

**Better quality of life
with innovative,
efficient and
sustainable solutions**



Non-Financial Information Statement 2022



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1 Main figures

1. Main figures



93%

Of PVC discarded during production has been **recycled or reused** in new products.



486

Employees, an increase of 9.7% on 2021.



2M€

Each year allocated to driving R&D.

3.170

Solar panels on the roof of the Loeches plant facilities.

100%

Of the workforce trained. More than **3,000 hours of training** have been given.

9,1

Score in customer satisfaction surveys for PVC-O pipes and fittings.

100%

Renewable energy in Paraguay.

25.000€

Allocated to **community impact**.

0

Cybersecurity incidents.

0

Environmental emergency incidents.

88%

Local suppliers.

0

Complaints received through the whistleblowing channel.

2 A chat with the CEO

2. A chat with the CEO

Ignacio Muñoz, CEO of Molecor, reflects on the company's performance in the past financial year and focuses its future vision on the challenges and opportunities the organisation and its surrounding area will face.

Looking back at the financial year, what does the balance sheet for 2022 show? What milestones would you highlight?

It's certainly been a challenging but enriching year that was defined by a particularly relevant milestone we can view as a turning point in our journey: the merger of Molecor Tecnología and Molecor Canalizaciones. This merger, which began in 2022 but will continued to be implemented over time, will help us to combine systems, guidelines, protocols and, of course, our human talent, allowing us to offer a more agile, more efficient response to the demands of our clients, shareholders and all other stakeholders. This merger is also happening gradually in our production centres abroad, while adapting to the individual circumstances of each country, enabling us to have a single management model for the entire group.

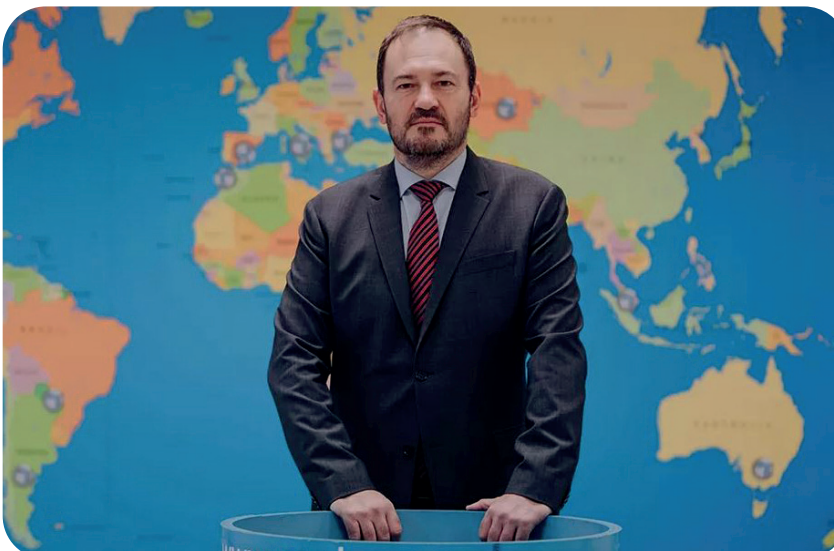
This merger has been reflected in numerous projects and services we've developed, for example, the merger of the Purchasing and Supplier Management Systems departments, and the unification of knowledge and skills, resulting in some pioneering value proposals on the market. One of these is geoTOM, a geolocation initiative for pipes that allows clients to locate the product and monitor it; or the development of two innovative products that feature recycled material and which will be launched very soon.

With regard to our internationalisation strategy, we've been witnesses to great advances thanks to the acquisition of up to 75% of the shareholding of the Malaysia production centre, thus strengthening our international presence.

Furthermore, our commitment to climate change has been further boosted thanks to our aim to reduce energy consumption, both by installing new self-consumption facilities in other factories as well as rolling out energy management models that will allow us to improve our energy efficiency.

Moreover, we wanted to transfer this commitment to maximise our sustainable impact throughout our value chain. For this reason, in 2022 we launched an ESG questionnaire for suppliers, which will enable us to monitor their progress in this area and prepare a selection and assessment strategy for our supply chain based on sustainable performance.

I would like to make special mention of the people comprising the Molecor workforce as we wouldn't be able to achieve any of this without our fabulous team. In 2022, our workforce increased 9.7% on the previous year: by the end of 2022, we had 486 excellent professionals in their respective disciplines. This growth aims to address the organisation's needs in different business areas in order to make progress in the fulfilment of our strategy. Molecor firmly believes in its internal talent and work stability, which is why 97% of the workforce has a permanent contract.



One of the most exciting moments of the year was our Christmas staff dinner. Our staff members (more than 400 people), including representatives from our branches abroad, who previously made up Molecor Tecnología and Molecor Canalizaciones got together for the first time, leading to a single Molecor.

This consolidation of all our talent will undeniably define our path, allowing us to continue working to create value and profitability while promoting sustainability and protecting the environment.

What do you think are the main challenges and opportunities presented by the industry's current context and what role does the company play in these matters?

The crisis caused by COVID-19 has continued to simmer. In 2022, we continued to experience the consequences of this pandemic, not only in financial terms, but also in social matters. Furthermore, since the war in Ukraine broke out, security of supply at competitive, accessible prices has been impaired.

On the other hand, the plastics industry is facing growing rejection by society, backed by the increase in supranational legislation on the use and consumption of these materials.

Geopolitical tensions, which accentuate the rise in price of raw materials, inflation and tension in supply chains signify a challenge of shared responsibility if we are to make progress when faced with these issues, although at Molecor we have all the ingredients to do so: we're pioneers in innovation and leaders in quality, while we also firmly believe in the circularity of resources and we have the required talent, among other factors.

Furthermore, as was highlighted at the Climate Change Conference in Egypt, the consensus on the urgent need to promote swift and effective decarbonation is already almost unanimous. To assist this "call for climate action", a boost in energy efficiency is required, along with a reduction in emissions and savings made on natural resources, something that our company has considered intrinsic since it was founded in 2007. However, we know there is great social opposition to the industry and we're working to mitigate that with evidence, scientific studies and industry work groups. It's important to note that Molecor's activity directly contributes to a fair, ecological transition supported by data.

Beyond decarbonation, we must not forget what we've learned from the pandemic regarding the need to position the sector as a lever to reduce inequality. Our sector must be one of the pillars to support the post-COVID growth model, in line with the principles of the United Nations' 2030 Agenda and all related national plans and commitments.

Since you mentioned the United Nations' 2030 Agenda, how would you say Molecor contributes to the Sustainable Development Goals and how is sustainability integrated within the business?

Molecor is based on sustainability, meaning it was born with the aim of creating wealth through an environmental efficiency model. Our mission, vision and values have evolved, but sustainability has always been at the heart of everything we do. However, we know sustainability must be considered from three perspectives: environmental, social and governance. When it comes to the environmental aspect, we're leaders in the development of products that offer the best performance around. For example, we're ambassadors for the elimination of lead as an additive in countries where its use is still permitted, offering them products and technology to manufacture them using sustainable additives, while we also promote awareness of good environmental practices in other countries, although we know there is still work to be done, which is why we make extraordinary efforts in R&D&I. In terms of the social aspect and governance, although the company supports best practices in this regard, we want to maximise our positive impact, which is why we'll be launching our Strategic Sustainability Plan in 2023, with specific goals and actions that will drive the company's performance towards the highest ESG standards.

With regard to the 2030 Agenda, Molecor is fully committed to the Sustainable Development Goals (SDGs). The company identified the pertinent SDGs in order to focus our efforts and pinpoint opportunities for improvement, as well as potential risks. In this vein, we're particularly involved with SDG 6, clean water and sanitation, as our products allow communities to gain simple access to potable water, as well as drain wastewater that could harm health. SDG 9, industry, innovation and infrastructure, is also important given our enormous investment in R&D and innovative capacity, mentioned previously; and so is SDG 12, responsible production and consumption, given our sustainable product and the progress made regarding the circular economy, which we will continue to work on. Similarly, we are aligned with SDG 17, partnership for the goals, as we actively participate in different industry associations, both national and international.

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3 Our business model

3. Our business model

3.1 – Our organisation: mission, vision and values

GRI: 2-1

Molecor Tecnología is a Spanish company specialising in the manufacture of molecularly oriented PVC pipes and fittings, and in the development of molecular orientation technology applied to pressurised water pipes.

Founded in 2006 by qualified specialists with proven experience in this field, it has grown exponentially and provided efficient, innovative solutions to develop technology in molecularly oriented PVC pipe and fitting manufacturing, becoming the sector's world leader. Its staff members are extremely well-qualified and are the company's biggest asset, as well as the foundations for its continuous innovation.

In August 2020, the Spanish fund MCH Private Equity acquired a majority stake to grant Molecor more strength to grow and develop its full potential, given that in addition to the monetary contribution, MCH also offers its industrial and financial experience in the project's organic and inorganic growth.

On 30 September 2021, Molecor Tecnología completed the process of acquiring the production unit Adequa (previously Uralita Sistemas de Tuberías). In doing so, the Molecor Group became a larger, more diverse company with more bases for growth thanks to a broader product portfolio that now includes building, sewage and drainage products.



Mission

To improve people's quality of life, wherever they are in the world, by providing them with accessible water using innovative, efficient, sustainable solutions.



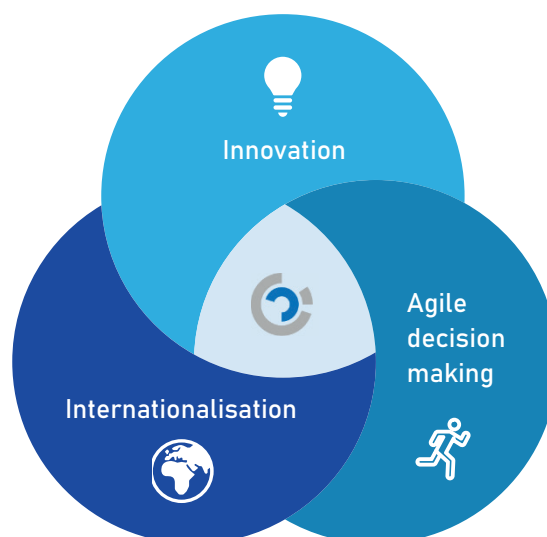
Values

- **Refusing to conform:** We strive to exceed previously reached levels (quality, efficiency, innovation, safety, etc.) and we're never fully satisfied with what we achieve.
- **Global:** We're a global company capable of offering services and products to anywhere in the world. To do so, we've created an open, diverse and inclusive environment where talent gets the chance to develop, regardless of nationality, location or origin.
- **Honesty:** We apply integrity in our relationships and decisions to all levels within a tolerant and respectful environment. We do this transparently, while always respecting the law, regulatory limits and the principles of confidentiality and privacy.
- **Commitment:** We're committed to, strive for and value commitment to the people in the area around us, the environment and the communities where we are present and where we provide our services.
- **Attitude:** We love challenges and we're ready to actively tackle them, always doing our best and offering maximum collaboration and flexibility in an open, sincere way.

3.2 - Our value proposal

GRI: 2-6

Molecor's business model has three key PILLARS, which have seen it enjoy growth figures far greater than those seen in the industry, as well as an extraordinary international presence.



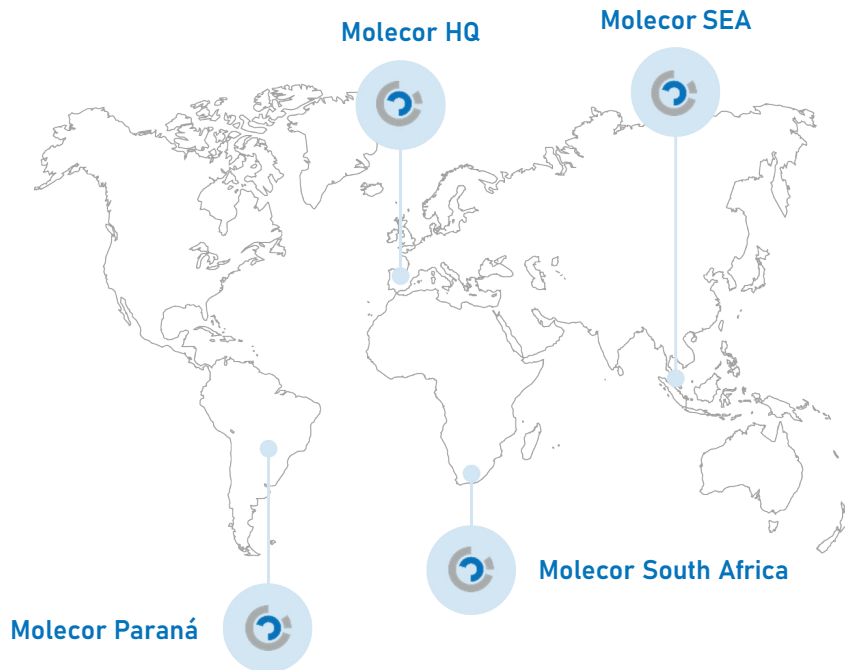
Estructure and international presence

At present, Molecor has eight production centres and four sales offices around the world. It has five plants in Spain, two of which are in Madrid (in Getafe and Loeches) while the other three are in Guadalajara, Ciudad Real and Malaga (Alovera, Alcázar de San Juan and Antequera, respectively).

Molecor tecnología			Molecor canalizaciones	
Loeches	Getafe	Alovera	Alcázar	Antequera
PVC-O pipes and fittings factory	Technology factory and R&D headquarters	Fittings factory	Factory for sewage and drainage products and pipes for building	Pressurised pipes factory

Molecor Tecnología's main factory is its Loeches facility, in Madrid. It has nine PVC-O product manufacturing lines and it produces pipes in every diameter available in the range, from DN90 to DN1200 mm at pressures from 12.5 to up to 25 bar, as well as ecoFITTOM® fittings in PVC-O, from DN110 to DN400 in PN16 bar. These products are manufactured using technology developed exclusively by the company and exported to the five continents. Thousands of kilometres of PVC-O TOM® pipes have already been installed throughout the world in supply, irrigation, recycling and fire prevention networks, and more.

The Getafe plant manufactures molecular orientation technology and is the R&D headquarters, while the other plants manufacture solutions for building, sewage, drainage, supply and distribution. In Richards Bay (South Africa), there is a joint venture that was set up in 2016 with Sizabantu Piping Systems, a Molecor partner and leading distributor in the South African market. In Kuantan (Malaysia), the company has up to a 75% holding in a molecularly oriented PVC factory that has three production lines and was founded in 2014. Lastly, the Latin American factory based in Asunción (Paraguay) is the result of a joint venture with Plásticos Titán. Molecor also has three marketers: Molecor Maroc, Molecor Peru and Molecor France.



Therefore, Molecor is a company ready to reach the global market through agreements with different licensees regarding its exclusive technology used to manufacture PVC-O piping in other countries, as well as to supply pipes and fittings to anywhere in the world from its production plants.

The existence of multiple international regulations for PVC-O means Molecor adapts its technology to ensure the design of its PVC-O pipes complies with all of the customer's requirements as well as specific regulations and certifications.

Levers in the value proposal

There are several levers that define the Molecor Group's value proposal and that enable it to position itself as an industry leader:

The brand's values and attributes, mainly related to:



- Reliability and quality in the product and its associated services.
- Extensive product and service portfolio.
- Multiple awards and collaborations on diverse R&D projects, developed with international technology partners.
- The user experience, because the details matter. In its effort to offer its clients the best service possible, the Molecor Group listens to all their concerns and requirements, then systematically includes them in its processes of manufacturing and finishing its molecularly oriented PVC pipes.
- A commitment to the environment, evidenced in its products, which have the FVS Environmental Footprint Seal.

A firm commitment to service via:

- A range of 50-year extended warranties for PVC-O pipes.
- An accessible, ongoing after-sales and troubleshooting service.

Portfolio

The Molecor product and service portfolio is focused on the following areas:

Areas	Description
ACTIVITY SECTORS	 Construction
	 Industry
	 Agriculture
MARKETS	Domestic market: Spain (66% of turnover)
	International market: (34% of turnover), mainly distributed across:
	<div>France</div> <div>Morocco</div> <div>South Africa</div> <div>Other</div>

Products

Infraestructure	Building	Sewage & Drainage
Molecularly oriented PVC TOM® pipe	AR® soundproof drainage system	SANECOR® sewage system in corrugated PVC
Smooth PVC pressure system	EVAC+® drainage system	SANECOR manholes
Molecularly oriented PVC ecoFITTOM®	Floor drainage solutions	COMPACT SN4 smooth PVC system
Fittings for smooth PE pipes	Floor drainage solutions Siphons	PVC ground drainage system

New products available

Before Molecor's technology arrived on the scene, molecularly oriented PVC pipe manufacturing processes experienced difficulties in producing large-diameter pipes at high pressures. With its exclusive technology, Molecor has improved the process such that it is now possible to manufacture pipes of PN25 bar across the entire product range.

Molecor also offers clients the full product range in PN20 bar. This way, each construction project can be adapted to real pressure needs, as well as its budget.

Molecor is a pioneer in the manufacture of large diameters

The technology developed by Molecor means large pipes can be manufactured in diameters up to 1,200 mm, having previously not existed on the global PVC-O pipe market. As such, PVC-O has now become a material that may be used in projects involving large diameters. The advantages this material offers, alongside its lower cost (both material and installation) and its improved installation performance make it the best choice in this kind of work.

In addition, Molecor has developed technology to manufacture PVC-O fittings that the company uses to offer an ongoing solution for 100% PVC-O water pipes used to transport pressurised water.

PVC-O ecoFIT TOM® fittings, a world exclusive

In order to supplement its PVC-O TOM® pipes and lead the molecular orientation industry in terms of innovation and development, Molecor has developed the PVC-O ecoFIT TOM® fittings, creating an integrated system in water transport networks.

SANECOR® maximum efficiency in sewage networks

Over the last 30 years, the SANECOR® system has been fully developed, along with SANECOR® manholes, to serve urban sewage networks, wastewater and rainwater collectors, interceptor collectors, sewage outlet pipes, drains and, in general, pipes for transporting acidic or alkaline solutions, uses in industry, construction and mining, and cable management and insulation, among other applications.

AR® soundproof drainage system: you'll hear nothing but benefits

The AR® system has a wide range of fittings, in addition to pipes, allowing it to address the different requirements posed by planners. This is a product that also solves issues with soundproofing in downpipes. It boasts a B-s1, d0 reaction to fire classification, which is the highest a plastic material can achieve.

Sustainable products

Based on this fervent environmental commitment, Molecor has followed the latest common method outlined in Recommendation 179/2013/EC, proposed by the European Commission to study the **Product Environmental Footprint (PEF)**, to assess the environmental impact of its PVC-O pipes and fittings at every stage of their life cycle, from the cradle to the grave or, in other words, from extraction of the raw material to final disposal of the product, via manufacture, distribution and use.

Molecularly oriented PVC **TOM® pipes** and **ecoFITTOM® fittings** are the most eco-friendly solution on the market given their enhanced contribution to the planet's correct sustainable development, as proven in different global studies, including: "Estimación del consumo energético y de la emisión de CO₂ asociado a la producción, uso y disposición final de tuberías de PVC, PEHD, PP, Fundición y Hormigón" (Estimated energy consumption and CO₂ emissions associated with production, use and final disposal of PVC, HDPE, PP, cast and concrete pipes - Polytechnic University of Catalonia) and the environmental label "PVC-O Environmental Product Declaration TEPPFA" (The European Plastics Pipes and Fittings Association).

- **Efficiency in natural resources:** Only 43% of PVC's composition depends on oil. Furthermore, thanks to the improvement in its properties achieved through molecular orientation, a smaller amount of the raw material is needed to manufacture it.
- **Energy consumption:** Energy consumption is lower at every stage of its life cycle: raw material extraction, pipe manufacture and use.
- **Efficiency in waste management:** PVC is a fully recyclable material that can be reused either to produce new pipes within the production process or to manufacture other plastic applications with less demanding technical requirements than pressurised pipes.
- **Sustainability:** TOM® are sustainable pipes whose design has considered environmental conservation by taking into account aspects such as energy saving, the sustainable use of natural resources, the durability of works, and respect for the environment through the materials used. This focus on sustainability is also evident in all other products in the company's portfolio, although specific studies have not been carried out on them, as is the case with PVC-O.

+ Find out more about our sustainable products in the section titled **Protecting the natural environment**

**TOM® pipes and
ecoFITTOM® fittings of
Oriented PVC are the
most environmentally
friendly solution**





Our services portfolio

After-sales service: Molecor offers ongoing assistance and monitoring.

In terms of technology marketing, this service involves offering:

- Equipment warranty.
- Real-time analysis and solutions.
- Preventive maintenance and supervision plan.
- Supply of spare parts.
- Additional added-value tools: TOMCalculation programme, product manual, BIM and PRESTO catalogues.

Regarding its pipes and fittings, Molecor offers ongoing assistance and monitoring after they have been installed. Furthermore, and as an additional service, Molecor can provide a detailed operational and performance study of the different components installed, if requested by the client, or if the network malfunctions.

Technical service: Molecor provides detailed technical information for its entire product range.

It also offers clients specialised technical assistance related to pipes and fittings so water transport network projects may be developed correctly, which allows full reports to be drawn up with the results of all calculations carried out. Furthermore, the technical team specialises in hydraulic infrastructure and can offer a personalised service in response to all the queries and requirements communicated by our collaborators at every stage of the construction process.

Training: Molecor actively collaborates with different institutions and associations to organise various technical and training workshops that interested users can attend.

When developing these workshops, the products' technical and installation characteristics are explained, as is their contribution to sustainable development. This applies to both TOM® pipes and ecoFITTOM® fittings, as well as all the other products we manufacture. Molecor is also committed to environmental awareness initiatives that aid sustainable development.



Molecor's extended warranty

Molecor offers a 50-year extended warranty for PVC-O TOM® pipes manufactured by the company. More specifically, Molecor is committed to replacing PVC-O TOM® pipes for others of the same type, size and quantity if it is determined that the pipe does not meet the required standards.

2022

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4 Sustainability as a key part of our business

4. Sustainability as a key part of our business

4.1 - Main milestones in 2022

Launch of the PVC-O TOM® pipe in DN1200 mm

In 2022, we launched the PVC-O TOM® pipe in DN1200 mm, the only pipe in the world available in this size. As a result, Molecor has strengthened its position in the market through its innovative DNA.

Merger of Molecor Tecnología and Molecor Canalizaciones

In 2022, the company began the process of merging Molecor Tecnología and Molecor Canalizaciones to create a single entity. This merger process will allow us to consolidate the procedures, competencies, policies and resources of both companies in all locations where they operate, adapting to the idiosyncrasy of each and the maturity level of each area.

Launch of the ESG questionnaire for suppliers

Molecor has introduced a system to measure the ESG performance of its suppliers via a questionnaire. The company will continue to implement further measures to encourage sustainability throughout its supply chain based on the results of the questionnaire, which was launched at the end of 2022. This questionnaire will assess suppliers' contribution to sustainability, and it will also ensure compliance with the internal policy introduced regarding supplier selection, assessment and monitoring, taking into account social and economic aspects. Furthermore, it will establish the bases for assessing and approving suppliers in accordance with ESG criteria.

Founding of the Equality Committee at Molecor Tecnología

In 2021, Molecor Tecnología founded the Equality Committee with the aim of helping to ensure gender equality across all areas of business and uphold the commitments acquired in diversity, inclusion and non-discrimination.

Reduction of the accident rate

Molecor develops its activities while upholding a commitment to protect the health, safety and well-being of its workforce. Thanks to measures introduced by the company, in 2022 we reduced the rate of accidents involving time off by 55%, compared with 2021.

Electro-intensive consumer certification for the Loeches plant

As part of the company's sustainability goals, in 2022 Molecor rolled out a solar panel system with a PPA (Power Purchase Agreement) in a self-consumption system for the Loeches plant.

Progress in our Decarbonation Plan

Molecor is firmly committed to increasing its contribution to the fight against climate change. After installing 3,170 solar panels that can generate 1,413,490 kWh of renewable energy a year, with an installed power of 1,077 kWp, at the Loeches plant, the company will reduce its CO2 emissions by 366 tons a year.

Zero pellet loss certification.

Since 2021, Molecor has been involved in Operation Clean Sweep (OCS) at all of its Spanish plants. To ensure its commitment to zero emissions of pellet particles, in December 2021 the company certified its performance in this area at the Loeches plant. Over the course of 2022, the company has continued to implement necessary measures at its Alovera, Alcázar and Antequera plants so they may gain this certification in 2023.

4.2 - Context and main trends

Since the beginning of the decade, our context has changed rapidly thanks to the instability and insecurity caused by devastating events. The Spanish economy grew 5% in 2022¹, after tackling various events that stand out due to their correlation and effect on all levels of production chains and industries: inflation, as one of the year's main challenges, has had a significant financial and social impact, as have the after-effects of the lack of supply caused by raw material hoarding, and the huge increase in electricity, among others.

The latest report from the World Economic Forum (WEF), the [Global Risk Report 2023](#), identifies climate risks, social divisions, the cost of living crisis, and a deterioration in mental health as the main global concerns.

Furthermore, since 2020, oil has become a political and economic bargaining tool, generating a highly inelastic offer in which the price has varied little, regardless of the amount offered. This recorded lack of supply provides a glimpse at the consequences of its finite nature.

Furthermore, the plastics industry is facing growing rejection by society, backed by the increase in supranational legislation on the use and consumption of these materials. In Spain, [law 7/2022 on waste and contaminated soil for a circular economy](#) aims to reduce the negative impact linked to waste generation and management, driving efficient use of materials that are already in circulation. A systematic legal framework was defined in 2021 for extended producer responsibility (EPR), applying the principle of "he who pollutes, pays" to manufacturers that generate waste. Thus far, this responsibility applied to electronic devices, batteries and accumulators, vehicles, domestic packaging, tyres and mineral oils, and its scope was expected to be transferred to other sectors, as is happening now with industrial and commercial packaging. In addition to increasing the demands on EPR in certain sectors, law 7/2022 brings with it a series of legislative novelties, including waste recycling goals of 55% for 2025 and 60% for 2030; reuse of 5% for 2025 and 10% for 2030; as well as an annual tax for industrial and commercial waste generated by products made available to the market and two new taxes, one on unrecycled plastic used to manufacture packaging, and another on waste not sent for recycling.

For this reason, the company has subscribed to ENVALORA to participate in the development of a new Collective System for Extended Producer Responsibility (SCRAP, using its Spanish acronym) to ensure legal compliance and offer collective solutions to the circular economy, and to comply with its ERP for industrial and commercial packaging made available on the market with its products.

In this context, a series of market and context trends have arisen, shaping the infrastructure, building, sewage and drainage industry.



¹Spanish Quarterly National Accounts, National Statistics Institute ([INE](#))



Trend 1: Circular economy

The European Union has defined promotion of the circular economy as one of the focuses for the Community's strategy in the coming years. Since the middle of the second decade of the 21st century, the European Commission has been working to create an action framework to drive waste prevention and reuse.


[“Closing the loop: an EU action plan for the Circular Economy”](#) was approved in 2015. It outlines a series of measures affecting the entire product life cycle and defines five priority areas: plastics, food waste, critical raw materials, construction and demolition, and biomass and bio-based products.

In 2018, the Commission published a new set of initiatives within the ‘Close the loop’ action plan, notably the [European Strategy for Plastic in a Circular Economy](#), which aims to ensure the European economy for plastic is based on an eco-friendly design, reuse, repair and recycling, promoting a reduction in contamination caused by plastics.

As a continuation to these efforts, in 2020 a new [Action Plan on the Circular Economy](#) was announced as a part of the collection of political initiatives agreed in the [European Green Deal](#), with the goal of being climate-neutral by 2050. This set of measures includes initiatives defined for the entire product life cycle with a view to encouraging the circularity of the resources used and promoting sustainable consumption. It is based on four pillars: a predictable and simplified regulatory environment, speeding up access to finance, enhancing skills, and open trade for resilient supply chains.

The European Commission's new plan focuses on sectors that consume a higher number of resources and raw materials, such as the plastics, water and nutrients, and construction and building industries. These sectors consume a large proportion of products with a high degree of recyclability, meaning there is a large capacity margin for promoting the circular economy in their activities and the use of recycled materials. Thus, using a circular economy model in the value chain of businesses is key to achieving the necessary decarbonation objectives, so as not to exceed 1.5°C in 2050.

In Spain, the related strategy [“Circular Spain 2030”](#) sets out action guidelines for developing the newly proposed production and consumption model, in order to reduce waste generation as far as possible and increase usage efficiency for materials that are already in circulation. This strategy aligns with the road maps put forward by the European Union, together with the Green Deal and the goals set out in the United Nations' 2030 Agenda.


 Find out more about our contribution to the circular economy in the section titled [Circular economy](#).



Trend 2: Natural capital and biodiversity

Caring for our natural capital and protecting biodiversity has grown in importance in recent years, and it is expected to continue this way over the coming decade. In 2021, the [Task Force for Nature-related Financial Disclosures \(TNFD\)](#) was established to create a collaboration space and define the information requirements needed by financial institutions to assess the nature-related risks linked to their activity.

Furthermore, in Europe the EU [2030 Biodiversity Strategy](#) was drawn up, setting out a road map with the ultimate goal of restoring ecosystems. This action plan, which falls within the European Green Deal, establishes diverse preventive and mitigating measures, as well as the obligation to protect at least 30% of the land surface and marine area, respectively, via the EU's Nature Restoration Plan.

 Find out more about our contribution to natural capital in the section titled [Protecting biodiversity](#).



Trend 3: Climate change and new energy sources

The International Renewable Energy Agency highlights in its report named [“World Energy Transitions Outlook 2022. 1.5°C Pathway”](#) the need to drive an energy transition based on renewable energy in order to alleviate the worst impacts caused by climate change


The [Global Risk Report 2023](#) has identified the failure to mitigate and adapt to climate change, natural disasters and extreme climate events, and the loss of biodiversity and the collapse of ecosystems as the most severe risks seen in the current decade. Furthermore, for 2030 the natural resources crisis was also noted as a relevant threat, and it is connected to the expected prolongation of the energy crisis, which will continue to have a global impact in 2023.

The International Renewable Energy Agency highlights in its report “Global Energy Transitions Outlook 2022. Pathway to 1.5°C” the need to drive an energy transition based on renewable energy to mitigate the worst impacts caused by climate change. The Global Risk Report 2023 has identified failure to mitigate and adapt to climate change, natural disasters and extreme weather events, and biodiversity loss and ecosystem collapse as the most severe risks of the decade we live in. By 2030, the natural resource crisis has also been identified as a major threat, interconnected with the projected extension of the energy supply crisis that will continue to affect the world through 2023.

For these reasons, a multitude of resources are being allocated for research into new energy sources. The European Union continues to consolidate the [European Green Deal](#) (mentioned previously) by working to build a European climate road map as a response to the demands of the current context. In line with this premise, in February 2023, the European Commission presented the [Green Deal Industrial Plan](#), which is designed to improve the competitiveness of European industry with zero net emissions and to boost a swift transition to climate neutrality. The aim of this Plan is to create an environment that is more conducive to increasing the manufacturing capacity of the technologies and products with zero net emissions required to comply with ambitious European climate goals.

For this reason, many companies and institutions are working to obtain green hydrogen, which is extracted without generating pollutants, so it may be used as an alternative to fossil fuels. To do so, renewable energy must be used in the process of decomposing the water molecules present in oxygen and in hydrogen. However, this isn't the only essential step to obtaining energy: the stored hydrogen must be piped so it may be converted into an energy source, and this pipe network must ensure high safety levels to avoid potential leaks, given this chemical element's high flammability.

In 2020, the European Union published its Hydrogen Strategy, and in 2022 it announced the creation of the European Hydrogen Bank for 2023. To this end, there will be an investment of €3 billion with the aim of reducing member states' dependency on gas and oil, and building a hydrogen market where 10 million tons of renewable hydrogen are produced every year.

 Find out more about our contribution to decarbonation of the economy in the section titled [Climate strategy](#).



Trend 4: Promotion of innovation and digitalisation

The infrastructure, sewage and building industry is making great efforts to drive and develop innovation based on technological progress applied to the use of new materials in manufacturing processes.

The [Global Risk Report 2023](#) believes technological innovation will continue to increase this decade, offering solutions to crisis situations and collaborating in the fight against climate change and food safety.

However, the report also indicates that the swift advance in this area will cause inequality and new risks, leaving society unprotected against cyberattacks. Cybersecurity is recognised as one of the main challenges facing companies and the general population.

The rise of digital crime and cyber insecurity is expected to be one of the main threats in the coming years. Attacks on the infrastructure and resources technology depends on will increase, with attacks envisaged on food systems, water services, financial systems, and transport and energy infrastructure, among others.

In terms of digitalisation, the digital transformation is viewed as one of the pillars to the European economy's recovery following on from the social and economic impacts of the pandemic and the effects it continues to generate. To this end, in 2021 Europe's "[Path to the Digital Decade](#)" was published, outlining a series of goals to be achieved during the coming ten years. Furthermore, in Spain, the [2025 Spanish Digital Agenda](#) was laid out, comprising the SME Digitalisation Plan, the Public Administration Digitalisation Plan and the National Digital Competencies Plan to drive digitalisation of the Spanish administration and production framework, with an investment of more than €11 billion.



Find out more about our innovation management in the chapter titled [Innovation and the client as levers for action](#).



Trend 5: Driving diversity

To drive diversity in its member states and reduce gender inequality, the European Union has drawn up the [European Gender Equality Strategy 2020-2025](#). This plan, which includes goals and initiatives, seeks to promote gender equality at all levels of society, eliminate gender violence, reduce the salary gap and gender gap, and continue to make progress on the path to an Equal Union.

As part of this road map, binding measures on wage transparency have been published, alongside a new Directive proposal to combat violence against women and domestic violence throughout the European Union.

In Spain, companies with more than 50 employees must draw up an Equality Plan that considers a diagnosis of the situation, a defined strategy with set goals, measurable initiatives, and monitoring and assessment systems, in response to the expectations and requirements of all their stakeholders. Furthermore, a registry gathering the equality plans prepared must be established.

In addition, [Royal Decree 902/2020](#), on pay equality between men and women, reinforces the Spanish legal framework in terms of measures set out to drive equal treatment and no discrimination between genders in labour relations governed by the Workers' Statute Law, developing tools, such as a pay audit and pay register, that facilitate this analysis and the correction of any discriminatory conduct identified.

Gender equality in companies, a rejection of discrimination, and diversity drives are also promoted via codes of good governance, analysts and investors. The [CNMV's Code of Good Governance for Listed Companies](#) includes recommendations in matters of gender equality, while questionnaires given to international analysts and investors to complete go into the subject in more depth, assessing more specific assets such as anti-discrimination and anti-wage gap practices, among others.



Trend 6: Fight against social inequality

The [Global Risk Report 2023](#) believes the loss of social capital and the fracturing of communities is negatively affecting social stability.

The growing gap in social inequality is bringing about regulatory changes in education, employment and gender, among other areas, to alleviate its impacts and to establish action plans to address the challenges identified.

In 2020, the European Union enacted the [European Pillar of Social Rights](#), setting out an action plan with milestones for 2030, which are related to improving inequality in employment, education and poverty in its regions. Furthermore, the European Commission made it compulsory for companies to identify and prevent negative impacts to human rights that may arise in the development of their activity, encouraging progress towards achieving the Sustainable Development Goals of the United Nations' 2030 Agenda, after noting a slowdown as a result of the pandemic.

Nationally, [Spain 2050](#) was presented, laying out the goal to drastically reduce wage inequality and poverty, promoting equal opportunities to develop a model that encourages equality.

- + Find out more about our promotion of diversity and reduction in social inequality in the sections named [Diversity and inclusion and Respect for human rights](#).

4.3 - Our ESG management

Since the company was founded in 2006, sustainability has formed an inherent part of Molecor's DNA, since its products are designed to generate an environmental efficiency model. As we are aware of the company's key role in the transition to a low-carbon economy and in promoting a circular model, Molecor has opted to integrate environment, social and good governance (ESG) management within its business model.

- + Find out more about our sustainable products in the chapter titled [Protecting the natural environment](#).

Sustainability as the basis of our business model and impact on the United Nations' 2030 Agenda

GRI: 2-22

Through its **Quality, Environment and Prevention Policy**, the company is committed to working for sustainable development that generates value for all stakeholders, aligning our management strategies with the Sustainable Development Goals (SDGs) of the United Nations' 2030 Agenda, and making every resource available to achieve these.

Within the framework of this unrelenting commitment, in 2023 the company will draw up its **Sustainability Strategy** with the goal of focusing its activities on having a positive impact on society and the environment where we operate, addressing stakeholder expectations and the ESG challenges we are facing.

Furthermore, Molecor has assessed its priority SDGs in order to mobilise efforts, assess its impact and set specific goals. Thus, the company will transparently communicate its impact on the 2030 Agenda.

6 CLEAN WATER AND SANITATION



The company's activity is developed around two main axes: the development and manufacture of increasingly efficient production processes, and the manufacture of molecularly oriented PVC pipes and fittings, with the aim of building safer, more sustainable hydraulic networks that can supply everyone. Both its pipes and fittings are products with a long useful life, ensuring total quality of the water piped for different uses at all times. With these products, Molecor makes water an asset that can be accessed by many societies at risk of social exclusion.

The exclusive technology used in the PVC-O manufacturing process allows the company to offer a product with unbeatable physical and mechanical properties, which is also more accessible on the market.

Molecor contributes to economic and social development by promoting quality, safe and inclusive employment.

8 DECENT WORK AND ECONOMIC GROWTH



7 AFFORDABLE AND CLEAN ENERGY



13 CLIMATE ACTION



Molecor is firmly committed to responsible energy consumption and use due to its highly energy efficient production process, which doesn't consume fossil fuels, in addition to its recent increase in the percentage of energy used from renewable sources, which contributes to improved sustainability and a reduction in greenhouse gas emissions and, therefore, the fight against climate change.

Molecor is the world leader in molecularly oriented PVC, boasting its own patented technology and the ongoing inclusion of new, innovative products on the market.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



The company effectively helps to ensure its pipes and fittings enable the construction of sustainable environments, while they are also fully recyclable.

Molecor also contributes to SDG 12 by implementing an Integrated Management System for quality and the environment, in accordance with standards in force and other voluntary commitments. In doing so, it includes the circular economy concepts of eco-design and reuse in the company's operational nature, manufacturing products with an exclusive manufacturing system that fully optimises the use of natural resources while reducing energy consumption.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



14 LIFE BELOW WATER



15 LIFE ON LAND



In terms of SDGs 14 and 15, Molecor makes a significant contribution to the planet's sustainable development through all the impacts mentioned previously. Molecor is a responsible company that is committed to the environment. Proof of this lies in its implementation of Operation Clean Sweep and its contribution to correctly managing waste in the environment.

The company forms a part of various industry associations and volunteer programmes with the view to achieving the different goals of the United Nations' 2030 Agenda as efficiently as possible.

17 PARTNERSHIPS FOR THE GOALS



4.4 - Creating value with our stakeholders

GRI: 2-29

As part of the company's commitment to transparency and creating long-term value, Molecor identifies stakeholders and takes their opinions and concerns into account, all while encouraging dialogue and listening to each of them.

On the premise that identifying stakeholders is an ongoing process, Molecor's main stakeholders are its employees, shareholders and banks, its clients, its suppliers, the local/regional and central public administration, and local communities. The company will continue to examine this aspect in line with its Sustainability Strategy.

Stakeholders	Expectations	Communication channels	Action/Response
Employees	Professional development Good work and family life balance Remuneration in line with the market Diversity and inclusion management	Activities and workshops Consultation mechanisms and periodic communication Tool for measuring employees' commitment Annual Training Plan surveys	Talent retention initiatives Training courses Creation of an appropriate salary policy Promotion of an ethical, inclusive work environment
Shareholders and banks	Transparency and regulatory compliance Return on investment Sustainable strategy Direct contact with the shareholder	Meetings and video calls on the company's progress Personalised one-to-one meetings Promotion and participation in events	Code of Ethics (in progress) Contact via the website Quality, Environment and Prevention Policy Annual integrated reports
Society and local community	Creation of value and benefits Socially responsible investment	Communications with society and the media	Agreements with NGOs Social impact initiatives
Suppliers and other third parties	Transparency in business relations Long-term vision and security	Dialogue and openness in conversations Supplier selection processes Service provision assessments	Purchasing Policy Long-term contracts with suppliers Offer selection using transparent criteria ESG questionnaire
Clients	Product quality and safety	Trade fairs and events Dialogue and openness	Quality, Environment and Prevention Policy NPS ISO 9001 and 14001 certification Certifications in suitability for use with water for human consumption
Public administration	Transparency and regulatory compliance ESG impact	Meetings Dialogue and openness	Policies available Certifications and standards

4.5 - Partnerships and memberships for sustainability

17 PARTNERSHIPS FOR THE GOALS



GRI: 2-28

Molecor is a member of different national and international associations:



[TEPPFA](#) is the European Plastic Pipes and Fittings Association. Since 1991, when it was founded, it has been promoting the benefits of plastic pipe systems through robust factual data and representing the interests of the European plastic pipes and fittings industry before EU decision makers.

TEPPFA members, like Molecor, are committed to maintaining the usefulness of plastic pipe products and materials, thus contributing to an economy that is regenerative by nature and by design.

Founded in 1971 as a not-for-profit organisation, [Uni-Bell PVC Pipe Association](#) is the authorised source of information on PVC pipes in the United States.



Uni-Bell provides users with information on the design and use of PVC pipe joint systems.



[VinylPlus](#) is the next voluntary 10-Year Commitment of the European PVC industry, which is supported by the successes seen with the Vinyl 2010 programme, making progress in tackling new challenges for PVC and in establishing a long-term operational framework to ensure the ongoing sustainable development of the PVC value chain.

The programme includes the 27 member states of the European Community, in addition to Norway and Switzerland.

[ANAIP](#), founded in 1957, this association represents and brings together the Spanish plastic transformation industry through industry forums. ANAIP drives the plastic industry's progress by promoting quality and innovation.



[Amec](#) is a private business association with 40 years of experience in driving exports. Its aim is to drive the internationalisation of its member companies by representing their sectors and enhancing their innovation and competitiveness.

It has been recognised by official bodies, entities and institutions, both Spanish and international. Amec brings together 11 sectors with an international, innovative outlook.

[Tramaplast](#) is the inter-regional association for plastic moulding companies in the communities of Madrid, Castile-La Mancha and Castile-León in Spain.

TRAMAPLAST aims to be the representative body for the industry's interests in its territorial scope before all public and private institutions, and to offer business owners the support and assistance required in their management tasks.



The Spanish Association of Water Supply and Sanitation (Asociación Española de Abastecimientos de Agua y Saneamiento), [Aeas](#), is a professional not-for-profit association that promotes and develops the scientific, technical, administrative and legal aspects of urban water supply and sanitation services.

At present, it has 330 members, including Molecor, and the operating entities within the association offer service to more than 35 million inhabitants in more than 1,700 Spanish municipal areas.

The [Asociación Española de Riegos y Drenajes](#) (Asociación Española de Riegos y Drenajes - AERYD) is a private not-for-profit institution that was founded in 1985, in line with the Cultural Associations Law 191/1964, of 24 December, and Decree 1440/1965, of 20 May.

Molecor is a member of this association and works on the different promotion and training activities on molecularly oriented PVC pipes.



[PVC4Pipes](#) is the European Council of Vinyl Manufacturers' value chain platform to communicate about the use of PVC in pipe systems in the global market. Its mission is to promote the acceptance and utilisation of PVC in pipe systems through scientific and technical projects, appropriate standardisation, and communication activities.

[ENVALORA](#) is a Collective System for Extended Producer Responsibility (SCRAP) for industrial and commercial packaging in which the chemical, plastics, rubber and construction industries join forces, knowledge and manpower to facilitate legal compliance and offer innovative solutions to packaging companies. It aims to organise and finance management of industrial and commercial packaging under the premise of driving circularity and recycling with maximum efficiency.



Founded in July 1999, the [Fundación Adecco](#) is the result of the corporate social responsibility endeavours of the Adecco Group as a world leader in human resource management. Its main goal is to help people with more difficulties access the job market. This includes disabled people, people over 45 years old and suffering long-term unemployment, women with unshared family responsibilities, victims of gender violence, and other groups at risk of social exclusion.

CRE100DO is a foundation that seeks to develop a reference framework for business growth that will benefit the country, strengthening the Spanish production model's added value and encouraging progress towards an ecosystem of more innovative, more competitive, internationalised companies.

In addition, Molecor also works with some of the most relevant component and raw material companies in the plastics industry as technological partners.



Inovyn is a world-leading producer of innovative plastics that meet society's environmental needs and exceed sustainability, durability, chemical and thermal resistance, climate conditions and transparency standards.

This is an internationally renowned manufacturer of additives that are used to manufacture end products. It has a standard range, as well as a range that can be adapted to client needs in accordance with rheological properties, dynamic and static stability, and colour, among other aspects.



Battenfeld-cincinnati is an industry-leading manufacturer of extruders that can respond to the growing demand for efficient, high-performance machinery in different international markets.

It has three main divisions that allow it to address different extrusion solutions in the construction (profiles), infrastructure (pipes) and packaging sectors. Their work is all based on the main competencies in order to offer product knowledge.

In the plastics industry they are specialists in size-reduction technology, offering a wide selection of machinery and full plants for reducing the size of and processing plastic materials.

Its strength lies in its experience and desire to innovate, which enables the company to pinpoint solutions to the issues experienced by clients, as a supplier of full systems, and adapt them as required.



- + Find out more about our sponsorships and donations in the chapter titled **Committed to developing our communities.**

4.6 - Main awards and accreditations

Throughout its history, Molecor has received different awards and prizes that have significantly helped us to consolidate our position as a technological company and a leader in water transport solutions in their different uses of infrastructure, building and sewerage.

INOVYN Awards 2022. Value to Society. This awards ceremony takes place every three years and recognises innovative projects. 130 projects from 24 countries and 3 continents took part in the INOVYN Awards 2022.

The judges, who were independent experts from across the industry, were looking for excellence in innovation in four categories: Responsible Care, Carbon Neutrality, Circularity and Value to Society, Innovation and Design.

In 2022, Molecor took home the INOVYN Silver Award - Value to Society, within the New Processing Technologies for the development of the PVC-O TOM pipe in DN1200 mm, with which new possibilities have been opened up to the market when it comes to supplying population centres and pumping to tanks and reservoirs in a ground-breaking way that is both sustainable and environmentally friendly.

With this new diameter, Molecor continues to be the first company in the world to manufacture large-diameter PVC-O pipes. This means it can offer the largest product range available on the market at present.

The Centre for the Development of Industrial Technology (Centro para el Desarrollo Tecnológico Industrial - CDTI) is a public business entity that reports to the Ministry of Economy and Competitiveness and promotes innovation and technological development in Spanish companies.

Since it was founded in 2006, Molecor has been recognised as an innovative company by the CDTI.

The National Innovation Company (Empresa Nacional de Innovación - ENISA) is a publicly owned entity that reports to the Ministry of Industry, Energy and Tourism. Since it was founded in 1982, ENISA has focused its activity on providing small and medium enterprises and young entrepreneurs with financial instruments that allow them to improve their structures and develop projects.

From the outset, the Molecor project has been recognised and supported by this institution.

The European Regional Development Fund (ERDF) is a European Commission financial instrument that aims to help the economic development of deprived areas in the European Union.

Molecor has an initiative that is co-funded by the ERDF through the intermediate body ENISA, within the framework of the Technology Fund Operational Programme (Programa Operativo Fondo Tecnológico).

The Aid Programme for Reindustrialisation Actions is a regional aid programme that aims for sustainable development of the area by regenerating and/or creating industrial fabric.

Molecor has received funding from the Ministry of Industry, within the Reindustrialisation and Promotion of Industrial Competitiveness Programme in the years 2014, 2015, 2016 and 2017, with a view to expanding production capacity at the PVC-O pipe factory and adapting the Loeches factory's buildings and access points. Some of the projects financed were lines L4, L5, L6, L7 and L8, moulds and tools, the mixing facility, the industrial premises building, new silos, an extension to the mill and concentration facility, and an extension to our storage areas.

The CaixaBank Emprendedor XXI Award is the largest financial prize for business owners in Spain. Its goal is to recognise the most innovative companies, aged between two and seven years old, showcasing the contribution they make to solutions that are profitable and sustainable for society.

Molecor received the Emprendedor XXI Award, establishing itself as a three-year-old Spanish company with the greatest potential for growth.

The CEPYME Awards, organised by the Spanish Confederation of Small and Medium-Sized Enterprises (Confederación Española de la Pequeña y Mediana Empresa) and the Spanish Federation of the Self-Employed (Federación Española de Autónomos - CEAT), aim to recognise and publicise the work of small and medium-sized enterprises, as well as the self-employed, highlighting their performance at the service of society in Spain and abroad, and the starring role they have as the economy's motor and pulse.

Molecor received the "SME of the Year" Award at the 2nd edition of the CEPYME Awards for the value of its activity in the social and economic development of the areas in which it operates.

1 Main figures

2 A chat with
the CEO

3 Our business
model

4 Sustainability as
a key part of our
business

**5 Our exemplary
management**

6 Innovation and
the client as
levers for action

7 Our talented
staff

8 Committed to
developing our
communities

9 Protecting
the natural
environment

10 Appendices

5 Our exemplary management

5. Our exemplary management

5.1 - Structure and corporate governance



GRI: 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16- 2-17, 2-18, 2-19, 2-20, 2-21, 2-23, 3-3.

Molecor's corporate governance practices are based on the recommendations set out in the CNMV's (National Securities Market Commission) Code of Good Governance for Listed Companies, applying the highest standards in this area to construct a robust business model and maintain healthy communication with stakeholders.

In order to develop all the corporate activities necessary to achieve the company's corporate purposes, Molecor has a corporate structure and extensive regulatory framework that sets out the basis for business growth.

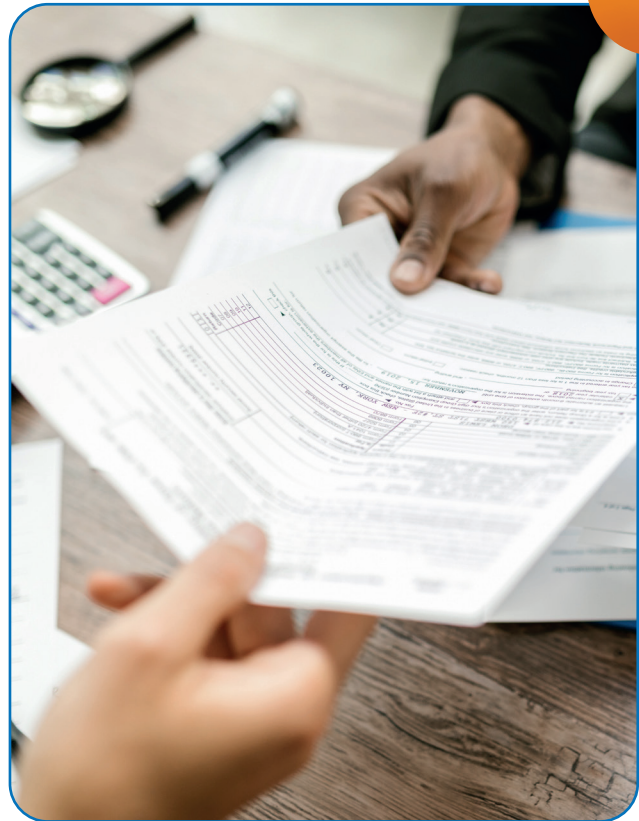
Empresa	País	Participación	Tipo de actividad
Molecor Tecnología, S.L	Spain	Matriz	Industrial
Molecor Canalizaciones, S.L.	Spain	100%	Industrial
Molecor Maroc, SARL	Morocco	100%	Sales
Molecor SEA	Malaysia	75%	Industrial
Molecor France	France	100%	Sales
Molecor Paraguay, SRL	Paraguay	100%	Sales
Molecor Perú, SAC	Peru	100%	Sales
Molecor PTY LTD	South Africa	50%	Industrial
Consortio Molecor-Titán	Paraguay	60%	Industrial
Molecor SA	South Africa	100%	Sales

Regulatory framework

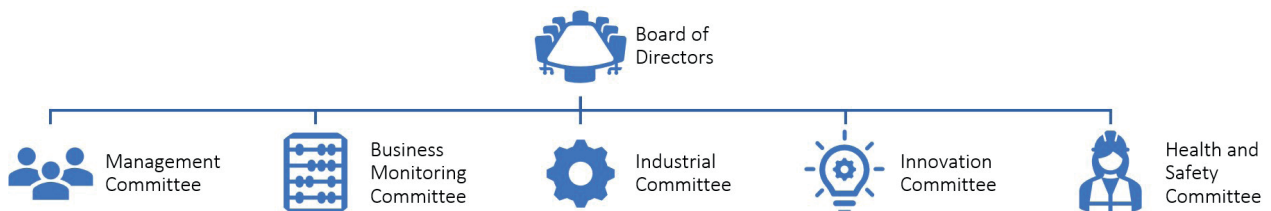
- Legislation in force
- Company's articles of association

Corporate policies

- Quality, Environment and Prevention Policy
- Internet Access and Usage, Corporate Email, and IT Resource Control Procedure Policy
- Molecor Tecnología Data Protection Policy and Molecor Canalizaciones Privacy Policy
- Equal Treatment Between Men and Women and Equal Treatment and Opportunities Policy
- Hiring Protocol
- Data Protection Policy



5.1.1 - Governing bodies



Promoting good governance in the coordination of our governing bodies

Molecor's committees are based on respect for transparency, independence, diversity and the experience of our professionals.

Board of Directors

Molecor's Board of Directors is the highest control and decision-making body at the company. Its functions include: supervising, managing and representing the company, overseeing the different committees, taking relevant strategic decisions, preparing the financial statements, and approving budgets, among other things.

The company's Board of Directors has six members who are appointed based on their professional experience. It meets at least once a quarter.

Board of Directors competencies and experience

Board of Directors	Ignacio Muñoz de Juan	Ramón Núñez Cabezón	Luis Parras Ruiz de Azúa	Roberto Chollet de Armas	Andrés Peláez Collado	José Manuel Romero Serrano
Date appointed	Founding partner	06/08/2020	06/08/2020	06/08/2020	30/11/2021	Founding partner
Type of director	President/Executive	Nominee	Nominee	Nominee	Nominee	Executive
Committees they sit on	Board of Directors and Management Committee	Board of Directors	Board of Directors	Board of Directors	Board of Directors	Board of Directors and Management Committee
Skills and competencies	Extensive experience in the industrial sector and expert in R&D, international trade and strategic partnerships	Extensive experience in the financial sector and expert in M&A.	Extensive experience in the financial sector and expert in M&A.	Extensive experience in the financial sector and expert in M&A.	Extensive experience in the financial sector and expert in M&A.	Extensive experience in the industrial sector and expert in financial management and HR.
Additional observations		Representing the company LOFTUS, S.L.U.	Representing the company LAUREL ADVISORS, S.L.	Representing the company EISLEBEN SLU	Representing the company WHITLEY, S.L.	

Strengthening ESG disclosure

The Board of Directors receives information on the ESG matters Molecor deems essential to the development of its corporate operations.

Management Committee

The Management Committee is responsible for drawing up annual budgets and the Strategic Plan, which are then approved by the Board of Directors. Every month, the Management Committee will analyse the company's progress and will be responsible for making the most important decisions regarding budget compliance (investments, procurement, etc.), market and skills analyses, updates to laws and regulations that affect the business, among others. Lastly, the Management Committee helps to define the mission, purpose, values, strategies and ESG goals.

This governing body meets monthly and has nine members: the CFO and Area Directors appointed based on their professional experience, progress within the company, and industry knowledge.

Molecor assesses the performance of its Management Committee members by setting annual goals aligned with its corporate strategic lines. In detail, these goals translate to individual goals for the members of this body, which are also transferred to the rest of the organisation.

Recognising the importance of ESG responsibility

The company has assigned ESG responsibility at executive level to a member of the Management Committee and has developed different sustainability training sessions for its members.

Management Committee remuneration

The remuneration paid to members of the Management Committee is agreed and approved by the CEO and the People Area Director, based on the relevance of the department, the member's qualities, and market salaries. Furthermore, they receive variable remuneration of 30%, based on compliance with the goals set in line with the corporate strategy. In addition, they receive in-kind benefits as well as their set remuneration.

Other governing bodies

Governing Body	Composition	Meeting Frequency	Main Duties
Business Monitoring Committee	<ul style="list-style-type: none"> • CEO (optional) • Business Operations Director • Sales Director • Industrial Director • Supply Chain Director • Financial Director • Quality Director • Business unit managers • Sales, Infrastructure and Building managers 	Monthly	<ul style="list-style-type: none"> • Reviews business lines and international subsidiaries • Monitors production • Plans production • Monitors management systems • Reviews the management system assessment • Scorecard for goal compliance indicators • After-sales incidents • Certifications
Health and Safety Committee	<ul style="list-style-type: none"> • Prevention Officer • Management representatives • Employee representatives 	Quarterly	<ul style="list-style-type: none"> • Implements and monitors Prevention Plan and prevention activities
Innovation Committee	<ul style="list-style-type: none"> • CEO (optional) • Sales Director • Sales, Building and Infrastructure managers • Building and Infrastructure business unit managers 	Bi-monthly	<ul style="list-style-type: none"> • Defines innovation strategies (which projects to back) • Alignment between detected market needs (thanks to sales team) and potential technical solutions • Monitors actions and projects in progress

5.1.2 - Functional organisational chart



5.1.3 - Governing sustainability

The Management Committee is ultimately responsible for managing sustainability, supported by the Corporate Social Responsibility (CSR) Department, which is charged with driving and enhancing the company's ESG performance in the development of its corporate operations.

More specifically, the CSR Department leads the non-financial information preparation process, with the support of all other business units. Furthermore, the Board of Directors is also involved in this process, approving the final assessment of sustainability information.

In addition, the Board of Directors analyses and assesses ESG matters using a business development approach, reflecting the inclusion of sustainability in the corporate strategy. In 2023, the frequency with which ESG matters are to be reviewed will be determined.

Delegation of authority

Molecor manages the delegation of authority through the company's organisational chart. The Board of Directors sets its strategic lines, delegating their compliance to the CEO and the Management Committee. Specifically, the Management Committee will roll out the goals to the rest of the organisation.

In terms of ESG, the Board of Directors sets economic and financial guidelines and conveys these to Financial Management so they may be implemented. To complement this work, environmental proposals emerge across the organisation and are managed at Group level by the Quality and Environment Department. Furthermore, corporate guidelines are coordinated by the HR Department.

5.2 - Risk management



GRI: 2-25, 201-2, 3-3

Identifying, assessing and mitigating risks allows Molecor to improve its potential response to risks and to develop management systems with a proactive and preventive approach.

At Molecor, our risk prevention culture and focus is managed through different internal management tools and systems based on national and international reference frameworks. Moreover, the company drives supervision and monitoring measures that enable it to mitigate risks. Senior management ultimately supervises risks.

Molecor will develop a design process for the company's ESG risk map in order to respond to the external context and the challenges posed by business growth and development.

Major risk categories

Strategic risks

Financial risks

Compliance risks

Operational risks

Environmental risks

Labour risks

Nature of the risks	Mitigation plan or remedial measures
Strategic risks	
Socio-political and safety conditions in target countries	The company designs a permanent growth strategy based on market diversification, leveraged by technological and market knowledge, cooperation, and improving internal processes and its production line.
The cost of acquiring raw materials, including resin, promotes its responsible, minimised consumption.	The risk of price increases for strategic raw materials is mitigated with a broad pool of suppliers that includes imports from regions where the price is lower at any given time (USA, Asia, etc.). Molecor has an integrated Quality, Environment and Prevention Policy that sets out its commitment to protecting the environment, applying the principles of the circular economy, and responsibly using resources. In this regard, Molecor is working to develop initiatives that consider waste production and management in its operations, conveying these values to its workforce, partners or suppliers, and clients.
Rising transport prices	To optimise the price of transport, a pool of freight forwarders (exports) and transport agencies (Spain, Portugal and France) is maintained and they are asked for quotes for each operation. Furthermore, to complete transport, we combine orders for different materials, centres and clients such that high occupancy is achieved without affecting the delivery time frame.
Infectious diseases, health crises and, in particular, the recent COVID-19 pandemic, both locally and globally, that still presents a situation of uncertainty.	An action plan related to coronavirus SARS-CoV-2 (Coronavirus Plan) was rolled out and it includes a set of general, organisational, collective and individual protection measures. The plan helps to minimise the risk of contagion.
Financial risks	
Increase in interest rates	The company has acquired financial hedging instruments, such as interest rate swaps that set an interest rate cap, notably reducing its exposure to interest rate increases.
Currency fluctuations	Molecor holds negotiations to issue its invoices in local currency and not in foreign currency.
Compliance risks	
Cybersecurity attacks and security breaches	The company has launched the Security Master Plan and uses firewalls and antivirus software that help to mitigate its exposure to attack, in addition to XDR to analyse threats and detect them early.
Bribery risks and anti-corruption	To manage potential risks in this area, the company is currently developing a compliance programme that will be implemented in 2023.
Labour risks	
Labour risks associated with job posts and work centres	<p>Molecor has formally hired an external prevention service comprising technicians who have the training required by national law, covering the four disciplines:</p> <ul style="list-style-type: none"> • Safety • Hygiene • Health monitoring • Ergonomics and psychosociology <p>Each year within the framework of services and intervention, the corresponding labour risk assessments and hygiene studies are carried out by job post and per work centre, and these are duly documented in their corresponding reports and distributed among those involved.</p> <p>Furthermore, the company has internal staff members at each factory who manage occupational hazard prevention (OHP) coordination duties, as well as an OHP Department manager</p>

Nature of the risks	Mitigation plan or remedial measures
Operational risks	
<p>On an annual basis, each organisational unit and/or area involved performs a reflection and identifies the main risks related to the processes and activities that fall within each of them, creating a collective repository in the Process Risks Matrix where they propose action plans for all risks with a value greater than the critical limit.</p>	<p>Operational risks linked to production process operations are mainly considered in the standardised quality management system in line with the UNE-EN ISO 9001:2015 Standard and certified by the external entity AENOR.</p>
<p>Regulatory changes for transport at borders, local product protectionism, the stoppage of capital equipment investments on a global scale, or the high cost of innovations.</p>	<p>These risks are managed by certifying products with different bodies to demonstrate their regulatory compliance and use of the same.</p>
Environmental risks	
<p>Breach of environmental legislation applicable to each production centre</p>	<p>The company has developed and rolled out an environmental management system according to the internationally renowned UNE-EN ISO 14001:2015 Standard, which is certified by the external entity AENOR, for its plants in Spain. In its centres abroad, a basic operational control has been introduced.</p>
<p>Adaptation to new legal requirements in Spain and in Europe in matters of waste and extended producer responsibility (ERP), potable water, microplastics, and other environmental issues.</p>	<p>Molecor has rolled out actions to monitor the development of legislation up to its official publication, such as the SCRAP for industrial and commercial waste, in order to stay ahead of its obligations when they are official published. Furthermore, it has joined voluntary frameworks like Operation Clean Sweep (OCS) to demonstrate its commitment to zero involuntary pellet losses.</p>
<p>Societal misinformation and negative perception of the industry and PVC manufacturers</p>	<p>To combat misinformation, the company takes part in technical forums and undertakes advocacy tasks through its direct involvement in associations. Furthermore, the company carries out studies and obtains certifications that prove the environmental impact of its products with scientific evidence.</p>

A snapshot of the key ESG risks

In accordance with the Global Risk Report 2023 by the World Economic Forum (WEF), events related to climate change and cybersecurity failures are among the most critical global risks on a timescale of the next 0-5 years.

In this regard, and in order to align with the goals set by the European Green Deal of achieving climate neutrality by 2050, Molecor is firmly committed to expanding its contribution to the fight against climate change, which it is doing by making progress towards achieving the goals set out in its decarbonation plan.

These will be reinforced when it draws up and publishes its Strategic Sustainability Plan in 2023. Additionally, all initiatives that the company rolls out regarding the circular economy, as well as product sustainability, directly help to reduce CO2 emissions and, therefore, decarbonation of the economy.

Moreover, risks related to the materialisation of cyberattacks or security breaches at the company are mainly connected to the evolution of malware, data threats, email attacks, system availability and integrity threats, and supply chain threats. To this end, the company has implemented the necessary mechanisms to ensure these threats are correctly mitigated.

5.3 - Ethical behaviour and compliance



GRI: 2-23, 2-24, 2-25, 2-26, 2-27, 406-1

Integrity, transparency, compliance and ethics are the principles governing the development of Molecor's activity. At present, the company's Code of Ethics and Conduct is being drawn up to ensure that all guideline systems, corporate policies and internal protocols are considered and based on the highest standards.

Through its Code of Ethics and Conduct, the company will demonstrate its commitment to ensuring regulatory compliance, the fight against corruption and money laundering, protecting the environment, sustainability, and health and safety.

Developing this Code of Ethics and Conduct is a step further in the organisation's commitment to ethics and compliance, which have presided over its corporate culture since the day it was founded. In this same vein, Molecor has started to introduce a compliance programme, which will be developed over the course of 2023.

Whistleblowing channel

The company has a 24-hour whistleblowing channel that can be used to report and control behaviour and actions that do not comply with corporate values and guidelines. Although this channel is currently managed internally via a specific email address, the company will assess the introduction of an external management system as part of its compliance programme, extending this to all countries where the company operates.

In 2022, Molecor did not receive any reports or complaints in this matter.



Corporate policies

Policies	Measures and actions
Quality, Environment and Prevention Policy	<ul style="list-style-type: none"> Understand our customers' needs, requirements and expectations to ensure their full satisfaction. Guarantee compliance with the legal requirements, standards and any other voluntary requirement that Molecor identifies with customers and end users of products. Drive continuous improvement, ensuring the company's future and development by strengthening the processes identified and managing risk. Actively commit to protecting the environment and preventing pollution through sustainable production and use of resources. Achieve the highest level of personal integrity by identifying and minimising risks in all of its activities and preventing occupational accidents and diseases in the work environment. Work to ensure sustainable development, creating value for all company stakeholders, aligning our management strategies with the Sustainable Development Goals (SDGs) of the United Nations' 2030 Agenda.
Internet Access and Usage, Corporate Email, and IT Resource Control Procedure Policy	<ul style="list-style-type: none"> Establish guidelines on the use of information technology.
Molecor Tecnología Data Protection Policy and Molecor Canalizaciones Privacy Policy	<ul style="list-style-type: none"> This policy establishes the protocols to gather, use, disclose and manage client data. It is currently undergoing a unification process.

In 2023, the company will set out its Purchasing Policy, which will include ESG criteria, align with legislation in force and promote best practices in this area.

5.4 - Our fiscal approach



GRI: 3-3, 207-1

Molecor ensures it complies with applicable tax regulations in all areas where it operates, and it oversees things to guarantee appropriate coordination of fiscal practices. Thus, the company applies the highest tax standards, focusing on the principles of legality, transparency and responsibility. The new compliance programme being developed by the company will ensure these principles are applied and will avoid potential risks during operations.

The company's Finance Department is responsible for controlling corporate tax matters, for which reason it identifies and analyses tax requirements and risks.

Operating profit/loss by market

	Unit	2021	2022
Total	€	3,166,397	14,838,890
Spain	€	2,579,854	14,824,919
South Africa	€	-308	158,384
Paraguay	€	88,830	115,904
Morocco	€	343,250	173,849
France	€	59,946	-40,220
Peru	€	94,825	166,012
Malaysia	€	0	-559,958

Tax indicators by market

	Unit	2021	2022
Spain	€	467,946	1,840,442
South Africa	€	0	0
Paraguay	€	4,804	62,846
Morocco	€	34,418	141,820
France	€	0	34,846
Peru	€	0	0
Malaysia	€	0	0
Tax on profits paid (TOTAL)	€	507,168	2,079,955

Subsidies received in 2022

Year	Body	Description	Amount
2022	CAM Education and Universities Department	Industrial doctoral fellowship	€17,500.00
2022	Ministry for Industry, Trade and Tourism General Secretariat of Industry	Electro-intensive consumer	€45,041.70
2022	EUIPO - European Union Intellectual Property Office SME Fund 2022 "Ideas powered for business"	Patent protection	€637.50
Total			€63,179.20

5.5 - Respect for human rights



GRI: 2-23, 2-24, 2-25, 2-26, 2-27, 406-1

Molecor defends and respects human rights by promoting their protection while developing its corporate operations. In 2022, the company continued to drive achievement of the Sustainable Development Goals (SDGs) in accordance with its commitment, as outlined in the **Corporate Quality, Environment and Health and Safety Policy**, to work to ensure sustainable development by creating value for all stakeholders and aligning corporate management strategies with these goals.

Molecor applies the highest international standards and agreements to the protection of human rights. Thus, it applies the Universal Declaration of Human Rights when developing its business and its operations follow the main principles of the International Labour Organisation:



Collective bargaining



Condemnation and elimination of forced and child labour



Freedom of association



Discrimination in employment and occupation, among other areas.

We're going a step further

Molecor is improving one of the aspects in the agreements it has signed. Molecor Canalizaciones has adhesion deals with the chemical agreement, while Molecor Tecnología has its wage tables higher than those detailed in the plastic moulding agreement.

In 2023, the company will join the Spanish Network of the Global Compact in order to materialise its commitment to actively contribute to the Ten Universal Principles on human rights, labour standards, the environment and the fight against corruption, as well as the United Nations' 2030 Agenda.

Complaints or reports		Unit	2021	2022
Total complaints related to human rights breaches	Complaints received from third parties and verified by the organisation	No.	0	0
	Regulatory authority complaints	No.	0	0

Respect for human rights in our supply chain

The company manages respect for human rights through its **Corporate Quality, Environment and Health and Safety Policy**. This policy aims to achieve the highest level of personal integrity by identifying and minimising risks in all of its activities.

The company will also extend respect for human rights to its supply chain thanks to its **Purchasing Policy**, which is currently being drawn up. As part of its efforts to strengthen its supplier assessment criteria, in 2022 Molecor defined an ESG performance assessment for its supply chain, in which respect for human rights is one of the main points up for evaluation. The company will analyse the results of the questionnaire when establishing trade relations.

Find out more about our supplier management approach in the section titled [Our responsible supply chain](#).

5.6 - Our responsible supply chain



GRI: 2-6, 2-8, 201-1, 204-1, 308-1, 414-1, 412-3

Suppliers are partners in Molecor's bid to aid the fight against climate change and promote the circular economy. Therefore, they are a key component in the company's daily operations and value chain.

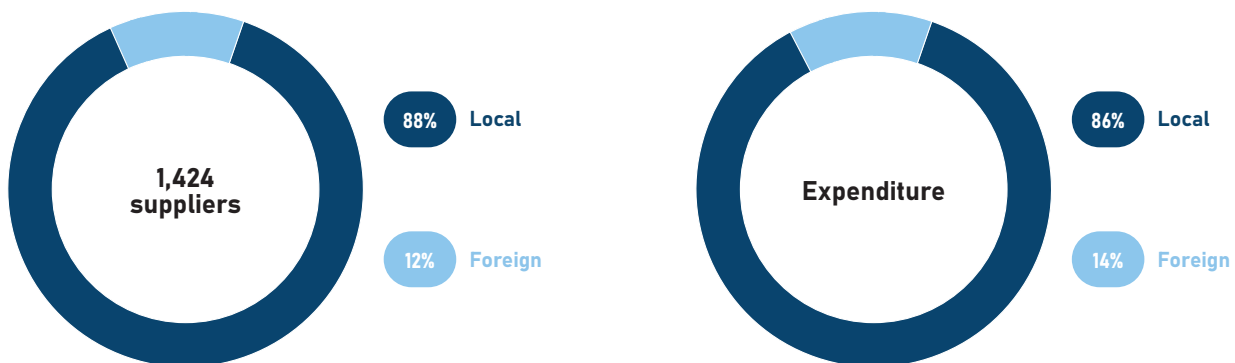
Molecor Tecnología offers its suppliers the **Environmental Guide for Suppliers and Subcontractors**, which serves as a basis for communication of the Environmental Management System, aimed at setting out the minimum requirements expected of its suppliers' environmental performance. Molecor Canalizaciones is drawing up the Guide. Furthermore, to maximise its impact throughout the supply chain, the company is working to define a **Purchasing Policy**, which will establish the company's commitments regarding supplier management and consider ESG criteria. The Strategic Plan to be developed in 2023 will include implementing sustainable management in the supply chain, establishing the new Code of Conduct, supplier assessment and approval methodology in accordance with ESG criteria, and setting out channels for communication with suppliers.

In 2022, Molecor Tecnología and Molecor Canalizaciones partially merged their purchasing processes. This merger process will be completed in the second half of 2023 thanks to unification of the Enterprise Resource Planning (ERP) management system. SAP will be the new ERP system used by the company, which is currently in the midst of identifying each department's specific needs so they may be entered on SAP, together with training activities to provide knowledge on how to manage and use this new tool. Thanks to this, by the end of 2023 the company will have a single Purchasing Department and will merge transport to optimise loads and secure environmental improvements.

No supplier audits were carried out in 2022.

2022 supplier management in numbers²

More than €137,371,000 spent on suppliers



² Molecor views local as domestic

At present, Molecor has a general procedure for managing and awarding purchases and it has three management levels: purchase management, supply management, and management of the corresponding payments.

Purchases with a direct awarding process must have at least three offers, unless there is a justified reason, and the reasons for the award decision will be explained. Regarding exclusions from the process, there is a series of purchases that may be excluded from the process:

- Computer equipment and services, software, hardware, landlines and mobile lines, network cabling and, in general, all components that can be connected to the corporate network.
- Staff recruitment through an employment agency, training and selection.
- General services.

In addition, the assessment protocols of each organisation continued to be applied to supplier assessments in 2022. On the one hand, Molecor Canalizaciones analyses and selects potential suppliers, assessing them based on diverse criteria, such as national, regional and provincial coverage; service provision and/or delivery time frames; incident rate, and more. Note that this procedure holds the ISO 9001 and ISO 14001 certification. In addition, Molecor Tecnología carries out this assessment via an automated process that analyses compliance with product quality, service quality, price and environmental performance criteria.

What does each of them involve?

ISO 9001 This is the international standard for quality management systems.

ISO 14001 This allows companies to demonstrate their commitment to protecting the environment through management of the environmental aspects associated with the activity they develop.

We launched an ESG questionnaire for suppliers

Molecor has introduced a system to measure the ESG performance of its suppliers via a questionnaire that will assess its suppliers' and contractors' sustainability contribution. The company will continue to implement further measures to encourage sustainability throughout its supply chain based on the results of the questionnaire, which was launched at the end of 2022.

Furthermore, this questionnaire's criteria will be included in the Purchasing Policy Molecor is currently preparing.

In 2022, the company has worked to define its new supplier assessment processes in specific consideration of environmental, social and good governance (ESG) criteria, which enable a supplier's performance to be assessed in terms of transparency, the environment, health and safety, ability to boost the local economy, human and labour rights, and its corporate governance and social contribution, among others.

Through this assessment, the company will develop a record of suppliers that will serve as a validation tool when hiring and assessing suppliers. This system will allow the company to:



Develop ongoing supplier performance assessment and monitoring processes.



Enhance relationships with its suppliers.



Align the company's ESG needs and expectations with those of its suppliers.

This first questionnaire was sent to approximately 70% of Molecor's suppliers according to purchase volume of each category set by the company, such as auxiliary material transport, maintenance, etc.

Supplier health and safety

GRI: 403-2, 403-8, 403-9, 403-10

The company's commitment to health and safety extends to all companies that form a part of its value chain. Furthermore, when contracts are signed, Good Environmental Practices Guides and, where necessary, the Occupational Hazard Prevention Activities Coordination Document are provided, and the supplier must understand these in order to be included in the group of approved suppliers.

Injuries due to occupational accident in 2022 (suppliers and contractors)

2022	Men	Women	Total
No. of deaths resulting from an occupational disease or health issue	0	0	0
No. of cases of recordable occupational diseases or health issues	0	0	0
No. of recordable injuries caused due to occupational accident	12	0	12
Recordable Rate of Injuries due to Occupational Accidents ³	16.35	0	14.09



³ The recordable rate of injuries due to occupational accidents corresponds to the number of recordable occupational accidents divided by the number of hours worked per million.

1 Main figures

2 A chat with
the CEO

3 Our business
model

4 Sustainability as
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5 Our exemplary
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**6 Innovation and
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staff

8 Committed to
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communities

9 Protecting
the natural
environment

10 Appendices

6 Innovation and the client as levers for action

6. Innovation and the client as levers for action

6.1 - Client experience, health and safety



GRI: 417-1

For Molecor, the experience enjoyed by its clients is one of the key pillars in the company's corporate strategy. Thus, the company strives to encourage client loyalty through a robust, quality range of products with the aim of providing value and driving innovation in the infrastructure, sanitation and building industry.

As a leading company in the pipe industry, Molecor markets solutions based on innovation and technological development, in line with the highest international product quality and safety standards.

Additionally, Molecor drives compliance with quality and safety standards for projects that do not hold these certifications, offering its support during the standardisation process and encouraging the inclusion of matters that ensure its compliance with the regulations applicable in each country it operates in.

Molecor's offerings are comprised of different services, which include:

- ▶ Proposing appropriate solutions during the specification phase
- ▶ Studying changes and improvements to the project based on the work's conditions
- ▶ Offering technical advice at all phases of installation and start-up

Customer service and satisfaction

Molecor focuses its efforts on fulfilling its clients' expectations and improving its range of products and services by including these matters in the development of its operations. To this end, it has a Sales Department responsible for promoting its products, their sale and offering technical assistance to clients.

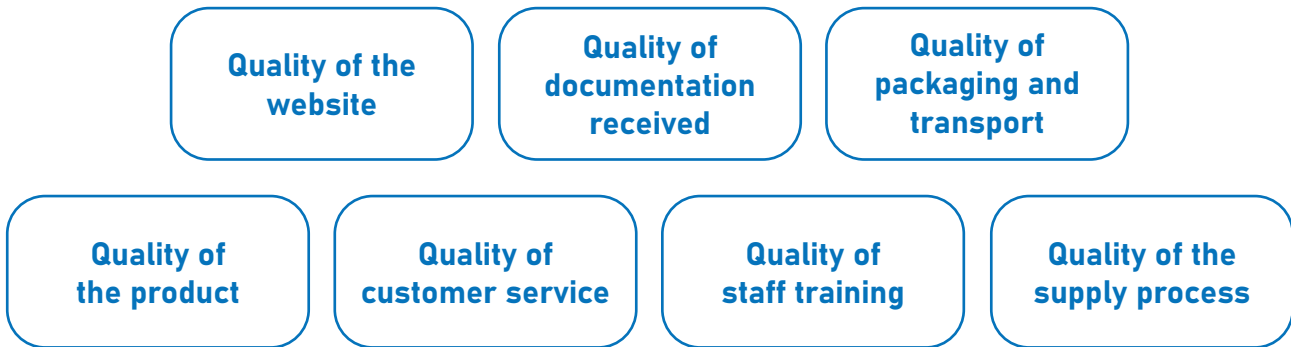
Furthermore, customer service and satisfaction forms a part of Molecor's strategy, which is based on three lines of action:

Product	<ul style="list-style-type: none"> • Innovation integrated within the product design. • Products, services and tools for the infrastructure, pipe and building industry. • Specialisation in molecularly oriented PVC
Professionals	<ul style="list-style-type: none"> • Extensive knowledge and experience in hydraulic infrastructure and construction.
Listening to the client	<ul style="list-style-type: none"> • Assistance tailored to client requirements and queries at all stages of the construction project. • Ongoing assistance and monitoring after installation projects. • Facility analysis and detailed studies carried out on the operational nature and behaviour of the components installed.

A close relationship with clients is key to Molecor. In this regard, the company has established clear, transparent communication related to satisfaction with its products and services as a core tool in ensuring they meet expectations.

Molecor Canalizaciones bases the mechanism it uses to listen to clients on quality surveys that are sent out annually and monthly. The results obtained during the year are analysed by the Sales Department so improvement areas may be identified; these are included in the measurement for perceiving market satisfaction.

In 2022 the quality survey addressed various aspects:



To complement this, Molecor Tecnología has two customer satisfaction management methodologies, which are adapted to the products marketed: it manages machinery-related incidents and assesses the satisfaction of clients who have purchased pipes. To assess satisfaction with pipes, four methods have been defined:

- Satisfaction survey, performed annually or, if the client is not a frequent client, upon completion of the order.
- Direct customers feedback through the Sales or Logistics teams.
- Feedback on social media.
- Market satisfaction sales reports, carried out quarterly for the region, to analyse the strengths and weaknesses of the company's offerings and those of its competitors, with the aim of pinpointing opportunities and developing actions that boost Molecor's sales positioning.

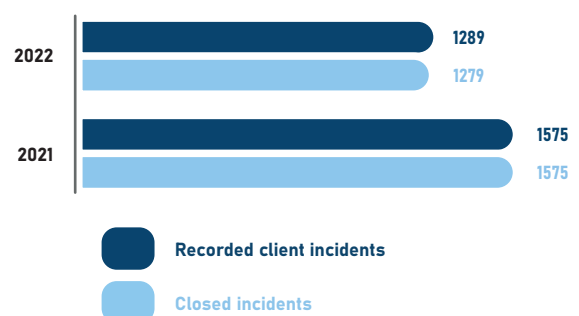
Measuring customer satisfaction

Molecor Tecnología has recorded an average score of 9.1 in its satisfaction surveys for the purchase of pipes and fittings in 2022.

After-sales incidents and complaints

Molecor Canalizaciones records and monitors any client incidents and complaints it receives during the year via customer service. These incidents follow a classification process depending on the reason for the complaint or claim so they may be subsequently assessed and processed by a specialised team and the different people responsible until they are resolved and closed. Specifically, to ensure incidents are managed efficiently and in order to offer clients the best service possible, the company has controls in place to ensure after-sales incidents are resolved and closed within seven working days of them being recorded.

Incidents with pipes and fittings at Molecor Canalizaciones



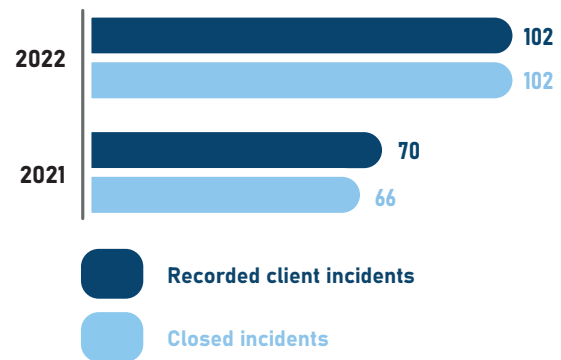
Furthermore, Molecor Tecnología uses a coordinated management approach, led by the Quality Department, which is responsible for recording and coordinating the process, in collaboration with the After-Sales Department and the Sales Department, to analyse after-sales incidents with pipes and fittings. Specifically, incidents follow a registration process according to each incident's reasons, product type, and responsibility, which aids the preparation of a global analysis of after-sales incident settlement, which is periodically presented to the Management Committee.

With regard to customer service in relation to machinery, Molecor Tecnología maintains a record according to the number of incidents recorded, the type of after-sales consultation, the severity of the incident, and the status of these records, among other aspects. Specifically, in 2022 it recorded a slight increase in the number of incidents received compared with 2021, owing to the fact that many activities paused due to the effects of the pandemic were resumed. However, the number of incidents classed as serious fell.

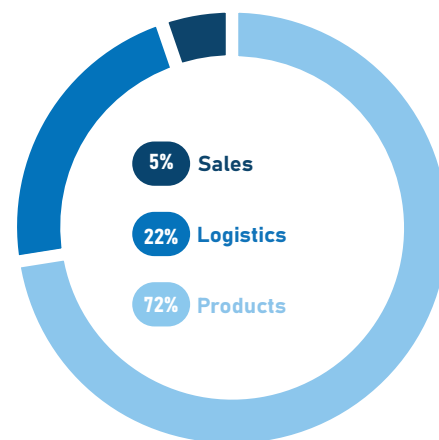
In addition, minor after-sales incidents decreased, while records classed as serious or urgent increased, and the averages remained the same. Furthermore, after-sales incidents for machinery increased 16% on the previous year.

In the same vein, Molecor Paraguay and Molecor South Africa have established the same incident management system and are making great efforts to strengthen the level of awareness and consolidate information recording.

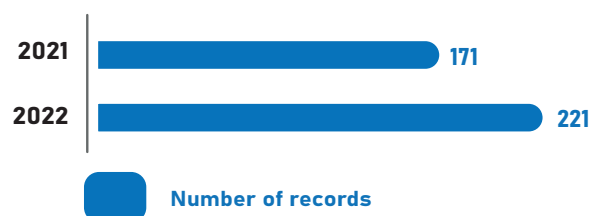
Incidents with pipes and fittings at Molecor Tecnología



Incidents with pipes and fittings at Molecor Tecnología in 2022



Incidents with machinery at Molecor Tecnología



Caring for quality and client safety in the development of operations

Molecor is acutely aware of the need to ensure the quality of its products and services at all stages of its value chain. To this end, it has established guidelines and an action framework in matters governing its protection. The company has an **Integrated Quality, Environment and Prevention Policy**, a **Quality Manual** for corporate use, and an Integrated Quality Management System, which is backed by the ISO 9001:2015 Quality Management System certification and the ISO 14001:2015 Environmental Management System certification, and which sets out the following quality principles:

- Understand our customers' needs, requirements and expectations to ensure their full satisfaction.
- Guarantee compliance with the legal requirements, standards and any other voluntary requirement that Molecor identifies with customers and end users of products.
- Drive continuous improvement, ensuring the company's future and development by strengthening the processes identified and managing risk.
- Work to ensure sustainable development, creating value for all stakeholders, aligning our management strategies with the Sustainable Development Goals (SDGs) of the United Nations' 2030 Agenda.

Molecor's commitment to quality and safety in the technology and products it markets is based on three main lines of action:

- The Integrated Management System, backed by certifications in line with the UNE-EN ISO 9001:2015 and UNE-EN ISO 14001:2015 standards, at all plants.
- Environmental performance studies for products.
- R&D management.
- The safety of pipes and fittings, particularly products designed to transport water for human consumption.

To ensure this commitment is applied when developing corporate operations, Molecor has laboratories at each manufacturing plant that control product quality and have specific risk assessment and management procedures in place to identify the main risks in the company's production and marketing activities.

Furthermore, the company has a Quality and Environment Management Team that is responsible for maintaining management systems and certifications, whether technical for products or regarding their suitability. It is also responsible for promoting a commitment to, awareness of and responsibility for quality in the development of Molecor's business activity.

In turn, Molecor also works to ensure the quality and safety of its products and services from a standardisation and certification perspective. Given the innovative value of the products it designs and manufactures, the company frequently has to tackle an absence of regulations applicable to some aspects of its activity. To do so, Molecor strives to boost its presence on all national and international standardisation committees that are aligned with its activity, with a view to expanding the market and engaging in efforts to create action and regulatory frameworks.

In 2022, Molecor developed diverse projects to continue making progress in its full commitment to client quality, health and safety, including:

Investments in replacing machines and tools to increase productivity

Improvements to laboratories to control quality

New product and sanitary certifications

The Molecor brand as a quality and safety benchmark

All Molecor products have different product and sanitary certifications.

The PVC-O products that the company markets have been backed by an extensive catalogue of certifications that guarantee their quality for use with water for human consumption across the world.

Molecularly oriented PVC as a guarantee of quality

Molecularly oriented PVC pipes and fittings comply with different national and international product standards, such as the Spanish UNE-EN 17176:2019 Product Standard (based on the European EN 17176 Standard), the international ISO 16422:2014 Standard, the French NF T 54-948:2010 Standard, and the South African SANS 16422:2007 Standard, among others. Furthermore, their quality is backed by the corresponding product trademarks issued by each certification body.

Molecularly oriented PVC TOM® pipes stand out due to their ecological properties, making them one of the best options available on the market when it comes to transporting potable water.

In compliance with different national, European and international potable water safety laws, Molecor has achieved different suitability for use certifications, including: ACS (France), Hydrocheck (Belgium), and WRAS and DWI1 (United Kingdom). Both TOM® pipes certified for use with water for human consumption and ecoFITTOM® fittings preserve the quality of the water piped, thus ensuring its qualities remain unaltered. Additionally, in compliance with legislation in force applicable to water for human consumption, these pipes and fittings are free from lead and substances of very high concern (SVCH).

Some products marketed by Molecor comply with other specific certifications to ensure the highest safety standards regarding fire protection and noise, particularly its products and services designed for building.

6.2 - Engaging in innovation and digitalisation

Innovation is a part of Molecor's DNA. Its corporate operations are based on a process of continuous improvement that aims to meet market needs and integrate its clients' requirements in the end product. The company invests a great deal of effort in technological development in a bid to create new solutions and continue consolidating its range of products and services.

Innovation in its DNA

Molecor invests more than €2 million a year in R&D. This R&D activity has seen the company develop and market large-diameter PVC-O pipes and fittings that are unique in the world. Molecor has also won an award at the Inovyn Awards twice, and several Smagua innovation awards.

Molecor has established an Innovation Committee, comprising the Business, Sales and Innovation teams, to ensure innovation focused on the client and business is developed. Furthermore, it is working to consolidate the Business Operations and Innovation Division, with a view to achieving innovation that focuses on improving operations at the company's different corporate businesses from the outset. This Division is responsible for aligning the different operational divisions to achieve goals, analyse information available to facilitate decision making, and to monitor the business's progress by established KPIs in this area.

The company's corporate innovation strategy is based on three key pillars and three project types:

- 1 Technological innovation**
Developing machinery to drive the launch of new processes and products.
- 2 UPVC product innovation**
Designing conventional PVC products for building and infrastructure. Some examples of these products include: anti-noise pipe system, drainage pipes, pressurised pipe systems, sewer and irrigation systems, etc.
- 3 PVC-O product innovation**
Developing Molecor's star product, molecularly oriented PVC. Designing and developing the PVC-O product range and seeking new market solutions.

⁴ ACS: Attestation de Conformité Sanitaire
WRAS: Water Regulations Advisory Scheme
DWI: Drinking Water Inspectorate

⁵ Substance of very high concern: those that have serious or irreversible effects on people's health and the environment.

Short-term projects

Short-term projects for products with short technical development and a quick result. They are usually executed in one year.

Medium-term projects

Medium-term projects have a greater degree of initial development. Their characteristics are more closely linked to engineering than scientific innovation and are executed over a period of one to two years.

Long-term projects

Long-term projects are comprised of a research stage and an execution stage. Their development starts in the laboratory before proceeding to application. Given their characteristics, they have a greater viability risk. These projects are executed over a period longer than three years and the end products have a longer life cycle.

In 2022, Molecor executed diverse innovation projects:

- Manufacture of the DN1200 pipe in PVC-O
- Creation of a new product range for irrigation
- Commencement of Industry 4.0 rollout in Canalizaciones plants
- Establishment of Improvement Plan Committees at all plants
- Development of machine for fittings of up to DN500

In addition, after performing an opportunity analysis, Molecor has defined different areas for the development of products and services in the future, including:

Inclusion of recycled material that is external to the production

Adaptation of PVC-O to extreme climate events

Adaptation of PVC to new energy sources

Strengthening of safety and optimising the use of PVC

geoTOM®: an added-value service

Molecor has designed and launched the geoTOM application for geolocating pipes, which associates each pipe with a geographical point so they may be monitored and maintained once installed. This service is a free IT addition that its offered with the purchase of the company's pipes.

Product analysis and life cycle

PVC-O is viewed as the most eco-friendly product on the market, given its great contribution to the planet's sustainable development. Its design and manufacturing characteristics entail advantages at all stages of its life cycle, making it the most efficient product around in terms of energy.

PVC-O: a more sustainable choice

Less than half of molecularly oriented PVC's composition depends on oil. Thus, the amount of this resource required to manufacture this material is lower than that for other plastic solutions.

Find out more about our environmental performance in the section titled **Protecting the natural environment**.

With the creation of the TOM® pipe, technological innovation has driven an improvement in the quality of Molecor's pipes. The company has assessed the environmental impact of the TOM® pipe at all stages of its life cycle, from extraction of the raw material to final product disposal.

All other products in the catalogue also feature the company's innovative DNA, with a range of plastic and PVC solutions that complement molecularly oriented PVC options, which provides environmental benefits compared with alternative products available on the current market:

SANECOR®
sewage system

EVAC+®
drainage solutions

Different floor drainage solutions
and gutter system

AR® soundproof
drainage system

+ Find out more about our products on molecor.com

6.3 – Cybersecurity and information security

GRI: 418-1

Information security and data protection are a top priority for Molecor. The company works proactively to ensure data are protected in accordance with applicable legislation.

In 2022, Molecor focused a large part of its efforts in cybersecurity and data protection on the unification of IT processes following the merger of Molecor Tecnología and Molecor Canalizaciones.

In this vein, Molecor has an action guideline framework currently undergoing a unification process: the Molecor Tecnología **Data Protection Policy** and the Molecor Canalizaciones **Privacy Policy**. Furthermore, the company has an internal corporate data protection protocol that is supplemented by diverse policies, such as **the Internet Access and Usage, Corporate Email, and IT Resource Control Procedure Policy**, a **Personal Data Protection Guide**, and an **Email Platform Security Standard**, among others. In addition, to ensure it manages its tasks confidentially and anonymously, Molecor has outsourced monitoring to an external advisor.

The company oversees best practices are applied in terms of compliance with data protection and information security regulations, for which reason it adapts its management approach to the demands of the Law on Personal Data Protection and Guaranteeing Digital Rights (the LOPD-GDD, using its Spanish acronym), the Law on Information Society Services and E-Commerce (the LSSICE, using its Spanish acronym), and the European Regulation on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the GDPR).

In 2022, Molecor recorded no incidents of non-compliance with cybersecurity, information security and data protection regulations.

Corporate cybersecurity strategy

Strategic line	Initiative	Description
Protection and detection	Protection against attacks and detection of threats	Molecor protects against cybersecurity attacks and detects threats using firewalls and antivirus software, which help to mitigate exposure to attack, and the use of tools to analyse threats and detect them ahead of time.
Awareness	Raising awareness among users to prevent attacks	Molecor encourages the correct use of tools and actions in the event of potential threats by raising awareness among employees and clients.
Recovery	Recovering information after a potential attack	Molecor has defined information recovery measures in case it suffers an attack. The company sets out recovery procedures so information may be recovered as soon as possible, should an attack materialise.

In 2022, Molecor did not record any loss or theft of data.

Complaints		Unit	2020	2021	2022
Total complaints related to customer privacy breaches	Complaints received from third parties and verified by the organisation	Nº	0	0	0
	Regulatory authority complaints	Nº	0	0	0
Total number of leaks, theft or losses of customer data		Nº	0	0	0

We opened a cybersecurity channel

An email address has been opened to manage matters related to data protection:
recursoshumanos@molecor.com

1 Main figures

2 A chat with
the CEO

3 Our business
model

4 Sustainability as
a key part of our
business

5 Our exemplary
management

6 Innovation and
the client as
levers for action

**7 Our talented
staff**

8 Committed to
developing our
communities

9 Protecting
the natural
environment

10 Appendices

7 Our talented staff

7. Our talented staff



Molecor's greatest asset is its people, which is why it works to enhance their development and ensure they enjoy quality working conditions in an environment inspired by the company's corporate values. Having top talent on the workforce is a key factor in the company's strategy, as each professional provides the business model with value and is an essential piece of the puzzle when it comes to the internationalisation plan and the merger of Molecor Tecnología and Molecor Canalizaciones.

In this regard, the company offers its staff the flexibility necessary to guarantee a healthy balance between their work and personal life, good practices that help to optimise time at work, and to drive its team's professional development through explicit commitments that materialise in the shape of the required policies, plans and procedures so they may grow and develop their careers. These include:

- Selection and Recruitment Procedure
- Annual Training Plan
- Equality Plan
- Digital Disconnection Protocol

In 2022, the company carried out a work climate survey in line with the FourFlags® model, which is based on identifying profiles capable of driving change and continuous improvement within the company. This survey highlighted very positive results, with the Net Promoter Score of the Molecor workforce very high. Furthermore, since more than 75% of our professionals completed the survey, this allowed the company to detect improvement plans regarding training, development pathways, ongoing communication, leadership, and more.

We are one

For the first time since the company was founded, the merger of Molecor Tecnología and Molecor Canalizaciones has allowed us to bring more than 400 people together for the company's Christmas night out. This meeting was an accurate reflection of the merger process, encouraging a sense of unity, team and consolidation of all our staff's competencies.

7.1 - The workforce in numbers

GRI: 2-7, 2-30, 401-1, 401-2

The Selection and Recruitment Procedure arises from the need to identify the best profiles. This procedure sets out the steps that must be followed to hire the best talent at the company, allowing Molecor to have a team of staff containing quality, diverse professionals who can tackle the challenges and opportunities the company faces. One of Molecor's most important commitments when it comes to people management is opting for permanent contracts.

 **97%** of employees have a permanent contract

We guarantee an environment of no discrimination in our selection processes

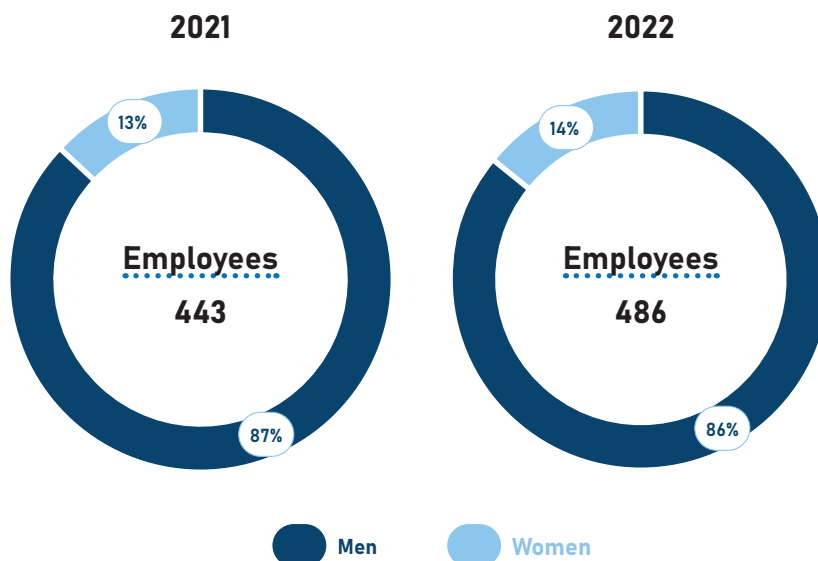
The company has implemented the Selection and Recruitment Procedure for job vacancies to avoid gender-based discrimination in employment and hiring processes.

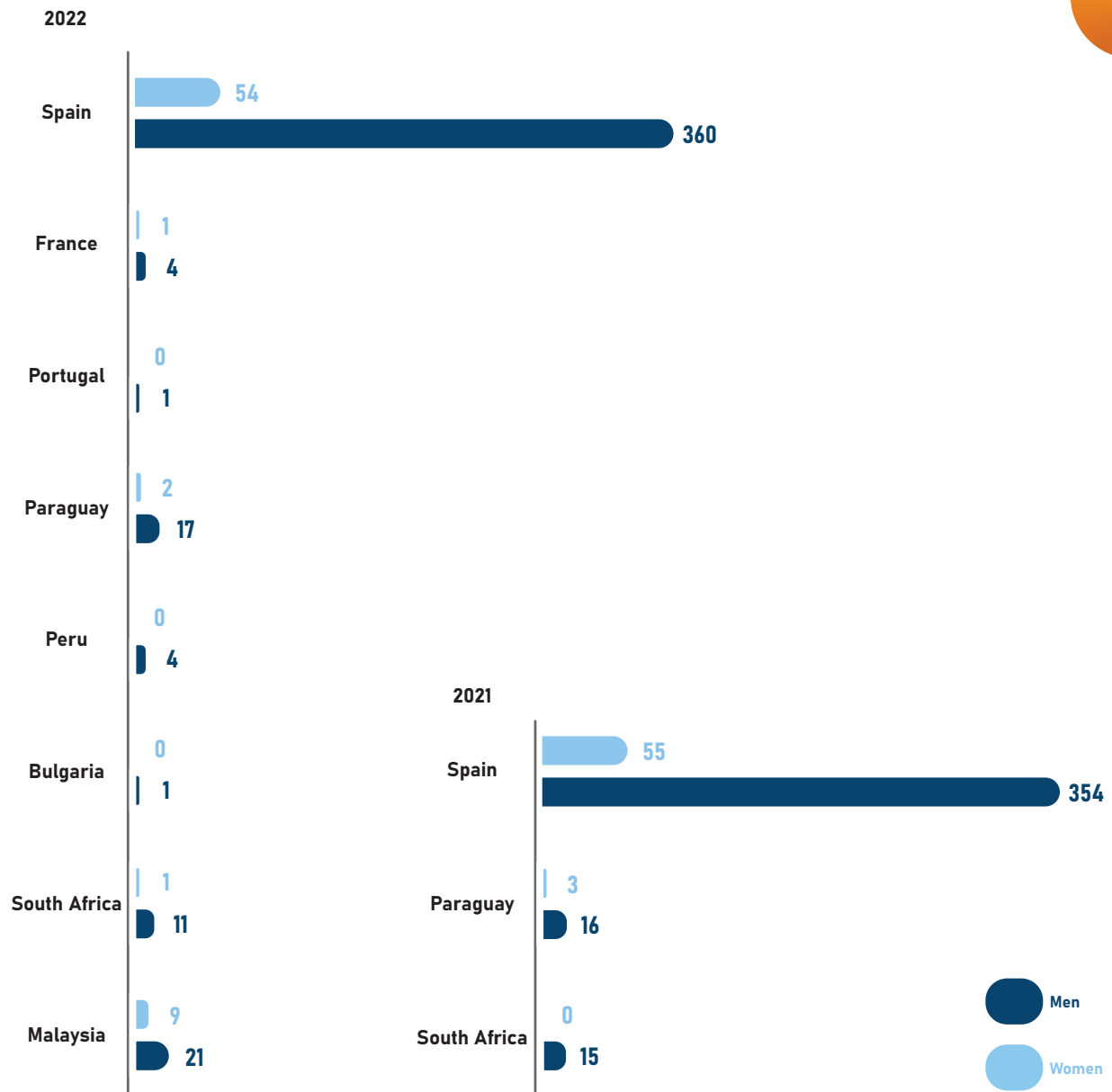
 Find out more about our performance in the section titled **Diversity and inclusion**.

Of the total workforce, 99% of employees work full time.

At the close of 2022, the Molecor team was comprised of 486 people across all its business divisions; almost 10% more than in 2021. This growth of the team aims to address the organisation's needs in different business areas, in line with corporate strategy.

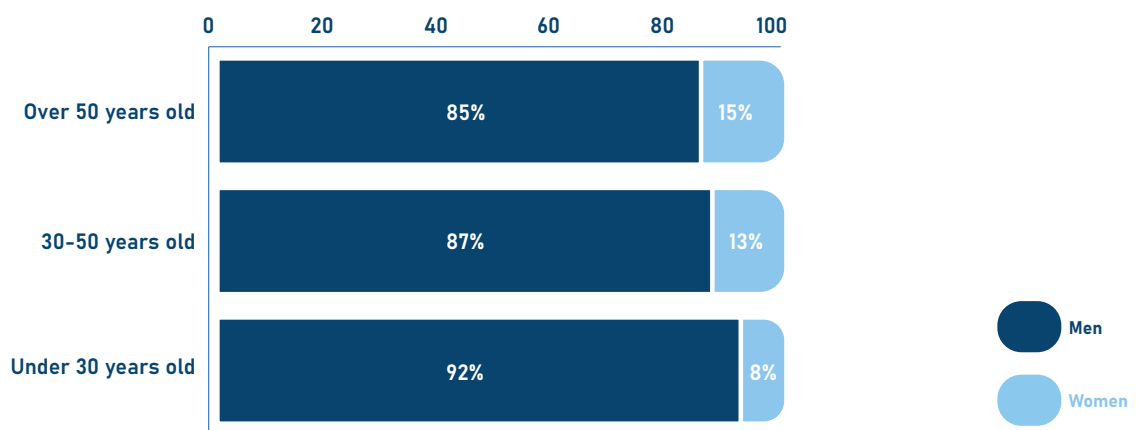
Distribution of the workforce by sex and country



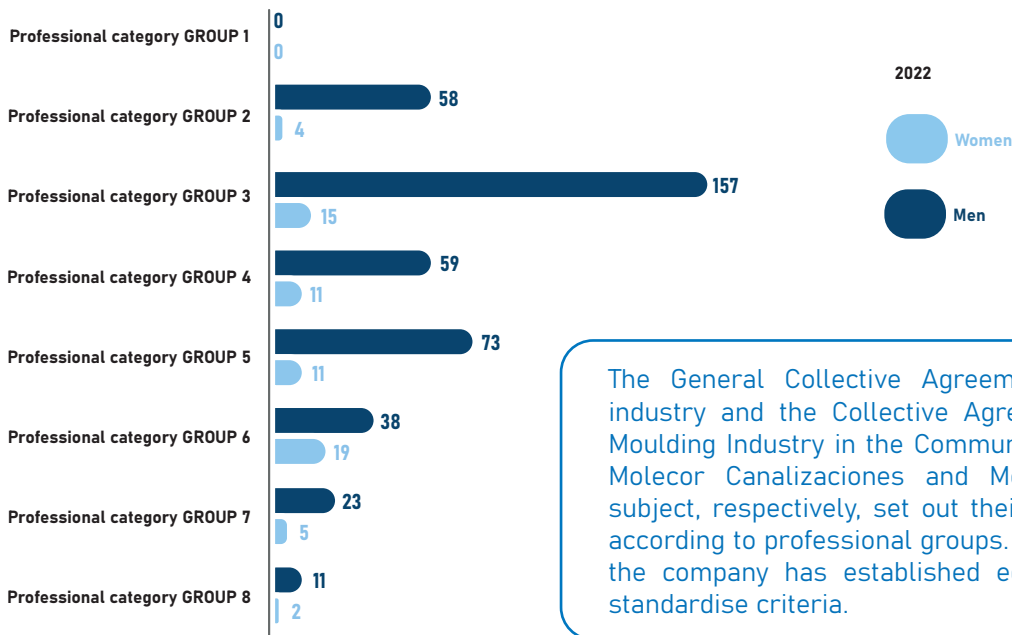


At the close of 2021, Molecor did not have any disaggregated information by sex or age for its employees in its investee companies in Paraguay, Peru and South Africa.

Distribution of the total workforce by age groups and sex



Distribution of the total workforce by professional category and sex



Evolution of the workforce during the financial year

New hires in 2022

	No	% ⁶
New hires	70	17%

Social dialogue and agreements

With regard to freedom of association, at the close of the financial year, all staff members across all of the company's business divisions are covered by collective agreements.

In Paraguay, Peru, Bulgaria, South Africa and Malaysia, professional contracts are issued via agents who ensure compliance with applicable labour law in each country.

To communicate with its employees, the company has several channels available:

- Internal monthly newsletter.
- Departmental communications.
- Communication campaigns via corporate email and notice boards for employees who do not have a corporate email address.
- The corporate website.

Furthermore, the company has the following corporate email addresses:

- Equality email address: igualdad@molecor.com
- Whistleblowing channel email address: canaldedenuncias@molecor.com
- Human Resources email address: rrhh@molecor.com

⁶ Calculated taking into account the average between the workforce at the close of 2021 and the workforce at the close of 2022.

Occupational well-being and balance

Molecor encourages flexibility, individual responsibility and autonomy when it comes to the organisation of work, bearing in mind the needs of each professional (where permitted by their job post). In this regard, the workforce has:

- ✓ Split shift calendar
- ✓ Greater flexibility in office, technician and sales roles
- ✓ Intensive working day in summer, Christmas and Easter Week
- ✓ Up to 30% remote working
- ✓ Day off on employee's birthday
- ✓ Flexible remuneration package (private medical insurance, nursery cheques, gourmet cheques, transport card, among others)

Molecor also has its Digital Disconnection Protocol which aims to ensure compliance with its workforce's right to digital disconnection.

Regarding maternity and paternity leave and the measures designed to facilitate a work-life balance for parents, in 2022 thirteen people (12 men and one woman) took parental leave. The return to work rate was 100%.



Organisation of work

Molecor's employees have the following work systems:

- Split shift work, mainly for office and sales staff
- Work with morning, afternoon and night shifts, from Monday to Sunday, for factory staff
- Work with morning and afternoon shifts, from Monday to Friday, for warehouse staff

We encourage relaxation and a family life through our Five Shifts Policy

Molecor has a "five shifts" work system that involves having an extra team, allowing factory staff to enjoy a longer rest period and have more weekends free each month. Although this entails an extra cost for the company, caring for its people and ensuring a healthy work-family life balance is one of Molecor's basic principles, for which reason the company promotes this type of practices.

**In 2022,
the number of
hours worked
per employee
was 1,752 hours.**

7.2 - The best talent

GRI: 404-1, 404-2, 404-3

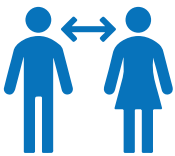
Molecor has two Annual Training Plans in Spain, one for Molecor Tecnología and another for Molecor Canalizaciones, although the company is currently consolidating these into a single global plan that will, from 2023 onwards, have the same procedure for all Group companies and which will include common training contents.

The goal of these Annual Training Plans is to offer the entire workforce quality training adapted to their personal needs, department requirements, and the nature of their role in the company, in addition to the business strategy. Furthermore, plans are adjusted as unforeseen needs arise.

Thanks to more than 148 exhaustive questionnaires being completed, the company has:



Provided more than **82** courses



Trained **100%** of the workforce

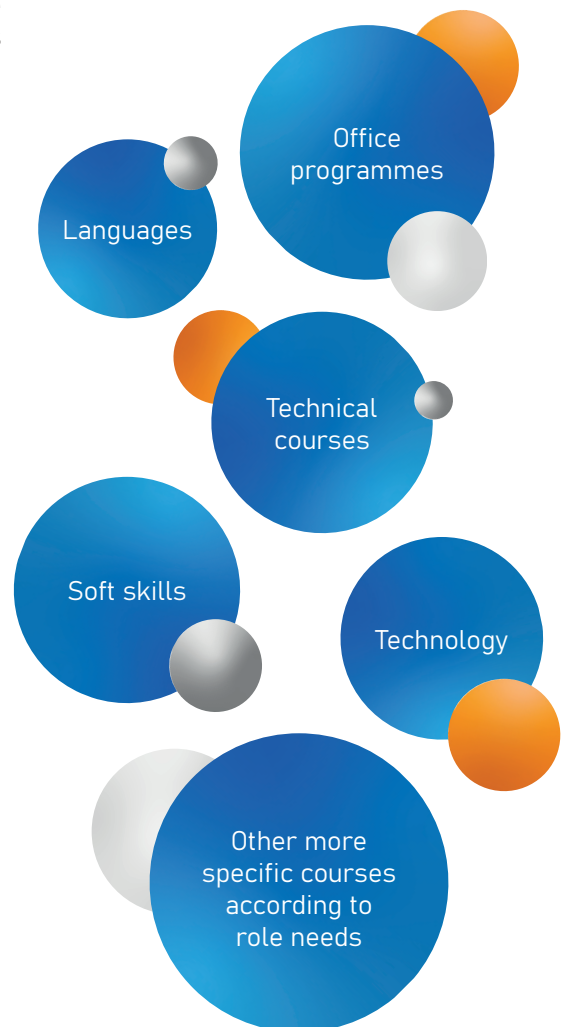


Given more than **3,000** hours of training



6.29 hours per employee

Molecor has taught a wide range of courses, with highlights including:



Performance assessment

Molecor has a bonus system based on variable remuneration according to goals, establishing a series of incentives in accordance with the achievement of the company's strategic goals (for example, EBITDA) as well as department and individual goals.

93% of the workforce receives a performance assessment.



7.3 - Diversity and inclusion

GRI: 405-1, 405-2, 406-1

Molecor supports the diversity of its staff and strives to encourage diversity in all its forms, considering age, experience, different abilities, the LGBTI collective, sex, and more. Furthermore, Molecor has an Equal Treatment Between Men and Women and Equal Treatment and Opportunities Policy when it comes to employment, training and developing professionals, and other matters.

It is worth noting that the workforce is mainly male given the masculinisation of the sector. Thus, the company's Equality Plans include actions with the specific aim of ensuring equal opportunities. More specifically, the Selection and Recruitment Procedure includes positive action measures in equal conditions of suitability, among others.

The Equality Plan for Molecor Canalizaciones, which has been in force since 2019, and the Equality Plan for Molecor Tecnología, whose Equality Committee will approve it over the course of 2023 and which will be valid for four years, ensure the company complies with its current equality commitments and plans to guarantee they are aligned with the European Gender Equality Strategy 2020-2025. Its goals are:

- Guarantee the principle of equal treatment and opportunities between men and women in access to employee, selection, recruitment, promotion, training and performance of their role and avoid discrimination based on birth, race, sex, religion, opinion or any other personal or social condition or circumstance.
- Apply the gender perspective across all areas of the company, developing good practices that facilitate a balanced representation of men and women.
- Establish measures that encourage a balance between work, personal and family life.
- Assess equality needs, proposing the measures necessary to adapt guidelines and the operational nature of the company to legal equality provisions.
- Study and assess requests, complaints and suggestions related to compliance with the equality principles issued by professionals.
- Inform and raise awareness among staff.

Furthermore, the company has a Protocol for Preventing and Addressing Situations of Harassment and its Whistleblowing Channel. In 2022, no incidents were reported.

We founded the Equality Committee at Molecor Tecnología

In 2022, Molecor Tecnología founded the Equality Committee with the aim of helping to ensure gender equality across all areas of business and uphold the commitments acquired in diversity, inclusion and non-discrimination. Molecor Canalizaciones has had its own Equality Committee in place since 2018.

To ensure awareness about this subject, in 2023 the company will launch an equality and diversity course that will be rolled out progressively to its entire workforce in Spain. The company will analyse how best to adapt this training to other countries in accordance with legislation in force.

Functional diversity

In 2022, Molecor had eight people with a disability on its team of staff. Molecor aspires to sustainable growth, which is why it supports socio-labour inclusion, thereby adapting its work centres to feature lifts, access ramps and bathrooms equipped for people with different capacities.

The company is currently in the middle of developing specific actions to increase the number of hires in this group, with the help of a legal advisor. Furthermore, it has hired a recruitment portal specialised in people with different capacities.

We work with the Adecco Foundation to build more inclusive environments

Molecor has collaborated with the Adecco Foundation, which has run a campaign with the motto "La crisis de los 40" (The mid-life crisis) in which it raises awareness in order to continue building a more inclusive society and work environments for people with disabilities.

Equal pay

Molecor is firmly committed to equal pay among its staff and complying with salary legislation.

In 2022, the wage gap at the company was 4.73%.



7.4 - Health, safety and well-being

GRI: 403-1, 403-2, 403-3, 403-5, 403-6, 403-8, 403-9, 403-10

Molecor develops its activities while upholding a commitment to protect the health, safety and well-being of its workforce and all those who may be affected by its operations. In view of this commitment, the company has unified the preventive organisation model in line with the merger of Molecor Tecnología and Molecor Canalizaciones, thanks to its hire of an external prevention service to fully guarantee independence in the health and safety of its employees.

The company works to achieve the highest level of personal integrity by identifying and minimising risks in all of its activities and preventing occupational accidents and diseases in the work environment, thus complying with the provisions set out in Law 31/1995, of 8 November; this is detailed in its **Quality, Environment and Prevention Policy**, which sets out health and safety as one of its basic principles.

Control and monitoring of occupational risks is recorded in the Preventive Activity Plan, which gathers the prevention actions for the four legal disciplines:

- Safety
- Health monitoring
- Hygiene
- Ergonomics and psychosociology

Furthermore, it has integration tools for prevention, such as hazard notifications and planned inspections.

An internal safety coordinator is responsible for supervising matters in this area at each work centre.

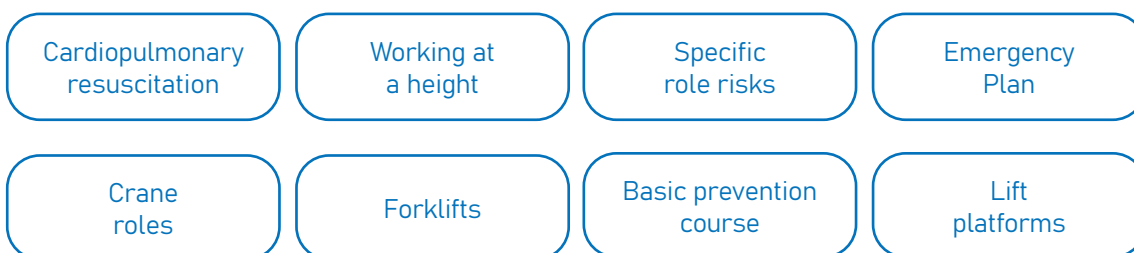
Subcontracting documentation for the coordination of business activities is reviewed by an external documentation agency (Dokify) that has been hired by Molecor to ensure legal compliance in this area.

Furthermore, senior management drives an internal control that, together with the unification of Molecor Tecnología and Molecor Canalizaciones criteria, as well as an internal coordinator, ensures that all quality, environment and occupational hazard prevention systems are fully compliant.

The Occupational Hazard Prevention (OHP) Department has an Occupational Hazard Prevention Plan in place that details roles and responsibilities, human resources and technical resources to establish the main procedures that define how processes are developed.

All employees are covered by the health and safety management system.

The company offers employees social benefits, such as medical insurance, so it may positively contribute to their health and well-being. In 2022, Molecor gave a total of 400 hours of health and safety training covering various subjects:



Furthermore, it gave 147 awareness talks.

Accident reduction goal

The company is working to reduce its accident rate. To this end, it launched an Incentives Plan between 1 June and 31 December 2022:

30 days without an accident involving leave: €20

60 days without an accident involving leave: €30

120 days without an accident involving leave: €40

210 days without an accident involving leave: €50



Thanks to measures introduced by the company, in 2022 we reduced the rate of accidents involving leave by 55%, compared with 2021:

Plants	Milestones
Alcázar de San Juan and Antequera	120 days without an accident involving leave
Alovera, Getafe and Loeches	210 days without an accident involving leave

In 2022, we recorded nine accidents, two at Molecor Tecnología and seven at Molecor Canalizaciones, all involving men. The company's efforts to prevent and reduce the number of accidents place it below the industry average⁷ in terms of accident rate.

Involvement of employees, consultation and communication regarding occupational health and safety

Prevention officers are consulted, they participate in and they are formally informed of all information and documentation concerning occupational hazard prevention.

The company has a hazard notification procedure in place. The record is completed via a system that allows any employee to get involved, proposing a preventive action and a subsequent check of the implemented measure's efficacy.

Furthermore, the company has an email address that employees can contact regarding health and safety matters.



⁷ Average rate of the companies associated with Ibermutua in the period analysed and which pertain to the same industry.

Indicator tables of Law 11/2018

Human capital matters

Total number and distribution of employees according to criteria representing diversity (sex, age, country, etc.)

Total number and distribution of work contract types, annual average for permanent contracts, for temporary contracts, and for part-time contracts by sex, age and professional category.

GRI 2-7

Breakdown of contracts at year end

Contract types and working day by sex 2022

	Permanent contract	Temporary contract	Full time	Part time
Men	407	12	418	1
Woman	65	2	62	5
Total	472	14	480	6
	486		486	

Contract types and working day by age 2022

	Permanent contract	Temporary contract	Full time	Part time
< 30 years old	47	3	50	
30-50 years old	276	9	281	4
> 50 years old	149	2	149	2
Total	472	14	480	6
	486		486	

Contract types and working day by professional category⁸ 2022

	Permanent contract	Temporary contract	Full time	Part time
Professional category GROUP 1	0	0	0	0
Professional category GROUP 2	55	7	62	0
Professional category GROUP 3	167	5	171	1
Professional category GROUP 4	70	0	66	4
Professional category GROUP 5	82	2	83	1
Professional category GROUP 6	57	0	57	0
Professional category GROUP 7	28	0	28	0
Professional category GROUP 8	13	0	13	0
Total	472	14	480	6
	486		486	

Averages⁹

Contract types and working day by sex 2022

	Permanent contract	Temporary contract	Full time	Part time
Men	388	5	392	1
Women	64	0	59	5
Total	451	5	451	6
	457		457	

⁸ Group 1: Auxiliary operators; Group 2: Administrative assistants and operators; Group 3: Administrative, machine operators and specialist operators; Group 4: Professional technicians; Group 5: Specialist technicians and shift supervisors; Group 6: Expert technicians and managers; Group 7: Division managers; Group 8: Senior managers; Group 0: Directors

⁹ The averages are calculated with decimals. For this reason, they have been rounded.

Contract types and working day by age 2022

	Permanent contract	Temporary contract	Full time	Part time
< 30 years old	42	1	43	0
30-50 years old	261	3	260	4
> 50 years old	148	1	147	2
Total	451	5	451	6
	457		457	

Contract types and working day by professional category 2022

	Permanent contract	Temporary contract	Full time	Part time
Professional category GROUP 1	0	0	0	0
Professional category GROUP 2	48	3	52	0
Professional category GROUP 3	160	2	161	1
Professional category GROUP 4	69	0	65	4
Professional category GROUP 5	77	0	76	1
Professional category GROUP 6	56	0	56	0
Professional category GROUP 7	27	0	27	0
Professional category GROUP 8	13	0	13	0
Total	451	5	451	6
	457		457	

Number of dismissals by sex, age and professional category GRI 401-1

Number of dismissals disaggregated by sex and age groups 2022

	< 30 years old	30-50 years old	> 50 years old
Men	0	1	4
Women	0	0	0
Total	0	1	4
	5		

Number of dismissals disaggregated by sex and professional category 2022

	Professional category GROUP 1	Professional category GROUP 2	Professional category GROUP 3	Professional category GROUP 4	Professional category GROUP 5	Professional category GROUP 6	Professional category GROUP 7	Professional category GROUP 8
Men	0	2	2	0	0	0	0	1
Women	0	0	0	0	0	0	0	0
Total	0	2	2	0	0	0	0	1
	5							

Average remuneration and its progress, disaggregated by sex, age and professional category or equal value GRI 2-20, 405-2

Average remuneration and its progress, disaggregated by sex and age groups (in euros) 2022

	< 30 years old	30-50 years old	> 50 years old	Total
Men	20,387.00	30,956.00	42,310.00	33,373.00
Woman	25,559.00	29,001.00	39,578.00	31,795.00
Total	20,801.00	30,654.00	41,966.00	33,155.00

Average remuneration and its progress, disaggregated by sex and professional category (in euros) 2022

	Professional category GROUP 1	Professional category GROUP 2	Professional category GROUP 3	Professional category GROUP 4	Professional category GROUP 5	Professional category GROUP 6	Professional category GROUP 7	Professional category GROUP 8	Total
Men	0	21,459	24,243	27,288	35,998	45,882	75,488	111,703	33,382
Women	3,215	22,271	20,274	26,792	32,133	38,547	59,656	89,100	31,736
Total	3,215	21,593	23,981	27,342	36,458	39,934	72,644	108,185	33,155

Average remuneration and its progress, disaggregated by sex, age and professional category or equal value
 Wage gap, remuneration for equal roles, and company average. GRI 2-20, 405-2

Average remuneration and its progress, disaggregated by sex and professional category (in euros) 2022

	Directors	Senior management
Men	20,000	238,332
Women	0	0
Total	20,000	238,332

Average rate of pay for women compared with men by age and professional category 2022

Professional category							
Professional category GROUP 1	Professional category GROUP 2	Professional category GROUP 3	Professional category GROUP 4	Professional category GROUP 5	Professional category GROUP 6	Professional category GROUP 7	Professional category GROUP 8
0	1.04	0.84	0.98	0.89	0.84	0.79	0.80
Age groups							
< 30 years old		30-50 years old			> 50 years old		
1.25		0.94			0.94		
Total							
0.90							

GRI 404-3 Percentage of employees who receive periodic performance assessments and professional development.

Percentage of employees who receive periodic performance assessments and professional development 2022

	Professional category GROUP 1	Professional category GROUP 2	Professional category GROUP 3	Professional category GROUP 4	Professional category GROUP 5	Professional category GROUP 6	Professional category GROUP 7	Professional category GROUP 8
Men	0	95%	100%	92%	100%	100%	100%	100%
Women	0	100%	83%	100%	100%	100%	100%	0%
Total	0	95%	98%	94%	100%	100%	100%	100%
	93%							

Total number of hours of training by professional category GRI 404-1

	Manager	Professional category GROUP 0	Professional category GROUP 1	Professional category GROUP 2	Professional category GROUP 3	Professional category GROUP 4	Professional category GROUP 5	Professional category GROUP 6	Professional category GROUP 7	Professional category GROUP 8
Hours	4	26	0	380	1037	461	504	469	178	0
Total	3059									



Occupational health and safety matters

Occupational accidents, particularly their frequency and severity, as well as professional illnesses; disaggregated by sex. GRI 403-9, 403-10

Accidents and injuries recorded 2022

Workforce on 31 December	Men	Women	Total
Number of employees on 31 December in reporting year	419	67	486
Total hours worked during reporting year	734,888	117,384	852,272
Number of deaths resulting from an injury caused by an occupational accident	0	0	0
Number of injuries caused by an occupational accident with major consequences (not including deaths)	0	0	0
Number of recordable injuries caused by an occupational accident at Molecor Tecnología	2	0	2
Number of recordable injuries caused by an occupational accident at Molecor Canalizaciones	7	0	7
Total recordable injuries caused by an occupational accident	9	0	9
Rate of deaths resulting from an injury caused by an occupational accident = (No. of deaths/No. Hours worked)*200,000	0	0	0
Rate of injuries caused by an occupational accident with major consequences = (No. injuries caused by occupational accident with major consequences [not including deaths]/No. hours worked)*1000	0	0	0
Rate of recordable injuries caused by an occupational accident = (No. recordable injuries caused by occupational accident/No. employees)*1000	21.58	0	18.52

Accident rate 2022

Accident rate	Accident frequency rate	Severity rate
Units	Nº occupational accidents with leave that occur for every million hours worked	Nº working days lost due to occupational accidents with leave for every thousand hours worked
Men	12.25	1.17
Women	0	0
Total	10.56	1.01

Recorded professional illnesses and health issues 2022

	No of deaths resulting from an occupational disease or health issue	No of cases of recordable occupational diseases or health issues	No of cases of recordable occupational diseases or health issues
Men	0	0	0
Women	0	0	0
Total	0	0	0

Total number of hours of absenteeism 2022

	Molecor Canalizaciones	Molecor Tecnología	Total absenteeism
Hours	22,624.00	3,950.60	26,574

The hours of absenteeism include accidents, disease and parental leave. Furthermore, at Molecor Canalizaciones they also include paid leave.

2022**1** Main figures**2** A chat with
the CEO**3** Our business
model**4** Sustainability as
a key part of our
business**5** Our exemplary
management**6** Innovation and
the client as
levers for action**7** Our talented
staff**8** Committed to
developing our
communities**9** Protecting
the natural
environment**10** Appendices

8 Committed to developing our communities

8 - Committed to developing our communities

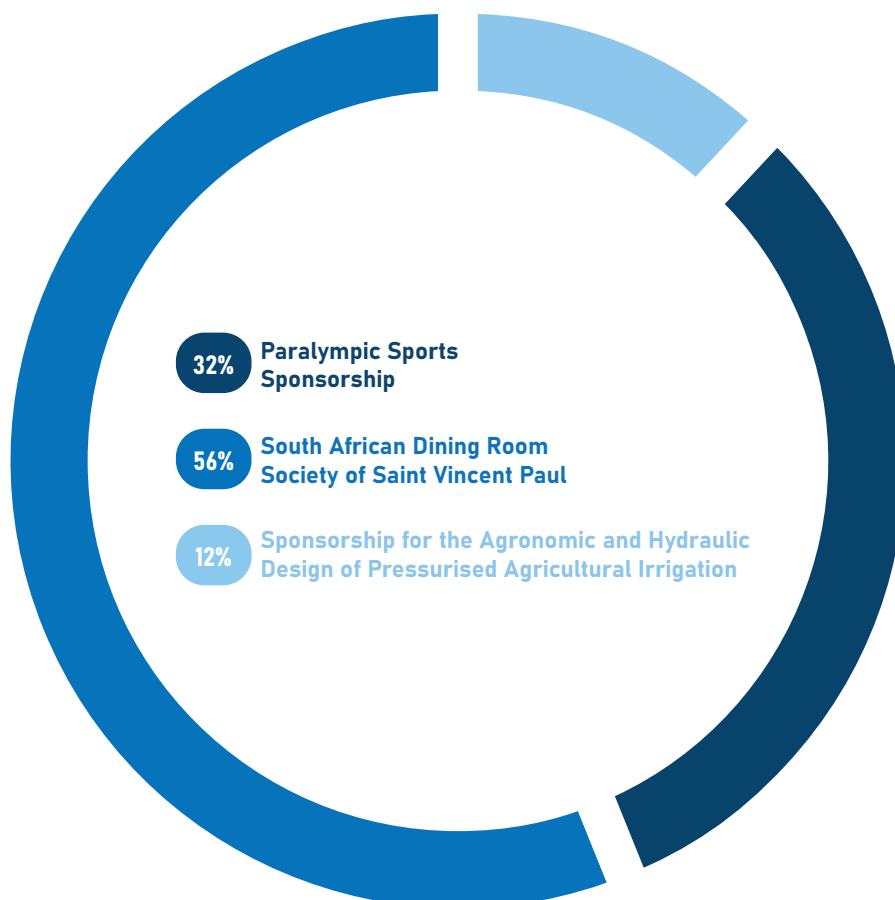


GRI:201-1, 413-1

Molecor is firmly committed to helping to develop the communities where it operates through projects that seek to improve people's quality of life, aligning its management strategies with the Sustainable Development Goals (SDGs) of the United Nations' 2030 Agenda. This commitment is recorded in its **Quality, Environment and Prevention Policy**.

Within the Sustainability Strategy that the company will draw up in 2023, Molecor will define a methodology for social investments in the communities where it is present, with a view to establishing meaningful social actions and fluid, direct communication channels with communities in order to hear their expectations and needs first-hand.

In 2021, Molecor Tecnología donated €7,492.37 to the following causes:



In 2022, Molecor considerably improved its contribution, investing €25,000 in social projects, 14% more than was initially budgeted for. This investment was allocated to different projects, which included:

Response to the exceptional situation of war in Ukraine

More than 12 million people in Ukraine need humanitarian aid and, according to the UNHCR, the war is the greatest refugee crisis in Europe this century.

Molecor is committed to Ukrainian communities, which is why it has donated €10,000 to the UNHCR. Thanks to this, the company has enabled part of the activities that the UNHCR carries out in Ukraine:

Coordination to offer
a coherent, efficient
emergency response

Protection of people
affected

Communication, information
and legal advice mechanisms
for those affected

Packages of energy supply
materials and kits

Accessibility to potable water and preservation of the life and dignity of women and children

Potable water is an essential good but, according to the World Health Organisation, more than 2.2 billion people lack access to safely managed potable water services.

Molecor aims to build safer, more sustainable hydraulic networks that supply the entire world. For this reason, the company is fully aligned with **SDG 6**, "Ensure availability and sustainable management of water and sanitation for all."

In line with this commitment, in 2022 Molecor collaborated with the Agua Pura Association to create a well 30 metres deep in the Atsimo-Andrefana region in south Madagascar. This well will have a manual pump to help supply the entire community, therefore helping to alleviate water scarcity. Some 560 people will benefit from the construction of this well.

This action falls within the **KERE Hunger Response Plan**, developed in conjunction with the NGO Bel Avenir. The goal is to help preserve the life and dignity of women and children who live in extreme poverty and who are exposed to the danger involved in the social, economic and sanitary effects of the drought affecting southern Madagascar.



Promoting health and sport



The company views sport as a cornerstone to its achievement of the Sustainable Development Goals in matters of health, education and social inclusion. Furthermore, it supports the empowerment of women, young people and communities. For this reason, the company has donated material to encourage sport in different towns and cities, sponsoring activities like cycling and rhythmic gymnastics.

In addition, the company has sponsored padel tennis tournaments to raise money for energy poverty projects.

Awareness about women at risk of exclusion from the labour market

To celebrate International Women's Day, the company participated with the Adecco Foundation in a programme to help thousands of particularly vulnerable women. This programme is based on three areas:

EMPOWERMENT - Employment, job orientation and intermediation workshops.

CORRESPONSIBILITY - Training, awareness-raising and voluntary actions.

VISIBILITY - Through a communication strategy, raise awareness among public companies and society about the situation of women at risk of social exclusion in Spain.

Environmental awareness

Together with the Local Government of Loeches, the company sponsored the Vaso Verde (Green Glass) project. It involves reusing a glass while celebrating the local public holiday to raise awareness among citizens regarding the need to reduce waste.



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9. Protecting the natural environment



The climate emergency, the increasing scarcity of raw materials, and the natural resources crisis are some of the challenges facing current society worldwide. MolecOR acknowledges the transformational role the empowerment of R&D has in the commitment to the environment, as it seeks to strike a balance between developing its operations and protecting the natural environment using a precautionary approach. Thus, it associates the efforts made to develop its products with generating systems that are increasingly efficient and which have the fundamental goal of caring for the environment.

As a result, MolecOR has an **Integrated Quality, Environment and Prevention Policy** that sets out its commitment to protecting the environment and guarantee compliance with the principle of not damaging the natural environment. This policy applies to all corporate centres and breaks down pollution prevention through MolecOR's Environmental Management System, ensuring corporate environmental performance is governed by a focus on continuous improvement.

The policy sets out a series of environmental commitments:

- Protect the environment through effective environmental management that encourages pollution prevention.
- Drive initiatives to improve MolecOR's commitment regarding environmental impacts, seeking to actively collaborate on the prevention of environmental pollution and protection.
- Develop an environment, quality and safety culture through training across the organisation.

Sustainable products

Environmental sustainability is a part of our DNA

It has been proven by different international studies that PVC-O pipes are the most eco-friendly solution available given their better contribution to global sustainable development¹⁰. Thus, environmental sustainability forms a part of MolecOR's product DNA, enabling savings on energy, water, CO₂ and materials, while also aiding the fight against climate change and promoting the circular economy

MolecOR makes every effort in designing and developing PVC products to ensure they are sustainable throughout their life cycle. These products, which are made with only 43% of materials dependent on oil, consider the sustainable use of natural resources, energy savings and durability over time.

Some of the company's most notable sustainable products are the TOM® pipe and the ecoFITOM® fittings manufactured in PVC-O, whose design has considered caring for and protecting the natural environment. The globally patented manufacturing process for PVC-O pipes and fittings only uses electricity and offers a very significant improvement in energy efficiency and, therefore, lower CO₂ emissions to the atmosphere, compared with other processes for manufacturing PVC-O pipes and fittings.

¹⁰ In these studies, there are notable estimates for energy consumption and CO₂ emissions associated with producing, using and disposing of PVC, HDPE, PP, cast iron and concrete pipes (Polytechnic University of Catalonia) and the TEPPFA (European Plastic Pipes and Fittings Association) Environmental Product Declaration for PVC-O.

Molecor has dedicated a significant amount of effort to developing this new technology with the aim of reducing raw material consumption in the manufacturing process for its pipes and fittings.

These results have been achieved thanks to exclusive development of the Genuine Air System used to manufacture this product. Molecor replaces boiling water with air throughout the manufacturing process, optimising resources and developing a process with high energy efficiency based on exclusively using electricity in its operation. Therefore, given its low water consumption and the removal of boiling water, the company guarantees better health and safety conditions for its workers.

Furthermore, through the network of machinery and production clients Molecor has built, use of the TOM® pipe encourages sustainable global innovation and industrialisation.

Molecor has assessed the environmental footprint of its TOM® pipe and its fittings at all stages of its life cycle regarding 14 environmental impacts grouped according to the condition of the different resources:

These PVC-O products have a lower impact on the environment, making them the best option in terms of sustainability. In this vein, they have been awarded the FVS Environmental Footprint Seal by the Fundación Vida Sostenible (Sustainable Life Foundation) and the General Directorate for Corporate Social Responsibility of the Ministry of Employment and Social Security.

In response to a growing trend for transparency regarding the environmental impact of marketed products, Molecor is developing environmental declarations for the most significant ones in the range. Specifically, the company is adapting the environmental footprint assessment of its TOM® pipe to the format of these product declarations, and it will work to have it verified over the coming year. Furthermore, in 2023 it will extend environmental sustainability promotion to the rest of its catalogue, aligning its products with the current development of PVC-O and drawing up environmental declarations for its Sanecor® sewage pipe and the AR® soundproof drainage system.

Air and atmosphere

Climate change, acidification, ozone depletion and photochemical ozone formation

Soil

Resource depletion (minerals), land eutrophication and land use.

Human Health

Inorganic respiratory elements, ionising radiation, effects on human health (carcinogens and non-carcinogens).

Water

Resource depletion (water), ecotoxicity of fresh water and water eutrophication.



Environmental insurance

Molecor has taken out an environmental liability insurance policy for its plants in Antequera, Alcázar and Alovera, in compliance with national legislation, so it may address any potential environmental impacts that may arise from its corporate activity. This insurance policy offers cover of €3 million, mainly for civil and environmental liability and prevention expenses.

In 2023, the company will take out an environmental liability insurance policy for its work centres in Loeches and Getafe, which were included in its general policy up to now. Specifically, this policy will cover up to €1 million in civil liability for environmental contamination.

Furthermore, with regard to the circular economy, Molecor has posted a bond of €33,700 in favour of General Management of the Circular Economy in relation to the closed fibre cement store at the Alcázar plant.

9.1 – Caring for the natural environment

GRI: 2-27, 3-3

Molecor's environmental management model is framed within an Integrated Quality and Environmental Management System in line with the ISO 14001:2015 Standard and certified by AENOR¹¹. Taking into account products' entire life cycle, this system includes procedures and tools to identify environmental aspects and assess potential risks in order to implement controls, prevent or reduce possible environmental impacts, involve all stakeholders, and develop activities related to the corporate business with a view to motivating the workforce and suppliers to improve their environmental performance. Furthermore, this system has been implemented at all Molecor plants in Spain, driving and developing care of the natural environment.

For its other locations, Molecor goes to great lengths to introduce measures that strengthen the operational control at its international plants. In Paraguay, the company has already implemented a basic operational control system, and in 2023 it will start to define control criteria at its plants in South Africa and Malaysia, as well as review the legal environmental requirements that apply to these centres, so it may establish an environmental management system aligned with the Group's guidelines.

The company has a Quality and Environment Manager who leads management and control of the Environmental Management System's legal and operational compliance.

Environmental risk management

Molecor has various tools to control risks of spillage, leaks and other incidents that may occur when developing operations at its corporate plants. The company has prepared plans associated with these potential identified risks that may have an environmental impact, setting out an environmental preparation and emergency response protocol.

The company periodically identifies potential environmental risks that may arise from development of its activity using a SWOT analysis and applying the corporate "Risk Identification and Assessment" procedure in which risks are parametrised and weighted so they may be subsequently addressed. Furthermore, it assesses environmental aspects and the legal requirements applicable to each centre.

Molecor did not record any environmental incidents or emergency situations in 2022, a trend that continued on from previous years, since the company has never recorded an incident in this matter.

¹¹ Our plants in Loeches, Alovera, Alcázar and Antequera hold the ISO 14001:2015 certification. Moreover, the Getafe plant has set procedures in place to ensure legal compliance for waste and consumption control, among other aspects.

9.2 - Climate strategy

GRI: 3-3, 302-1, 302-2, 302-3, 302-4, 305-1, 305-2, 305-3

Molecor is aware of the importance of reducing the impact resulting from global warming and, therefore, it is actively working to respond to the climate emergency. The company inherently aids decarbonation of the economy through its products, and in 2023 it will establish a set of actions to be developed in order to continue driving corporate development in this area.

Making progress with our Decarbonation Plan

With a view to aligning with the goals set by the European Green Deal of achieving climate neutrality by 2050, Molecor is firmly committed to increasing its contribution to the fight against climate change. Thus, in 2023 it will continue to make progress in its task of setting and achieving decarbonation goals.

Did you know that using molecularly oriented PVC (PVC-O) pipes is the best way to fight climate change?

Molecularly oriented PVC pipes have a smaller impact than alternative materials on global warming and, as a result, a smaller environmental footprint. Additionally, it's been proven that their environmental impact - not only in terms of global warming, but also in other environmental impacts, like the destruction of the ozone layer - is also inferior to other materials¹².

Energy consumption

Internally, energy consumption in the production process is mainly linked to electricity consumption, which powers both the machinery used in the manufacturing process and the company's offices and buildings. The production process is powered by electricity from the mains, which Molecor Tecnología and Molecor Canalizaciones buy from the daily market with the support of a coordinator company, or through a distributor at a previously closed price by supply periods, respectively. It is important to note that as a part of the merger efforts of Molecor Tecnología and Molecor Canalizaciones, the company is working to unify energy purchasing criteria. All remaining energy consumption comes from the use of petrol to power forklifts used to transport material internally.

In 2022, Molecor was awarded the electro-intensive consumer certificate for its plant in Loeches



¹² Teppfa, Lyfe Cycle Assessment - Leaflet 21 "PVC-O (MRS 45)* plastic pipe systems vs ductile iron environmental impact comparison"

Energy source	Unit	2022
Renewable energy	Electricity	KWh 1,437,701
	Electricity (G.o.O)	KWh 1,100,000
Non-renewable energy	Electricity	KWh 33,039,774
	Diesel (Fuel A)	L 1,113
	Fuel oil (Fuel B)	L 70,344
	LGP	L 1,699
	Naphtha	L 2,511

Renewable energy consumption

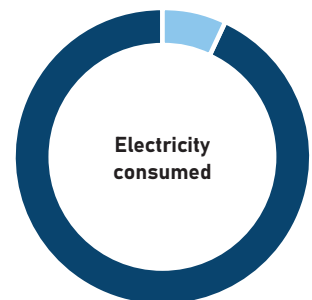
The company has installed a photovoltaic panel system in PPA (Power Purchase Agreement) mode on a self-consumption basis. The system has been set up on the roof of the production plant in Loeches where PVC-O TOM® pipes and ecoFIT TOM® fittings are manufactured. It started operating at the beginning of 2022.

The installation has 3,170 solar panels on the roof of the facilities capable of generating 1,413,490 kWh of energy per year, with an installed power of 1077 kW.

Thanks to this initiative, Molecor is contributing towards achieving the goals set out in the PNIEC (Integrated National Energy and Climate Plan) 2021-2030, which consist of a 23% reduction in greenhouse gases compared to 1990.

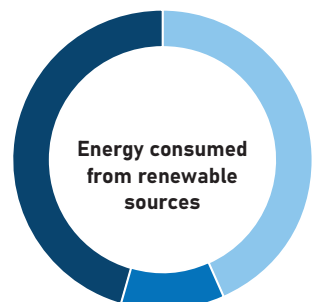
Location	Reduction in t CO ₂ eq emissions
Photovoltaic plant (Loeches)	1,397
Guarantee of Origin (Loeches)	1,371
Hydroelectric (Paraguay)	1,351

The company will continue to make progress in relation to this commitment by installing solar panels at its Antequera and Alcázar plants over the course of 2023. Furthermore, in Alovera it will carry out a study on how to complete the installation as modifications must be made to the roofs of the buildings there.



33,039,774 KWh Non-renewable energy consumption

2,537,701 KWh Renewable energy consumption



45% Spain (Photovoltaic - Loeches)

11% Paraguay (hydroelectric)

43% Spain (Guarantee of Origin)



Emissions

Molecor deems it relevant to monitor and control emissions caused by its corporate operations. The company measures and monitors emissions released into the atmosphere at its plants in Loeches, Alcázar, Alovera and Antequera. Furthermore, it manages controls in accordance with specific atmospheric emission procedures for the company's different activities, pursuant to the provisions set out in Molecor's own action protocols and in compliance with legislation and requirements defined by the competent administration.

According to the Inventory of Potentially Contaminating Activities for the Atmosphere (catálogo de actividades potencialmente contaminadoras de la atmósfera - CAPCA), Molecor's activity is framed as a Group C activity, for which reason the company must perform internal and external emission controls (through an authorised control body) every two and a half and every five years, respectively. Pursuant to these requirements, Molecor performed an external control in 2022¹³ and achieved satisfactory results (48-54-32 µg/m³ for the three set control points).

Furthermore, in 2022 Molecor refilled 7 kg of R410a refrigerant. However, given the reduced environmental impact that this form of consumption entails, its inclusion is not considered material in reduction measures.

Molecor has developed different measures to continue making progress in its unwavering commitment to reducing its environmental impact:

Gradual transition to renewable electrical energy consumption

Implementation of energy saving measures

- Change to LED lighting at the Alovera and Antequera plants
- Installation of new injection machines and moulds at the Alovera plant

Drive and commitment to innovation

- Boost investment in new machinery at Alovera, Antequera and Loeches plants

Environmental awareness and training for staff

Implementation of measures and actions throughout the value chain

- Termination of AAI-CR-029 for the Alcázar production centre, disengaging it from AAI (Integrated Environmental Authorisation) for the closed fibre cement waste store.

¹³ Since external emission controls are carried out with the authorised control body every five years, in 2022 Molecor developed this analysis at its Loeches plant. The limit value for suspended particles in a year is 300 µg/m³.

Direct GHG emissions

Direct GHG emissions (Scope 1) ¹⁴	Unit	2022
CO ₂	t CO ₂ eq	202.13
Indirect GHG emissions (Scope 2) ¹⁵	Unit	2022
CO ₂	t CO ₂ eq	8,557.30

Molecor acknowledges that tackling the climate emergency and supporting the transition to a low-carbon economy is an ongoing effort it has a responsibility to keep working on. Thus, in 2023 it will calculate and record the carbon footprint for the Loeches plant and will start to roll out the Energy Management System, ISO 50001. All these actions will be extended to all other production centres in time.

Risks and opportunities arising from climate change

Molecor has identified two main transition risks that may arise from climate change:

Corporate compliance with relevant legislation

Response to client requirements regarding Scope 3

In developing the Strategic Plan that the company will initiate in 2023, Molecor will perform a climate risk analysis to define measures that will alleviate the impact of the issues detected.

9.3 - Circular economy

GRI: 3-3, 301-1, 301-2, 301-3, 306-1, 306-2, 306-3, 306-4, 306-5

The plastics industry has been recognised by the European Union as one of the priority action sectors within its European Circular Economy Action Plan. Thus, the company has a key role in applying the principles of the circular economy. In response to the current backdrop's challenges, Molecor is working to develop initiatives that help to transform the linear economy into a circular model, taking into account waste production and management in its operations and conveying these values to its workforce, partners or suppliers, and clients.

In 2022, the company achieved different notable milestones, such as:

Membership and funding of Envalora

Development of new products using material recycled externally to the organisation

Use of internally reprocessed material to manufacture new products

The company has a key role in applying the principles of the circular economy.

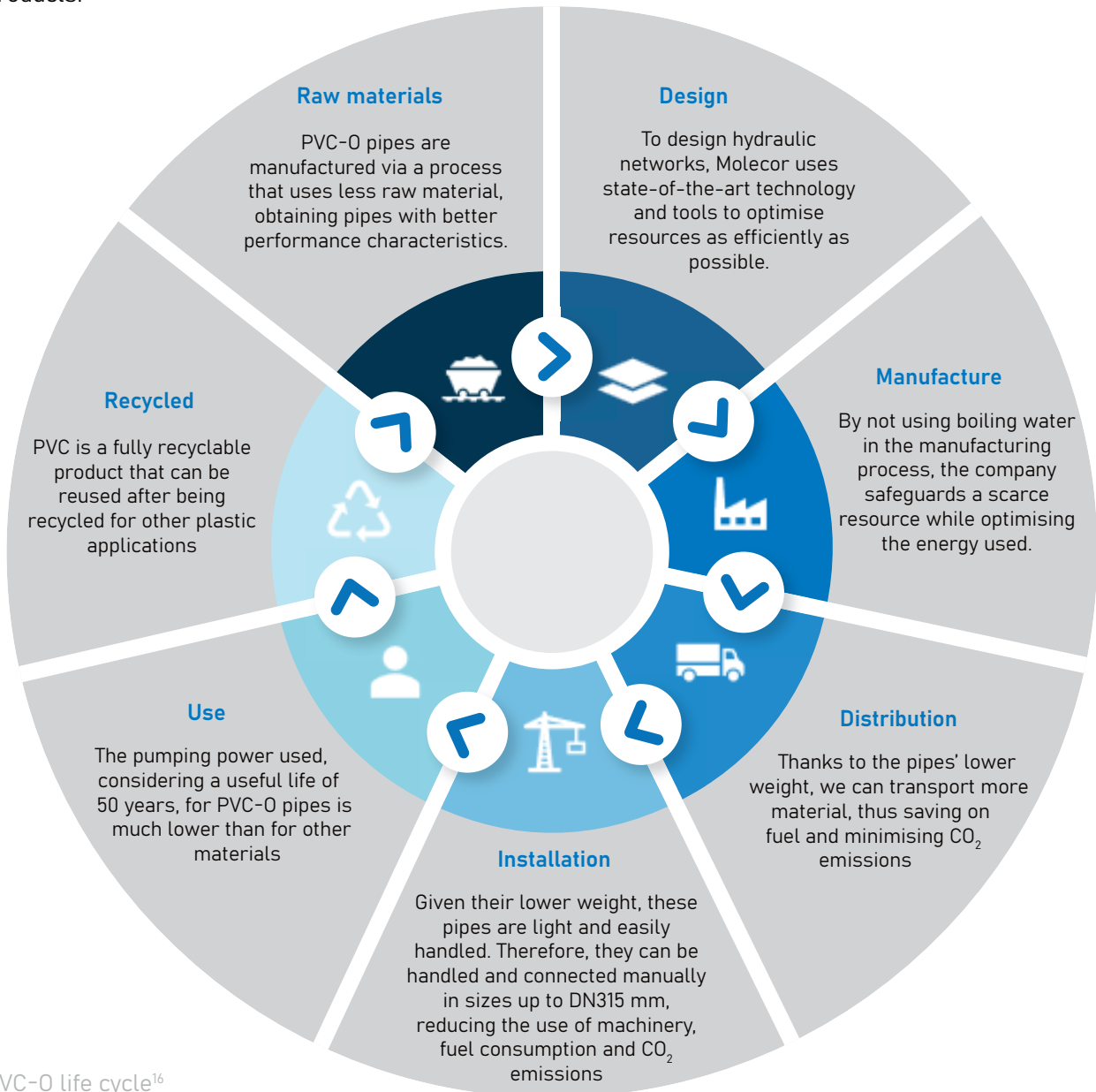
¹⁴ The data reported for Scope 1 only consider the use of fossil fuels in the company's plants, used to operate internal transportation forklifts. In 2023, Molecor will define an emissions calculation methodology for company vehicles used for commercial use.

¹⁵ The data reported for Scope 2 consider the use of electrical energy in both offices and factories.

Material consumption and reuse

The company has introduced a process to reuse raw materials that form a part of the product, allowing the materials that, for diverse reasons, were discarded from the production flow to be re-entered in the process of manufacturing new products.

It is worth highlighting that PVC is a fully recyclable product that can be reused to manufacture new plastic products.



PVC-O life cycle¹⁶

We promote circularity in our communities' resources

Molecor has financed the "El Vaso Verde" (Green Glass) initiative launched by the Local Government of Loeches, encouraging the use of reusable glasses in public social activities. Thus, the waste generated was reduced by more than 80%, leading to less plastic waste in production and less waste at events.

[Find more about our social endeavours in the chapter titled "Committed to developing our communities".](#)

¹⁶ This infographic shows the life cycle of PVC-O. However, PVC and PVC-O have similar life cycles, for which reason the manufacture and marketing of all other products Molecor offers is developed in similar phases.

The design and manufacture of the pipes and fittings Molecor markets require the **use and consumption of different raw materials**. In 2022, consumption of the most relevant of these was as follows:

Consumption of raw materials (tons)										
Virgin PVC resin	Recycled PVC resin	Additive	Calcium carbonate	Pigment	PP pellets	Wood	Cardboard	Plastic	Metal	Rubber
42,772	11,321	3,410	3,209	38	534	2,288	440	418	50	778

Commitment to zero microplastics loss

Since 2021, Molecor has formed a part of the voluntary Operation Clean Sweep (OCS) programme, the goal of which is to eliminate or minimise the loss of microplastics generated during the company's activities at its premises, and to prevent their involuntary loss into the environment. All of the company's Spanish plants are adhered to this programme, while the Loeches plant has also secured the corresponding AENOR certification. In 2023, the company will expand the scope of this certification to all its plants in Spain, and in the coming years it will roll out the programme to its foreign plants. The company is also actively working to transfer this initiative to the entire value chain.

With this goal in mind, Molecor has managed to:

- Identify all points that are likely to generate a loss of plastic particles in its corporate industrial facilities.
- Determine needs and introduce the appropriate improvements to prevent pellets from reaching the natural environment.
- Implement emission point elimination and loss containment measures to prevent pellets from reaching the public network..
- Involve all Molecor staff in zero-loss monitoring and control tasks.

To ensure its workforce is prepared to comply with this requirement, the company has developed an awareness and training programme for all staff members involved in the pellet spillage prevention process.

**Molecor has formed
a part of the voluntary
Operation Clean Sweep
(OCS) programme.**

Waste management

Molecor's waste management approach is governed by the corporate internal waste management procedure and carried out by an authorised management company. This procedure distinguishes between hazardous and non-hazardous waste, and it establishes a waste generation record, waste separation guidelines, labelling and storage for waste at each production plant in Spain, with the aim of ensuring waste is correctly managed and disposed of, and minimising any pollution resulting from possible spillages.

Given its main activity, Molecor also manages waste from PVC, which is generated during the manufacture of its pipes and fittings. However, as proof of the company's commitment to driving and promoting the circular economy and achieving the European recycled material goals, Molecor reuses material discarded from its production flows, once they have been reprocessed either internally or externally, and re-introduces them to the manufacturing process for new products.

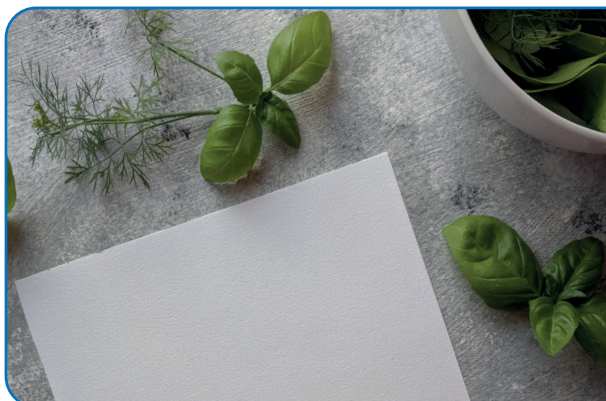
In compliance with European legislation in force regarding this matter, Molecor does not use substances of very high concern (SVHC) to formulate its products, some of which include lead salt-based additives, and it also encourages licensees who purchase Molecor technology in countries where their use is still permitted so they may replace this element during the manufacturing process, for example, by using calcium and zinc salt-based additives.

Molecor is launching different measures to ensure its waste management approach follows the highest control standards:

Driving and certifying our commitment to zero pellet losses

At its Loeches plant, Molecor reuses PVC shavings by incorporating waste from PVC in the process of manufacturing new PVC-O products. Furthermore, to ensure its firm commitment to zero pellet particle emissions, the company has had its performance in this area certified through the OCS programme at the Loeches plant, and it has implemented this programme in its Antequera, Alovera and Alcázar plants.

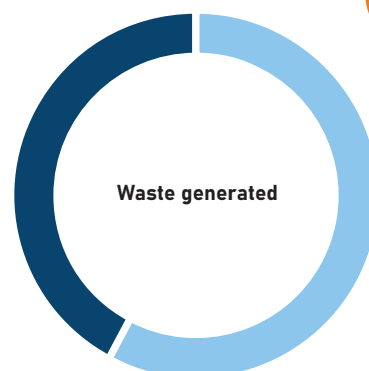
- In terms of prevention, the company develops a preventive maintenance plan for its premises with a view to avoiding environmental emergencies.
- With regard to recycling, the company has stores and facilities to correctly separate all waste. Said waste is managed by authorised companies and, for example, in some centres the solid urban waste generated is managed by the municipal services. Thus, the company promotes other forms of waste recovery and disposal.
- Regarding reuse, the company has recycling facilities at its production plants, which allow PVC waste from by-products and non-compliant products to be reprocessed internally and then be reused in the production process. In the case of PVC-O, the company has gone a step further, since the PVC waste generated in product cutting processes and in external recycling facilities is sent for external recycling and, once processed, is returned to the factory for reuse. This allows Molecor to contribute to the goals of the Circular Plastic Alliance regarding the use of recycled material when manufacturing new products.
- Through authorised management companies, Molecor promotes other forms of waste recovery and disposal. PVC waste that cannot be reused internally is sold to external recyclers for recovery.



Towards a paperless model

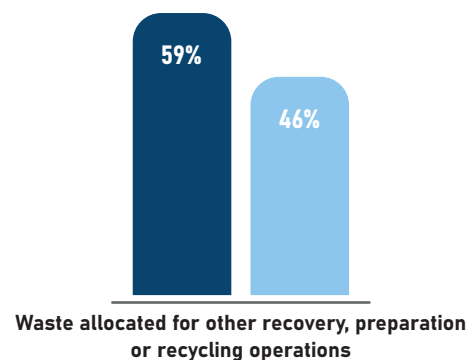
Molecor is directing its efforts towards a model based on full eliminating paper use. This project, which has emerged organically and is being encouraged by corporate management, is following a progressive digitalisation of all company operations and processes, and it has been defined as a cross-company project for all departments.

Waste generated	Unit	Amount
Hazardous waste		
Absorbents	TM	4.3
Used oil	TM	15.3
Water with hydrocarbons	TM	1.3
Water with paint	TM	12.5
Aqueous cleaning fluids	TM	7.1
Other	TM	3.5
Non-hazardous waste		
Cardboard	TM	16.4
Scrap	TM	93.5
Film	TM	4.2
Sewage sludge	TM	10.1
Wood	TM	68.4
Ferrous metals	TM	35.4
Pallets y wood	TM	52.0
Paper and cardboard	TM	48.6
Products	TM	1.6
ISW	TM	162.7
Various	TM	191.9
USW	TM	151.3
PVC waste	TM	0.45
Total		
	Hazardous	44.1
	Non-hazardous	836.1



42% Waste sent for disposal

58% Waste allocated for other recovery, preparation or recycling operations



Uses of PVC waste

In 2022, Molecor joined ENVALORA, a Collective System for Extended Producer Responsibility (SCRAP) for industrial and commercial packaging with the aim of responding to the extended responsibility requirements set out in Law 7/2022, of 8 April, on waste and contaminated soil for a circular economy, and Royal Decree 1055/2022, of 27 December, on packaging and packaging waste, helping to develop and finance it. In 2023, the company will set out a methodology that will improve corporate management of containers and packaging that accompany the products sold in order to facilitate the information task required by new legislation. Furthermore, it will define waste minimisation plans.



9.4 - Sustainable water management

GRI: 3-3, 303-1, 303-2, 303-3, 303-4, 303-5

Molecor acknowledges the importance of preserving water as an essential natural resource in its business model. Thus, its corporate activity is based on manufacturing infrastructures that ensures quality water management during its transport.

The company mainly consumes water at its manufacturing centres, where the best resource reduction and optimisation processes are implemented. Furthermore, Molecor's corporate offices and buildings try to encourage efficient, responsible water use.

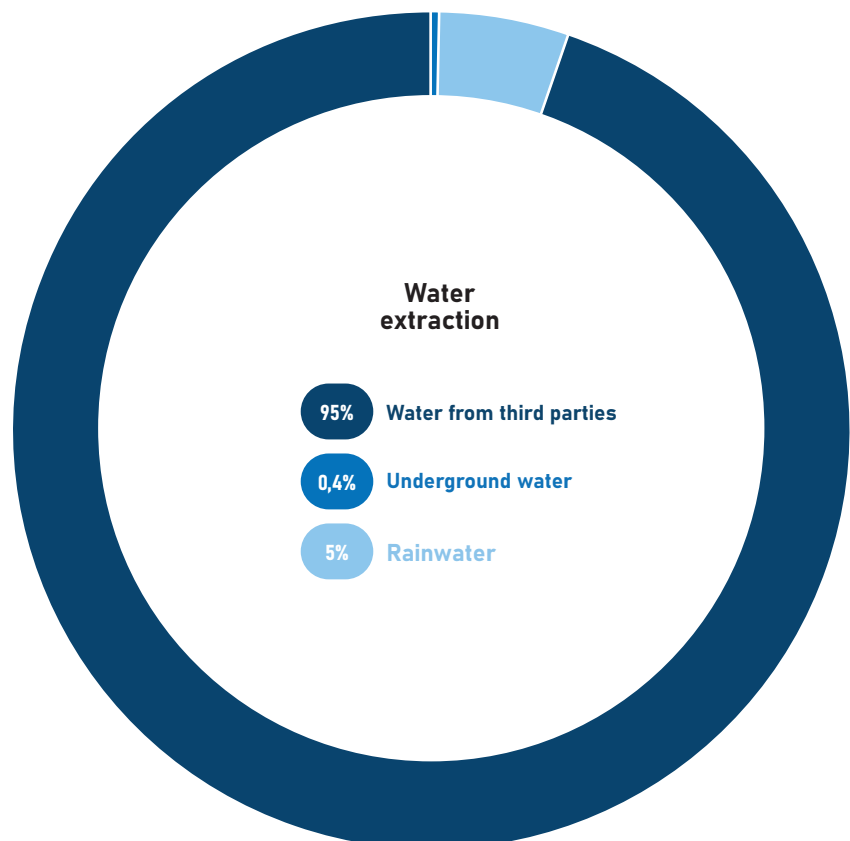
One of its most notable initiatives is water circularity at the Loeches plant, with rainwater collected on the production warehouse roofs and used in the production process. Other than this, all water is supplied by tankers and stored, meaning Molecor does not consume water from wells and it does not extract water at any of its national plants.

Abroad, the Paraguay plant consumes underground water obtained through extraction from a well. However, it is important to note that the current facilities are leased, for which reason Molecor will be changing its facilities in 2023 and will install a system to control the water consumed at its new production centre.

Molecor bases its activity on manufacturing infrastructures that ensures quality water management during its transport.

Water consumption

Energy source (m³)	2022
Potable water	14,733
Rainwater	715
Underground water	60



9.5 - Protecting biodiversity

GRI: 3-3, 304-1, 304-2, 304-3

Molecor chooses to care for and protect the biodiversity of the areas where it operates, striving to minimise potential impacts caused by its activity and assisting the defence of ecosystems.

Molecor takes noise measurements around its manufacturing plants to ensure the noise generated by its activity has the lowest impact possible on the natural environment through identifying the number of noise pollution sources at its facilities. It is important to highlight that all measurements taken comply with the requirements of the corresponding administration.

The number of noise pollution sources at each facility is described next:

Noise pollution	
Number of controlled noise pollution sources	
Alcázar	5
Antequera	4
Alovera	7
Loeches	3

Moreover, the company works closely with public institutions to care for the local species that interact with its facilities. At its Alcázar production centre, two white stork (*Ciconia ciconia*) nests have been found and Molecor supports the research work being carried out by the Institute for Research into Hunting Resources (Instituto de Investigación en Recursos Cinegéticos - IREC). By allowing the occupancy of the nests found at these facilities to be reviewed, the company enables the IREC to continue studying this species so it may be protected, monitored and any diseases that could be transmitted to other wild species, domestic animals or humans may be prevented.

However, it is important to acknowledge that Molecor's corporate activities are never developed in areas with a high biodiversity value, whether they are protected or unprotected, and where their development could potentially harm ecosystems, landscapes and species, or have a potentially negative impact on biodiversity.



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10. Appendices

10.1 – About this report

The aim of this Non-Financial Information Statement is to inform Molecor stakeholders of the performance, commitments assumed and plans set out by the company in environment, social and corporate governance (ESG) matters.

The contents of this report address the matters identified by Molecor in its materiality analysis and have been drawn up in accordance with the main sustainability reporting standards:

- The requirements defined in Law 11/2018, of 28 December 2018, on non-financial information and diversity, approved on 13 December 2018 by the Congress of Deputies, amending the Commercial Code, the consolidated text of the Capital Companies Act approved by Royal Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on accounts auditing, in matters of non-financial reporting and diversity (taken from Royal Decree 18/2017, of 24 November).
- The Non-Financial Information Statement has been preparing following the criteria of the Global Reporting Initiative's Sustainability Reporting Standards (selected GRI standards), from the version updated in 2021 and applicable from January 2023, GRI Universal Standards, following the criteria and principles to define the contents and quality of report information outlined in said guide.

The information included in this report covers all companies in the Molecor Group at the close of 31 December 2022, with the following exceptions:

- The "Protecting the natural environment" chapter does not have information for the company's South African plant as there is no environmental operational control in place yet, nor does it include the plant in Malaysia, as this only joined the Group in October 2022 and its operations had not yet been broken down at the end of the reporting period.
- The "Our responsible supply chain" chapter and the "Health, safety and well-being" chapter do not have information for South Africa or Paraguay

If there are any additional limitations to the scope of the information provided for a specific indicator, this will be explained as a footnote to the specific table for the indicator in question.

Throughout this document, no information for the previous financial year is included as it is not directly comparable, nor is it applicable to the Non-Financial Information Act 11/2018, except when considered relevant. Furthermore, reference is made to measures currently being developed and future goals, whose fulfilment the company cannot guarantee.

10.2 - Materiality matrix

GRI: 3-1,3-2

Materiality analysis

The materiality analysis allows the most relevant topics to Molecor stakeholders to be identified. Through this process, areas the company must work on (material topics) are identified and prioritised to ensure its strategy addresses their concerns. Thus, a materiality analysis is a powerful tool that generates great added value for Molecor's communication with its most important stakeholders.

In 2021, Molecor performed its first materiality analysis, consulting the company's most relevant stakeholders, both internal and external

The process involved the following stages:

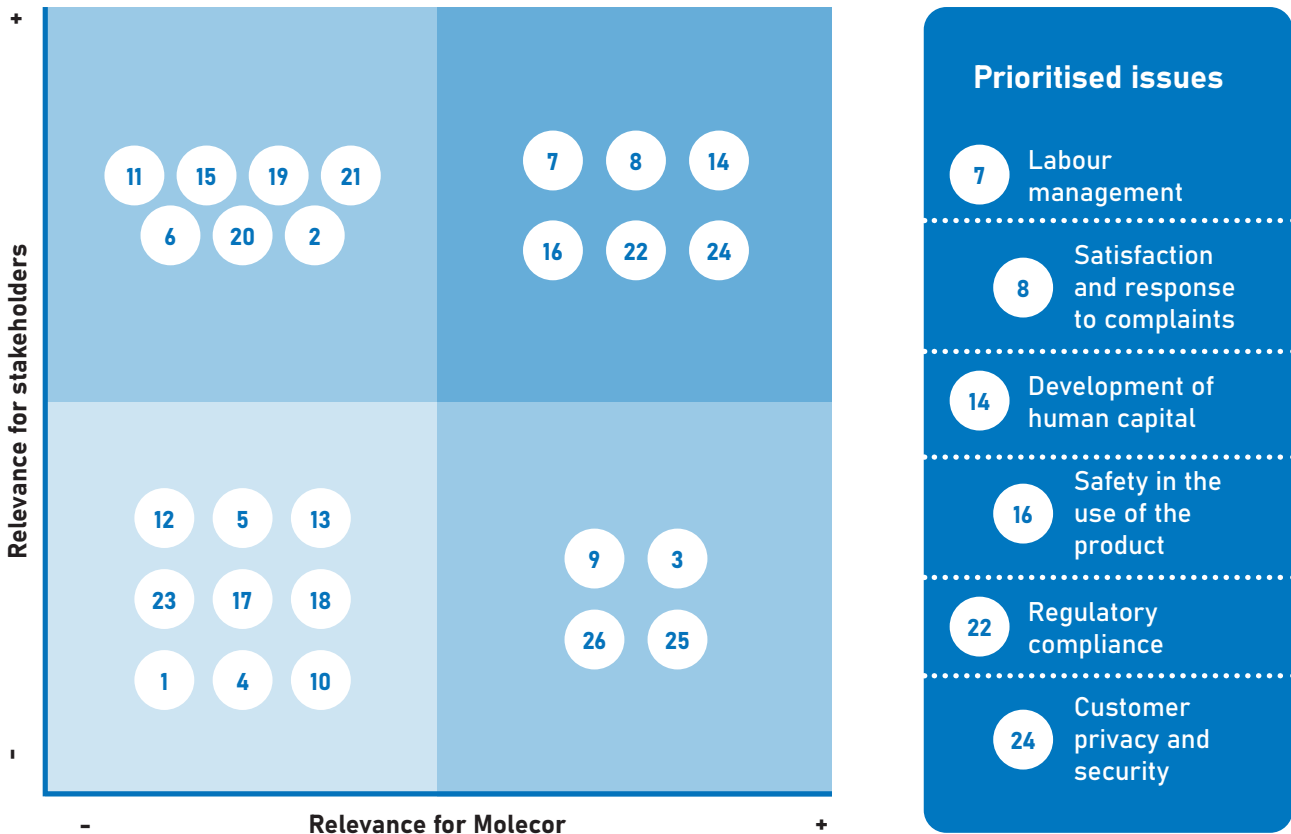
1. **Identification.** An initial analysis was performed to identify the topics relevant to Molecor. This analysis included market research and in-depth knowledge of the Group's value chain. In addition, senior management approved the stakeholders that would form a part of the materiality analysis based on criteria of representation and significance: employees, suppliers, shareholders, and clients. The aspects assessed are shown in the final materiality matrix.
2. **Prioritisation.** The importance of each topic pinpointed internally and externally was assessed, and the results of this research were displayed in the aggregate materiality matrix that reflects the main topics, according to their internal and external relevance:
 - a. Internal relevance of the set of sustainability topics (importance for Molecor – X axis of the materiality matrix), with the managers of the organisational divisions involved in preparing this report and which provided their opinions on the pertinence of the issues identified.
 - b. External relevance of the set of sustainability topics (importance for stakeholders – Y axis of the materiality matrix), previously establishing a weighting for each stakeholder based on their influence on corporate performance and growth.
3. **Assessment.** The material topics were assessed in order of importance via online surveys that were distributed to the stakeholders involved.
4. **Validation.** The result of the material study was presented to Molecor senior management to ensure it correctly reflects a balanced view of the company's relevant topics.

In 2021, Molecor performed its first materiality analysis.



Materiality matrix

This materiality analysis acts as a starting point for the development of this Non-Financial Information Statement (NFIS). Furthermore, it serves as the basis for supplementing and providing continuity to the management approach used to tackle the risks and opportunities that may arise from the material topics identified in this analysis, and which may require priority actions.



Relevant issues

- | | | |
|-----------------------------------|---|---|
| 11 Occupational health and safety | 2 Caring for Natural resources | 13 Suppliers supervision and evaluation under sustainability criteria |
| 15 Technical advice for clients | 9 Organisation of work | 23 Clearness in communication |
| 19 Code of ethics | 3 Waste | 1 4 Materials and environmental pollution |
| 21 Anti-corruption and bribery | 25 26 Technological and product Innovation | 18 Corporative Government and clearness |
| 6 Energy efficiency | 12 Sustainability criteria in suppliers contracting | 10 Equality and diversity |
| 20 Risks management | 5 Environmental information of the product | 17 Social action |

10.3 - Index of the contents required by Law 11/2018

Information required by Law 11/2018	Reporting criteria: Selected GRI standards (latest version unless indicated otherwise)	Section of the report where this is addressed
General information		
A brief description of the business model, including its business environment, organisation and structure	GRI 2-6 (2021) GRI 2-7 (2021) GRI 2-9 (2021)	Our business model
Markets we operate in	GRI 2-1 (2021) GRI 2-6 (2021) GRI 2-7 (2021)	Our business model
Organisation goals and strategies	GRI 2-1 (2021) GRI 2-22 (2021)	Our business model and Our ESG management
Main factors and trends that may affect future performance	GRI 2-22 (2021)	Context and main trends
Reporting framework used	GRI 3-3 (2021)	See Appendix to this report
Principle of materiality	GRI 3-1 (2021) GRI 3-2 (2021)	See Appendix to this report
Environmental matters		
Management approach: description and results of policies in this area, as well as the main risks in this area related to Group activities	GRI 3-3 (2021)	Protecting the natural environment
General detailed information		
Detailed information on the current and predicted effects of the company's activities on the environment and, where applicable, health and safety	GRI 3-3 (2021)	Health, safety and well-being
Environmental assessment or certification procedures	GRI 2-25 (2021) GRI 3-3 (2021)	Protecting the natural environment
Resources allocated to environmental risk prevention	GRI 3-3 (2021)	Protecting the natural environment
Application of the precautionary principle	GRI 2-23 (2021) GRI 3-3 (2021)	Protecting the natural environment
Number of provisions and guarantees for environmental risks	GRI 2-25 (2021) GRI 3-3 (2021)	Protecting the natural environment
Pollution		
Measures to prevent, reduce or remedy emissions that seriously affect the environment, bearing in mind any form of atmospheric pollution specific to an activity, including noise and light pollution	GRI 3-3 (2021)	The company does not emit carbon emissions that erode the ozone layer (ODS), nitrogen oxides (NO _x), sulphur oxides (SO _x) or other significant air emissions. All other matters are found in Climate strategy.

Information required by Law 11/2018
Reporting criteria:
Selected GRI standards
 (latest version unless
 indicated otherwise)

**Section of the report
 where this is addressed**
Circular economy and waste prevention and management

 Measures for waste prevention, recycling, reuse, other forms of
 recovery and disposal

 GRI 306-1
 GRI 306-2
 GRI 306-3

Circular economy

Actions to combat food waste

GRI 3-3 (2021)

 Immaterial. The company's
 activities in this area are
 insignificant, for which reason
 there are no defined actions.

Sustainable use of resources

 Water consumption and water supply in accordance with local
 limits

GRI 303-5

Sustainable water management

 Raw material consumption and measures implemented to
 improve more efficient use

GRI 301-1

Circular economy

Energy consumption, direct and indirect

GRI 302-1

Climate strategy

Measures implemented to improve energy efficiency

GRI 3-3 (2021)

Climate strategy

Use of renewable energy

GRI 302-1

Climate strategy

Climate change

 Greenhouse gas emissions generated as a result of the
 company's activities, including the use of the goods and services
 it produces

 GRI 305-1
 GRI 305-2
 GRI 305-3
 GRI 305-6
 GRI 305-7

Climate strategy

 Measures implemented to adapt to the consequences of climate
 change

GRI 3-3 (2021)

Climate strategy

 Voluntarily set medium- and long-term reduction goals to reduce
 greenhouse gas emissions and the measures implemented in this
 regards

 GRI 3-3 (2021)
 GRI 305-5

Climate strategy

Biodiversity protection

Measures implemented to preserve or restore biodiversity

 GRI 3-3 (2021)
 GRI 304-3
 GRI 304-4

Protecting biodiversity

 Impacts caused by the company's activities or operations in
 protected areas

 GRI 3-3 (2021)
 GRI 304-2

Protecting biodiversity

Social and staff-related matters
Management approach: description and results of policies in
 this area, as well as the main risks in this area related to Group
 activities

GRI 3-3 (2021)

Our talented staff

Employment

 Total number and distribution of employees by sex, age and
 professional category

GRI 405-1

The workforce in numbers

 Total number and distribution of work contract types and annual
 average for permanent contracts, for temporary contracts, and
 for part-time contracts by sex, age and professional category

GRI 2-7 (2021)

The workforce in numbers

Number of dismissals by sex, age and professional category

 GRI 3-3 (2021)
 GRI 401-1

The workforce in numbers

Information required by Law 11/2018	Reporting criteria: Selected GRI standards (latest version unless indicated otherwise)	Section of the report where this is addressed
Average remuneration and its progress, disaggregated by sex, age and professional category or equal value	GRI 3-3 (2021) GRI 405-2	The workforce in numbers
Wage gap, remuneration for equal roles or company average	GRI 3-3 (2021) GRI 405-2	Diversity and inclusion
Average remuneration for directors and managers, including variable remuneration, expenses, compensation, payments to long-term saving systems, and any other concept disaggregated by sex	GRI 3-3 (2021) GRI 405-2	The workforce in numbers
Introduction of work disconnection policies	GRI 3-3 (2021)	The best talent
Number of disabled employees	GRI 3-3 (2021) GRI 405-1	Diversity and inclusion
Organisation of work		
Organisation of work time	GRI 3-3 (2021)	The best talent
Number of hours of absenteeism	GRI 3-3 (2021) GRI 403-9	The best talent
Measures designed to facilitate work-life balance and encourage co-responsible exercising of this by both parents	GRI 3-3 (2021) GRI 401-3	The best talent
Health and safety		
Health and safety conditions in the workplace	GRI 3-3 (2021) GRI 403-1 a 403-8	Health, safety and well-being
Occupational accidents, particularly their frequency and severity, as well as professional illnesses; disaggregated by sex	GRI 403-9 GRI 403-10	Health, safety and well-being
Social relations		
Organisation of social dialogue, including procedures to inform and consult staff members and negotiate with them	GRI 3-3 (2021)	The best talent
Percentage of employees covered by collective agreement by country	GRI 2-30 (2021)	The best talent
Statement on collective agreements, particularly in the field of occupational health and safety	GRI 3-3 (2021)	The best talent
Training		
Policies introduced in relation to training	GRI 404-2	The best talent
Total number of hours of training by professional category	GRI 3-3 (2021) GRI 404-1	The best talent
Universal accessibility		
Universal accessibility of people with a disability	GRI 3-3 (2021)	Diversity and inclusion
Equality		
Measures implemented to promote equal treatment and opportunities between men and women	GRI 3-3 (2021)	Diversity and inclusion
Equality plans, measures implemented to encourage employment, protocols against sexual and sex-based harassment	GRI 3-3 (2021)	Diversity and inclusion
Policy against all forms of discrimination and, where applicable, diversity management	GRI 3-3 (2021)	Diversity and inclusion

Information required by Lay 11/2018
Reporting criteria:
Selected GRI standards
 (latest version unless
 indicated otherwise)

**Section of the report
 where this is addressed**
Respect for Human Rights
Management approach: description and results of policies in this area, as well as the main risks in this area related to Group activities

GRI 3-3 (2021)

Respect for human rights

Application of due diligence procedures

Application of due diligence procedures in human rights matters and prevention of the risks of infringing human rights and, where applicable, measures to mitigate, manage and remedy any potential violations committed

 GRI 2-23 (2021)
 GRI 2-26 (2021)

Respect for human rights

Cases reported of human rights violations

 GRI 3-3 (2021)
 GRI 406-1

Respect for human rights

Measures implemented to promote and ensure compliance with the provisions of fundamental agreements of the ILO related to respect for freedom of association and the right to collective bargaining; the limitation of discrimination at work; the elimination of forced or mandatory labour; the effective abolition of child labour

GRI 3-3 (2021)

Respect for human rights

Fight against corruption and bribery
Management approach: Description and results of policies in this area, as well as the main risks in this area related to Group activities

GRI 3-3 (2021)

Ethical behaviour and compliance

Measures implemented to prevent corruption and bribery

 GRI 2-23 (2021)
 GRI 2-26 (2021)
 GRI 3-3 (2021)

Ethical behaviour and compliance

Measures to fight against money laundering

 GRI 2-23 (2021)
 GRI 2-26 (2021)
 GRI 3-3 (2021)

Ethical behaviour and compliance

Contribution to not-for-profit foundations and institutions

 GRI 2-28 (2021)
 GRI 201-1

Ethical behaviour and compliance

Information on society
Management approach: description and results of policies in this area, as well as the main risks in this area related to Group activities

GRI 3-3 (2021)

Risk management

Company commitments to sustainable development

The impact of the company's activity on local employment and development

 GRI 3-3 (2021)
 GRI 204-1

Sustainability as a key part of our business

The impact of the company's activity on local populations and the region

 GRI 3-3 (2021)
 GRI 413-1

Committed to developing our communities

Relationships with actors in local communities and forms of dialogue with them

 GRI 2-29 (2021)
 GRI 413-1

Committed to developing our communities and Creating value with our stakeholders

Membership or sponsorship actions

 GRI 3-3 (2021)
 GRI 201-1

Partnerships and memberships for sustainability

Information required by Law 11/2018
Reporting criteria:
Selected GRI standards
 (latest version unless
 indicated otherwise)

**Section of the report
 where this is addressed**
Subcontracting suppliers

Inclusion of social, gender equality and environmental matters in the purchasing policy	GRI 3-3 (2021)	Our responsible supply chain
Consideration of social and environmental responsibility in relations with suppliers and subcontractors	GRI 2-6 (2021) GRI 308-1 GRI 414-1)	Our responsible supply chain
Supervision and audit systems, and their results	GRI 2-6 (2021)	Our responsible supply chain

Consumers

Measures for consumer health and safety	GRI 3-3 (2021)	Client experience, health and safety
Complaints systems, complaints received and their resolution	GRI 3-3 (2021) GRI 418-1	Client experience, health and safety







Fiscal information


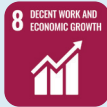






Profits obtained country by country	GRI 3-3 (2021)	Our fiscal approach
Tax on profits paid	GRI 3-3 (2021) GRI 201-1	Our fiscal approach
State subsidies received	GRI 201-4	Our fiscal approach
























10.4 – Index of GRI contents










Molecor has reported the information cited in this index of GRI contents for the period between 1 January 2022 and 31 December 2022 in reference to the GRI Standards.








GRI Code	Indicator description	Reference / Response	SDG
GRI 2: General Disclosures 2021			
The organisation and its reporting practices			
2-1	Organisation details	Our business model	 
2-2	Entities included in the organisation's sustainability reporting	Our business model	
2-3	Reporting period, frequency and contact point	1 January 2022 – 31 December 2022 Annual info@molecor.com	
2-4	Restatements of information	Our human talent	
2-5	External assurance	Independent Assurance Report on the consolidated Statement of Non-Financial Information for the year ended 31 December 2022	
Activities and workers			
2-6	Activities, value chain and other business relationships	Our business model and Our responsible supply chain	  
2-7	Employees	Our business model and The workforce in numbers	
2-8	Workers who are not employees	Our responsible supply chain	
Governance			
2-9	Governance structure and composition	Our business model	
2-10	Nomination and selection of the highest governance body	Structure and corporate governance	
2-11	Chair of the highest governance body	Structure and corporate governance	
2-12	Role of the highest governance body in overseeing the management of impacts	Structure and corporate governance	
2-13	Delegation of responsibility for managing impacts	Structure and corporate governance	
2-14	Role of the highest governance body in sustainability reporting	Structure and corporate governance	
2-15	Conflicts of interest	Structure and corporate governance	
2-16	Communication of critical concerns	Structure and corporate governance	
2-17	Collective knowledge of the highest governance body	Structure and corporate governance	
2-18	Evaluation of the performance of the highest governance body	Structure and corporate governance	




GRI Code	Indicator description	Reference / Response	SDG
2-19	Remuneration policies	Structure and corporate governance	  
2-20	Process to determine remuneration	Our human talent	
2-21	Annual total compensation ratio	Our human talent	
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Our ESG management and Context and main trends	  
2-23	Policy commitments	Protecting the natural environment, Respect for human rights and Ethical behaviour and compliance	
2-24	Embedding policy commitments	Ethical behaviour and compliance	
2-25	Processes to remediate negative impacts	Protecting the natural environment	
2-26	Mechanisms for seeking advice	Respect for human rights and Ethical behaviour and compliance	
2-27	Compliance with laws and regulations	Our fiscal approach, Protecting the natural environment, Respect for human rights and Ethical behaviour and compliance	
2-28	Membership associations	Ethical behaviour and compliance	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Committed to developing our communities	
2-30	Collective bargaining agreements	The best talent	
GRI 3: Material topics 2021			
3-1	Process to determine material topics	Appendices	
3-2	List of material topics	Appendices	
Material topics			
Energy efficiency			
GRI 3: Material topics 2021			
3-3	Management of material topics	Appendices, Protecting the natural environment and Health, safety and well-being	
GRI 302: Energy			
302-1	Energy consumption within the organisation	Climate strategy	



GRI Code	Indicator description	Reference / Response	SDG
GRI 305: Emissions			
305-1	Direct GHG emissions (Scope 1)	Climate strategy	  
305-2	Energy indirect GHG emissions (Scope 2)	Climate strategy	
Materials and environmental pollution			
GRI 3: Material topics 2021			
3-3	Management of material topics	Appendices, Protecting the natural environment and Health, safety and well-being	
301-1	Materials used by weight or volume	Circular economy	
Caring for natural resources			
3-3	Management of material topics	Appendices, Protecting the natural environment and Health, safety and well-being	
303-5	Water consumption	Sustainable water management	
304-2	Significant impacts of activities, products and services on biodiversity	Protecting biodiversity	  
304-3	Habitats protected or restored	Protecting biodiversity	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Protecting biodiversity	
Waste			
3-3	Management of material topics	Appendices, Protecting the natural environment and Health, safety and well-being	 
306-1	Waste generation and significant waste-related impacts.	Circular economy	
306-2	Management of significant waste-related impacts	Circular economy	
306-3	Waste generated	Circular economy	

GRI Code	Indicator description	Reference / Response	SDG
Transparency in communication			
3-3	Management of material topics	Appendices, Protecting the natural environment and Health, safety and well-being	
Social action			
GRI 3: Material topics 2021			
3-3	Management of material topics	Appendices, Protecting the natural environment and Health, safety and well-being	
GRI 201: Economic performance 2016			
201-1	Direct economic value generated and distributed	Ethical behaviour and compliance, Partnerships and memberships for sustainability and Our fiscal approach	 
GRI 413: Local communities 2016			
413-1	Operations with local community engagement, impact assessments and development programmes	Committed to developing our communities	      
Organisation of work			
GRI 3: Material topics 2021			
3-3	Management of material topics	Appendices, Protecting the natural environment and Health, safety and well-being	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	The workforce in numbers	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Health, safety and well-being	

GRI Code	Indicator description	Reference / Response	SDG
GRI 404: Training and education			
404-1	Average hours of training per year per employee	The best talent	 
404-2	Programmes for upgrading employee skills and transition assistance programmes	The best talent	
404-3	Percentage of employees receiving periodic performance and career development reviews	The workforce in numbers	
GRI 3: Material topics 2021			
3-3	Management of material topics	Appendices, Protecting the natural environment and Health, safety and well-being	
GRI 405: Diversity and equal opportunity 2016			
405-1	Diversity of governance bodies and employees	The workforce in numbers	 
405-2	Ratio of basic salary and remuneration of women to men	The workforce in numbers and Diversity and inclusion	
GRI 406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	Respect for human rights	 
Corporate governance and transparency			
GRI 3: Material topics 2021			
3-3	Management of material topics	Appendices, Protecting the natural environment and Health, safety and well-being	
207-1	Approach to tax	Our fiscal approach	
GRI 3: Material topics 2021			
3-3	Management of material topics	Appendices, Protecting the natural environment and Health, safety and well-being	
GRI 201: Economic performance 2016			
201-1	Direct economic value generated and distributed	Ethical behaviour and compliance, Partnerships and memberships for sustainability and Our fiscal approach	 

GRI Code	Indicator description	Reference / Response	SDG	
GRI 204: Procurement practices 2016				
204-1	Proportion of spending on local suppliers	Sustainability as a key part of our business	  	
GRI 308: Supplier environmental assessment 2016				
308-1	New suppliers that were screened using environmental criteria	Our responsible supply chain		
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Our responsible supply chain		
GRI 414: Supplier social assessment 2016				
414-1	New suppliers that were screened using social criteria	Our responsible supply chain	 	
Occupational health and safety				
GRI 3: Material topics 2021				
3-3	Management of material topics	Appendices, Protecting the natural environment and Health, safety and well-being		
GRI 403: Occupational health and safety 2018				
403-1	Occupational health and safety management system	Health, safety and well-being	 	
403-2	Hazard identification, risk assessment and incident investigation	Health, safety and well-being		
403-3	Occupational health services	Health, safety and well-being		
403-5	Worker training on occupational health and safety	Health, safety and well-being		
403-6	Promotion of worker health	Health, safety and well-being		
403-8	Workers covered by an occupational health and safety management system	Health, safety and well-being		
403-9	Work-related injuries	Health, safety and well-being		
403-10	Work-related ill health	Health, safety and well-being		

GRI Code	Indicator description	Reference / Response	SDG
Technical advice for clients			
GRI 3: Material topics 2021			
3-3	Management of material topics	Appendices, Protecting the natural environment and Health, safety and well-being	
GRI 418: Customer privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Client experience, health and safety	
Risk management			
GRI 3: Material topics 2021			
3-3	Management of material topics	Appendices, Protecting the natural environment and Health, safety and well-being	
201-2	Financial implications and other risks and opportunities due to climate change	Risk management and Protecting the working environment	 
Code of ethics			
GRI 3: Material topics 2021			
3-3	Management of material topics	Appendices, Protecting the natural environment and Health, safety and well-being	
Anti-corruption and bribery			
GRI 3: Material topics 2021			
3-3	Management of material topics	Appendices, Protecting the natural environment and Health, safety and well-being	

GRI Code	Indicator description	Reference / Response	SDG
Environmental product information			
GRI 3: Material topics 2021			
3-3	Management of material topics	Appendices, Protecting the natural environment and Health, safety and well-being	
Technological and product innovation			
GRI 3: Material topics 2021			
3-3	Management of material topics	Appendices, Protecting the natural environment and Health, safety and well-being	
GRI 417: Marketing and labelling 2016			
417-1	Requirements for product and service information and labelling	Client experience, health and safety	 
417-2	Incidents of non-compliance concerning product and service information and labelling	Ethical behaviour and compliance	
417-3	Incidents of non-compliance concerning marketing communications	Ethical behaviour and compliance	

Independent Assurance Report on the consolidated Statement of
Non-Financial Information for the year ended 31 December 2022

MOLECOR TECNOLOGÍA, S.L. AND SUBSIDIARIES



INDEPENDENT ASSURANCE REPORT ON THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION

To the shareholders of MOLECOR TECNOLOGÍA, S.L.:

Pursuant to Article 49 of the Commercial Code, we have carried out the verification, with the scope of limited assurance, of the attached Consolidated Statement of Non-Financial Information (hereinafter EINF) for the year ended 31 December 2022, of MOLECOR TECNOLOGÍA, S.L. AND SUBSIDIARY COMPANIES (hereinafter, the Group), which forms part of the consolidated Directors' Report of the Group.

The contents of the consolidated Directors' Report include additional information to that required by current mercantile regulations on non-financial information that has not been the subject of our verification work. In this regard, our work has been limited exclusively to the verification of the information identified in Appendix "10.3 Index of contents required by Law 11/2018", included in the attached consolidated management report.

Responsibility of the Directors

The formulation of the NFIS included in the consolidated Management Report of the Group, as well as its content, is the responsibility of the Directors of MOLECOR TECNOLOGÍA, S.L. The NFIS has been prepared in accordance with the contents included in the current mercantile regulations and following the criteria of the Sustainability Reporting Standards of the Global Reporting Initiative (GRI standards) selected, as well as those other criteria described according to what is mentioned for each subject in Annex "10.3 Index of the contents required by Law 11/2018" of the aforementioned consolidated Management Report.

This responsibility also includes the design, implementation and maintenance of such internal control as is considered necessary to enable the NFIS to be free from material misstatement, whether due to fraud or error.

The directors of MOLECOR TECNOLOGÍA, S.L. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFIS is obtained.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international standards on independence) issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behaviour.

Our firm applies current international quality standards and accordingly maintains a quality system that includes policies and procedures relating to compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

The working team was made up of professionals with expertise in non-financial reporting reviews and, specifically, in economic, social and environmental performance reporting.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed, which relates exclusively to the financial year 2022. Data for previous financial years were not subject to verification in accordance with the applicable corporate governance framework. We conducted our work in accordance with the requirements of the current International Standard on Assurance Engagements 3000 Revised, “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Performance Guidance on Assurance Engagements on Non-Financial Reporting issued by the Spanish Institute of Chartered Accountants (Instituto de Censores Jurados de Cuentas de España).

In a limited assurance engagement, the procedures performed vary in nature and timing, and are less extensive, than those performed in a reasonable assurance engagement and, therefore, the assurance obtained is substantially less.

Our work consisted of asking questions to both the Management and the various divisions of the Group involved in the preparation of the NFIS, reviewing the processes for collecting and validating the information presented in the NFIS, and applying certain analytical procedures and sample review tests as described below:

- ▶ Meetings with the Group’s staff to understand the business model, policies and management approaches applied, the main risks related to these issues and to obtain the necessary information for the external review.
- ▶ Analysis of the scope, relevance and integrity of the contents included in the 2022 NFIS based on the materiality analysis carried out by the Group and described in the section “About this report” considering the contents required by current commercial regulations.
- ▶ Analysis of the processes for compiling and validating the data presented in the 2022 NFIS.
- ▶ Review of the information relating to the risks, policies and management approaches applied in relation to the material aspects presented in the 2022 NFIS.
- ▶ Verification, through testing, based on the selection of a sample, of the information related to the contents included in the 2022 NFIS and its appropriate compilation from the data provided by the information sources.
- ▶ Obtaining a letter of manifestation from the Administrators and Management.



**Building a better
working world**

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Conclusion

Based on the procedures performed in our verification and on the evidence we have obtained, no aspect has come to our attention that leads us to believe that the Group's NFIS for the year ended December 31, 2022 has not been prepared, in all its significant aspects, in accordance with the contents included in the current commercial regulations and following the criteria of the selected GRI standards as well as those other criteria described as mentioned for each subject in the Annex "10.3 Index of the contents required by Law 11/2018" of the aforementioned consolidated Management Report.

Use and distribution

This report has been prepared in response to the requirement established in the mercantile regulations applicable in Spain, so it may not be suitable for other purposes and jurisdictions.

This report corresponds to the distinctive seal no. 01/23/06045 issued by the Instituto de Censores Jurados de Cuentas de España (Spanish Institute of Chartered Accountants).

ERNST & YOUNG, S.L.


 Alberto Castilla Vida

April 27, 2023

A member firm of Ernst & Young Global Limited



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