 14 Table #2 of Annex 1
E4-2	Non-material	(1) Indicators No. 11, No. 12 and No. 15 Table #2 from Annex 1

Use of resources and circular economy (ESRS E5)		
Requirement	Pages	Related European legislation
E5-5	82 – 83	(1) Indicators No. 9 and No. 13 Table #2 of Annex 1

Own workforce (ESRS S1)		
Requirement	Pages	Related European legislation
S1.SBM-3	44 – 50 52 – 54 103 – 107 114 – 118	(1) Indicators No. 12 and No. 13 Table #3 of Annex I
S1-1	103 – 104 111 – 118	(1) Indicators No. 1, No. 9 and No. 11 Table #3 (1) Indicator No. 11 Table #1 of Annex 1 (3)(5), Annex 2
S1-3	107 – 109	(1) Indicator No. 5 Table #3 of Annex 1
S1-14	111 – 113	(1) Indicator No. 2 and No. 3 Table #3 of Annex 1 (3)(5) Annex 2
S1-16	114 – 123	(1) Indicator No. 12 Table #1 of Annex 1 (1) Indicator No. 8 Table #3 of Annex 1 (3)(5) Annex 2
S1-17	107 – 109	(1) Indicator No. 10 Table #1 and Indicator No. 14 Table #3 of Annex 1 (3)(5) Annex 2 (7) Article 12

Value chain workers (ESRS S2)		
Requirement	Pages	Related European legislation
S2.SBM-3	52 – 54 125; 127 – 130	(1) Indicators No. 12 and No. 13 Table #3 of Annex 1
S2-1	124 – 127	(1) Indicators No. 10 and No. 11 Table #1 in Annex 1 (1) Indicators No. 4, No. 9, No. 11 and No. 14 Table #3 in Annex 1 (3)(3)(5) Annex 2 (7) Article 12
Affected communities (ESRS S3)		
Requirement	Pages	Related European legislation
S3-1	Non-material	(1) Indicator No. 9 Table #3 of Annex 1 (1) Indicators No. 10 and No. 11 Table #1 of Annex 1 (5) Annex 2 (7) Article 12
S3-4	Non-material	(1) Indicator No. 14 Table #3 of Annex 1
Consumers and end-users (ESRS S4)		
Requirement	Pages	Related European legislation
S4-1	Non-material	(1) Indicator No. 9 Table #3 of Annex 1 (1) Indicators No. 10 and No. 11 Table #1 of Annex 1 (5) Annex 2 (7) Article 12
S4-4	Non-material	(1) Indicator No. 14 Table #3 of Annex 1
Business conduct (ESRS G1)		
Requirement	Pages	Related European legislation
G1-1	103 – 104 145 – 150	(1) Indicators No. 6 and No. 15 Table #3 of Annex 1
G1-3	148 – 150	(1) Indicator No. 16 Table #3 of Annex 1
G1-4	148 – 150	(1) Indicator No. 17 Table #3 of Annex 1 3)(5) Annex 2

c) Datapoints on due diligence

The European Sustainability Reporting Standard ("ESRS")¹ addresses the sustainability due diligence process that companies are required to implement. This process is essential to identifying, preventing, mitigating and accounting for actual and potential negative impacts that business activities may have on the environment, people and society at large.

This process comprises five key elements, all of which are covered by the CSRD and are therefore included in this report. The following table lists the elements of the due diligence process and indicates which datapoints cover the information required for each item.

Elements of due diligence	Datapoints	Information reported
a) Incorporation of due diligence into governance, strategy and the business model.	ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the administrative, management and supervisory bodies of the Ercros Group.
	ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes. ¹
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model.
b) Involvement of affected stakeholders in all key due diligence steps.	ESRS 2 GOV-2	Stakeholders' interests and views.
	ESRS 2 SBM-2	
	ESRS 2 IRO-1	
	ESRS 2 MDR-P	Disclosure of the different stages and purposes of stakeholder engagement throughout the due diligence process.
	Topical ESRS	
c) Identification and assessment of adverse impacts	ESRS 2 SBM-3	The Application Requirements related to specific sustainability issues are included in the relevant ESRS
	ESRS 2 IRO-1	
d) Actions to address adverse impacts	ESRS 2 MDR-A	Range of actions, including transition plans, through which impacts are addressed.
	Topical ESRS	
e) Tracking and reporting the effectiveness of these efforts	ESRS 2 MDR-M	Information regarding metrics and targets.
	ESRS 2 MDR-T	
	Topical ESRS	

¹ The Ercros Group does not envisage any incentive plans or remuneration policies linked to sustainability and/or climate change issues for members of its governing bodies.

A3. Contribution to the Sustainable Development Goals (SDGs)



The 17 Sustainable Development Goals ("SDGs") are the result of a consensus among United Nations ("UN") member states to establish a plan of action for 2030 that focuses on the wellbeing of people, the preservation of the planet and the promotion of prosperity.

As part of its commitment to sustainable development, the Ercros Group strives to comply with all 17 SDGs, as detailed below. However, it should be noted that its activity has a significant impact on some of these objectives in particular:

- SDG 6: Clean water and sanitation.
- SDG 7: Affordable and clean energy.
- SDG 8: Decent work and economic growth.
- SDG 9: Industry, innovation and infrastructure.
- SDG 13: Climate action.
- SDG 14: Underwater life.
- SDG 15: Life of terrestrial ecosystems.

Below are a few examples that illustrate the Group's contribution to advancing and strengthening the 17 SDGs.



No poverty

- Creation of 4,126 direct, indirect and induced jobs [see chapter 17.2].
- EUR 27.56 million paid to the public administration for taxes, levies, fees and social security contributions [see chapter 17.2].
- Purchases made from special employment centres and/or job placement companies, for a value of EUR 286,939 [see chapter 17.10].



Zero hunger

- Sponsorship of the charity run organised by the town council and the Forat del Vent secondary school in Cerdanyola to raise funds for the Food Bank and the Red Cross [see chapter 17.2].
- Two factories operate a canteen service tasked with procuring supplies based on the menus confirmed the previous day, thus reducing food waste to a minimum [see chapter 15.4 a)].
- To avoid waste, the procurement of foodstuffs used in the manufacture of antibiotics is coordinated with the needs of the production processes [see chapter 5.3(c)].



Good health and wellbeing

- Certification of the healthy organisation management system ("Sigos") at the company's workplaces [see chapter 15.4].
- The production facilities have certified their occupational health and safety system in accordance with the ISO 45001 standard on occupational health and safety management systems [see chapter 15.4].
- In 2024, 29 prevention campaigns were carried out, reaching 21,142 people [see chapter 15.5(c)].



Quality education

- Ercros coordinated training actions which were attended by 6,995 people and involved 32,357 teaching hours [see chapter 15.6].
- 95% of the workforce received training, with an average of 24.2 hours of training per person [see chapter 15.6].
- 91 vocational, university and dual vocational training students did their work placements at Ercros [see chapter 15.6].



Gender equality

- Ercros has an Equality Plan that guarantees equal opportunities and non-discrimination between men and women [see chapter 15.7 a)].
- The presence of women in the workforce reached 19.4%, which is more than one point higher than the 18.3% recorded the previous year [see chapter 15.7b)].
- Three Ercros factories (Tortosa, Sabiñánigo and Aranjuez) are managed by women, a milestone in the traditionally male-dominated industrial sector [see chapter 15.7 b)].



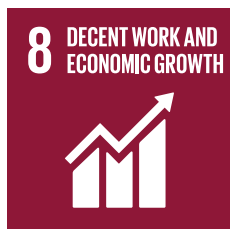
Clean water and sanitation

- Manufacture of chlorine, caustic soda and its derivatives, and sodium chlorite, all essential products for disinfection, sanitation and water treatment [see chapter 5.2(a)].
- Increase of 0.72% of the percentage of reclaimed water consumed from municipal wastewater treatment plants as a percentage of total water consumption [see chapter 10.2].
- All group sites have waste water treatment facilities, such as biological, physicochemical, mercury, nitrification and chlorination treatment plants [see chapter 10.3].
- Donation of 100,000 bottles of bleach for the victims of the Dana disaster in Valencia and donation of a year's supply of bleach to the Caritas Breakfast and Welcome programme [see chapter 17.2].



Affordable and clean energy

- 40% of the electricity consumed by Ercros is of renewable origin [see chapter 8.3 a) (i)].
- 98% of the company's energy consumption is managed according to the international standard ISO 50001 [see chapter 8.2].
- From 2020 to 2024 Ercros has made investments in energy efficiency, renewable energy consumption and process improvement amounting to EUR 5.52 million. An investment of EUR 42.1 million is planned up to 2029 [see chapter 8.4].



Decent work and economic growth

- 100% of Ercros' employees are covered by the 21st General collective bargaining agreement for the chemical industry [see chapter 15.1 a)].
- The Group's activity generated 4,126 direct, indirect and induced jobs [see chapter 17.2].
- The Ercros factories in Cerdanyola and Sabiñánigo were awarded the 2023 Safety Prize by Feique for having zero accidents among their own employees in 2023 [see chapter 17.11].
- No employee of the Group is under 18 years of age. As stated in Article 8 of the Ercros ethical code of conduct, persons bound by the code will not tolerate child, forced or compulsory labour, or work carried out under duress [see chapter 15.1 b)].



Industry, innovation and infrastructure

- The Group's strategic investment plan for the period 2021–2029, Plan 3D, is based on three dimensions: diversification, digitalisation and decarbonisation. Under the heading of decarbonisation, a total investment of EUR 90.3 million is planned for the period [see chapter 8.4].
- Participation of staff members in conferences, round tables, workshops and lectures on different fields of knowledge [see chapter 17.2].
- Expenditure on R&D amounted to EUR 6,688 thousand [see chapter 7.1].



Reduced inequalities

- Adherence to the UN Global Compact programme since 2000 [see chapter 19.3 c)].
- No gender-based pay discrimination, where discrimination means that the average gender pay gap is greater than 25% [see chapter 15.7c)].
- Ercros employs 1.2% of people with a disability equal to or greater than 33% [see chapter 15.7d)].
- Purchases made from special employment centres and/or job placement companies, for a value of EUR 286,939 [see chapter 17.10].



Sustainable cities and communities

- Ercros certifies compliance with the Good Corporate Governance Index ("GCGI"), with the highest rating, G++ [see chapter 18.3 c)].
- 87 points out of a possible 100 in the international EcoVadis rating, which assesses the ESG (environmental, social and governance) practices of undertakings [see chapter 18.3 c)].
- Distribution of 173 announcements of general or local interest, which factories share with their stakeholders [see chapter 17.3].
- Sponsorship and partnership actions with 35 organisations, to which we have contributed EUR 97,525 [see chapter 17.10].
- Contributions to business groups amounting to EUR 85,474 [see chapter 17.4].



Responsible production and consumption

- 100% of customers and 84% of procurement transactions were analysed using the Refinitiv World-Check software tool, which provides information on aspects related to corruption or financial crime [see chapter 5.6 a)].
- 99% of the payments made are supported by a prior order or agreement; this high percentage reflects the Group's control over the economic transactions it carries out and is a result of the financial transparency with which it operates [see chapter 18.4].
- 100% of the factories have ISO 14001 and ISO 14064 certification on environmental management and specifications for quantifying and reporting greenhouse gas emissions. In addition, factories accounting for more than 98% of the Group's energy consumption are certified under the ISO 50001 energy management standard [see chapter 14.1].
- The purchase of 50% recycled pallets [see chapter 5.6 b)].
- Use of 35.9%¹ of recycled plastic in flexible plastic packaging [see chapter 5.6 b)].

¹ Kilos of recycled plastic vs. total kilos of plastic containers and flexible packaging purchased.



Climate action

- Reduction of 10.9% in greenhouse gas emissions (scopes 1, 2 and 3) compared to the previous year [see chapter 8.3 a)].
- Greenhouse gas inventory verified on an annual basis in accordance with the ISO 14064:2018 standard [see chapter 8.2].
- Commitment to achieving carbon neutrality of the business by 2050 [see chapter 8.1].
- The decarbonisation axis of the 3D plan aims to reduce direct CO₂ by 39% by 2025, compared to 2020 [see chapter 8.5].
- Ercros has received aid from the PERTE for decarbonisation amounting to EUR 14.6 million [see chapter 5.3 a)].



Underwater life

- Adherence to the Operation Clean Sweep ("OCS") programme, aimed avoiding losses of microplastic waste that may reach the environment, especially the aquatic environment [see chapter 10.1].
- To prevent and, where this is not possible, reduce emissions to water, the factories have, among other systems, waste water treatment plants, retention basins and on-line monitoring equipment [see chapter 9.4].
- Agreement with the Foundation for the Conservation and Recovery of Marine Animals ("CRAM") under which the Group supplies CRAM with chemicals to disinfect and maintain its marine wildlife recovery facilities [see chapter 13].



Life on land

- In Flix, collaboration since 2001 with the Sebes Nature Reserve, located across from the factory [see chapter 13].
- In Cardona, collaboration with the Catalan Government and the town council in restoring Vall Salina by replanting the areas freed up since the decommissioning of the Terrera Nova mine dump [see chapter 13].
- The expenses incurred for the protection and improvement of the environment in 2024 amounted to EUR 17,643 thousand [see chapter 9.4].
- 18.7% reduction in waste generation [see chapter 11.3].



Peace, justice and strong institutions

- The Ercros Group has been certified as compliant with the UNE 19601 standard, which recognises the company's performance in reducing criminal risks and promoting crime prevention [see chapter 18.5 a) (ii)].
- The ethical code of conduct was distributed and explained to 127 new hires, who committed themselves to it and signed it [see chapter 15.6].
- Two complaints processed through the whistleblowing channel [see chapter 18.5 (a) (i)].



Partnerships for the goals

- Compliance with 96.2% of the recommendations of the CNMV's Code of Good Governance for listed companies [see chapter 18.3 c)].
- Signed agreements for voluntary mutual assistance in the event of accidents during transportation and agreements to deal with transport and distribution accidents [see chapter 5.6 b) (v)].
- Adherence to a collaboration agreement on explosive precursors, promoted by the Ministry of the Interior, the purpose of which is to fight against the diversion of chemical products towards the illicit manufacture of explosives [see chapter 5.6(c)(iv)].
- Direct and active participation in the main sector or territorial associations [see chapter 18.6 b)].

A4. Certificates

Environmental	
ISO 14001	Reference standard for the environmental management system implemented in all factories.
ISO 14064	Organisation-wide CO ₂ emissions inventory verification standard.
ISO 50001	Energy management system implemented in the Tarragona complex and in the Almussafes, Aranjuez, Cerdanyola, Sabiñánigo and Tortosa factories.
EMAS	Environmental management system implemented in Monzón, Sabiñánigo, Tortosa and the Tarragona complex.
ECVM Charter	Recognition of sustainable practices in the production, use and disposal of EDC, PVC and vinyl chloride.
ISCC plus	Certifies that the chlorine derivatives produced at Vila-seca I are made from renewable energy sources.
VinylPlus Supplier	Certifies that the production of PVC compounds is carried out in a sustainable manner and seeks to accelerate the transition of the PVC value chain towards a circular economy.
OCS	Certifies the control of incidental losses of microplastics in the production, handling, transport, transformation and recycling processes at the Vila-seca II and Monzón centres.
IPES	Recognition of Spanish companies in the plastics sector that work towards sustainability.
Safety and quality	
ISO 45001	Certifies safety and health management in all factories.
Sigos	Certifies the implementation of a healthy organisation management system at Ercros.
ISO 9001	Certifies quality management at all production sites.
ISO 27001	Certifies the system for protecting the data generated by Ercros and those of its stakeholders.
Production/distribution	
FDA	85% of the pharma division's API production is FDA cleared, allowing access to the most demanding markets.
GMP/GDP	Pharmaceutical ingredients comply with Good Manufacturing Practice and Good Distribution Practice regulations certified by the European Medicines Agency.
OAS	The State Tax Administration Agency certifies Ercros as an authorised economic operator.
CSR and governance	
GCGI	Aenor has awarded Ercros the certificate of compliance with the good corporate governance index.
UNE 19601	Aenor has certified Ercros' criminal compliance management system.
EcoVadis	EcoVadis has rated Ercros' CSR with 87/100 points in the Platinum category and in the top 1% of companies.
IEAF ESG	Ercros scored 86 points in the rating drawn up by the Spanish Institute of Financial Analysts, which assesses the level of compliance with ESG criteria.

A5. Responsibility for the statement of non-financial information – Corporate sustainability report



The purpose of this certificate is to place on record that the board of directors of Ercros, S.A., at its meeting held on 28 March 2025, approved the Ercros Group's corporate sustainability report ("CSR") for the year ended 31 December 2024.

This statement of non-financial information forms part of the management report of Ercros, S.A. and of the consolidated Group, prepared in eXtensible HyperText Markup Language ("XHTML") electronic format, all in accordance with the Single European Electronic Format ("SEEF") established in Directive 2004/109/EC and in Delegated Regulation (EU) 2019/815.

The content of the statement of non-financial information is in accordance with the provisions of:

- Directive 2019/34/EU of the European Parliament and of the Council on sustainability reporting standards.
- Spanish Law 11/2018, of 28 December, modifying the Spanish Commercial Code (*Código de Comercio*), the Spanish Corporate Enterprises Act (*Ley de Sociedades de Capital*) and the Spanish Audit Act (*Ley de Auditoría de Cuentas*), in relation to non-financial information and diversity.
- Regulation (EU) 2020/852, known as the EU Taxonomy Regulation and delegated acts.

In turn, the requirements set out in Commission Delegated Regulation (EU) 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (Corporate Sustainability Reporting Directive - CSRD) have been taken into account, although the SNFI does not comply with the European Sustainability Reporting Standards (ESRS).

The directors of the Company, whose names appear above their signatures, declare that the preparation of this statement of non-financial information provides a detailed explanation of the corporate social responsibility practices of the Ercros Group. All the appointments of the Directors are in force at the date of this certificate.

Barcelona, 28 March 2025

Antonio Zabalza Martí
Chairman and Managing Director

Carme Moragues Josa
Member

Lourdes Vega Fernández
Member

Laureano Roldán Aguilar
Member

Eduardo Sánchez Morroondo
Member

Joan Casas Galofré
Member

Daniel Ripley Soria
Non-Director Secretary

A6. Verification of the statement of non-financial information



Bureau Veritas Certification





Bureau Veritas Certification
declara que Según exige la
Ley 11/ 2018

Se ha verificado la información no financiera por la Entidad de Certificación de tercera parte e independiente Bureau Veritas, en lo que respecta a su estructura, contenido y fuentes de información de

ERCROS, S.A.

Y que como resultado de este proceso de verificación **Bureau Veritas Certification** expresa que:

- El contenido del reporte no financiero de la organización cumple con los requisitos establecidos en la Ley 11:2018 en esta materia.y los reglamentos referenciados en el alcance del informe
- Tras la verificación muestral realizada no se ha identificado ninguna cuestión que indique que la información incluida en el reporte correspondiente al ejercicio 01-01-2024 / 31-12-2024 contiene incorrecciones materiales

Fecha de emisión 13.03.2025


Fdo: Marta Pascual
Validador.Jefe
Bureau Veritas Certification

Bureau Veritas Iberia S.L.
C/ Valportillo Primera 22-24, 28108 Alcobendas - Madrid, España
1/1

A7. DIRECTORY

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Tarragona factory

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Production facilities

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Cerdanyola factory

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