



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



Non-Financial Information Statement 2023

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1 Main figures

1. Main figures



95.8%
of PVC discarded during production has been recycled or reused in new products



568
employees, an increase of 16.87% on 2022



€5M
each year allocated to driving R&D

Net Zero
commitment in 2040.

94.9%
of employees have a permanent contract. More than 3,000 hours of training given

8.5
score in customer satisfaction surveys for the products of Molecor Tecnología and Molecor Canalizaciones

20.9%
increase in renewable energy consumption

€76,377
allocated to community impact

0
cybersecurity incidents

0
environmental emergency incidents.

85%
local suppliers

0
complaints received through the whistleblowing channel

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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 2023 show? What milestones would you highlight?

Firstly, while this has certainly been a challenging year due to the highly unstable global environment, our value proposition based on innovation, internationalisation and agile decision-making has enabled us to achieve a growth rate above the sector. For this reason, the overall balance can only be assessed as very positive.

At Molecor, we see innovation as an integral part of our business strategy. So, in 2023 we earmarked a total of five million euros to boost R&D and innovation. As a result, we have continued to develop and market a wide range of innovative products. These include our TR6® irrigation pipes and large-diameter TOM® pipes, developed using our patented technology. In fact, several of our innovations have won us recognition: we received the "Technical Novelty 2023" award at Smagua (International Water and Irrigation Exhibition) for our 1200mm diameter TOM® oriented PVC pipes, acknowledged to be the largest PVC-O pipes in the world, a material in which we are the undisputed world leader as a company.

Molecor is also committed to sustainability, which is one of the main pillars of our business model. In this context, we remain strongly committed to the circular economy and recycle 96% of the PVC discarded from our production streams, which, after being reprocessed either internally or externally, is reintroduced into the production process to make new products. At Molecor, we are committed to continuing to create value and profitability based on a totally environmentally friendly proposition.

I'd also like to make a special mention of the people who make up Molecor's staff. We couldn't achieve any of this without our fabulous team. In 2023, our workforce increased 17% on the previous year: by the end of 2022, we had 568 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 94.9% of the workforce has a permanent contract.

One of the most enjoyable moments of the year was the Christmas lunch. More than 450 people from the different countries where we operate came together to share this moment and celebrate the end of the year. This event marked the integration of all the companies and promoted unity, teamwork and the development of our human talent.

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?

Firstly, it is important to stress that the Spanish economy has grown by 2% compared to pre-pandemic levels and that this increase is mainly due to the rapid implementation of the Spanish Recovery Plan and the buoyant labour market, among other factors. However, this decade is being marked by instability and uncertainty, linked to a series of critical events such as the pandemic, unrest in the Middle East and the invasion of Ukraine.

The plastics industry is currently facing an increase in supranational legislation regulating the use and consumption of plastics, and as from 2023, the manufacture and marketing of synthetic polymer microparticles will also be regulated. For this reason, in line with SDG 12, SDG 14 and SDG 15, Molecor continues to demonstrate its commitment both to responsible production and to the Operation Clean Sweep (OCS) programme to prevent accidental losses of pellets into the environment, as demonstrated by the certification of all its plants in Spain in accordance with the OCS Europe programme.

Molecor also complies with national and European guidelines on sustainable water consumption, given its importance to the company, especially in 2023, which has been recognised by AEMET as the second hottest

year in Spain since the 1960s. In this way, we can offer the market efficient and sustainable products for the proper management of water resources.

Geopolitical instability in the Middle East and the Red Sea crisis have caused supply chains to become delayed. These developments have led to unpredictable price rises and spikes and, as a result, persistent inflation driven not by demand but by factors external to the business. The continuing rise in global transport prices could jeopardise exports or make them much more difficult. However, at Molecor we have the resources to meet these challenges, including our pioneering role in innovation, our leadership in quality and our human team.

Furthermore, as concluded at the 2023 Climate Summit, fossil fuels must be phased out to meet the Paris Agreement and limit global warming to 1.5 degrees Celsius above pre-industrial levels. Therefore, to help meet this urgent climate challenge, we will continue to pursue our environmental principles of promoting energy efficiency and conserving natural resources while minimising emissions.

In this respect, Molecor recognises the importance of transparency on sustainability issues, not only in terms of contributing to decarbonation targets, but also in terms of social issues. Accordingly, Molecor is committed to meeting national and international standards based on the recently adopted Corporate Sustainability Reporting Directive (CSRD), which establishes a common reporting framework for large listed companies and SMEs.

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's roots lie in sustainability, meaning that it was founded with the intention of generating prosperity through an approach based on both environmental efficiency and social responsibility. Our mission, vision and values have evolved over time, but sustainability has always been at the core of our identity. We recognise how important it is to approach sustainability from three angles: environmental, social and governance. In 2023, we adopted our Strategic Sustainability Plan, which sets out specific targets and actions to drive our business performance towards the highest ESG standards. Based on this strategy, Molecor has defined 9 ambitions with 10 objectives and 17 strategic levers to guide the company's actions through performance indicators and the departments responsible for their implementation.

This master plan encompasses the three pillars of sustainability, and with the goals we have set, we will work to improve our sustainability reputation and achieve the highest levels of recognition and certification in this area, such as the Ecovadis Gold rating, the Más Familia Foundation's efr R1000 model A+ certification, or the *Great Place to Work* recognition. Eligible activities will be aligned with the existing European environmental taxonomy and the future social taxonomy. In addition, Molecor has set itself the goal of achieving Net Zero by 2040 and to be a driving force for circularity in the sector.



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Our **3** 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 (PVC-O) pipes and fittings, and in the development of molecular orientation technology applied to pressurised water pipe systems.

Founded in 2006 by qualified specialists with proven experience in the field, the company has grown exponentially, providing efficient, innovative solutions to develop technology in molecularly oriented PVC pipe and fitting manufacturing. This has enabled Molecor Tecnología to position itself as the current world leader in the sector. Its people are the company's greatest asset and the driving force behind its continuous innovation.

In addition, the Spanish fund MCH Private Equity acquired a majority stake in August 2020, giving Molecor more strength to grow and develop its full potential. 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 Adequa production unit (previously Uralita Sistemas de Tuberías). Since then, the Molecor Group became a larger, more diverse company with more bases for growth. It also offers a broader portfolio of building, sewage and drainage products, which has significantly strengthened its market position.



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.



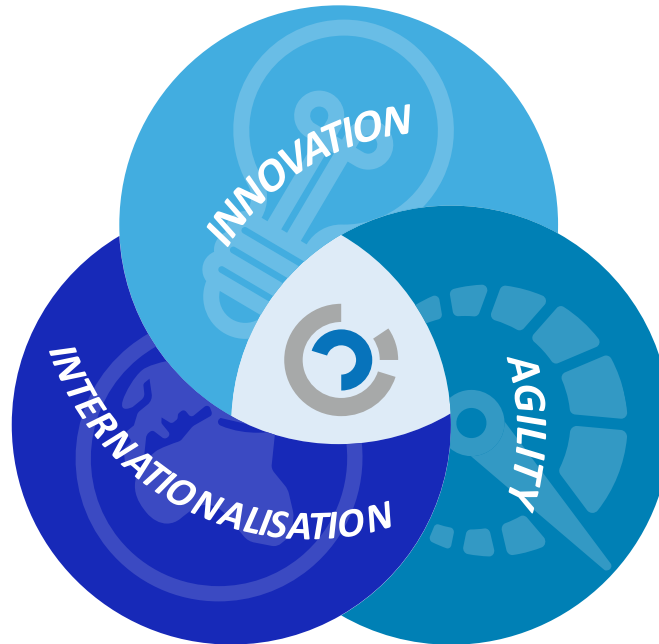
Values

- **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.



Structure and International Presence

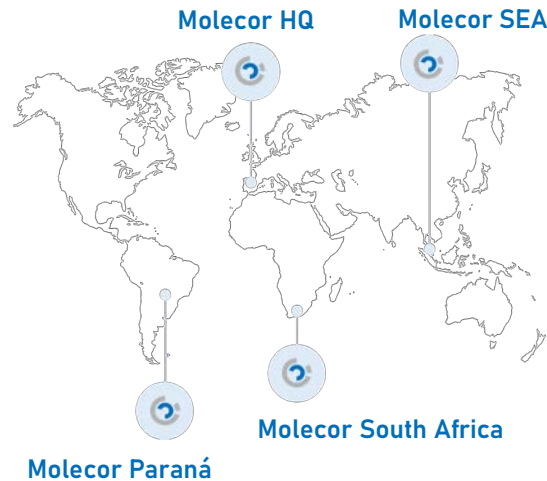
At present, Molecor has the following production structure in Spain:

Molecor Tecnología		Molecor Canalizaciones		
Loeches	Getafe	Alovera	Alcázar	Antequera
PVC-0 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-0 product manufacturing lines which produce TOM® pipes in every diameter available in the range offered to clients, from DN90 to DN1200 mm at pressures from 12.5 to up to 25 bar, as well as EcoFIT TOM® fittings in PVC-0, available from DN110 to DN400 in PN16 bar. It is worth noting that these products are manufactured using technology developed exclusively by Molecor, and are exported to the five continents. Thousands of kilometres of TOM® PVC-0 pipes have been installed around the world, used in water supply, irrigation, recycling and fire prevention networks, among other applications.

At present, Molecor has eight production centres and four sales offices around the world. It has five production 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). 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.

The international plants currently only manufacture TOM® PVC-O pipes. 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, which has two production lines. In Kuantan (Malaysia), the company has a factory that was set up in 2014 equipped with three production lines. Finally, there is the Latin American plant in Villa Elisa (Paraguay), which has a single production line and was renamed Molecor Paraná in 2023. Molecor also has three marketers: Molecor Maroc, Molecor Peru and Molecor France.



As a result, Molecor is a company ready to reach the global market through agreements with various licensees for its exclusive technology used to manufacture PVC-O pipes in other countries, as well as to supply pipes and fittings from its production facilities anywhere in the world.

In addition, the company adapts its technology to comply with the various international PVC-O regulations, an important step in meeting all client requirements and complying with local 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, both in the product and its associated services.
- Extensive product and service portfolio.
- Multiple awards and collaborations on diverse R&D projects, developed with technology partners throughout the world.
- The user experience, because the details matter. The Molecor Group, in its effort to provide the best service to its clients, listens to all their concerns and requirements, both in the manufacture and finishing of pipes and fittings, and in the development of tools that make the job easier for the user.
- A commitment to the environment, evidenced in its products, which have undergone studies to measure their environmental performance.

A firm commitment to service via:

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

Portfolio

The Molecor portfolio of products and services is targeted at the following areas:

Areas	Description						
ACTIVITY SECTORS	 Construction  Industry  Agriculture						
MARKETS	<p>Domestic market: Spain (58.1% of turnover)</p> <p>International market: (41.9% of turnover), mainly distributed across:</p> <table border="0"> <tr> <td>France</td> <td>Ukraine</td> </tr> <tr> <td>India</td> <td>Italy</td> </tr> <tr> <td>Turkey</td> <td>Other</td> </tr> </table>	France	Ukraine	India	Italy	Turkey	Other
France	Ukraine						
India	Italy						
Turkey	Other						

Products

SUPPLY	<ul style="list-style-type: none"> • Molecularly oriented PVC TOM® pipes • Molecularly oriented PVC ecoFIT TOM® fittings • TR6® irrigation pipes • Smooth PVC pressure system • Fittings for smooth PE pipes
BUILDING	<ul style="list-style-type: none"> • AR® soundproof drainage system • EVAC+® drainage system • Floor drainage solutions • Gutter system • Siphons
SEWAGE & DRAINAGE	<ul style="list-style-type: none"> • SANECOR® sewage system in corrugated PVC • SANECOR® manholes • COMPACT SN4 smooth PVC system • PVC ground drainage system
TECHNOLOGY	<ul style="list-style-type: none"> • PVC-O manufacturing machinery

New products available

Before Molecor's technology was introduced, Oriented PVC pipe manufacturing processes faced continuous challenges in producing large diameter pipes that could withstand high pressures. However, thanks its exclusive technology, the company has improved this process, making it possible to produce pipes of PN25 bar across the entire product range.

At the same time, Molecor offers its clients the complete 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

Molecor's technology makes it possible to produce large diameter pipes, up to 1200 mm, which were previously unavailable in the global PVC-O pipe market. It also adds PVC-O to the list of viable materials for large diameter projects. The main advantages of this material are its low cost, both in terms of the product itself and its installation, and its greater ease of installation. This makes it the ideal option for large scale projects.

Furthermore, 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.

Molecor has developed its PVC-O ecoFIT TOM® fittings to form an integrated system for water transport networks. Designed to complement the PVC-O TOM® pipes, these fittings are at the forefront of innovation and development in the Molecular Orientation sector.

TR6® Irrigation Pipes

Molecor has developed the first PN6 oriented pipe, the new TR6®, intended for irrigation. This pipe has excellent properties and stiffness levels superior to other products available in the market with the same nominal pressure.

Thanks to its excellent physical and mechanical properties, when analysing equivalent thicknesses of TR6® and PVC-U PN6 bar pipes, the former has a modulus of elasticity 15% higher than the latter, giving the TR6 pipe a higher level of stiffness.

TR6® is an Oriented PVC pipe with a PN6 working pressure. With the improvements provided by the molecular orientation, it achieves hydrostatic properties superior to those of PVC-U PN6.

Thanks to the orientation process, TR6® has a much higher impact resistance than traditional PVC-U pipes, up to 2-3 times higher.

Another of the improved characteristics of TR6® compared to PVC-U is its hydraulic resistance. As a result of the orientation process, this pipe achieves values of 60MPa compared to 45MPa for PVC-U. In addition, the fatigue behaviour of TR6 is also superior.

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

Molecor has taken a step forward by conducting an in-depth study of the environmental impact of its products, reaffirming its commitment to the environment. As part of this, the company has updated the Environmental Product Footprint (EPF) study of its TOM® pipes and EcoFIT TOM® fittings and prepared the corresponding Environmental Product Declaration (EPD) in accordance with the EN 15804 standard. This has led to environmental declarations for the AR® soundproof drainage system and the SANECOR® corrugated sewage system. These declarations will be available on the market in 2024, once they have been verified by an external body. These declarations assess the environmental impact of pipes and fittings at all stages of their life cycle, from the extraction of raw materials to final product disposal, including manufacture, distribution and use.

Oriented **PVC TOM®** pipes and **ecoFIT TOM®** fittings are the most environmentally friendly solution currently available on the market, making a positive contribution to the correct sustainable development of the planet. This has been 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.

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



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.

We provide users with additional value-added tools to make their jobs easier, including the TOMCalculation mechanical calculation programme, the GeoTOM® geolocation application, the product manual and the BIM and presto catalogues.

The company provides ongoing support and aftercare once the pipes or fittings have been installed. Furthermore, and as an added service, Molecor can offer a detailed operational and performance study of the different components installed, if requested by the client, or if the network malfunctions.

In terms of technical service, Molecor provides detailed technical information on the entire range of products manufactured by the company.

It also offers clients technical assistance related to pipes and fittings so water transport network projects may be implemented correctly, which allows full reports to be drawn up with the results of all calculations carried out. In addition, the technical team specialises in hydraulic infrastructure and is able to offer a personalised service in response to all queries and requirements communicated by the company's partners during the various stages of project construction.

With regard to training, Molecor actively collaborates with different institutions and associations- To this end, we participate in organising various technical and training seminars open to all those interested in professional development.

During these workshops, the products' technical and installation characteristics are presented, as is their contribution to sustainable development. It should be noted that this applies to both TOM® pipes and ecoFITTOM® fittings, as well as all the other products we manufacture. Finally, Molecor is committed to environmental awareness activities that make a positive contribution to sustainable development.



MOLECOR's extended warranty

Molecor offers a 50-year extended warranty for PVC-O TOM® pipes manufactured by the company. Should the pipes fail to meet the required standards, Molecor is committed to replacing PVC-O TOM® pipes for others of the same type, size and quantity.

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4. Sustainability as a key part of our business

4.1 - Main milestones in 2023

Launch of the Sustainability Strategy

In 2023, Molecor approved the company's Sustainability Strategy 2023–2025 to define the lines of action for achieving its business objectives and meeting the expectations of its stakeholders with regard to the management of environmental, social and governance aspects.

Launch of the online training platform

In 2023, Molecor launched its new online training platform, which has allowed it to step up its training efforts. Through this platform, Molecor employees can manage their learning processes with over 350 available courses, including the option to design specific courses on languages, office automation or coaching and mentoring, among others.

Implementation of the Compliance programme

In 2023, Molecor set about implementing a Compliance programme. This includes Molecor's Ethics and Compliance Channel and the Organisational Model for Crime Prevention .

Creation of Molecor's Sustainability Committee

In 2023, Molecor set up the new Sustainability Committee to ensure proper monitoring of the sustainability strategy approved during the year. The Committee reports to and falls directly under the auspices of the Board of Directors and will become operational in 2024.

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 2023 we reduced the rate of accidents involving time off by 11%, compared with 2022.

ISO Management System Certification

In 2023, Molecor achieved the main ISO certifications for several sites: **Paraguay**, Quality Management System according to ISO 9001; **Malaysia**, Occupational Health and Safety Management System according to ISO 45001; **Spain (Loeches factory)**, Energy Management System according to ISO 50001.

Net Zero 2040 Commitment

Molecor is firmly committed to increasing its contribution to the fight against climate change. This is why, as part of its sustainability strategy, it has committed to becoming a net-zero company by 2040.

Technical Novelty Award

In 2023, Molecor was awarded the "Technical Novelty 2023" prize for innovation at the Smagua (International Water and Irrigation Exhibition) for our TOM® 1200 mm oriented PVC pipes, manufactured with the company's patented Genuine Air System. These pipes are characterised by high efficiency and low maintenance costs.

OCS certification of manufacturing plants in Spain

Molecor has made progress in its commitment to the voluntary *Operation Clean Sweep* (OCS) programme, which aims to prevent the accidental release of microplastics into the environment, by having its Alovera, Antequera and Alcázar production centres certified by AENOR under the OCS Europe certification scheme.

4.2 - Context and main trends

Throughout the decade, a series of catastrophic events has created a volatile and uncertain environment, both globally and domestically, characterised by instability and insecurity. However, it is worth noting that the Spanish economy grew by 2.5%¹ in 2023 compared to 2022 and by 2% compared to pre-pandemic levels, mainly due to the rapid progress of the Spanish Recovery Plan and to the buoyant labour market, among other factors².

Meanwhile, global growth is forecast at 3.1% in 2024 and 3.2% in 2025. Expectations for 2024 are thus 0.2 percentage points higher than in October 2023, according to the International Monetary Fund's (IMF) [World Economic Outlook](#). Among other consequences, this means that the risks associated with disinflation and growth are in balance.

The *World Economic Forum's* (WEF) last report, the [Global Risk Report 2024](#), has identified the main global concerns as extreme weather events, misinformation, social and/or political polarisation, the cost of living crisis and cyber-attacks.

The [Edelman Trust Barometer de 2024](#), reveals that rapid innovation is essential for society to thrive. This heralds a new era of prosperity, but one that may be fraught with trust issues, leading to greater social instability and political polarisation.

In addition, political turmoil in the Middle East and [the Red Sea crisis](#) have caused delays in supply chains, with shipping lines being forced to avoid the Asia-Europe route (via the Suez Canal) as a result of the ensuing violence. Longer journey times have led to delayed deliveries as different routes have been used, resulting in higher bills for international trade. These events point to a potential surge in inflation and, therefore, further increases in global transport prices in the medium to long term.

In addition, Spanish [Law 7/2022](#) on waste and contaminated land for a circular economy devotes a section to "Extended Producer Responsibility" (EPR). The Law defines the scope of this responsibility and sets out the obligations to which producers may be subject, both in the design and production phase of their products and in the management of waste resulting from their use. It also defines how these obligations can be fulfilled, either on an individual basis or through collective systems. In accordance with the European Directive on Waste, Spain introduced an EPR framework for packaging and packaging waste in Royal Decree 1055/2022 of 27 December. Meanwhile, in France, the EPR for construction products in the building sector (PMCB, *Produits et Matériaux de la Construction et du Bâtiment*) was implemented in accordance with the AGECE Law (Anti-Waste and Circular Economy).

At the European level, the European Commission adopted Regulation (EU) 2023/2055 on 25 September 2023, in which it decided to restrict both the manufacture and placing on the market of organic, insoluble and persistent synthetic polymer microparticles, as well as substances either separately or intentionally added to products that release such microplastics during use. This ensures that the environment and human health remain protected. It should be noted that from 2026, based on this Regulation, manufacturers and industrial users will have to fulfil certain reporting obligations, including providing an estimate of the amount of synthetic polymer microparticles released into the environment in the previous year.

In this context, it is important to highlight a number of market and contextual trends that are shaping the infrastructure, building, sewage and drainage industry.

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

² GDP is 2% above pre-pandemic levels ([Spanish Government](#))



Trend 1: Circular economy

The European Union has defined the promotion of the circular economy as one of the fundamental points on which it will focus its strategy in the coming years. On 11 March 2020, the European Commission introduced a new [Circular Economy Action Plan](#) as one of the key elements of the [European Green Pact](#) (presented by the Commission in 2019), which sets out a wide-ranging roadmap to achieving a neutral circular economy as a prerequisite for attaining the climate neutrality target by 2050 and combating biodiversity loss. This plan includes a series of actions to ensure that sustainable products become the norm in the European Union, by ensuring that consumers receive essential product information to help them make more sustainable (from an environmental perspective) choices, by focusing on sectors that consume more resources and have a high potential for circularity, and finally by ensuring that less waste is generated. Similarly, the European Commission in 2022 proposed new packaging standards and eco-design requirements for sustainable products.

In Spain, the related strategy, "[Circular Spain 2030](#)", sets out guidelines for action to promote the new consumption and production model proposed, with the aim of minimising the production of waste and increasing the efficiency of the use of materials already in circulation. This ensures that the value of products, materials and resources remains in the economy for as long as possible and contributes positively to a sustainable, decarbonised, competitive and resource-efficient economy. This strategy is also in line with the guidelines for action proposed by the European Union, together with the Green Pact and the goals outlined 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

The [Global Risk Report 2024](#) highlights the importance of losing biodiversity and collapsing ecosystems as the third most serious long-term risk. In addition, the [Task Force for Nature-related Financial Disclosures](#) (TNFD) was established in 2021 to encourage a shift in global financial flows to deliver positive outcomes for nature, in line with the Global Biodiversity Framework.

Nationally, Spain has implemented the [Strategic Plan for Natural Heritage and Biodiversity up to 2030](#). This plan aims to conserve biodiversity, which is linked to the development, health and well-being of society and is one of the cornerstones of social and economic development.

Europe has also set out its [Biodiversity Strategy 2030](#), which consists of a long-term plan for the protection of nature and the reversal of the degradation of ecosystems. This plan is central to the European Green Pact and to the European Union's leadership in international action on sustainable development goals and global public goods. The Biodiversity Strategy sets out new governance principles. One of these is that at least 30% of Europe's land and 30% of Europe's marine area should be converted into effectively managed protected areas. The strategy also sets out a far-reaching EU Nature Recovery Plan to promote transformative change.

At the global level, the importance of biodiversity and climate resilience was highlighted at the Climate Ambition Summit in New York in September 2023, which reinforced the economic and social benefits of investing in nature.

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



Trend 3: Decarbonation and the fight against climate change

First, according to the [World Business Council for Sustainable Development](#), in order to meet the goals of the Paris Pact and limit global warming to 1.5 degrees above pre-industrial levels, all parties to the Pact must significantly reduce their emissions by 2030 and achieve climate neutrality by 2050. This why [COP28](#) focused so heavily on this issue, with many of the leading negotiators acknowledging for the first time the pressing need to move away from fossil fuels.

In Europe, on 25 January 2024, eleven EU Member States (including Spain) signed a [memorandum calling for concrete action to reduce emissions](#) in order to reaffirm the EU's global leadership. In particular, the European Commission plans to publish a communication in February to discuss Europe's climate ambitions up to 2040.

Accordingly, the European Union continues to focus its efforts on initiatives to drive the transition to a sustainable economy and achieve the 2050 carbon neutrality targets, in line with [European Green Pact](#) and the [European Climate Act](#).

In Spain, the Council of Ministers enacted the 2021 [Climate Change Law](#) in response to the country's international and European commitments, and providing an opportunity from an economic, modernisation and social point of view. Spain has also implemented [Long Term Decarbonation Strategy](#) (ELP 2050) aimed at achieving a 90% reduction in greenhouse gas emissions by 2050 as compared to 1990. The ELP 2050 sets out a roadmap for achieving 100% renewable energy for end-use applications by the middle of the 21st century. This will boost the competitiveness of the Spanish economy and improve health, biodiversity and adaptation to climate change.

- + 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 [Global Risk Report 2024](#) highlights the significance of today's technological developments. The report points out that economic constraints, together with technological progress, pressure on resources and emerging conflicts, increase the likelihood that more people will be drawn into crime, militarisation or radicalisation, and contribute to the globalisation of the aims and actions of organised crime.

Cybersecurity is also considered to be one of the most important risks of our time and is directly linked to technological innovation. This risk is defined in the report as the use of digital tools to conduct cyber-attacks and criminal activities in cyberspace with the aim of gaining control of an online presence.

In the area of digitisation, the European Parliament and the Council adopted [Decision 2022/2481](#) in 2022, setting the strategic agenda for the Digital Decade until 2030. The programme guides Europe's digital transformation with concrete aims and objectives for 2030, and an annual cycle of cooperation to deliver them.

The European Union also regulates online intermediaries and platforms through the [Digital Services Regulation](#), which aims to prevent illegal online activities and the spread of disinformation. In addition, on 10 March 2020, the European Commission established the basis for a specific industrial strategy to promote the transition to a green and digital economy.

In Spain, in 2022, the government established the [Digital Spain Agenda 2026](#), which outlines the action points for the country's digital transformation and, together with the Green Transition Strategy, forms one of the main elements of the Recovery, Transformation and Resilience Plan for Spain.

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



Trend 5: Driving diversity

It should first be noted that the European Union has recognised the importance of gender equality at all levels of society. To this end, the EU has adopted a [European Strategy for Gender Equality 2020-2025](#), based on actions and policies aimed at making significant progress towards a more gender equal Europe. In this context, on 10 May 2023, the European Parliament and the Council of the European Union implemented [Directive 2020/970](#) which strengthens the application of the principle of equal pay for men and women for work of equal value or equal work, through pay transparency measures and mechanisms to ensure compliance.

The European Union has also introduced new rules to promote gender balance on the boards of listed companies, as only 31.5% of board members are women and only 8% of boards are chaired by women. The European Union has identified women's participation in the labour market as key to boosting Europe's economic growth, improving the competitiveness of European businesses and meeting its demographic challenges.

These new rules include a set of targets for boards of directors. Listed companies must aim to ensure that at least 40% of non-executive director positions and 33% of all management positions are held by women. However, if the above objectives are not achieved, companies will be required to modify their selection process for appointing board members. Gender parity is the main objective of the [CNMV's consultative report of 23 March 2023](#) which aims to achieve the above representation percentages.



Trend 6: Water stress

For Spain, 2023 was the second warmest year since the 1960s (1961). The [report published by the State Meteorological Agency \(AEMET\)](#), identifies 2023 as an extremely hot and dry year. In particular, four heatwaves were recorded in mainland Spain and in the Balearic and Canary Islands.

At the national level, [Royal Decree 817/2015](#), establishes the criteria for monitoring and assessing the condition of surface waters and the associated quality standards. It includes in its appendix certain water monitoring requirements designed to safeguard protected water abstraction points for the production of drinking water. Meanwhile, [Royal Decree-Law 4/2023](#) focuses on the urgent implementation of measures to deal with the drought situation.

In the European Union, [Regulation 2020/741](#) of the European Parliament and of the Council sets out the minimum requirements for water reuse to facilitate and promote this practice. This will protect public health and the environment and make the European Union more sustainable and resilient.



Trend 7: Transparency in sustainability

The European Sustainability Reporting Standards (ESRS) were adopted at the end of 2023, responding to the [Corporate Sustainability Reporting Directive \(CSRD\)](#) by establishing a common reporting framework for large listed companies and SMEs. The objective of the ESRS is for companies to disclose sustainability information, including identifying and managing their social, environmental and governance impacts, risks and opportunities (IROs), as well as associated policies, objectives and action plans. These standards therefore extend reporting requirements throughout the value chain and include new topics and additional ESG requirements. Entry into force will be staggered and will require companies to make significant efforts and allocate significant resources to comply.

It should be noted that the [Non-Financial Reporting Directive](#) will continue to apply to companies until they are obliged to comply with the new provisions of the CSRD. These standards are applicable to large public interest companies with more than 500 employees on the payroll and address environmental, social and employee-related issues, respect for human rights, anti-corruption and bribery and, finally, diversity on company boards. This Directive has been transposed in Spain by Law 11/2018, in response to the present Non-Financial Information Statement (NFS).

+ Developments at Molecor

Molecor is currently finalising the configuration of Aplanet, the software package used to manage non-financial information. This will allow the traceability of the information reported to be improved. The data for 2022 and 2023 will therefore be fed directly into the software.

4.3 - Our sustainable strategy

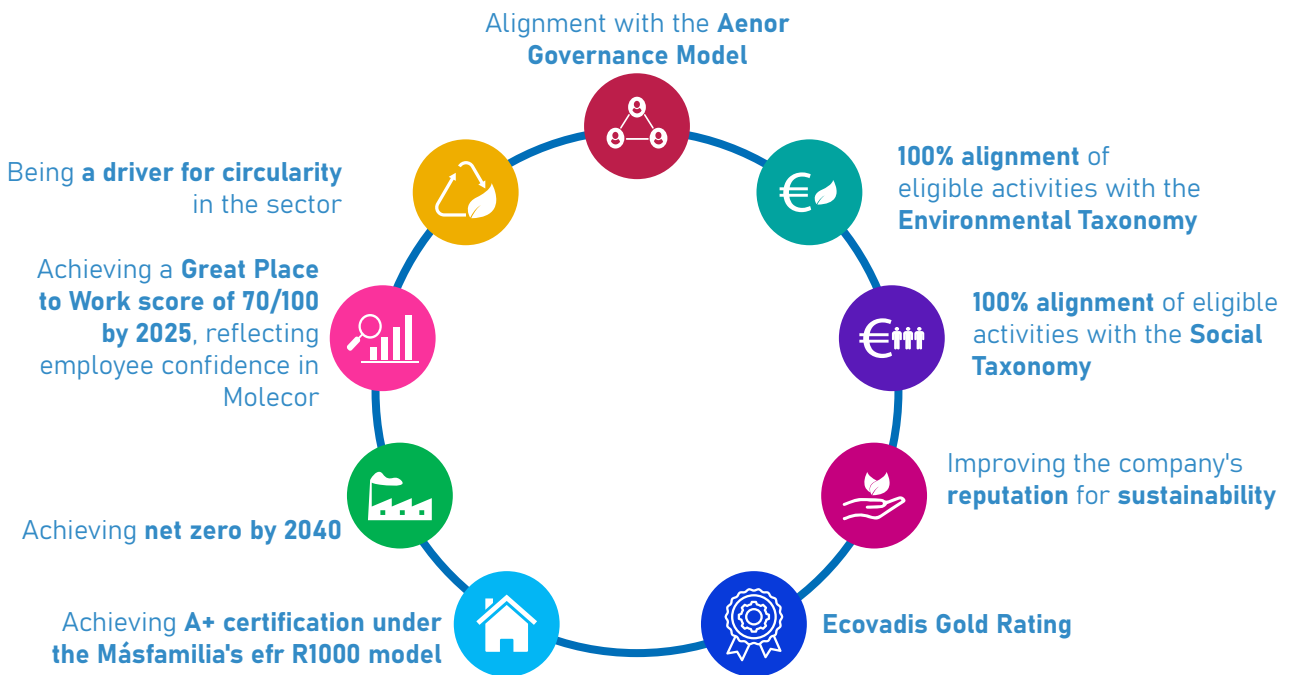
Molecor was established in 2006 with sustainability as one of its main pillars. Its products are designed to generate an environmental efficiency model. As we are aware of the company's key role in the transition to a low-carbon economy and in promoting a circular model, Molecor has opted to integrate environment, social and good governance (ESG) management within its business model.

+ Find out more about our sustainable products in the chapter **Protecting the natural environment**.





Sustainability for Molecor: Sustainability Strategy 2023-2025

In 2023, Molecor approved the company's Sustainability Strategy 2023-2025 to define the lines of action for achieving its business objectives and meeting the expectations of its stakeholders with regard to the management of environmental, social and governance aspects.

Based on this Strategy, Molecor has defined nine ambitions with 10 objectives and 17 strategic levers to guide the company's actions through performance indicators and the departments responsible for their implementation. The nine ambitions that form part of Molecor's Sustainability Strategy are set out below:



Throughout the year, Molecor has driven forward its strategic sustainability ambitions, demonstrating its commitment and dedication to fully integrate sustainability into all of its core business areas.

Strategic ambitions	Targets and progress in 2023
 <p>Alignment with the Aenor Governance Model</p>	<p>Molecor will work to bring its corporate governance model in line with ESG best practice. To this end, it will adhere to the United Nations Global Compact while examining the possibility of joining other sustainability initiatives and associations, such as the Spanish Green Growth Group, which it joined this year. In addition, its Code of Ethics was approved in 2023 and various anti-corruption and ethics policies were drafted and are expected to be approved in 2024.</p> <p>Training will be provided to 100% of employees to ensure compliance with the Code of Ethics. In this context, efforts will also be made to strengthen the assessment and management of ESG risks.</p> <p>With a focus on the company's governing bodies, Molecor will set a term limit for the Board of Directors and work to increase the representation of women and independent directors in the coming years.</p>
 <p>100% alignment of eligible activities with the Environmental Taxonomy</p>	<p>The EU has created the European Taxonomy of Sustainable Activities as a framework to define which business activities can be considered sustainable and which cannot. To determine Molecor's degree of alignment with these activities, the company will diagnose its financial and non-financial reporting in accordance with the requirements of the EU Taxonomy. It will also continue to make progress in meeting the requirements of the Taxonomy. These include human rights due diligence and supply chain monitoring.</p> <p>Molecor will define its biodiversity strategy with specific targets and carry out an assessment based on the <i>Taskforce on Nature-related Financial Disclosures (TNFD)</i>. For this financial year, the company is also working on a specific environmental policy.</p>
 <p>100% alignment of eligible activities with the Social Taxonomy</p>	<p>The European Union has set itself the goal of developing a Social Taxonomy to establish benchmarks and criteria to help classify economic activities according to social objectives that promote human rights.</p> <p>To be ready when the time comes, at Molecor we have made progress in our social development actions and social contributions. In the coming years, Molecor will strive to increase its social contribution and establish partnerships with local foundations in all countries.</p>
 <p>Improving the company's reputation for sustainability</p>	<p>Given the importance Molecor places on ESG issues, Molecor has set itself the goal of enhancing the company's reputation for sustainability by strengthening the company's ESG communication.</p>

Strategic ambitions
Targets and progress in 2023

Gold rating according to Ecovadis

With this ambition, Molecor aims to better monitor and evaluate the sustainability of its supply chain. Actions will include developing a sustainable procurement policy and including ESG criteria when approving suppliers.

Molecor will develop a human rights policy. This will help it manage the issue of human rights throughout its value chain.

Another facet of this ambition relates to cybersecurity and data protection. To this end, the company has included a specific cybersecurity and data protection policy in the design of the IT Master Plan.

Work continued in 2023 on the development of an internal control system for sustainability reporting to record and monitor non-financial information.


Achieving A+ certification under the Másfamilia's efr R1000 model

Molecor aims to be a company that promotes best practice in balancing working and family life. To promote work-life balance, senior management commitments will be defined to develop policies and practices that support this balance. Therefore, in the coming years, manuals and procedures will be developed in this area so as to finally be able to audit the process of diagnosing, designing and implementing the Másfamilia efr model and obtain certification for Molecor.

In addition, Molecor remains committed to a zero accident target in its efforts to promote the health and safety of its employees. Training in occupational risk prevention is therefore expected to be provided to 100% of employees throughout the period of the ESG plan.


Achieving net zero by 2040

As part of its commitment to the environment, Molecor's aim is to contribute to the achievement of the Paris targets and the European Green Pact. The company is therefore committed to becoming Net Zero by 2040. To achieve this, Molecor is calculating the organisation's Carbon Footprint for Scope 1 and 2 emissions in all its facilities and processes, with a view to registering them with MITERD in 2024.

Environmental training courses are scheduled for 2024, to be allocated according to categories and business areas. Work will also be undertaken to align with the recommendations of the *Task Force on Climate-Related Financial Disclosures (TCFD)*. With regard to the measurement and quantification of Scope 3 measures, work has started on how the measures for the different blocks can be implemented.

Strategic ambitions

Targets and progress in 2023



Great Place to Work score of 70/100

The *Great Place to Work* ranking is a model that provides an external diagnosis and measurement of employee opinion for certification, so that it can be shared and new talent can be attracted. In line with this strategy, Molecor's aim is to be a company capable of attracting and retaining the most qualified professionals. The company is therefore developing the 360° assessment model, together with climate surveys, which will start in Spain in 2024 and then be extended to the rest of the countries.

With regard to diversity and equality, Molecor established a specific diversity and equality policy in 2023. It will also provide diversity and equality training to 100% of its employees.



Being a driver for circularity in the sector

Molecor wants to become a sustainability benchmark in its sector. As part of this, the company aims to make the best possible use of the material resources at its disposal. It also aims to extend the life cycles of its products. Over the next few years, Molecor will analyse the degree of circularity of its PVC-O pipes using the Circular Transition Indicators (CTI) tool from the WBCSD (World Business Council for Sustainable Development).

It will also strengthen its corporate circular economy framework and review the company's circular economy position to identify the resources required for developing specific policy in this area. New products with recycled content have been developed in 2023 and are on track for market launch in 2024.

The newly established Sustainability Committee, which will meet every two months, will oversee and manage the **Sustainability Strategy**. Developments will also be reported to the Board at least once a year. A formal ESG communication plan is expected to be developed in 2024 for reporting to both the Board and the Management Committee. This year, the Sustainability Plan was overseen by the Corporate Social Responsibility department, which was responsible for coordinating the various areas involved in achieving the plan's ambitions and objectives.

+ Find out more about the composition of the sustainability committee in the sections **Governing bodies and Sustainability governance**.

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

GRI: 2-22

Through its **Quality, Environment, Energy and Prevention Policy** and its **Sustainability Strategy 2023-2025**, the company is committed to working towards sustainable development that generates value for all stakeholders, aligning its activities with the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda and committing all available resources to achieving them.

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 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.

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



Molecor is strongly committed to the responsible use and consumption of energy, both through its highly energy-efficient production process, which does not consume fossil fuels, and through the increased use of energy from renewable sources, having purchased guarantees of origin for 30% of the energy consumed in four of its production plants in Spain.

13 CLIMATE ACTION



The Loeches plant was certified according to the ISO 50001 management system in 2023. In 2024, this certification will be extended to the rest of the production facilities in Spain.

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. The launch of the new and innovative TR6® irrigation pipe is particularly noteworthy.

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 in Quality, Environment and Energy, 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's committed to the environment. Proof of this lies in the implementation of the Operation Clean Sweep (OCS) programme, the aim of which is to avoid the accidental release of microplastics into the environment, thus contributing to the correct management of waste in the environment. All manufacturing centres in Spain are certified according to the voluntary AENOR Certification.

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	<ul style="list-style-type: none"> Professional development Good work and family life balance Remuneration in line with the market Diversity and inclusion management 	<ul style="list-style-type: none"> Activities and workshops Consultation mechanisms and periodic communication Tool for measuring employees' commitment Annual Training Plan surveys 	<ul style="list-style-type: none"> Talent retention initiatives Training courses Creation of an appropriate salary policy Promotion of an ethical, inclusive work environment
Shareholders and banks	<ul style="list-style-type: none"> Transparency and regulatory compliance Return on investment Sustainable strategy Direct contact with the shareholder 	<ul style="list-style-type: none"> Meetings and video calls on the company's progress Personalised one-to-one meetings Promotion and participation in events 	<ul style="list-style-type: none"> Code of Ethics (pending publication) Contact via the website Quality, Environmental and ORP Policy Annual integrated reports
Society and local community	<ul style="list-style-type: none"> Creation of value and benefits Socially responsible investment 	<ul style="list-style-type: none"> Communications with society and the media 	<ul style="list-style-type: none"> Agreements with NGOs Social impact initiatives
Suppliers and other third parties	<ul style="list-style-type: none"> Transparency in business relations Long-term vision and security 	<ul style="list-style-type: none"> Dialogue and openness in conversations Supplier selection processes Service provision assessments 	<ul style="list-style-type: none"> Procurement policy (in progress) Long-term contracts with suppliers Offer selection using transparent criteria ESG questionnaire
Clients	<ul style="list-style-type: none"> Product quality and safety 	<ul style="list-style-type: none"> Trade fairs and events Dialogue and openness 	<ul style="list-style-type: none"> Quality, Environmental and ORP Policy NPS ISO 9001 and 14001 certification ISO 50001 certification at the Loeches factory Certifications in suitability for use with water for human consumption Environmental studies for products
Public administration	<ul style="list-style-type: none"> Transparency and regulatory compliance ESG impact 	<ul style="list-style-type: none"> Meetings Dialogue and openness 	<ul style="list-style-type: none"> Policies available Certifications and standards

4.5 - Partnerships and memberships for sustainability



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.

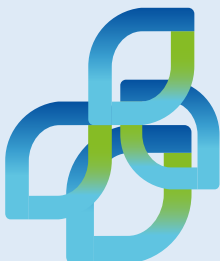
The **Spanish Irrigation and Drainage Association** (Asociación Española de Riegos y Drenajes) is a private not-for-profit institution that was founded in 1985, in line with the Cultural Associations Law 191/1964 of 20 May. Molecor is a member of this association and works on the different promotion 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.

The **Spanish Green Growth Group** (GECV - *Grupo Español para el Crecimiento Verde*) is a partnership of more than 50 companies of different sizes and profiles that share an ambitious approach to tackling environmental challenges.

Molecor's membership of this group represents a new contribution to making progress and helping to preserve the quality of the environment through the efficient use of resources, generating competitive advantages and opportunities.



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.

VALOBAT is a French eco-organisation created by leading companies in the construction sector as a CEPRS (Collective Extended Producer Responsibility Scheme) to respond to the Extended Producer Responsibility (EPR) obligation for products in the building sector (PMCB - *Produits et Matériaux de la Construction et du Bâtiment*).

Molecor has adhered on voluntarily basis to enable its French customers to comply with the EPR obligation for the products supplied by the company in France.



Founded in July 1999, the **Adecco Foundation** 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.



Inovy 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.

Battenfeld-cincinnati 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.



Pallmann 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. As proof of its contribution to sustainable development, Molecor has also been working towards sustainability certification in 2023.

Awards

The Smagua 2023 International Water and Risk Exhibition took place in March 2023, bringing together the main associations and organisations linked to the risk and environment industry.

Molecor was awarded the best stand and received an award for its DN 1200. In its continued support of research and development, Molecor has gone a step further in terms of water efficiency. The PVC-O DN 1200 mm pipe is now the largest pipe in the world to be made in this material. This constitutes a new development that can be used to smartly manage water resources that were, until now, transported in systems made of other materials. This new diameter opens up new alternatives to the market for supplying population centres and pumping water to tanks and reservoirs more sustainably and environmentally friendly..

ANAIP, a leading professional association in the plastics transformation sector, awarded Molecor the Sustainability Seal for Industrial Plastics in Spain, a certification to enable companies in the sector to highlight their progress in terms of sustainability.

Molecor took part in the pilot certification project, which was publicly launched on 5 June 2023, and was awarded the 2-star seal. This certifies that Molecor meets almost 75% of the criteria assessed by ANAIP in relation to the three pillars of sustainability: social, economic and environmental.

The "B Impact" rating according to the criteria of the B Lab Foundation, an organisation that since 2007 has been supporting a global movement of committed individuals and companies who are using the power of business to make a positive impact.

At the invitation of one of its clients, which helps its suppliers to improve their sustainability skills in order to better control and manage its supply chain, Molecor participated in the "Measure What Matters" programme organised by B Lab Spain in 2023. As a result, Molecor has been able to better understand, measure and improve its sustainability performance. Molecor scored 85.2 in the "B Impact" rating. The results have also been used to develop an action plan to improve performance. This B Impact rating is the first step towards B Corp certification. The score achieved would qualify for this certification, although for the moment Molecor is not taking any further steps to obtain it.



Certifications

A Management System certification is a declaration by a third party that an organisation's or company's management system meets the requirements of a reference standard.

With several AENOR certifications and local and regional certifications, Molecor's commitment to quality is reflected in its number of certified products.

- Paraguay: Quality Management System according to ISO 9001
- Malaysia: Occupational Health and Safety Management System according to ISO 45001.
- Spain - Loeches Factory: Energy Management System according to ISO 50001.
- Bulgaria: PVC-O TOM® pipes and the ecoFITTOM® fittings.
- Turkey: Extension of the scope of certification for TOM® PVC-O DN1200 mm pipes
- Spain: PVC-O TR6® pipes
- Spain: Extension of the scope of certification for AR® fittings to 14 new references.
- South Africa: SANECOR® sewage pipes
- South Africa: Extension of the scope of certification for TOM® pipes
- Paraguay: Extension of the scope of certification for TOM® PN12.5 and PN16 bar pipes
- Uruguay: TOM® PN16 pipes

Sustainable certifications

As part of its commitment to sustainability and the environment, Molecor also has environmental certifications for its products.

- Malaysia: Ecolabel 54 certification for ecoFITTOM® fittings.

+ Find out more about our certifications on the Molecor website www.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

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 follows the recommendations of the Good Governance Code for Listed Companies of the Spanish National Securities Market Commission (CNMV) to ensure compliance with best Corporate Governance practices. As such, it adheres to the highest standards in this area to develop a sound business model and effective stakeholder communications.

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.

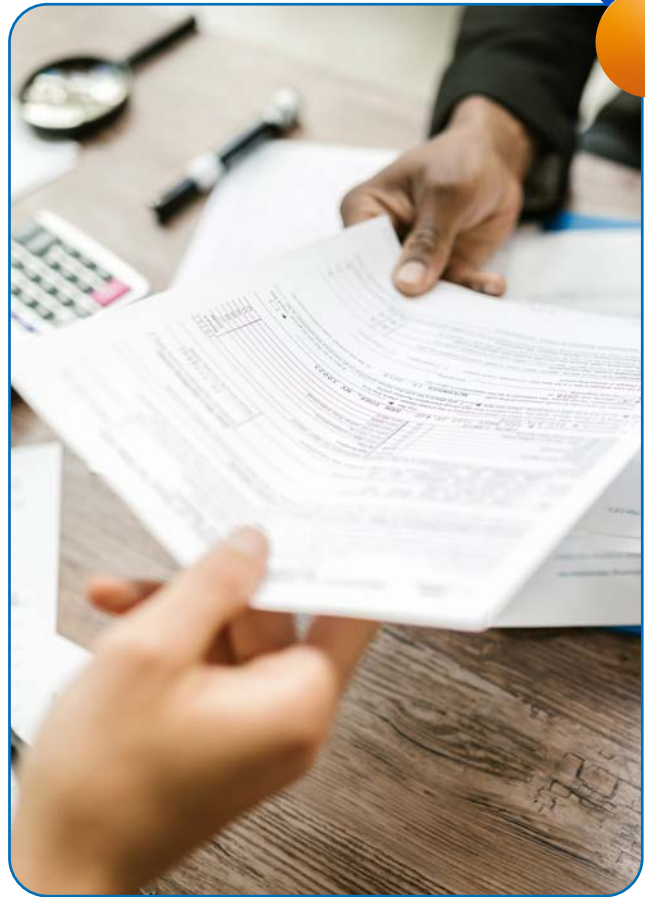
Company	Country	Stake	Activity Type
Molecor Tecnología, S.L.	Spain	Parent company	Industrial
Molecor Canalizaciones, S.L.	Spain	100%	Industrial
Molecor Maroc, SARL	Morocco	100%	Sales
Molecor SEA	Malaysia	75%	Industrial
Molecor France	France	100%	Sales
Molecor Paraguay, SRL	Paraguay	100%	Sales
Molecor Perú, SAC	Peru	100%	Sales
Molecor Perú, SAC	Peru	100%	Sales
Molecor PTY LTD	South Africa	50%	Industrial
Molecor Paraná	Paraguay	60%	Industrial
Molecor SA	South Africa	100%	Sales

Regulatory framework

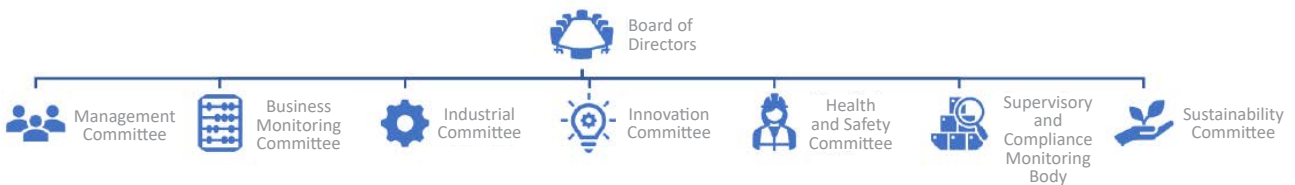
- Legislation in force
- Company's articles of association

Corporate policies

- The integrated Quality, Environment and OHP policy has been adapted to meet the requirements of the ISO 50001 standard.
- 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
- Procedure for the Management of the Complaints Channel



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, providing advice to the different Committees; taking relevant strategic decisions, preparing financial and non-financial statements, approving budgets, and reviewing strategic sustainability issues, among others.

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

In 2023, the Board delegated the supervision and management of the operation of the Model for Crime Prevention to the Oversight and Monitoring Body as its highest authority. This Body will start to operate in 2024.

In this respect, this body has full authority, independence and impartiality in view of its supervisory role, which allows it to act on its own initiative and independently of the rest of the organisation, without prejudice to its mandate and the supervision exercised over it by the Board of Directors.

- Independence:** The independence of the Oversight and Monitoring Body is ensured by its status as a directorate within the organisation, not reporting hierarchically or functionally to Molecor's management, but directly to the Board of Directors.
- Authority:** The Oversight and Monitoring Body is empowered to act on its own initiative with full autonomy, authority and independence in the performance of its duties. In addition, it has direct access to any member of staff and to any document, record, file, dossier or database relevant to the performance of its duties.
- Impartiality:** The impartiality of the Oversight and Monitoring Body is based on its independence with respect to the activities reviewed and on the objectivity and professional competence of the members under its purview. The Oversight and Monitoring Body and its staff must always maintain an independent and objective attitude towards the activities and directorates under review. They must also avoid actions and situations that could be a threat to their professional integrity and a source of conflict of interest.

Management Committee

The Management Committee draws 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.

This governing body 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.

The Management Committee analyses the company's performance and is responsible for taking the key decisions to achieve the budget targets.

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.

Creation of Molecor's Sustainability Committee

In 2023, Molecor set up the new Sustainability Committee to ensure proper monitoring of the sustainability strategy approved during the year. The Committee reports to and falls directly under the auspices of the Board of Directors and will become operational in 2024.



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) • Business Operations and Innovation Director • Innovation managers • Sales Director • Sales, Building and Infrastructure managers • Building and Infrastructure business unit managers 	Bimonthly	<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.
Sustainability Committee	<ul style="list-style-type: none"> • Environment and CSR Director • Strategy, People and Culture Director • Human Resources Director • Purchases, Logistics and Sales Support Management • Investment Fund Representative 	Bimonthly	<ul style="list-style-type: none"> • Monitoring the ESG Strategic Plan • Promoting socio-environmental and good governance initiatives • Verification of compliance with the objectives and targets of the ESG Plan
Compliance Oversight and Monitoring Body	<ul style="list-style-type: none"> • Head of the Legal Department • Head of the HR Department • Head of the Sustainability and Quality Department 	To be defined	<ul style="list-style-type: none"> • Proposing the annual Compliance Plan • Establishing the principles of maintenance, management and supervision of the Model for Crime Prevention (MCP) • Preparing the annual report on the supervision of the MCP • Advising on the roll-out of Molecor's strategies or operations

5.1.2 - Functional organisational chart



5.1.3 - Governing sustainability

The newly created Sustainability Committee will lead the management of sustainability issues and report to the Board of Directors and the Management Committee.

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 Board was briefed on the review of ESG issues as and when considered necessary. The frequency of these reviews has not yet been established.

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 them and to develop systems to prevent potential threats. Molecor's risk prevention culture and approach is managed through a number of internal systems and tools based on national and international frameworks. The company also proactively monitors and follows up on measures to reduce these risks, with senior management ultimately overseeing these efforts.

In 2024, 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 <i>pool</i> 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 the acquisition of materials, 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 <i>pool</i> 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.
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.
Criminal and Bribery Risks and Anti-Corruption	A Crime Prevention Organisational Model has been developed to raise awareness and provide training to the governing body, managers and employees on the importance of compliance and, in particular, the prevention of criminal risks. In addition, Molecor has made its Ethics and Legal Compliance Channel available to the Company's professionals and employees, as well as other third parties with a legitimate interest, as a means of reporting, confidentially and anonymously, any irregularity or non-compliance with internal rules and/or legislation in force.
Code of Conduct	A Code of Business Ethics has been drawn up to make Molecor employees aware that any breach of the rules of conduct may result in disciplinary action. A Compliance training programme has also been prepared and will be rolled out throughout 2024.

Nature of the risks	Mitigation plan or remedial measures
Labour risks	
<p>Labour risks associated with job posts and work centres.</p>	<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> <p>A number of important actions have been undertaken in 2023, such as:</p> <ul style="list-style-type: none"> • Psychosocial risk assessment at the facilities in Spain • Launch of ISO 45001 certification at the Loeches plant. • Completing and consolidating the OHP coordination teams at all the work centres in Spain.
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 various bodies to demonstrate compliance and use.</p>
Environmental risks	
<p>Breach of environmental legislation applicable to each production centre</p>	<p>The company has developed and deployed an Environmental Management System for its plants in Spain in accordance with the internationally recognised UNE-EN ISO 14001:2015 standard, certified by the external body AENOR.</p> <p>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 implemented actions to monitor the development of the legislation until its official publication, such as, for example, the SCRAP for industrial and commercial packaging and packaging waste, or the development of end-of-life pipe collection systems, in order to stay ahead of its obligations when the legislation is made public.</p> <p>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 <i>advocacy</i> tasks through its direct involvement in associations.</p> <p>Furthermore, the company carries out studies and obtains certifications that prove the environmental impact of its products with scientific evidence.</p> <p>Molecor has also organised awareness-raising conferences against misinformation at various events, technical seminars and its own conferences.</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 up to 5 years.

In this context, and in line with the objectives set by the European Green Deal to achieve carbon neutrality by 2050, Molecor is firmly committed to increasing its contribution to the fight against climate change by making progress towards the objectives set out in its Decarbonation Plan, which has been strengthened by the definition of the Strategic Sustainability Plan for 2023. Some of the actions implemented in 2023 to advance the decarbonation of the economy include: implementing the ISO 50001 Energy Management System at the Loeches plant, sourcing electricity with a guarantee of origin, and progressing towards the electrification of the internal transport forklift fleet. One of the ambitions of the Strategic Sustainability Plan is to achieve “*Net Zero*” greenhouse gas emissions by 2040.

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. In order to make progress towards achieving this ambition, the Decarbonation Plan targets will be set in 2024.

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.

In terms of misinformation, Molecor's biggest risk comes from the stigma surrounding plastics, particularly PVC. In order to raise awareness and reduce misinformation, Molecor organises informative talks about our products at national, European and international levels through various forums and channels with interest groups. In addition, we actively participate in *advocacy* work through sector associations such as ANAIP-ASETUB (Spanish Association of Plastics Industrialists), TEPPFA (European Plastic Pipes and Fittings Association), Plastic Europe and VinylPlus (the European PVC industry's commitment to sustainable development), as well as collaborating with the EsPlásticos platform, which serves as the voice of the sector in Spain. In addition, there are employee training campaigns, such as the one held for staff in several plants in Spain on the current environmental situation regarding the Circular Economy, Decarbonation and the SDGs, with a focus on the actions Molecor is taking to contribute to them.

All initiatives that Molecor rolls out regarding the circular economy, as well as product sustainability, directly help to reduce CO₂ emissions



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 values that govern Molecor's activity. At present, the company's **Code of Ethics and Conduct** is at the approval stage to ensure that all guideline systems, corporate policies and internal protocols are considered and based on the highest standards. The publication of this Code of Ethics and Conduct is a step further in the organisation's commitment to ethics and regulatory compliance, which have presided over its corporate culture since the day it was founded.

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

In the same vein, in 2023, Molecor set about implementing a regulatory *Compliance* programme. This includes:

1

Molecor's Ethics and Legal Compliance Channel as a mechanism to confidentially and anonymously report any irregularity or non-compliance with internal regulations and/ or applicable law.

2

The Organisational Model for Crime Prevention (MCP), with:

- The Manual of the Organisational Model for Crime Prevention, a guide that establishes the governance structure for *Compliance* at Molecor.
- Molecor's risks and controls matrix, which reflects and analyses the criminal risks inherent to the activities carried out by the Company and identifies the internal procedures carried out to prevent or mitigate them.

The Oversight and Monitoring Body will prepare the annual Compliance Plan, containing the actions to be carried out during the year, based on the previously identified annual objectives of the MCP, and the re-sources and budgets required for this purpose. The model will be reviewed by the Supervisory and Monitoring Body before being submitted to the Board for approval.

Whistleblowing channel

In compliance with Law 2/2023, 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. This channel is currently managed externally through the "EQS integrity line" platform, which has been available on the Molecor website since November 2023.

In 2023, Molecor did not receive any reports or complaints in this matter.



Find out more about our Ethical Channel in the following [Link](#).

Corporate policies

Policies	Measures and actions
Quality, Environment, Energy and Prevention Policy	<ul style="list-style-type: none"> Understand our customers' needs, requirements and expectations to ensure their full satisfaction. Ensuring compliance with legal requirements, regulations and any other voluntary requirements which Molecor agrees with its customers and end-users, relating to the quality of the goods or services supplied, the environment, health and safety and energy efficiency. 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.. Support the procurement of energy-efficient products and services that contribute to improving our environmental and energy performance, as well as design activities with a view to improving energy performance. 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.
Policy for the Management of the Complaints Channel	<ul style="list-style-type: none"> Any doubts, questions or identified areas for improvement relating to the provisions of the MCP Manual and other Molecor regulations may be brought to the attention of the Officer via the Whistleblower Channel under the terms and in the manner described in the Molecor Whistleblower Channel procedure.

A Procurement Policy is currently being developed, which will include ESG criteria, align with the legislation in force and promote best practices in this area. It is scheduled for approval and publication in 2024 following a delay in the implementation of the SAP system.

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	2022	2023
Total	€	14,838,890	20,858,708
Spain	€	14,824,919	23,585,899
South Africa	€	158,384	-356
Paraguay	€	115,904	-12,700
Morocco	€	173,849	-315,926
France	€	-40,220	-48,274
Peru	€	166,012	-283,278
Malaysia	€	-559,958	-2,066,655

Tax indicators by market

	Unit	2022	2023
Spain	€	1,840,442	5,343,092
South Africa	€	0	0
Paraguay	€	62,846	13,871
Morocco	€	141,820	0
France	€	34,846	0
Peru	€	0	25,860
Malaysia	€	0	0
Tax on profits paid (TOTAL)	€	2,079,955	5,382,823
State subsidies received	€	63,179.17	133,094.21

Subsidies received in 2023

Year	Body	Description	Amount
2023	Community of Madrid Education and Universities Department	Industrial doctoral fellowship	€17,500.00
2023	Ministry of Industry, Trade and Tourism General Secretariat of Industry	Electrointensive consumer for Alovera and Antequera plants	€47,291.31
2023	State Foundation for Employment Training [<i>Fundación Tripartita</i>]	Training Subsidy	€55,533.58
2022	AMEC	K Show (October 2022)	€7,269.32
2022	Andalusian Government Employment Department	Permanent contracts Antequera Plant	€5,500.00
	Total		€133,094.21

5.5 - Respect for human rights



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

As part of its commitment to human rights, Molecor strives to protect these rights in all its business activities. Throughout 2023, the company continued its efforts to achieve the Sustainable Development Goals (SDGs), as set out in its **Corporate Policy on Quality, Environment, Energy and OHP**, focusing on sustainable development and value creation for all stakeholders, and aligning corporate strategies with the SDGs.

The company continues to apply the highest international standards and agreements to the protection of human rights. In this respect, Molecor applies the Universal Declaration of Human Rights in all its activities and follows the 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 has improved some aspects in the agreements it has signed. Molecor Canalizaciones has signed adhesion deals with the chemical agreement, while wages at Molecor Tecnología are higher than those established in the plastic moulding agreement.

It has not been possible to complete the process of becoming a member of the Spanish Global Compact Network in 2023. This commitment will be implemented in 2024. Molecor 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		2022	2023
Total complaints related to human rights breaches	Complaints received from third parties and verified by the organisation	0	0
	Regulatory authority complaints	0	0

Respect for human rights in our supply chain

The company ensures respect for human rights through its **Quality, Environment, Energy and OHP policies**. 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. Progress was made in 2023 in analysing the information reported by suppliers in response to the 2022 ESG performance assessment survey. The aim is to use the results of this survey to develop business relationships.

5.6 - Our responsible supply chain



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

Firstly, suppliers are allies in Molecor's efforts to combat climate change and promote a circular economy. They are therefore a vital component in the company's operations and value chain.

Molecor Tecnología provides its suppliers with the *Environmental Guide for Suppliers and Subcontractors*, which acts as a reference for communication of the Environmental Management System with the goal of establishing the minimum requirements expected of its suppliers' environmental performance. It is important to note that in 2023, this guide has been slightly modified to include a series of concepts related to energy, in accordance with the requirements of the ISO 50001 standard implemented at the Loeches plant. At Molecor Canalizaciones, this guide will be implemented in 2024.

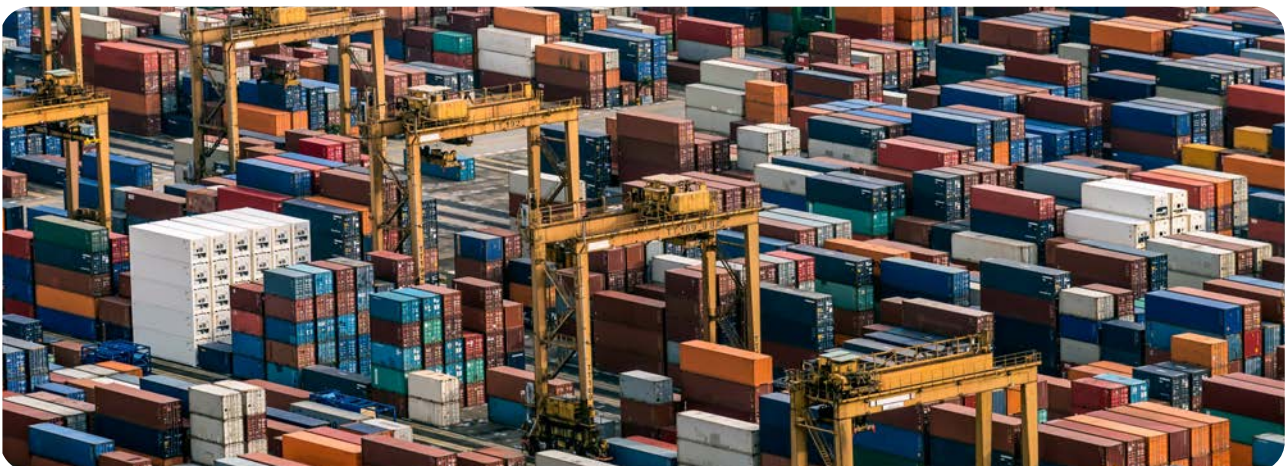
Furthermore, to maximise its impact in the supply chain, the company is working to define a *Purchasing Policy*, which will establish the company's commitments regarding supplier management and consider ESG criteria. Due to the delay in SAP implementation, this policy has not been formally published as the uniform processes for Molecor Tecnología and Molecor Canalizaciones have not yet been defined.

The 2023 strategic plan includes the implementation of sustainable supply chain management. This is not yet included in the Supplier Code of Conduct or in the ESG assessment and approval methodology. There has been significant progress, however, in harmonising the supplier evaluation process at Molecor Canalizaciones by implementing the process in place at Molecor Tecnología and Molecor Paraná. Nonetheless, this methodology does not yet include ESG criteria. This evaluation process will take place directly in the ERP (SAP), but this module has not yet been implemented. As a result, supplier assessments have been carried out using the existing assessment methodology, excluding ESG criteria as described above.

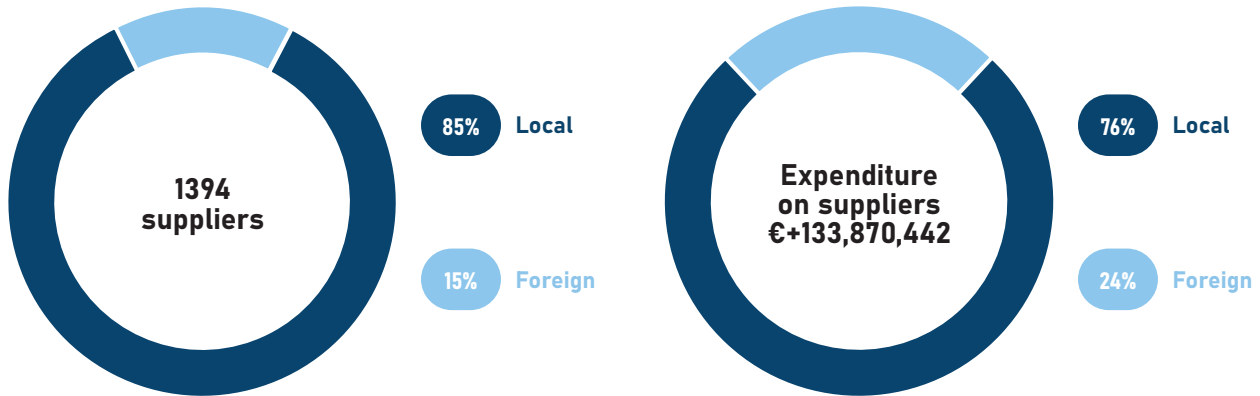
In 2022, Molecor Tecnología and Molecor Canalizaciones partially merged the purchasing processes of both organisations and no further progress could be made until both companies were integrated into the same ERP management system. The integration with Molecor Tecnología's SAP system did not take place until 1 January 2024. This means that from that date all purchases will be made in the same system. The company is currently identifying potential failures arising from SAP integration, which is why the new purchasing procedure has not yet been published.

In this context, it should be noted that the company manages transport centrally through a single unit.

Furthermore, no supplier audits were carried out in 2023.



2023 supplier management in numbers³



As a result of synergies between Group companies, the total number of active suppliers has been reduced by 2% in 2023 compared to 2022. Purchases have increased by 2.5% compared to 2022 due to higher volumes of imported raw materials, mainly PVC resin.

Molecor currently has a general procedure for managing and awarding purchases based on three levels of management: purchase management, supply management and management of the corresponding payments.

Purchases by direct award must be awarded on the basis of at least three bids, unless there is good cause, and the award decision will be explained. With respect to the exclusions from the process, a series of purchases that are excluded from this process have been specified:

- 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.

Also in 2023, the suppliers of Molecor Canalizaciones were evaluated according to the methodology that has been used for years at Molecor Tecnología and Molecor Paraná. This evaluation methodology assesses quality criteria, services and environmental aspects, among others.

At Molecor Tecnología, the assessment has continued through the automated process integrated in the company's old ERP, while at Molecor Paraná and Molecor Canalizaciones the methodology has been adapted through a semi-automated Excel tool.

It should be noted that the new assessment methodology has yet to be implemented in the new ERP (SAP), which will also include the sustainable performance criterion.

In 2022, the company worked to define its supplier assessment processes with specific attention to environmental, social and governance (ESG) criteria, enabling it to assess a supplier's performance in areas such as transparency, environment, health and safety, ability to stimulate the local economy, respect for human and labour rights, corporate governance and social contribution.

³ Molecor views local as domestic

Analysis of ESG information reported by suppliers

In 2023, the company has endeavoured to analyse the information reported by suppliers. This work is ongoing and the ESG assessment methodology has not yet been defined. The sustainable performance resulting from the 2022 survey on the sustainable contribution of its suppliers and contractors will be included as an evaluation criterion in the new methodology to be developed in the SAP system in 2024.

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



Develop ongoing supplier performance assessment and monitoring processes.



Enhance relationships with its suppliers.



Align its ESG needs and expectations with those of its suppliers.

Supplier health and safety

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

The company demonstrates its commitment to health and safety by extending it to all the entities that make up its value chain. As part of this commitment, the *Good Environmental Practice Guides* are attached to the contracts signed and, where appropriate, the Occupational Hazard Prevention (OHP) coordination document is also included. This ensures that suppliers are aware of the policies that they need to comply with in order to be part of the group of approved suppliers. This procedure only applies to plants in Spain.

Injuries due to occupational accident in 2023 (suppliers and contractors)

	2022			2023		
	Men	Women	Total	Men	Women	Total
No. of deaths resulting from an occupational disease or health issue	0	0	0	0	0	0
No. of cases of recordable occupational diseases or health issues	0	0	0	0	0	0
No. of recordable injuries caused due to occupational accident	12	0	12	2	0	0
Recordable Rate of Injuries due to Occupational Accidents ⁴	16.35	0	14.09	₅	0	0

⁴ 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.

⁵ The duration of sick leave is unknown.

1 Main figures

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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 plays a crucial role in the company's corporate strategy. To create value and drive innovation in the infrastructure, sanitation and building sectors, the company focuses on building loyalty with clients by providing sustainable, high-quality products and services.

As a leading company in the pipe industry, Molecor offers solutions that stand out for their innovation and technological development, and that meet the highest international product quality and safety standards. The company distinguishes itself by manufacturing according to the principles of the Circular Economy and using resources responsibly.

Furthermore, Molecor drives compliance with quality and safety standards for projects that lack these certifications, assisting during the standardisation process and encouraging the inclusion of measures that guarantee its compliance with the legislation in force in each country it operates in.

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

In water infrastructure and building projects

- 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
- After-sales advice
- Development of new products

In projects to implement molecular orientated technology

- Design and adaptation of the M-OR-P technology for the production of PVC-O pipes, tailoring the technology to the production and market needs of the licensees.

Customer service and satisfaction

Molecor is committed to meeting its clients' expectations and continually improving its products and services by incorporating these considerations into all its operations. To this end, it has a Sales Department dedicated to 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.

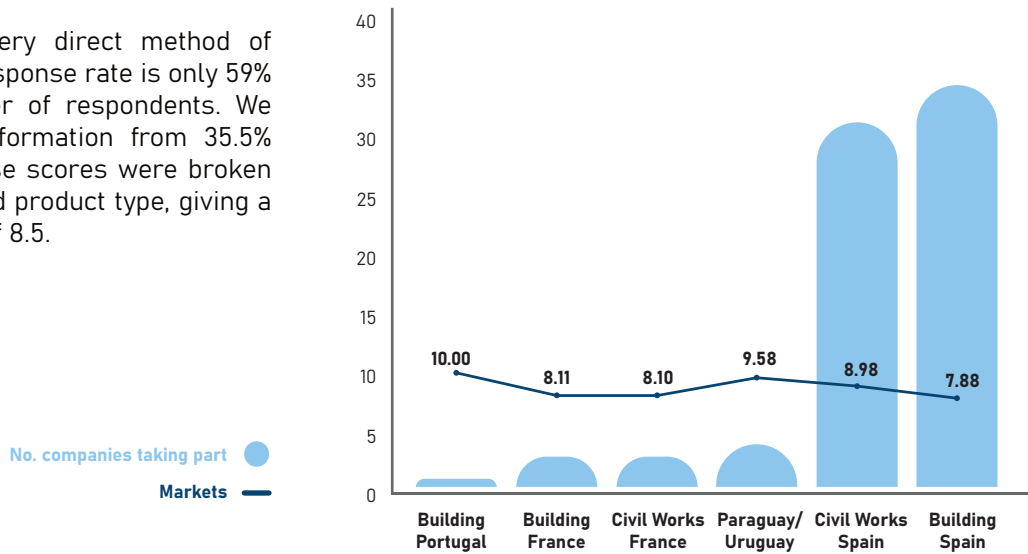
A close relationship with clients is key to Molecor. In this context, the company has introduced clear, transparent communication on product and service satisfaction as a key method of ensuring that they meet expectations.

The 2023 client satisfaction survey was conducted by telephone, a method not previously used by Molecor. This telephone survey was carried out by the Customer Service Department on a group of key clients strategically selected by the Sales Department from the most important markets in the pipe and fittings business for the Molecor Tecnología and Molecor Canalizaciones plants (Spain) and Molecor Paraná (Paraguay).

This phone survey covered a range of issues:



Despite being a very direct method of consultation, the response rate is only 59% of the total number of respondents. We finally collected information from 35.5% of customers, whose scores were broken down by market and product type, giving a weighted average of 8.5.



Measuring customer satisfaction

Molecor Tecnología has recorded an average score of 8.6 in its satisfaction surveys for the purchase of pipes and fittings in 2023. In the case of Molecor Tecnología for machinery, the score is 3.47 out of 4.

At the same time, Molecor Tecnología has continued with its evaluation methodology of previous years, adding this telephone survey methodology to the existing one for the evaluation of pipes and fittings. Five methods were therefore used:

- Online satisfaction survey, performed annually or, if the client is not a frequent client, upon completion of the order. For both product clients (pipes and fittings) and machinery clients.
- Telephone satisfaction survey of a selected group of relevant customers, strategically chosen from key pipe markets.
- Direct customers feedback through the Sales and Customer Service 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.

After-sales incidents and complaints

Molecor Canalizaciones deals with and monitors any client incidents and complaints it receives during the year through the Customer Service Department. Incidents are categorised according to the nature of the complaint or claim and are assessed and managed by a dedicated team in conjunction with the various responsible parties until they are resolved and closed. Specifically, with the aim of ensuring that 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. (Graphs 1-2).

Similarly, Molecor Tecnología has a coordinated management approach for TOM® pipes and EcoFIT TOM® fittings, led by the Quality Department, which is responsible for registering and coordinating the process, with the collaboration of the Sales and After-Sales Departments, as well as other departments involved in analysing after-sales incidents.

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 (Graphs 3-4).

The Paraguay, South Africa and Malaysia plants have implemented the same after-sales incident management system as Molecor Tecnología, with each plant recording, analysing and managing its own incidents. Significant efforts are therefore being made to raise the level of awareness of the staff at these plants in order to improve the information recording and incident management.

To consolidate information and analyse overall incident data for PVC-O products, a global scorecard has been developed to review all incident information related to these products, regardless of where they are manufactured.

With regard to after-sales service for machinery, Molecor Tecnología keeps a record of the number of calls to its after-sales service, classified by client, category or severity, and other criteria.

There was a slight decrease in the number of reports received in 2023 compared to 2022, mainly due to the fact that the use of online support by clients increased significantly in the last financial year, with incidents related to lack of experience and/or training often being resolved on site and therefore no longer needing to be recorded and classified (Graph 5).

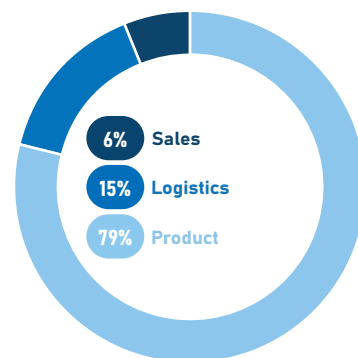
1. Incidents with pipes and fittings at Molecor Canalizaciones



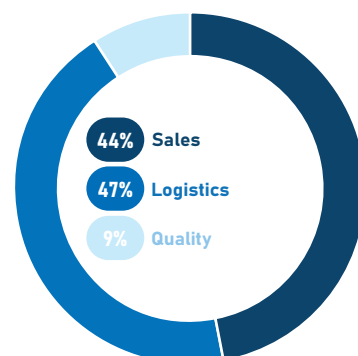
2. Incidents with pipes and fittings at Molecor Tecnología



3. Incidents with pipes and fittings at Molecor Tecnología in 2023

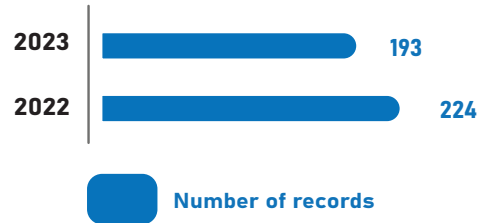


4. Incidents with pipes and fittings at Molecor Canalizaciones in 2023

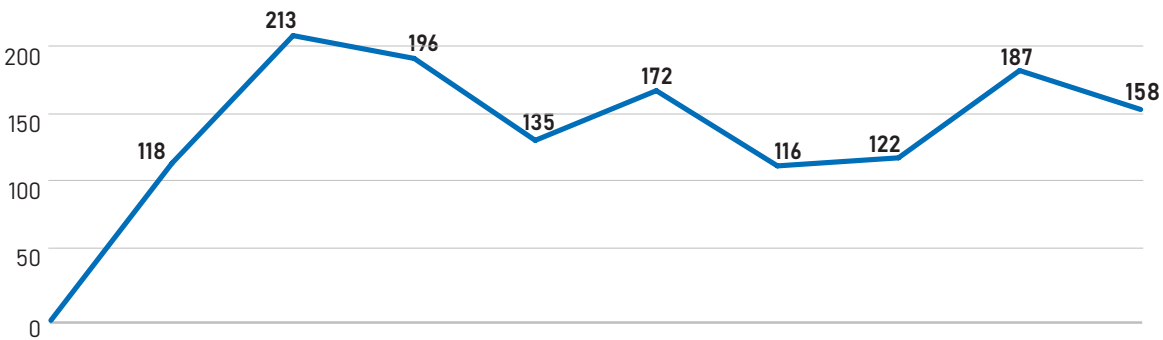


With regard to records classified as machinery after-sales incidents, there was a decrease of 15.5% compared to the previous year. It should also be noted that the number of incidents classified as serious has fallen significantly to 6.9% in 2023. This is because more technically trained staff have been able to travel to the clients' premises for on-site troubleshooting, meaning that only a small number of incidents have needed to be followed up. In addition, the number of minor incidents has remained virtually unchanged and there has been an increase in the number of moderate incidents.

5. Incidents with machinery at Molecor Tecnología



Evolution of After-Sales Incidents



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 implemented an **Integrated Quality, Environmental, Energy and Prevention Policy**, an **Integrated Management Manual** for use within the company and an **Integrated Management System** in this area, which is certified to ISO 9001 for Quality, ISO 14001 for the Environment and ISO 50001 for Energy, and which establishes the following principles in these fields:

- Understand our customers' needs, requirements and expectations to ensure their full satisfaction.
- Ensuring compliance with applicable legal and regulatory requirements, and any other voluntary requirements which Molecor identifies relating to the quality of the product or service provided, the environment, occupational health and safety and those related to the efficiency, use and consumption of energy.
- 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.
- Support the procurement of energy-efficient products and services that contribute to improving our environmental and energy performance, as well as design activities with a view to improving energy performance.
- 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 four 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 performing corporate operations, Molecor has a laboratory at each manufacturing plant where product quality is controlled, as well as specific risk assessment and management procedures in place to identify the main risks in 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.

Molecor strives to ensure the quality and safety of its products and services through standardisation and certification processes. Given the innovative nature of its products, the company frequently has to contend with an absence of regulation applicable to some aspects of its business. For this reason, Molecor strives to be present on all national and international standardisation committees that are aligned with its activity, with a view to expanding the market and contributing to create action and regulatory frameworks.

This activity is also carried out in the technical groups of the various sector associations to which **Molecor belongs, where it actively participates both in the development of new initiatives in the sector** and in *advocacy* efforts to meet the requirements and new regulations of the various authorities, especially the European Union, in matters related to the company's business.

In 2023, Molecor has 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, quality of the product and energy efficiency

Improvements to laboratories to control quality

New product certifications

- Expansion of AR® fittings range
- TR6® irrigation pipes
- SANECOR® system in South Africa
- PVC-O system in Bulgaria and Uruguay

New systems certifications

- ISO 9001 Quality Management System according to the ISO 9001 standard in Paraguay

New sanitary certifications

New environmental certifications

- Energy Management System according to ISO 50001 at the Loeches plant (in progress)
- Ecolabel 54 (Malaysia) for ecoFITTOM® fittings
- Environmental Product Declarations (EPDs) for the following systems: PVC-O SANECOR® and AR® (in progress)

The Molecor brand as a quality and safety benchmark

Depending on the application for which they are intended, all Molecor products have certain product certifications, certifications of suitability for use with water for human consumption and other specific certifications.

In terms of product quality, it is important to note that 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.

The remaining products marketed are also certified according to their respective product standards.

In addition, certain products marketed by Molecor meet other specific certifications to ensure the highest standards of fire and noise safety, particularly for products and services designed for buildings, such as the EVAC+® drainage and AR® anti-noise drainage systems. In terms of suitability for use with water intended for human consumption, TOM® pipes and ecoFIT TOM® fittings comply with the various national, European and international regulations governing the safety of drinking

water and have been awarded various sanitary certifications, in particular the following: ACS⁶ (France), NSF (USA), Hydrocheck (Belgium), and WRAS and DWI (UK). These certifications prove that the PVC-O system is suitable for the transport of water for human consumption, as they guarantee the quality of the water conveyed and ensure that its properties remain unchanged.

Furthermore, in accordance with the legislation in force, all pipes and fittings manufactured by Molecor are free from lead salts or other substances of very high concern (SVCH)⁷ in their composition.



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 17176:2019 Standard), the international ISO 16422:2014 Standard, the French NF EN 17176-2019 Standard, and the South African SANS 16422:2007 Standard.

Furthermore, their quality is backed by the corresponding product trademarks issued by each certification body.

It is worth mentioning that PVC products stand out for their good environmental performance, especially the TOM® oriented PVC pipes, thanks to their eco-friendly properties, making them one of the best options on the market for transporting drinking water. To demonstrate the excellent environmental performance of its products in 2023, Molecor conducted a life cycle analysis of the three most representative systems in its product portfolio: TOM® and ecoFIT TOM®, SANECOR® and AR®, making it possible to draw up Environmental Product Declarations, which are currently being verified by an independent body and will be published in 2024.

All the certifications for Molecor's products can be consulted at: www.molecor.com

⁶ ACS: *Attestation de Conformité Sanitaire*.
NSF: *National Science Foundation*.
WRAS: *Water Regulations Advisory Scheme*
DWI: *Drinking Water Inspectorate*

⁷ Substance of very high concern: those that have serious or irreversible effects on people's health and the environment.

6.2 - Engaging in innovation and digitalisation

Innovation

Innovation is an intrinsic component of Molecor's business model. The company is committed to continuous improvement to thus respond to the specific needs of its clients and the demands of the marketplace. It also invests a great deal of effort in technological development aimed at creating new solutions and strengthening its range of products and services.

Innovation in its DNA

Molecor spends five million euros a year on research, development and innovation. This R&D investment has led to the development and marketing of a range of pioneering products, including large-diameter pipes manufactured using the company's patented technology and PVC-O fittings, which are unique in the world.

Furthermore, this year the company initiated the "Silk Worm" project, which aims to find innovative solutions to the factory's logistics and connectivity challenges. So far, three of the eight million euros to be invested in the coming years have been committed.

2023 Milestone

Molecor was awarded the "Technical Novelty 2023" prize for innovation at the Smagua (International Water and Irrigation Exhibition) for our TOM® 1200 mm oriented PVC pipes, manufactured with the company's patented Genuine Air System. These pipes are characterised by high efficiency and low maintenance costs.



Molecor has created an Innovation Committee to anticipate client and business demands, comprising the following teams: Business, Sales and Innovation. The Business Operations and Innovation area has also been consolidated to help improve the way the various corporate businesses operate. This area has been responsible for aligning different operational areas to achieve business sustainability.

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. Examples of these products include: anti-noise pipe systems, drainage pipes, sewer systems and products containing recycled PVC from other processes or even post-consumer PVC.

3 PVC-O product innovation

Developing Molecor's star product, molecularly oriented PVC. Designing and developing the PVC-O pipe and fittings product range and seeking new market solutions.

Short-term projects

Short-term projects focus on products with short technical development and a quick result. These projects involve changes to tools, formulations or processes that can be technically implemented in a short timeframe. While the time to market is fast, the differentiation tends to be less radical.

Medium-term projects

Medium-term projects start from a more advanced stage of development. In terms of machine, process and product design, they involve significant technical development. These projects typically last 2 to 3 years, and can have a significant and lasting impact.

Long-term projects

Long-term projects are more scientific at their core, often originating in a laboratory or university department rather than an engineering department. As a result, their viability is subject to a higher degree of risk and they require a longer timeframe, generally more than three years. Despite these factors, the results tend to be disruptive.

In 2023, Molecor executed diverse innovation projects:

- Portable PVC-O plant (Silk-Worm project)
- Creation of a new TR6® product range for irrigation. Finalisation of development and product certification
- Commencement of Industry 4.0 rollout at the Molecor Canalizaciones and Molecor SEA plants
- Establishment of Improvement Plan Committees at all plants
- Development of machine for PVC-O fittings of up to DN500 Designed in 2022 and executed in 2023/Q1-2024
- A project to include rPVC (recycled PVC) in the drainage range has been launched.

In addition, following an opportunity analysis, Molecor has identified several areas of interest for future product and service development, including:

Inclusion of recycled material that is external to the production process

Adaptation of PVC-O to extreme climate events

Strengthening of safety and optimising the use of PVC

GEOTOM®: an added-value service

In 2023, Molecor rolled out the geoTOM® application for the geolocation of pipes, which was designed in 2022. This works by associating each pipe with a geographical point so they may be monitored and maintained once installed. The application was presented at various trade fairs, including SMAGUA (Spain), Expo Mariano Roque Alonso (Paraguay), Vietwater (Vietnam) and Expo Agua Peru (Peru), as well as at seminars in various technical forums. This service is a free IT add-on to the company's pipe systems.



Product analysis and life cycle

PVC-O is currently regarded as the most environmentally friendly product on the pipe market. 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.

The technological innovation of the manufacturing process developed by Molecor for the

PVC-O: a more sustainable choice

Due to its improved design and manufacturing characteristics, PVC-O uses approximately 40% less material than conventional PVC. Furthermore, given its nature, PVC consumes less fossil fuel (oil) than other plastic solutions available in the construction or infrastructure market.

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

production of TOM® PVC-O pipes has led to an improvement in the quality of Molecor's pipe products.

With the development of the unique manufacturing system for oriented PVC-O fittings, Molecor offers a continuous PVC-O system. In 2023, the ecoFITTOM® range of fittings, manufactured using less raw materials and energy, has been extended to meet the emerging needs of sustainable construction. This project received EU recognition for its innovation in the use of advanced materials and technologies applied to manufacturing and processing.

The new TR6® oriented pipe with PN6 bar pressure, designed for irrigation, was also developed in 2023. This pipe has greater strength due to its higher level of stiffness. The TR6® PVC-O pipe range is also a sustainable solution thanks to its lower carbon footprint and lower energy consumption over its lifecycle.

The rest of the Molecor catalogue offers a range of plastics and PVC solutions that complement molecularly oriented PVC and offer environmental benefits compared to alternative products on the market today:

SANECOR®
sewage system

AR® soundproof
drainage system

EVAC+®
drainage solutions

Different floor drainage solutions
and gutter system



+ Find out more about our products on molecor.com

Digitisation

Currently, one of Molecor's main objectives in the industrial sector is the implementation of the Manufacturing Execution System (MES⁸) for the management of production in all its manufacturing plants, both in Spain and abroad. This software works by controlling and monitoring production process management information in industrial environments, connecting, monitoring and controlling complex manufacturing systems while tracking production data in real time. The MES system is based on the creation of a network infrastructure to connect all the equipment in each of the production plants to access real-time manufacturing parameters. This data is then stored in a database for use in decision making.

This MES system also provides comprehensive production control through the tracking of production orders, which is fully integrated with our ERP, maximising operational automation and reducing staff time spent collecting and entering data into the system.

The MES system was implemented at the Loeches production centre in previous years, and during 2023, significant progress was made with the production control system at the remaining plants, as follows:

At **Alovera**, an industrial network was implemented with servers in the DPC for the logging and monitoring of 40% of the injectors.

At **Alcázar de San Juan**, an industrial network was set up with servers in the DPC, with sensors and logging for 60% of the corrugated production lines, 10% of the drainage production lines and the milling plant. In addition, the OS of the mixing SCADA system has been upgraded.

At **Antequera**, the mixing equipment was migrated and the control systems were upgraded.

In **Malaysia**, an industrial network with online cloud servers has been implemented.

Molecor keeps abreast of new technological proposals that can be applied to the industry.

Digitisation

With the implementation of the MES production management system, Molecor has made progress in the digitisation of its plants. To centralise and configure the web service, a new non-relational Influx database was implemented. This made it possible to monitor data for each production line and to segment the networks for each site into VLANs.

⁸ Manufacturing Execution System is a software solution for controlling and monitoring information in the management of industrial production processes. Its main functions are to connect, monitor and control complex manufacturing systems and to track production data in real time.

6.3 - Cybersecurity and information security

GRI: 418-1

Information security and data protection are key pillars for Molecor.

Molecor is committed to data protection and information security based on a comprehensive and evolving regulatory framework, as defined in the Data Protection Policy.

In addition, an internal protocol is implemented covering various policies, including 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.

The company guarantees data protection in accordance with the legislation in force. In its efforts to comply with best practices, Molecor 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 terms of cybersecurity, in 2023 Molecor continued to make great efforts to unify IT processes following the merger of Molecor Tecnología and Molecor Canalizaciones with the rest of the group's companies. Although IT policies are not formally implemented at group level, they are applied operationally to all workplaces.

In terms of Data Protection, the company's actions in this area in 2023 focused mainly on how it processes employee data. In 2024, further progress will be made in reviewing the data processing practices of all employees of Molecor Tecnología and Molecor Canalizaciones. Progress will also be made in the area of client data management.

An external consultant is available to ensure the confidentiality and anonymity of the data management process.

For yet another year, Molecor did not experience any non-compliances with cybersecurity, information security and data protection regulations in 2023.

Corporate cybersecurity strategy

Strategic line	Initiative	Description
Protection and detection	Protection against attacks and detection of threats	Molecor develops cybersecurity solutions, including firewalls and antivirus, that help mitigate the risk of cyber attacks and identify potential threats.
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 information recovery measures in case of potential attacks so as to minimise the time taken to respond and recover information that may be lost should an attack materialise.

Complaints		2022	2023
Total complaints related to customer privacy breaches	Complaints received from third parties and verified by the organisation	0	0
	Regulatory authority complaints	0	0
Total number of leaks, theft or losses of customer data		0	0

We opened a cybersecurity channel

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



**In 2023,
Molecor did
not record
any loss or
theft of data.**

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7. Our talented staff



Each professional adds value to our business model and plays an instrumental role in the international expansion and merger of Molecor Tecnología and Molecor Canalizaciones. A fundamental part of the company's strategy is to attract and retain the best talent. To this end, lifelong learning has been introduced as a tool for professional growth with a focus on the need to offer Molecor's staff the flexibility they require to achieve their career goals.

Overall, Molecor is committed to an HR model based on talent, flexibility and continuous training. Molecor's talented people are the key to the company's current and future success.

The policies, plans and procedures in place to support the professional development of the team and ensure a healthy work-life balance are detailed below:

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

In 2024 plans to carry out another work climate survey in line with the FourFlags® model used in 2023, based on identifying profiles capable of driving change and improvement within the company. The survey resulted in a very positive Net Promoter Score for Molecor's employees, with improvement plans identified in the areas of training, development programmes, ongoing communication and leadership.

We are one

The merger of Molecor Tecnología and Molecor Canalizaciones was another milestone in the company's history, with more than 473 people attending the Christmas lunch. This meeting highlighted the integration process of the two companies, fostering a sense of unity, teamwork and the consolidation of all human talent.



7.1 - The workforce in numbers

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

The selection and recruitment process was created with the aim of finding the most suitable profiles for the company. Through this process of recruiting the brightest talent, Molecor has a highly diverse team of professionals who are well equipped to meet the challenges and take advantage of the best opportunities for the company. Another of the company's key commitments is to encourage the signing of permanent contracts.

We guarantee an environment of no discrimination in our selection processes

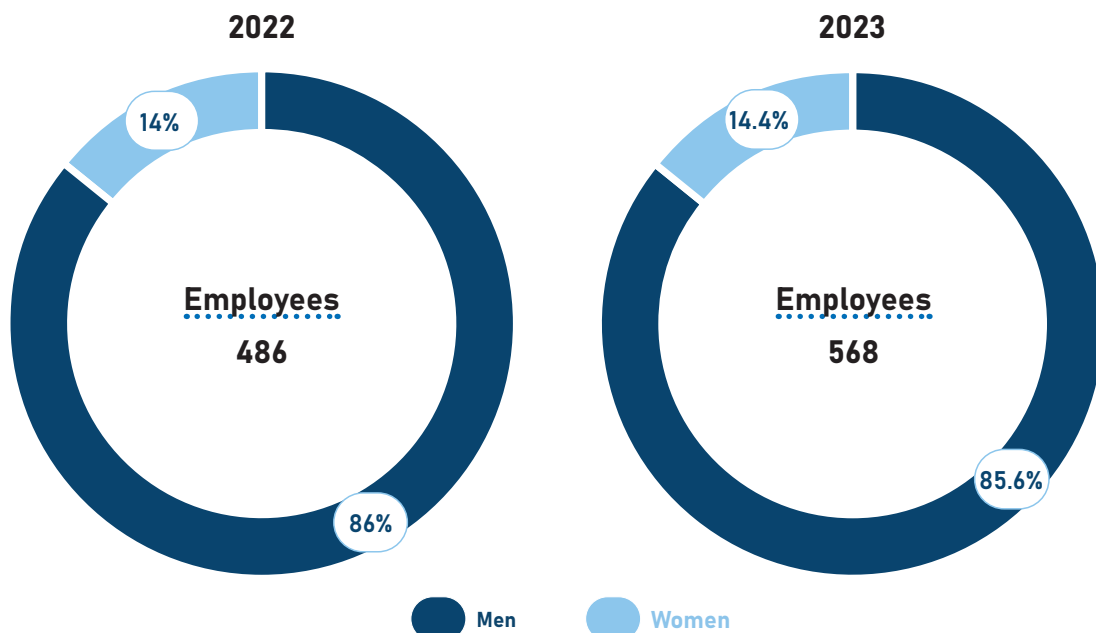
The company has implemented the *Selection and Recruitment Procedure* for job vacancies to avoid gender-based discrimination in employment and hiring processes.

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

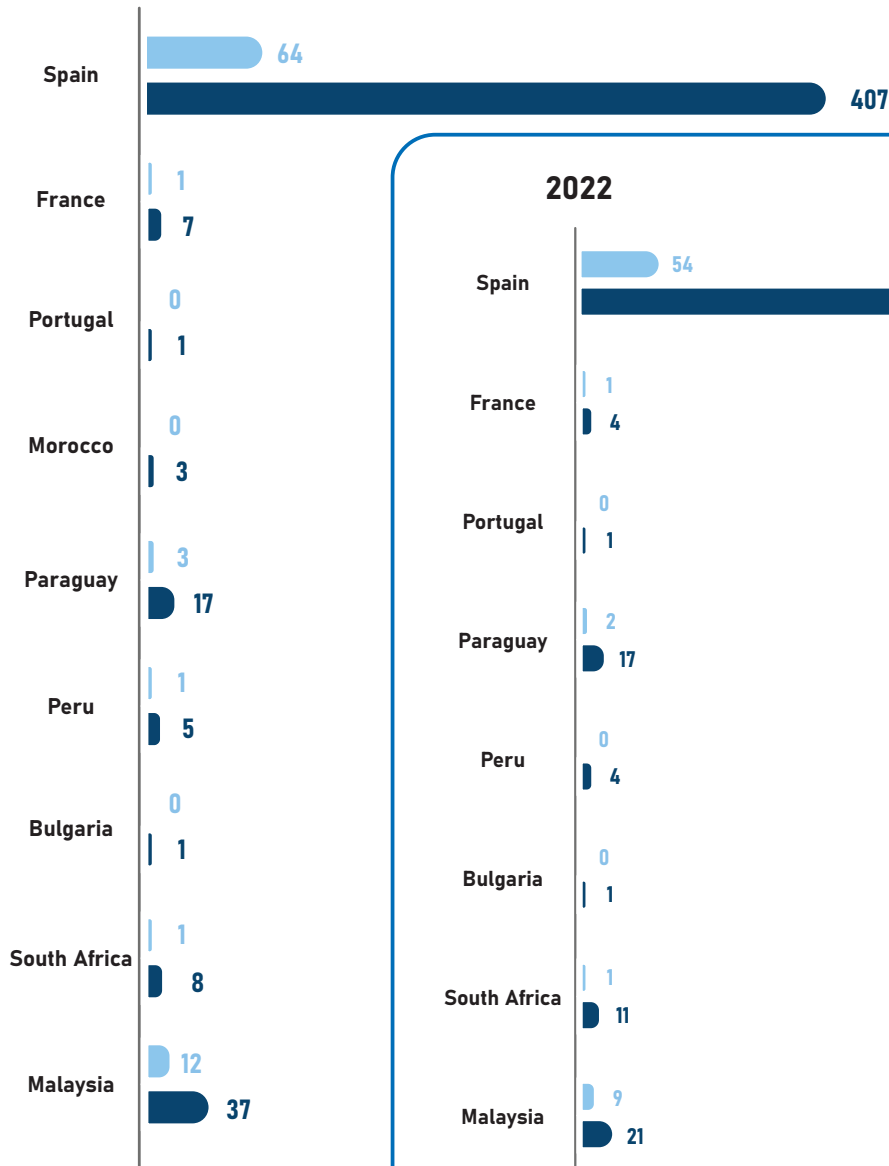
Of the total workforce, 94.9% of employees have permanent contracts and 99% of them work full time.

Distribution of the workforce by sex and country

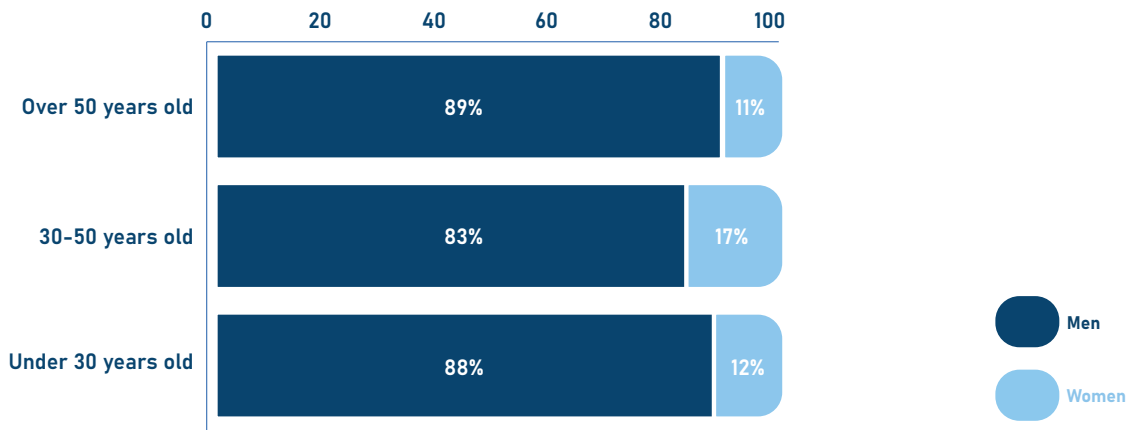
At the close of 2023, Molecor's team numbered 568 people across all its business divisions, almost 17% more than in 2022. This expansion of the team was designed to meet the needs of the organisation in different business areas, as well as the corporate strategy. Of the total workforce, 99% of employees work full time.



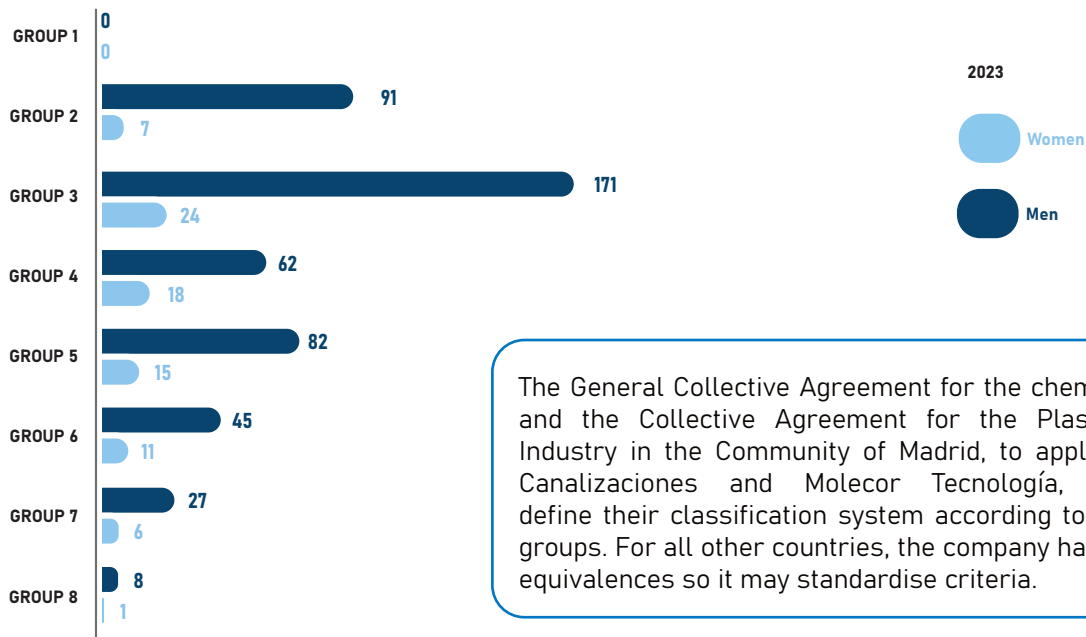
2023



Distribution of the total workforce by age groups and sex



Distribution of the total workforce by professional⁹ category and sex



The General Collective Agreement for the chemical industry and the Collective Agreement for the Plastic Moulding Industry in the Community of Madrid, to apply to Molecor Canalizaciones and Molecor Tecnología, respectively, define their classification system according to professional groups. For all other countries, the company has established equivalences so it may standardise criteria.

Evolution of the workforce during the financial year

	Units	Percentage ¹⁰
New hires	82	16.87%

Social dialogue and agreements

With regard to freedom of association, at the close of 2023, all staff members across all of the company's business divisions were covered by collective agreements.

In Paraguay, Peru, Bulgaria, South Africa and Malaysia, professional contracts are processed through external companies that 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.
- Ethics and Legal Compliance Channel.
- The corporate website.

Furthermore, the company has the following corporate email addresses:

- Equality: igualdad@molecor.com
- Human Resources: rrhh@molecor.com
- OHP: prl@molecor.com
- Environment: medioambiente@molecor.com
- Corporate Social Responsibility: rsc@molecor.com

⁹ Calculated taking into account the average between the workforce at the close of 2022 and the workforce at the close of 2023.

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 work duties. In this respect, the professionals working in the facilities in Spain are provided with:

- Introduction of a fifth shift in 90% of factories to promote rest and work-life balance.
- 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)
- Flexible choice of Christmas hamper from Molecor

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

As regards parental leave and measures to promote family balance, in 2023, a total of 17 people, 16 men and 1 woman, opted for taking parental time off. The return to work rate was 100%.



Organisation of work

In 2023, the number of hours worked per employee in Spain was 1,752 hours.

Molecor's employees have the following work systems:

- Split shift work, mainly for office and sales staff.
- Work morning, afternoon and night shifts, from Monday to Sunday, for factory staff.
- Work 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 implemented a five-shift working system in Spain, which has involved hiring an extra team and has allowed the factory staff to enjoy a longer rest period, with more weekends off each month. Although it represents an additional cost to the company, employee wellbeing and work-life balance are key priorities for Molecor.

**During 2023,
a total of
17 people
opted to take
parental
leave.**

7.2 - The best talent

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

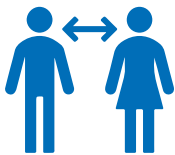
First, in 2023, Molecor, which previously had one plan for Molecor Tecnología and a separate one for Molecor Canalizaciones, consolidated its two annual training plans in Spain into one. This training plan is aimed at offering the entire workforce quality training adapted to their personal needs, department requirements, and the nature of their role in the company, in addition to the business strategy. In addition, this Plan adapts to any unforeseen needs that may arise.

In addition, Molecor has carried out a survey with 400 respondents in order to identify the training needs in order to draw up the training plan, with the result that Spain has:

In this context, the company has incorporated a series of courses, of which the following are particularly relevant:



Provided more than **95** courses



Training for **75%** of the workforce



More than **8,000** hours of training



8.66 hours per employee



In particular, the Leadership course delivered to the personnel at the Spanish plants is of paramount importance to Molecor's corporate culture. This is because the leadership model is based on the company's values, defined as the embodiment of these values in the management style and behaviour of the company's executives in the performance of their duties and in the way they manage their teams and relationships.

Furthermore, in 2023, Molecor launched its **new online training platform**, which has allowed it to step up its training efforts. Through this platform, Molecor employees can manage their learning processes with over 350 available courses, including the option to design specific courses on languages, office automation or coaching and mentoring, among others. The platform has also been used in Spain, Portugal and Morocco to deliver training to employees in Spanish.

Performance assessment

Molecor currently operates a bonus system in Spain which is based on variable remuneration linked to achieving targets. Under this system, certain performance-related incentives are set according to the strategic objectives of the company, such as EBITDA, as well as specific performance targets for departments and individuals.

It should be noted that in Spain, 55% of employees are assessed on their performance.



In Spain, 55% of employees are assessed on their performance.

Molecor is also in the process of rolling out a human resources management application, where one of the key utilities of the platform will be the skills assessment of all Molecor employees. This assessment will be implemented for all staff.

7.3 - Diversity and inclusion

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

Molecor supports the diversity of its team 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 Policy and an Equal 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. Within the Selection and Recruitment process, positive action measures have been introduced to ensure, amongst other things, equal conditions of suitability.

It should be noted that both the Equality Plan for Molecor Canalizaciones and the Equality Plan for Molecor Tecnología are valid for four years. Both ensure that the company complies with its current equality

Equality Committee of Molecor Tecnología and Molecor Canalizaciones

Molecor Tecnología continued in 2023 with the Equality Commission, which was set up in 2022. The Commission aims to ensure that gender equality and commitments relating to diversity, inclusion and anti-discrimination are mainstreamed.

For its part, Molecor Canalizaciones has had its own Equality Committee since 2018, but updated its structure on 29 November 2023.

commitments and plans to guarantee they are aligned with the European Gender Equality Strategy 2020-2025. Its goals are:

- Ensure the principle of equal treatment and opportunities for men and women in access to employment, selection, recruitment, promotion, training and performance of their duties and avoid discrimination based on birth, race, sex, religion, opinion or any other personal or social condition or circumstance.
- Implement the gender perspective across all areas of the company, developing good practices that facilitate a balanced representation of men and women.
- Introduce measures to promote a balance between work, private and family life.

- Assess equality needs, proposing the measures necessary to adapt guidelines and the operational nature of the company to legal equality provisions.
- Review and assess employee requests, complaints and recommendations regarding compliance with equality principles.
- Inform and raise awareness among staff

Furthermore, Molecor has implemented a Protocol for Preventing and Addressing Situations of Harassment and its Whistleblowing Channel. It should be noted in this regard that the company did not receive any complaints in 2023.

Between February and June 2023, the HR department and the works councils (39 professionals) conducted a two-hour course to raise awareness of equality among the workforce. The company also ensures that this training will continue to be provided to the rest of the workforce in 2024.

We work with the Adecco Foundation to promote gender equality

Molecor collaborated with the Adecco Foundation on the International Women's Day campaign.

- + Find out more about our performance in the section titled **Committed to developing our communities**

Functional diversity

As in 2022, Molecor had 8 people with disabilities on its staff in 2023, all of them men.

Molecor's main goal is sustainable growth and, for this reason, the company is committed to social and labour inclusion, adapting its workplaces with the installation of lifts, access ramps and bathrooms equipped for people with different capacities.

The company is eager to implement measures to increase recruitment within this group, with the support of a legal advisor. To this end, Molecor has engaged a recruitment portal specialising in people with diverse abilities to streamline the recruitment and selection process.

We work with the Adecco Foundation to build more inclusive environments

Of note is Molecor's collaboration with the Adecco Foundation in the Day of Persons with Disabilities campaign.

- + Find out more about our performance in the section titled **Committed to developing our communities**

Equal pay

In line with its commitment to equal pay for its employees, Molecor strictly complies with applicable wage legislation.

In 2023, the gross or effective pay gap at the company was 8.51%, while in 2022 it was 4.73%. It should be noted that the calculation is based on the actual gross salaries of all employees, i.e. wages are not equated to a theoretical full year.

In order to calculate the pay gap, remuneration audits were carried out in Spain in 2023 at both Molecor Tecnología and Molecor Canalizaciones, taking into account the remuneration for 2022. The actual pay gap was calculated by taking the average of actual salaries, i.e. the wages received by employees during the year, broken down by gender. This resulted in a figure of -6%. It should be noted that actual wages include those of both full-time and reduced-workday employees, so in order to adjust the calculation to avoid these differences in working time, the calculation was also made using equalised wages instead of actual wages, resulting in an equalised pay gap value of -2%.

7.4 - Health, safety and well-being¹¹

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

Molecor develops its activities while upholding a clear commitment to protect the health, safety and well-being of its team and all those who may be affected by its actions.

Molecor works to achieve the highest level of personal integrity by identifying and minimising risks in all of its business activities and preventing occupational accidents and diseases in the work environment.

As part of this commitment, the preventive organisation model in Spain has been unified with the merger of Molecor Tecnología and Molecor Canalizaciones. An outsourced health and safety service has been engaged to ensure total independence in staff health and safety matters.

Furthermore, the company complies strictly with the provisions set out in Law 31/1995 of 8 November. In order to adapt and comply with the ISO 50001 standard, the policy in this area has been adapted and is now called the Quality, Environment, Energy and Prevention Policy. Under this policy, Molecor's management is committed to promoting awareness and responsibility for quality, environmental protection and health, safety and energy management, involving the entire workforce in this commitment.

The control and monitoring of occupational hazards is documented in the Preventive Activity Plan (PAP), which is reviewed and updated on a weekly basis. This document brings together prevention actions from the four different legislative fields:

- Safety
- Hygiene
- Health monitoring
- Ergonomics and psychosociology

Furthermore, Molecor has integration tools for prevention, such as hazard notifications and planned inspections. It should be noted that an internal safety coordinator is tasked with supervising matters in this area at each work centre.

Molecor has hired an external documentation agency, Dokify, which is responsible for reviewing the subcontracting documentation for the coordination of business activities. In this way, the company ensures 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 at each centre, ensures that all quality, environment and occupational hazard prevention systems are fully compliant.

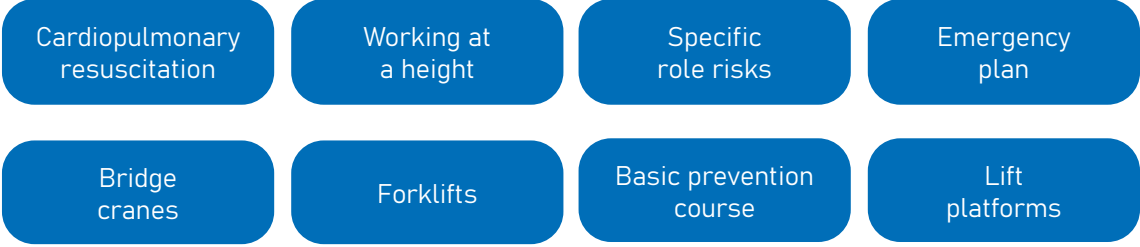
The Occupational Hazard Prevention (OHP) Department has implemented an Occupational Hazard Prevention Plan that details roles and responsibilities, human resources and technical resources to establish the main procedures that define how processes are developed. It is currently under review for 2024.

It is essential for all employees to be covered by the health and safety management system. The company is therefore committed to ensuring that this is achieved.

Molecor offers its employees social benefits, such as medical insurance, so it may positively contribute to their health and well-being.

¹¹ Except as indicated for subsidiaries, the rest of the information only concerns production centres in Spain.

Furthermore, in 2023, Molecor gave a total of 1,704 hours of health and safety training on a variety of topics.



Furthermore, it gave 147 awareness talks.

In addition, Molecor has worked on Occupational Hazard Prevention in its subsidiaries outside Spain in 2023, highlighting the following progress:

- Molecor SEA** (Malaysia) has obtained the Occupational Health and Safety Management System according to ISO 45001.
- In **Paraguay**, the project for the construction of the new Molecor Paraná plant has prioritised prevention aspects, with the relevant measures being reviewed from the construction phase onwards.
- In **South Africa**, a prevention coordinator has been appointed for the plant and safety has been integrated into processes, resulting in the control of prevention activities, incident control, handover and the use of PPE.
- The opening of the new **Molecor Maroc** distribution centre prompted an assessment of occupational risks and, once identified, employees were informed and trained in their prevention.



Accident reduction goal

The company is working to minimise its accident rate.

In Spain, Molecor did not reactivate the previous year's Incentive Plan in 2023, but continued with periods without occupational accidents with sick leave. In addition, all the work centres exceeded 210 days without an accident with leave at some point in 2023.

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

Accidents with leave have been reduced from 9 accidents in 2022 to 8 accidents in 2023, representing a decrease of 11%.

These accidents have resulted in shorter periods of sick leave and a significant reduction in the severity rate of 1.2 in 2022, less than half.

A total of 9 accidents were recorded throughout the group in 2023, 8 at the Spanish sites, 5 at Molecor Tecnología and 3 at Molecor Canalizaciones, plus 1 accident at the Malaysian site. All of these accidents occurred to men. It should be noted that the company's efforts to prevent and reduce the number of accidents place it below the industry average¹² in terms of accident rate.

Significant measures to reduce the accident rate were taken in 2023:

- Conducting Psychosocial Risk Assessments.
- Decision to certify the sites according to ISO 45001. The company is currently working to achieve this certification for the Loeches site in 2024. The Malaysian site has already been certified.
- Increasing Preventive Activity Plan (PAP) actions by more than 30%.
- Performing an internal OHP audit.
- Consolidating and completing the team of staff.

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

Prevention officers are consulted and actively participate in receiving information and documentation concerning occupational hazard prevention.

Molecor has a hazard notification procedure in place. Recording takes place via a system that allows any employee to participate, propose preventive measures and subsequently verify the effectiveness of the measures adopted.

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

¹² 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.

Breakdown of workforce at year end

Workforce by sex

	2022	2023
Men	419	486
Women	67	82
Total	486	568

Contract types and working day

	2022	2023
Permanent contract	472	539
Temporary contract	14	29
Total	486	568

	2022	2023
Full time	480	557
Part time	6	11
Total	486	568

Workforce by age group

	2022	2023
< 30 years old	50	57
30-50 years old	285	303
> 50 years old	151	208
Total	486	568

Workforce by professional category

	2022	2023
Professional category GROUP 1	0	0
Professional category GROUP 2	62	98
Professional category GROUP 3	172	195
Professional category GROUP 4	70	80
Professional category GROUP 5	90	97
Professional category GROUP 6	57	56
Professional category GROUP 7	28	26
Professional category GROUP 8	13	16
Total	486	568

Averages¹³

Contract types and working day by sex

Contract type	2022				2023			
	Permanent contract	Temporary contract	Full time	Part time	Permanent contract	Temporary contract	Full time	Part time
Men	388	5	392	1	443	30	471	2
Women	64	0	59	5	72	4	71	6
Total	451	5	451	6	515	34	542	8
	457				549			

¹³The averages are calculated with decimals. For this reason, they have been rounded.

Contract types and working day by age

Year	2022				2023			
	Permanent contract	Temporary contract	Full time	Part time	Permanent contract	Temporary contract	Full time	Part time
< 30 years old	42	1	43	0	43	10	53	0
30-50 years old	261	3	260	4	287	18	301	4
> 50 years old	148	1	147	2	185	6	187	4
Total	451	5	451	6	515	34	542	8
	457				549			

Contract types and working day by professional category

Year	2022				2023			
	Permanent contract	Temporary contract	Full time	Part time	Permanent contract	Temporary contract	Full time	Part time
Professional category GROUP 1	0	0	0	0	0	0	0	0
Professional category GROUP 2	48	3	52	0	79	16	94	1
Professional category GROUP 3	160	2	161	1	178	12	188	2
Professional category GROUP 4	69	0	65	4	71	3	71	3
Professional category GROUP 5	77	0	76	1	92	2	92	1
Professional category GROUP 6	56	0	56	0	55	1	55	1
Professional category GROUP 7	27	0	27	0	25	0	25	0
Professional category GROUP 8	13	0	13	0	15	0	16	0
Total	451	5	451	6	515	34	542	8
	457				549			

Number of dismissals by sex, age and professional category

GRI 401-1

Number of dismissals by sex

	2022	2023
Men	5	3
Women	0	0
Total	5	3

Number of dismissals by and age groups

	2022	2023
< 30 years old	0	0
30-50 years old	1	3
> 50 years old	4	0
Total	5	3

Number of dismissals disaggregated by sex and professional category

	Sex	2022	2023
Professional category GROUP 1	Men	0	0
	Women	0	0
	Total	0	0
Professional category GROUP 2	Men	2	0
	Women	0	0
	Total	2	0
Professional category GROUP 3	Men	2	2
	Women	0	0
	Total	2	2
Professional category GROUP 4	Men	0	0
	Women	0	0
	Total	0	0
Professional category GROUP 5	Men	0	1
	Women	0	0
	Total	0	1
Professional category GROUP 6	Men	0	0
	Women	0	0
	Total	0	0
Professional category GROUP 7	Men	0	0
	Women	0	0
	Total	0	0
Professional category GROUP 8	Men	1	0
	Women	0	0
	Total	1	0
Total	Men	5	3
	Women	0	0
	Total	5	3

Remuneration

GRI 2-20, 405-2

Average remuneration and its progress, disaggregated by sex, age and professional category or equal value.

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

	2022	2023
Men	33,373	37,828
Women	31,795	34,609
Total	33,155	37,368

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

	Sex	2022	2023
< 30 years old	Men	20,387	25,669
	Women	25,559	23,918
	Total	20,801	25,465
30-50 years old	Men	30,956	34,926
	Women	29,001	32,986
	Total	30,654	34,595
> 50 years old	Men	42,310	45,239
	Women	39,578	41,534
	Total	41,966	44,831
Total	Men	33,373	37,828
	Women	31,795	34,609
	Total	33,155	37,368

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

	Sex	2022	2023
Professional category GROUP 1	Men	0,00	0,00
	Women	3,215	0,00
	Total	3,215	0,00
Professional category GROUP 2	Men	21,459	20,714
	Women	22,271	16,847
	Total	21,593	20,450
Professional category GROUP 3	Men	24,243	28,756
	Women	20,274	25,370
	Total	23,981	28,341
Professional category GROUP 4	Men	27,288	32,554
	Women	26,792	27,638
	Total	27,342	31,448
Professional category GROUP 5	Men	35,998	43,734
	Women	32,133	40,914
	Total	36,458	43,298
Professional category GROUP 6	Men	45,882	57,595
	Women	38,547	43,498
	Total	39,934	54,826
Professional category GROUP 7	Men	75,488	75,658
	Women	59,656	62,257
	Total	72,644	73,596
Professional category GROUP 8	Men	111,703	139,683
	Women	89,100	90,827
	Total	108,185	130,523
Total	Men	33,382	37,828
	Women	31,736	34,609
	Total	33,155	37,368

Wage gap

GRI 2-20, 405-2

Remuneration for equal roles or company average.

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

	Sex	2022	2023
Directors	Men	20,000	20,000
	Women	0	0
	Total	20,000	20,000
Senior management	Men	238,332	324,633
	Women	0	0
	Total	238,332	324,633

Average rate of pay by age and professional category

		2022	2023
Professional category	Professional category GROUP 1	0	0
	Professional category GROUP 2	1.04	0.78
	Professional category GROUP 3	0.84	0.85
	Professional category GROUP 4	0.98	0.85
	Professional category GROUP 5	0.89	0.97
	Professional category GROUP 6	0.84	0.78
	Professional category GROUP 7	0.79	0.86
	Professional category GROUP 8	0.80	0.65
Age groups	< 30 years old	1.25	0.89
	30-50 years old	0.94	0.98
	> 50 years old	0.94	0.82
Total		0.90	0.90

Performance assessments and professional development

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

	Sex	2022	2023
Professional category GROUP 1	Men	0	0
	Women	0	0
	Total	0	0
Professional category GROUP 2	Men	18%	12%
	Women	100%	100%
	Total	20%	14%
Professional category GROUP 3	Men	25%	21%
	Women	30%	25%
	Total	28%	24%
Professional category GROUP 4	Men	43%	38%
	Women	50%	50%
	Total	47%	42%
Professional category GROUP 5	Men	50%	50%
	Women	100%	100%
	Total	60%	60%
Professional category GROUP 6	Men	100%	100%
	Women	100%	100%
	Total	100%	100%
Professional category GROUP 7	Men	100%	100%
	Women	100%	100%
	Total	100%	100%
Professional category GROUP 8	Men	100%	100%
	Women	100%	100%
	Total	100%	100%
TOTAL		60%	55%

Training

GRI 404-1

Total number of hours of training by professional category.

By professional category (hours)

	2022	2023
Manager	4	95
Professional category GROUP 0	26	520
Professional category GROUP 1	0	0
Professional category GROUP 2	380	305
Professional category GROUP 3	1,037	2,456
Professional category GROUP 4	461	1,089
Professional category GROUP 5	504	1,511
Professional category GROUP 6	469	1,206
Professional category GROUP 7	178	908
Professional category GROUP 8	0	0
Total	3,059	8,090



Occupational health and safety matters

GRI 403-9, 403-10

Occupational accidents, particularly their frequency and severity, as well as professional illnesses; disaggregated by sex.

Accidents and injuries recorded

	2022			2023		
	Men	Women	Total	Men	Women	Total
Workforce on 31 December						
Number of employees on 31 December in reporting year	419	67	486	486	82	568
Total hours worked during reporting year	734,888	117,384	852,272	805,265	135,905	941,170
Number of deaths resulting from an injury caused by an occupational accident	0	0	0	0	0	0
Number of injuries caused by an occupational accident with major consequences (not including deaths)	0	0	0	0	0	0
Number of recordable injuries caused by an occupational accident at Molecor Tecnología	2	0	2	5	0	5
Number of recordable injuries caused by an occupational accident at Molecor Canalizaciones	7	0	7	3	0	3
Total recordable injuries caused by an occupational accident	-	-	-	1	0	1
Total recordable injuries caused by an occupational accident	9	0	9	9	0	9

Accident rates

	2022			2023		
	Men	Women	Total	Men	Women	Total
Rate of deaths resulting from an injury caused by an occupational accident = (No. of deaths/No. Hours worked)*200,000	0	0	0	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	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	27.32	0	23.38

Accident rate

Units	Accident frequency rate		Severity rate	
	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	
Year	2022	2023	2022	2023
Men	12.25	11.18	1.17	0.55
Women	0	0	0	0
Total	10.56	9.56	1.01	0.47

Recorded professional illnesses and health issues

Year	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	
	2022	2023	2022	2023	2022	2023
Men	0	0	0	0	0	0
Women	0	0	0	0	0	0
Total	0	0	0	0	0	0

Total number of hours of absenteeism

Year	Molecor Canalizaciones		Molecor Tecnología		Total absenteeism	
	2022	2023	2022	2023	2022	2023
Hours	22,624.00	26,570.89	3,950.60	14,027.20	26,574.00	40,598.09

The hours of absenteeism include accidents, disease and parental leave. Furthermore, at Molecor Canalizaciones they also include paid leave. Only for plants in Spain.

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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

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**Committed to
developing our
communities**

8

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 **integrated Quality, Environment, Energy and Prevention Policy**.

In 2024, Molecor will define a methodology for social investments in the communities where it is present, with the purposes of establishing meaningful social actions and fluid, direct communication channels with communities in order to hear their expectations and needs first-hand. This methodology will be incorporated into the Sustainability Strategy.

In 2022, Molecor donated €25,791, while in 2023, the company invested €76,377 in social initiatives. This increase is partly due to the donation of TOM® pipes and ecoFIT TOM® fittings to Turkey in 2023 in response to the emergency at the time. Although this was not a planned action, Molecor responded immediately.

It should be noted that Molecor has strengthened its commitment in this area by increasing its investments in social projects, including:

Support for recovery efforts in Turkey

On 6 February 2023, Turkey was severely affected by a series of earthquakes of high magnitude, with serious consequences for the population. To assist the affected communities, Molecor showed its support by donating more than 12 km of PVC-O TOM® pipes and ecoFIT TOM® fittings to repair and install potable water supply networks. Water is a basic and essential necessity and the company was instrumental in restoring access to this service in the area.



Bringing potable water to Los Zafiros School

The World Health Organisation (WHO) estimates that more than 2.2 billion people do not have access to safely managed drinking water services, despite the fact that water is considered an essential commodity. In 2023, Molecor, in partnership with the Coconut Water Foundation, carried out a project to drill a borehole at the Los Zafiros school in the village of Antsoamadiro (south-west Madagascar) to overcome the lack of drinking water and promote local development among the beneficiaries. In this specific case, the beneficiaries will be: 650 students at the school, 60 girls at risk of sexual and labour exploitation and from extremely poor backgrounds who stay at the boarding school during the school year, and 1500 families, both of the beneficiaries and of the villagers.

This project will provide water for the school's various initiatives: drinking water for the students during the school day, watering the vegetable garden that the school has planted for educational purposes and to improve the nutrition of the students, and distribution among the students when they return home to provide water for their families. All these efforts should lead to significant reductions in diseases linked to lack of access to safe water.



Acknowledgement to Molecor for its collaboration

Promoting health and sport

Molecor understands the central role of sport in achieving the Sustainable Development Goals (SDGs) related to health, education, gender equality, reduction of inequalities and community development. For this reason, the company has sponsored different tournaments, a grassroots cycling school, a mountain trail race and a grassroots football team.



Grassroots cycling school



Grassroots football team

Awareness about women at risk of exclusion from the labour market

To celebrate International Women's Day, the company once again participated with the Adecco Foundation in a programme to help thousands of particularly vulnerable women. On joining, companies were given a choice of the main focus areas of the programme in which they wished to participate:

Empowerment - Employment and guidance workshops and labour intermediation

Co-responsibility - Training, awareness and volunteering actions

Visibility - Via a communication strategy, raise awareness among public companies and society regarding the situation of women at risk of social exclusion in Spain.

Molecor has decided to get involved by helping to publicise the campaign through its communication channels.

Integration and inclusion of persons with disabilities

During the week of 27 November to 3 December (International Day of Persons with Disabilities), the Adecco Foundation organised a series of initiatives to promote the integration of people with disabilities into society through employment, including: mentoring and training workshops for people with disabilities, and awareness-raising activities on social and business issues. Molecor has sponsored and participated in these initiatives by promoting them through its communication channels.



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9 Protecting the natural environment

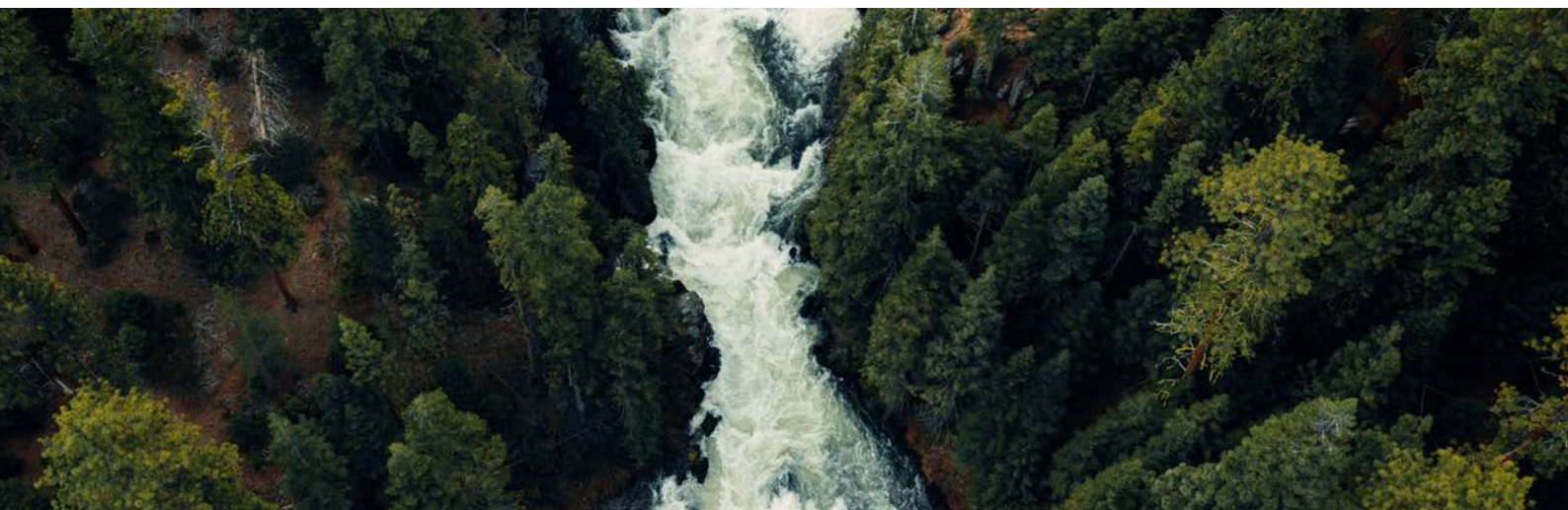
9. Protecting the natural environment



The climate emergency, the increasing scarcity of raw materials and the crisis of natural resources are just some of the challenges that today's society is facing on a global scale. As part of its environmental responsibility, Molecor recognises the transformative importance of driving research and development. The company also strives to maintain a prudent balance between its ongoing operations and the preservation of the natural environment. In this way, Molecor concentrates its efforts on the development of products that are increasingly efficient and have the environment as a priority.

Molecor therefore has an integrated **Quality, Environment, Energy and Prevention Policy**, which demonstrates its commitment to environmental protection and the principle of not harming the natural environment. It promotes pollution prevention through Molecor's Environmental Management System and applies to all company sites. This helps to ensure that the company's environmental performance continues to improve. With the implementation of an Energy Management System based on the ISO 50001 standard, the policy has been updated to meet the requirements of this standard. This policy sets out a series of environmental commitments:

- Ensuring compliance with applicable legal and regulatory requirements, and any other voluntary requirements which Molecor identifies relating to the quality of the product or service provided, the environment, occupational health and safety and those related to the efficiency, use and consumption of energy.
- 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.
- Support not only the procurement of energy efficient products and services that help improve our environmental and energy performance, but also design activities to improve energy performance.
- Work to ensure sustainable development, creating value for all stakeholders, aligning management strategies with the United Nations' Sustainable Development Goals (SDGs).



Sustainable products

Environmental sustainability is a part of our DNA

Due to their outstanding contribution to global sustainable development, PVC-O pipes have been recognised in several studies¹⁴ as the most environmentally friendly solution available on the market. For this reason, environmental sustainability is part of Molecor's product DNA, enabling energy and water savings, reducing CO₂ emissions, minimising the use of resources, while making a positive contribution to 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 whole life cycle. With only 43% of their components derived from petroleum, these products reflect the sustainable use of natural resources, energy savings and long-term durability.

Some of the company's most noteworthy sustainable products include the TOM® pipe, the ecoFITTOM® fittings, and the new TR6® pipe made of PVC-O, whose design has taken into account the care and preservation of 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.

Molecor has dedicated significant efforts to developing this new technology, with the aim of minimising raw material consumption in the manufacturing process of its pipes and fittings.

These results have been made possible thanks to the exclusive development of the Genuine Air System used to manufacture this product. By replacing boiling water with air throughout the manufacturing process, the company has optimised resources and developed a highly energy-efficient process that runs solely on electricity. Furthermore, by reducing water consumption and removing boiling water, Molecor ensures better health and safety conditions for its workers.

Molecor's network of machinery clients using Molecor's technology and the use of the company's oriented PVC products continue to drive innovation and sustainable industrialisation worldwide.

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.

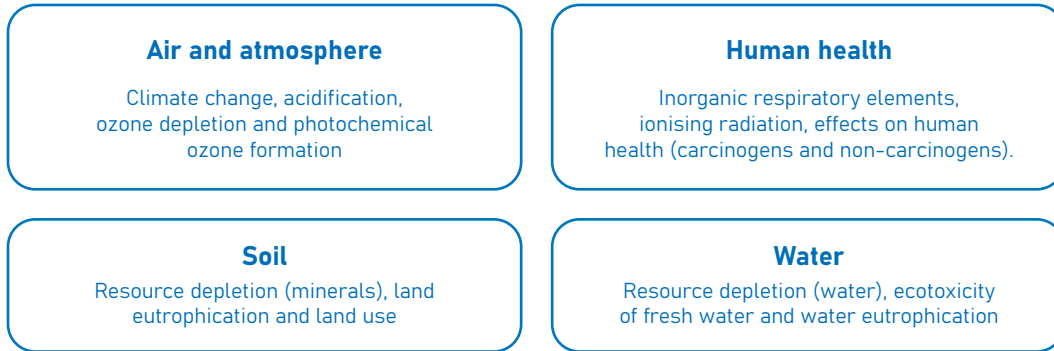
These results have been achieved thanks to exclusive development of the Genuine Air System used to manufacture this product. Molecor replaces boiling water with air throughout the manufacturing process, optimising resources and developing a process with high energy efficiency based on exclusively using 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.

¹⁴ 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.

In response to the growing trend towards transparency regarding the environmental impact of the products it markets, Molecor has prepared Environmental Product Declarations (EPDs) for the main products in its range for 2023.

These EPDs assess the impact of products at all stages of their lifecycle on 14 environmental categories that can be grouped according to how they affect different environments:



Specifically for TOM® pipes and ecoFITTOM® fittings, which already had the FVS Environmental Footprint label, Molecor has updated the Environmental Footprint study and adapted it to the requirements of the UNE-EN 15804 standard on *Sustainability in construction. Environmental product declarations. Basic product category rules for construction products*. The Life Cycle Assessment (LCA) and corresponding DAP are currently being verified by an external body.

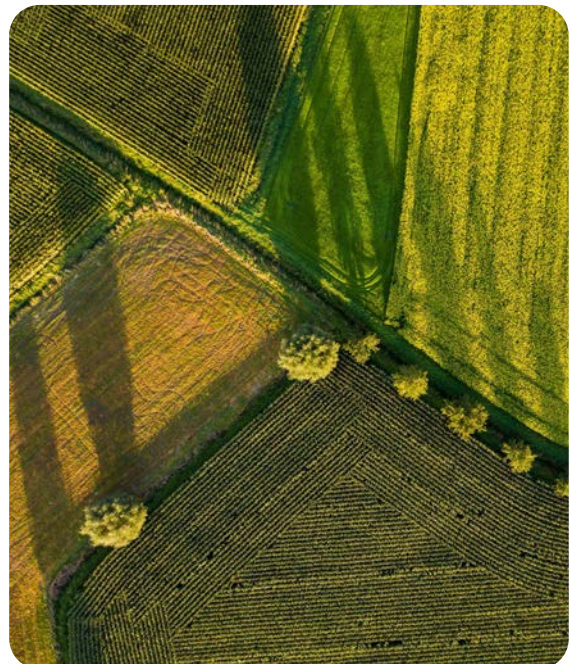
Also in 2023, a Life Cycle Assessments and Environmental Product Declarations were completed for two more of the company's product families: AR® soundproof drainage system and SANECOR® sewage system in corrugated PVC. As with PVC-O, they are undergoing an external verification process.

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 the case of the Loeches and Getafe plants, environmental liability is currently included in the company's general insurance policy, covering up to €1 million in public liability for environmental pollution.

Furthermore, with regard to the circular economy, Molecor continues to maintain 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 part of an Integrated Quality, Environment and Energy System in line with the requirements of the ISO 14001 standard and certified by AENOR¹⁵. Taking into account the entire life cycle of products, this system includes procedures and tools for identifying environmental aspects and assessing potential risks in order to implement controls, avoid or reduce possible environmental impacts, involve all stakeholders and develop activities related to the company's business to motivate employees and suppliers to improve environmental performance. Furthermore, this system has been implemented at all Molecor plants in Spain, driving and developing care of the natural environment.

In the case of the Getafe plant, it has procedures in place to ensure compliance with legal requirements and operational control protocols for waste management and consumption control. For its other locations, Molecor goes to great lengths to introduce measures that strengthen the operational control at its international plants. In 2023, the South African and Malaysian plants implemented the operational control procedures introduced in Paraguay the previous year. Progress has also been made in reviewing the environmental regulations applicable to these facilities, with a view to implementing an environmental management system based on the ISO 14001 standard, in line with the Group's guidelines for all centres.

In addition to a Quality and Environment Director who heads the department, the company has an Environmental Manager responsible for coordinating corporate environmental management and implementing new environmental initiatives. Each of the centres also has a Head of Quality and Environment who is responsible for managing each plant's operations.

Environmental risk management

The company regularly identifies potential environmental risks that may arise from its operations through a SWOT analysis and by implementing the corporate "Risk Identification and Assessment" procedure, in which risks are parameterised and weighted for subsequent management.

Molecor has various tools to control risks of spillage, leaks and other incidents that may occur when developing operations at its corporate production 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.

Furthermore, it identifies and assesses both the environmental aspects and the legal requirements applicable to each centre. This procedure applies to centres that have been certified under the Environmental Management System. For plants that are not yet certified, these procedures are partially in place and efforts will continue in 2024 to make progress on these environmental blocks.

Molecor has not recorded any environmental incidents or emergency situations in 2023, a trend that continues from previous years, since the company has never recorded an incident in this matter.

In addition, Molecor did not record any significant fines or penalties for non-compliance with environmental laws or regulations in excess of €50,000 in 2023.

¹⁵ The plants that currently have ISO 14001 certification are: Loeches, Alovera, Alcázar and Antequera.

9.2 - Climate strategy

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

Molecor recognises the importance of minimising the impact of global warming and is committed to responding to the climate emergency. The company is making an intrinsic contribution to the decarbonation of the economy, both through its products and through its responsible production. In 2023, a strategic plan was drawn up containing climate ambitions, and in 2024, a roadmap will be drawn up to implement the actions proposed in that plan, so as to drive forward the company's development in this area.

Making progress with our Decarbonation Plan

Molecor is committed to achieving the goals of the Paris Agreement and the European Green Pact. To this end, the Strategic Sustainability Plan sets the goal of achieving Net Zero by 2040. To achieve this, Molecor is working on a decarbonation roadmap to set reduction targets. Key actions include progress in calculating the Organisational Carbon Footprint and implementing an Energy Management System according to the ISO 50001 standard.

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, therefore, a reduced environmental footprint. Additionally, it's been proven that their environmental impact - not only in terms of global warming, but also in others, like the destruction of the ozone layer - is inferior to other materials¹⁶.

Energy consumption

It is worth noting that the energy consumption of the production centres is almost entirely electrified. This is mainly due to the use of electricity to power the machines used in the production process, as well as in the offices and company buildings.

With a view to improving its environmental impact in terms of electricity consumption, the Loeches plant implemented the ISO 50001 energy management system in 2022, which is in the final stages of certification. The system will be implemented in 2024 at the Alovera, Antequera and Alcázar plants, which should have certification by the end of the year.



¹⁶ Teppfa, Life Cycle Assessment – Leaflet 21 “PVC-O (MRS 45)* plastic pipe systems vs ductile iron environmental impact comparison”

Specifically, the ISO 50001 standard addresses the following points:

- Inventory of energy-consuming equipment.
- Identification and quantification of significant energy uses and consumption.
- Energy review (in compliance with Spanish Royal Decree 56/2016).
- Defining the energy baseline, to be used as the standard for measuring the energy savings achieved.
- Continuous monitoring and measurement.
- Establishing energy saving measures (ESMs) in the most significant energy consumption sources and equipment.
- Preparing and executing the Action Plan for the implementation of the established ESMs.

The Energy Management System has been included in the Integrated Quality and Environmental Management System already implemented in the organisation. The plan-do-check-act (PDCA) cycle of continuous improvement is therefore also applied to improve the energy efficiency and performance of the facilities.

The electricity consumed by the organisation comes from the conventional grid and is purchased daily on the market by Molecor with the support of a management company or through a utility marketer, depending on the production centre. In 2023, following the merger in Spain of Molecor Tecnología and Molecor Canalizaciones, the energy purchasing criteria has been unified.

All remaining energy consumption comes from the use of petrol to power forklifts used to transport material internally.



In 2023, Molecor Tecnología renewed its certification as an electricity intensive consumer for the Loeches plant and Molecor Canalizaciones obtained the same certification for the Alcázar, Alovera and Antequera centres.

Origin of energy	Energy source	Unit	2022	2023
Renewable	Electricity	kWh	1,437,701	1,703,992
	Electricity (GoO)	kWh	1,100,000	10,500,000
Non-renewable	Electricity	kWh	33,039,774	30,453,975
	Diesel (Fuel A)	L	1,113	656
	Fuel oil (Fuel B)	L	70,344	102,458
	LPG	L	1,699	2,986
	Naphtha	L	2,511	6,938

Renewable energy consumption

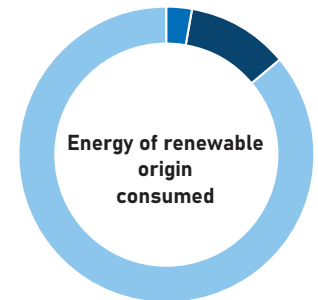
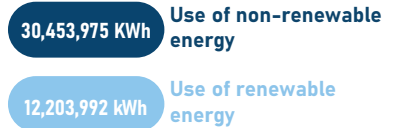
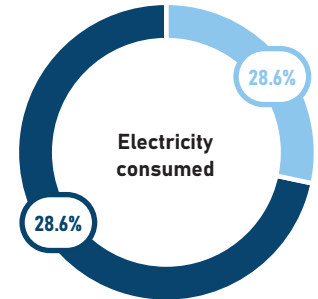
In 2023, Molecor continued to use the photovoltaic panel system installed on a self-consumption basis under a PPA (Power Purchase Agreement). The system has been in operation since 2022 and is located on the roof of the Loeches plant, where TOM® pipes and ecoFIT TOM® oriented PVC (PVC-O) fittings are manufactured. 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 these initiatives, 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.

The use of these renewable sources of energy makes it possible to reduce emissions and thus to increase the contribution to the fight against climate change.

Location	Reduction in t CO ₂ eq emissions
Photovoltaic plant (Loeches)	361.3
Guarantee of Origin (Loeches and M. Canalizaciones)	2,866.5
Hydroelectric (Paraguay)	103.9
TOTAL	3,331.7

In this context, the company will continue its commitment to the promotion of renewable energy by studying the use of photovoltaic panels in its various plants.



Molecor is contributing towards achieving the goals set out in the PNIEC (Integrated National Energy and Climate Plan) 2021-2030.



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. However, in general terms, in 2023 no such controls have been necessary.

In 2023, Molecor also topped-up various refrigerants:

This increase is mainly due to the Malaysian operations, which were not included in the previous year's figures. The reason for these top-ups is currently under review.

Refrigerant gas	Unit	2022	Unit
R-410A	kg	7	98.15
HFC-134A	kg	0	18.6
HFC-32	kg	0	0.7

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

Gradual transition towards renewable electrical energy consumption

Purchase of guaranteed origin energy for the Loeches, Alovera, Antequera and Alcázar plants.

Establishment of energy-saving measures

Change to LED lighting at the Loeches and Alovera plants.
Improved lighting of the production facility in Antequera
Optimisation of the internal transport of raw materials, resulting in fuel savings at Alcázar.
Replacement of old equipment with new, more efficient equipment in the Alovera and Antequera plants.

Drive and commitment to innovation

Stimulating investment in new machinery at the plant Paraguay

Environmental awareness and training for staff

Distribution of the environmental/energy guide to suppliers with access to the Loeches facilities.
Environmental awareness campaign in all centres in Spain: switching off lights and adjusting air conditioning temperatures.
ISO 50001 training as part of the SGE implementation in Loeches.

Implementation of the Energy Management System according to ISO 50001.

EMS implementation and certification at the Loeches plant
Defining criteria for purchasing energy consuming equipment

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.

A breakthrough was made in 2023 in the calculation of the Carbon Footprint, which was carried out at an organisational level, including all production centres. First, the Scope 1 calculation included the consumption of refrigerant gases, fossil fuels for stationary equipment and, in part, fuels for company vehicles. For Scope 2, the electricity consumption of all production centres was taken into account in the calculation. Finally, in Scope 3, the information to be collected for the different stakeholders in the value chain has been analysed and the procedures for collecting the information have begun to be defined and implemented. Looking ahead to 2024, the final scope will continue to be calculated.

In addition, Molecor's registration with the Ministry for Ecological Transition and the Demographic Challenge will take place in the coming months, as fuel consumption data for the company's Scope 1 vehicles has been delayed.

Direct GHG emissions

Direct GHG emissions (Scope 1) ¹⁷	Unit	2022	2023
CO ₂	t CO ₂ eq	202.13	513.97
Direct GHG emissions (Scope 2) ¹⁸	Unit	2022	2023
CO ₂	t CO ₂ eq	8,557.30	11,514.58

The emission factors used to calculate the organisation's carbon footprint are those indicated by the Ministry for Energy Transition and the Demographic Challenge in the 23 June 2023 version of the document "Emission factors".

Risks and opportunities arising from climate change

Molecor is aware of two main transition risks that may arise as a result of climate change:

Corporate compliance with relevant legislation

Response to client requirements regarding Scope 3

As part of its ambition to be Net-Zero by 2040, the 2023 Strategic Plan identified a number of climate actions, such as a climate risk analysis and TCFD alignment, which will start to be implemented from 2024.

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. In response to the challenges of circularity, 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, its partners or suppliers, and its clients. As a future ambition, defined in Molecor's ESG Strategic Plan, the company has set itself the goal of promoting circularity in the sector with measures such as: extending the life cycle of its products, analysing the degree of circularity of PVC-O pipes and drawing up a specific policy on the circular economy.

¹⁷ The data reported for Scope 1 covers the use of refrigerant gases and the use of fossil fuels used at all sites to operate internal transport forklifts. The fuel consumption of commercial company vehicles for the Paraguay plant is also included. The information for the rest of the centres is in the process of being compiled, and this task will be completed in 2024.

¹⁸ The data reported for Scope 2 consider the use of electrical energy in both production centre offices and factories.

In 2023, the company achieved different notable milestones, such as:

Development of new products using material recycled externally to the organisation.

Participation in the development of the ENVALORA management systems.

Waste management through the implementation of the OCS (Operation Clean Sweep) programme at the Alovera, Antequera and Alcázar plants, preventing the accidental release of microplastics into the environment.

Membership of VALOBAT

Material consumption and reuse

The company has set up a product recycling system at all its sites for items that have been discarded from the production flow for various reasons. This process makes “new” raw materials available for reuse in the manufacture of new products.

Where this is possible –currently only at the Loeches centre, although progress is being made at other sites– a further step has been taken in the reuse of manufacturing surpluses by reprocessing and reusing the waste from pipe off-cuts. Virtually all of the by-products generated during production are reused in the process, resulting in practically zero waste of PVC, the main raw material used in the production process. The use of this recycled material contributes to the European Union's Circular Plastics Alliance (CPA) target of using 10 million tonnes of recycled plastic in the manufacture of new products by 2025.

In 2023, the R&D department developed new products, to be launched in 2024, that will allow the use of external recycled material and increase Molecor's contribution to the European targets for the use of recycled material.

It is worth highlighting that PVC is a fully recyclable product that can be reused to manufacture new plastic products without losing its essential properties

In 2023, the R&D department developed new products, to be launched in 2024, that will allow the use of external recycled material.

PVC-O life cycle¹⁹



The design and manufacture of the pipes and fittings Molecor markets require the use and consumption of different raw materials. In 2023, consumption of the most relevant of these was as follows:

Consumption of raw materials (tonnes)

	Virgin PVC	Recycled PVC	Additive	Calcium carbonate	Pigment	PP pellets	Wood	Cardboard	Plastic	Metal	Rubber
2022	42,772	11,321	3,410	3,209	38	534	2,288	440	418	50	778
2023	59,110	9,284	4,045	4,035	180	549	2,903	433	156	34	467

	Oil	Lubricant	Marking ink	Solvent
2022	-	-	-	-
2023	1.9	3.6	0.2	1.0

The consumption of some less commonly used raw materials, such as oil and solvents, was not recorded in 2022 due to the lack of representative quantities.

¹⁹ 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.

Commitment to zero microplastics loss

Molecor, taking responsibility as a manufacturer of PVC pipes and fittings and in the correct management of plastic waste, and as part of the value chain of the plastics industry, is **#IndustryCommitted** to the preservation of ecosystems. For this reason, all manufacturing plants in Spain participate in the voluntary Operation Clean Sweep (OCS) programme, which aims to reduce the accidental release of microplastics into the environment.

Membership of the OCS programme is not only a commitment, but also involves diagnosing the situation at each plant, mapping possible sources of emissions, applying good cleaning practices and controlling plastic raw materials, and implementing measures to prevent and mitigate potential releases to the environment at all stages of the production process, including training and awareness raising for all employees.

To underline this commitment, the Loeches plant in Madrid, which manufactures TOM® pipes and ecoFITTOM® oriented PVC (PVC-O) fittings, was awarded the AENOR conformity certificate in 2021. In 2023, the other plants in Spain, including Alovera (Guadalajara), Alcázar de San Juan (Ciudad Real) and Antequera (Málaga), which manufacture pipes and fittings for evacuation (EVAC+® and AR®), non-pressure drainage (SANECOR®) and pressure pipes in PVC-U, will also receive the corresponding AENOR certificates of conformity.

Gradually, and in the coming years it will implement the programme in its plants abroad.

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 that its team is prepared to fulfil this requirement, the company has introduced an annual awareness and training programme for all employees under the motto "OCS is all of us". This programme is particularly focused on employees engaged in preventing plastic raw material spills. In addition, an information system has been implemented for the entire workforce, with information boards at each plant showing the progress of the programme. The company is also actively working to extend this initiative to the entire value chain.

In the case of suppliers and subcontractors working on Molecor's premises, they are informed directly by means of signage and internal communications. Communication with the general public is carried out through the company's information channels: the corporate website, news in the media and social networks, as well as through informative talks in various forums.

This initiative, which is currently voluntary, will allow Molecor to align with and comply with the requirements of new EU microplastics legislation due to come into force in the next few years.

Driving and certifying our commitment to zero pellet losses

At the Loeches plant, PVC chips are reused, incorporating PVC-derived waste into the manufacturing process of new PVC-O products.

Similarly, in order to guarantee its maximum commitment to zero emissions of pellet particles, the company has certified its compliance in this area through the OCS programme at its Loeches, Antequera, Alovera and Alcázar plants.

Waste management

Waste management is carried out by an authorised waste management company and is governed by Molecor's internal rules. This procedure distinguishes between hazardous and non-hazardous waste and provides for records of waste generation and the guidelines for waste segregation, labelling and storage at each production site. This aims to ensure appropriate waste management and disposal and minimise any contamination from spillages.

Given its main activity, Molecor also handles waste from PVC, which is generated during the manufacture of its pipes and fittings. However, as part of its commitment to the circular economy and to meeting European targets for the use of recycled materials, the company reuses material discarded from its production streams, after either internal or external reprocessing, and reintroduces it into the manufacturing process of new products.

Molecor complies with current European legislation in this area and does not use substances of very high concern (SVHC) in its product formulations, such as lead salt based additives. It also encourages the substitution of calcium-zinc salt based additives in the manufacturing process by licensees who acquire Molecor's technology in countries where the use of this compound is still permitted.

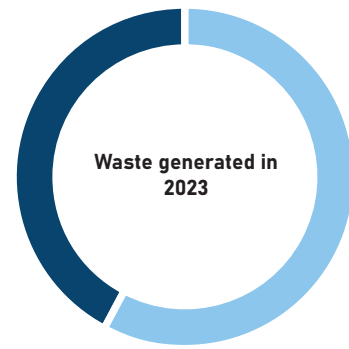
Molecor implements a number of measures to ensure that its waste management meets the most stringent control standards:

- In terms of prevention, the company follows a preventive maintenance plan for its premises in order to avoid any environmental emergencies that could be caused by waste.
- With regard to recycling, the company has stores and facilities to correctly separate all waste. This waste is managed by authorised waste management companies, and in some centres, for example in the case of solid urban waste, it 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.
- 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.

In the case of PVC-O, the company has gone a step further, since the PVC waste generated in product cutting processes and in the internal reprocessing facility is sent to an external recycler, which, once processed, is returned to the factory for reuse. This allows Molecor to contribute to the goals of the Circular Plastic Alliance (CPA) regarding the use of recycled plastic material when manufacturing new plastic products.

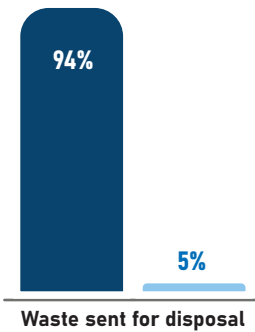
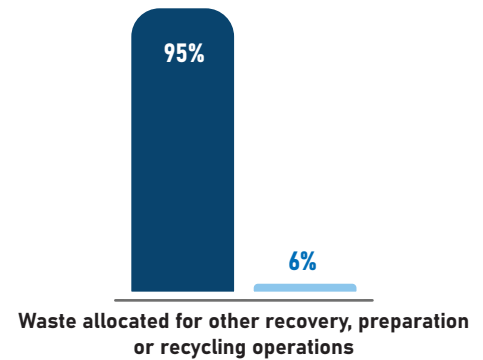
- Through authorised management companies, Molecor promotes other forms of waste recovery and disposal. For example, PVC waste that cannot be reused internally is sold to external recyclers for recovery.
- In terms of external recycling, progress was made in 2023 with the development of new products containing recycled material from facilities outside Molecor. These new products will be marketed in 2024, increasing their contribution to the Circular Economy and the European targets set by the CPA for the use of recycled plastic material.

Waste generated (MT)		2022	2023
Hazardous waste			
Absorbents		4.3	5.6
Used oil		15.3	16.6
Water with hydrocarbons		1.3	3.7
Water with paint		12.5	8.3
Aqueous cleaning fluids		7.1	26.4
Other		3.5	4.0
Non-hazardous waste			
Paper and cardboard		65.0	72.1
Scrap		128.9	69.2
Film		4.2	3.8
Sewage sludge		10.1	10.0
Wood		120.5	140.0
Products		162.8	267.6
ISW		162.7	403.6
USW		193.4	11.8
Other		0.05	0.09
Total	Hazardous	44.0	64.7
	Non-hazardous	836.1	978.1



45% Waste sent for disposal

55% Waste allocated for other recovery, preparation or recycling operations



Non-hazardous waste **Hazardous waste**

Total PVC waste managed



In particular, most of the PVC waste sent to landfill is accounted for in the contents of each plant's ISW container. The weight of this waste is not known. The waste sent to landfill shown in this graph corresponds to the PVC waste managed under the OCS programme, which is also included in the ISW container.

Extended Producer Responsibility

In Spain, the Extended Producer Responsibility (EPR) system has been reinforced with the enactment of the new Law 7/2022 on Waste and Contaminated Land Management for a Circular Economy. Under this system, manufacturers assume the costs and responsibility for managing products that become waste after use, with the aim of encouraging prevention and improving reuse. In the case of industrial packaging, this Extended Producer Responsibility has been further developed in Royal Decree 1055/2022 on Packaging and Packaging Waste.

In order to comply with the Extended Producer Responsibility requirements that apply to the packaging that Molecor places on the Spanish market, the company joined ENVALORA in 2022. ENVALORA is a Collective Extended Producer Responsibility Scheme (CEPRS) that Molecor has been involved in developing and funding since its inception. In 2023, Molecor continued to participate in developing systems to manage various types of wastes.

Throughout 2023, Molecor fulfilled the obligations established in the Royal Decree: registration as a product producer (*RPP - Registro de Productores de Producto*) with the Ministry for Ecological Transition and the Demographic Challenge, inclusion of the RPP number on invoices, and declaration of packaging for the 2021 and 2023 financial years.

The company will implement a methodology through ERP (Enterprise Resource Planning) in 2024 that will improve the corporate management of packaging associated with the products marketed, thus simplifying the task of providing the information required by the new legislation in the annual declaration. This methodology will also ensure compliance with passing on the Extended Producer Responsibility (EPR) levy that will come into force in 2025.

In order to fulfil another of the obligations deriving from the Royal Decree on Packaging, which is based on the creation of a Prevention and Eco- design Business Plan (*PEPE - Plan Empresarial de Prevención y Ecodiseño*), Molecor will adhere to the collective sectoral plan developed by ENVALORA in 2024.

In France, Extended Producer Responsibility (EPR) has been applied to construction products in the building sector, known as PMCB (*Produits et Matériaux de la Construction et du Bâtiment*). In 2023, Molecor joined VALOBAT, another collective extended producer responsibility scheme. In this case, Molecor opted to accept the responsibilities associated with membership: paying the eco-contribution, submitting an annual declaration of PMCBs placed on the French market and including the eco-contribution on the invoice, all voluntarily. This is to make it easier for its French clients, who are obliged to do so, to manage the ERP of the products supplied.



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 and has integrated this consideration in its business model. For this reason, the company is committed to building infrastructure that ensures optimal water management in piping systems.

Water consumption in corporate operations is mainly concentrated at its manufacturing centres, where the best resource reduction and optimisation processes are implemented. Furthermore, at its corporate offices and buildings Molecor promotes efficient and responsible potable water use.

One of the key initiatives has been the implementation of a water circularity system at the Loeches plant, which makes use of rainwater collected from the roof of the facilities while the rest of the water used at the plant is supplied by cisterns. The other production plants, both in Spain and abroad, consume water directly from the municipal potable water supply network.

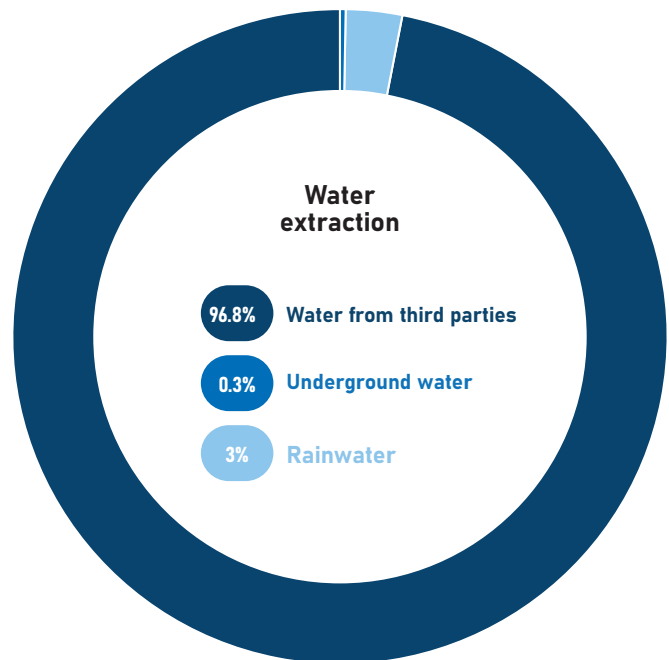
It should be noted that the Paraguay plant currently consumes groundwater from a well. However, it is worth pointing out that the current facilities are leased and that Molecor plans to relocate the facilities in the first quarter of 2024. These new facilities will be supplied with municipal mains water.

At its corporate offices and buildings Molecor promotes efficient and responsible water use.

Water consumption

Source of consumption (m ³)	2022	2023
Potable water	14,733	22,214
Rainwater	715	681
Underground water	60	60

The company's water consumption has increased compared to 2022 due to the inclusion of consumption from the plants in Malaysia and South Africa in the calculation.



9.5 - Protecting biodiversity

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

Molecor is committed to care for and protect the biodiversity of the areas where it operates, striving to minimise the potential environmental impact of its activities and promoting the conservation of ecosystems.

The company works closely with public institutions to protect the local species that interact with its facilities. For example, two nests of white storks (*Ciconia ciconia*) have been identified in the Alcázar production centre. To preserve them, the company supports the research work carried out by the I.R.E.C. (*Instituto de Investigación en Recursos Cinegéticos* - Research Institute for Hunting Resources). This includes allowing the I.R.E.C. to inspect nests at its facilities so that it can continue to study the species for conservation, monitoring and prevention of diseases that could be transmitted to other wild species, domestic animals and humans.

However, in order to avoid potential negative impacts on biodiversity, ecosystems, landscapes and species, Molecor's business activities do not take place in areas of high biodiversity value, whether protected or unprotected.

Noise pollution

For this purpose, it carries out acoustic measurements in its production plants to ensure that the noise generated by its activities has the least possible impact on the natural environment. These measurements determine the number of noise sources on its premises. It is important to note that all measurements are in accordance with the requirements of the relevant EU authorities.

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

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

Light pollution

None of the Spanish production sites have a significant environmental impact in terms of light pollution, as they are not located close enough to a population centre. However, certain measures have been taken to reduce night-time emissions, such as the replacement of luminaires with LEDs outside the Loeches plant.

9.6 - Environmental ambitions

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

With an eye to the future, Molecor is pursuing its environmental ambitions in line with the company's ESG Strategic Plan 2023-2025:

- **Alignment of eligible activities with the Environmental Taxonomy:** to this, the company will diagnose its financial and non-financial reporting in accordance with the requirements of the EU Taxonomy. The aim is to contribute to a carbon-neutral economy by implementing a classification system for environmentally sustainable activities.
- **Improving the company's reputation for sustainability** through Molecor's ESG communication.
- **Achieving net zero by 2040:** as previously mentioned, this is one of Molecor's main ambitions in relation to the Paris Agreement and the European Green Pact, among other reasons.
- **Continuing to define specific Climate and Biodiversity Policies,** carrying out a climate risk assessment with respect to the Taskforce on Nature-related Financial Disclosures (TNFD) and Taskforce on Climate-related Financial Disclosures (TCFD)
- **Being a driver for circularity in the sector:** Molecor is committed to maximising the use of resources and the life cycle of its products. In 2023, new, more sustainable products have been developed and will be made available to clients in 2024.



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

10 Appendices

10. Appendices

10.1 – About this report

The aim of this Non-Financial Information Statement (NFIS) 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 drawn up following the criteria of the *Global Reporting Initiative's Sustainability Reporting Standards* (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 2023, with the following exceptions:

- The crime prevention model set out in the chapter on “Ethical behaviour and compliance” applies only to Spain.
- Information on the purchases and suppliers of the international centres is not included in the chapter “Our responsible supply chain”, with the exception of the supplier assessment management in Paraguay, which is reported.
- The chapter “Client experience and health and safety” does not include information on client satisfaction and after-sales incidents for the Malaysian, Paraguayan and South African centres.
- The data protection protocol described in the chapter “Cybersecurity and information security” is only implemented in Spain.
- In the chapter “Our Talented Staff”, the sections on training, well-being and work-life balance, diversity and inclusion, and functional diversity only describe the company's activities in Spain. The tables in this chapter, in the sections on Performance Assessments, Training and Occupational Health and Safety Matters, do not include information from international centres.

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

In addition, the chapter “Protecting the natural environment” has been expanded in scope compared to the previous year, as information on the plants in Malaysia and South Africa has been reported.

Throughout this document, information for the previous financial year is included when it is directly comparable and applicable to the Non-Financial Information Act 11/2018, except when it is not 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 2023, the materiality exercise was performed taking into account:

5. **Analysis of External Information:** An analysis of the material issues facing competitors, and the materiality maps of SASB and S&P for Molecor's business sectors.
6. **Analysis of Internal Information:** Taking into consideration the main lines of action and ambitions of Molecor's sustainability master plan, approved in 2023.
7. **Prioritisation and assessment:** The importance of each aspect was analysed and prioritised according to its relevance, paying particular attention to the objectives defined by the company in its sustainability plan.

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.

Critical Relevance

1. Circular economy
2. Materials and environmental pollution

Very High Relevance

3. Energy efficiency
4. Ethics, compliance and transparency
5. Equality and diversity
6. Organisation of work
7. Occupational health and safety
8. Environmental product information
9. Commitments to sustainable development and local communities
10. Technological and product innovation
11. Anti-corruption
12. Water efficiency

High Relevance

13. Customer satisfaction
14. Managing impacts, risks and opportunities
15. Good corporate governance
16. Sustainable use of natural resources

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: Our Value Proposal
Organisation goals and strategies	GRI 2-1 (2021) GRI 2-22 (2021)	Our business model: Our Organisation Sustainability: Our ESG Management
Main factors and trends that may affect future performance	GRI 2-22 (2021)	Sustainability: Context and main trends
Reporting framework used	GRI 3-3 (2021)	See Appendix to this report: About this Report
Principle of materiality	GRI 3-1 (2021) GRI 3-2 (2021)	See Appendix to this report: Materiality Matrix
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 Protecting the natural environment: Caring for the natural environment
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)	Protecting the natural environment: 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 GRI 306-4	Protecting the natural environment: 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	Protecting the natural environment: Sustainable water management
Raw material consumption and measures implemented to improve more efficient use	GRI 301-1	Protecting the natural environment: Circular economy
Energy consumption, direct and indirect	GRI 302-1	Protecting the natural environment: Climate strategy
Measures implemented to improve energy efficiency	GRI 3-3 (2021)	Protecting the natural environment: Climate strategy
Use of renewable energy	GRI 302-1	Protecting the natural environment: 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	Protecting the natural environment: Climate strategy
Measures implemented to adapt to the consequences of climate change	GRI 3-3 (2021)	Protecting the natural environment: Climate strategy
Voluntarily set medium- and long-term reduction goals to reduce greenhouse gas emissions and the measures implemented in this regard	GRI 3-3 (2021) GRI 305-5	Protecting the natural environment: Climate strategy

Biodiversity protection

Measures implemented to preserve or restore biodiversity	GRI 3-3 (2021) GRI 304-3 GRI 304-4	Protecting the natural environment: Biodiversity protection
Impacts caused by the company's activities or operations in protected areas	GRI 3-3 (2021) GRI 304-2	Protecting the natural environment: Biodiversity protection

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
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Employment

Total number and distribution of employees by sex, age and professional category	GRI 405-1	Our talented staff. 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)	Our talented staff. The workforce in numbers
Number of dismissals by sex, age and professional category	GRI 3-3 (2021) GRI 401-1	Our talented staff. 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	Our talented staff: The workforce in numbers
Wage gap, remuneration for equal roles or company average	GRI 3-3 (2021) GRI 405-2	Our talented staff: 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	Our talented staff: The workforce in numbers
Introduction of work disconnection policies	GRI 3-3 (2021)	Our talented staff: The best talent
Number of disabled employees	GRI 3-3 (2021) GRI 405-1	Our talented staff: Diversity and inclusion
Organisation of work		
Organisation of work time	GRI 3-3 (2021)	Our talented staff: The best talent
Number of hours of absenteeism	GRI 3-3 (2021) GRI 403-9	Our talented staff: 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	Our talented staff: The best talent
Health and safety		
Health and safety conditions in the workplace	GRI 3-3 (2021) GRI 403-1 to 403-8	Our talented staff: 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	Our talented staff: 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)	Our talented staff: The best talent
Percentage of employees covered by collective agreement by country	GRI 2-30 (2021)	Our talented staff: The best talent
Statement on collective agreements, particularly in the field of occupational health and safety	GRI 3-3 (2021)	Our talented staff: The best talent
Training		
Policies introduced in relation to training	GRI 404-2	Our talented staff: The best talent
Total number of hours of training by professional category	GRI 3-3 (2021) GRI 404-1	Our talented staff: The best talent
Universal accessibility		
Universal accessibility of people with a disability	GRI 3-3 (2021)	Our talented staff: Diversity and inclusion
Equality		
Measures implemented to promote equal treatment and opportunities between men and women	GRI 3-3 (2021)	Our talented staff: Diversity and inclusion
Equality plans, measures implemented to encourage employment, protocols against sexual and sex-based harassment	GRI 3-3 (2021)	Our talented staff: Diversity and inclusion
Policy against all forms of discrimination and, where applicable, diversity management	GRI 3-3 (2021)	Our talented staff: Diversity and inclusion

Information required by Law 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)	Our exemplary management: Respect for human rights
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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)	Our exemplary management: Respect for human rights
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Cases reported of human rights violations	GRI 3-3 (2021) GRI 406-1	Our exemplary management: Respect for human rights
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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 elimination of discrimination at work; the elimination of forced or mandatory labour; the effective abolition of child labour	GRI 3-3 (2021)	Our exemplary management: Respect for human rights
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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)	Our exemplary management: Ethical behaviour and compliance
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Measures implemented to prevention corruption and bribery	GRI 2-23 (2021) GRI 2-26 (2021) GRI 3-3 (2021)	Our exemplary management: Ethical behaviour and compliance
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Measures to fight against money laundering	GRI 2-23 (2021) GRI 2-26 (2021) GRI 3-3 (2021)	Our exemplary management: Ethical behaviour and compliance
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Contributions to not-for-profit foundations and institutions	GRI 2-28 (2021) GRI 201-1	Our exemplary management: Ethical behaviour and compliance
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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)	Our exemplary management: Risk management
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Company commitments to sustainable development

The impact of the company's activity on local employment and development	GRI 3-3 (2021) GRI 204-1	Our exemplary management: Our responsible supply chain
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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
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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
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Membership or sponsorship actions	GRI 3-3 (2021) GRI 201-1	Sustainability as a key part of our business: Partnerships and memberships for sustainability
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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 exemplary management: 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 exemplary management: Our responsible supply chain
Supervision and audit systems, and their results	GRI 2-6 (2021)	Our exemplary management: Our responsible supply chain
Consumers		
Measures for consumer health and safety	GRI 3-3 (2021)	Innovation and the client as levers for action: Client experience, health and safety
Complaints systems, complaints received and their resolution	GRI 3-3 (2021) GRI 418-1	Our exemplary management: Client experience, health and safety
Fiscal information		
Profits obtained country by country	GRI 3-3 (2021)	Our exemplary management: Our fiscal approach
Tax on profits paid	GRI 3-3 (2021) GRI 201-1	Our exemplary management: Our fiscal approach
State subsidies received	GRI 201-4	Our exemplary management: Our fiscal approach













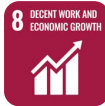









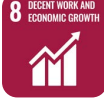
10.4 - Index of GRI contents

Molecor has reported the information cited in this index of GRI contents for the period between 1 January 2023 and 31 December 2023 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 2023-31 December 2023 Annual info@molecor.com	
2-4	Updating of information	Our Talented Staff	
2-5	External assurance	Independent Assurance Report on the Consolidated Non-Financial Information Statement for the year ended 31 December 2023	
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 and Structure and corporate governance	
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 Talented Staff	
2-21	Annual total compensation ratio	Our Talented Staff	
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Sustainability as a key part of our business 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 and raising concerns	Respect for human rights and Ethical behaviour and compliance	
2-27	Compliance with laws and regulations	Our fiscal approach, Respect for human rights, Ethical behaviour and compliance and Protecting the natural environment	
2-28	Membership associations	Partnerships and memberships for sustainability, Ethical behaviour and compliance	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Creating value with our stakeholders, 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	Appendix to this report: Materiality matrix	
3-2	List of material topics	Appendix to this report: Materiality matrix	
Material topics			
Energy efficiency			
GRI 3: Material topics 2021			
3-3	Management of material topics	Appendix to this report, 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	Appendix to this report, Protecting the natural environment	
301-1	Materials used by weight or volume	Circular economy	
Caring for natural resources			
3-3	Management of material topics	Appendix to this report, Protecting the natural environment	
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	Appendix to this report, Protecting the natural environment	
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	Appendix to this report, Protecting the natural environment and Health, safety and well-being	
Social action			
GRI 3: Material topics 2021			
3-3	Management of material topics	Appendix to this report, Committed to developing our communities	
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	Appendix to this report, 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	Appendix to this report, Our talented staff 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	Appendix to this report, Our exemplary management	
207-1	Approach to tax	Our fiscal approach	
GRI 3: Material topics 2021			
3-3	Management of material topics	Appendix to this report, 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	Our responsible supply chain	
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	Appendix to this report, 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	Appendix to this report, 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	Appendix to this report, 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 work environment	 
417-1	Product and service information and labelling requirements	Client experience, health and safety	
417-2	Incidents of non-compliance concerning product and service information and labelling	Client experience, health and safety	
417-3	Incidents of non-compliance concerning marketing communications	Client experience, health and safety	
Code of ethics			
GRI 3: Material topics 2021			
3-3	Management of material topics	Appendix to this report, Our exemplary management	
Anti-corruption and bribery			
GRI 3: Material topics 2021			
3-3	Management of material topics	Appendix to this report, Ethical behaviour and compliance	

GRI code	Indicator description	Reference/Response	SDG
Environmental product information			
GRI 3: Material topics 2021			
3-3	Management of material topics	Appendix to this report, 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	Appendix to this report, Protecting the natural environment and Health, safety and well-being	
GRI 417: Marketing and labelling 2016			
417-1	Product and service information and labelling requirements	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	



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