



Non-Financial Information Statement 2023 Executive Summary



Better quality of life with innovative, efficient, sustainable solutions

Contemplating water's outlook is synonymous with sustainably and accessibly guaranteeing this resource for the future. At Molecor we know that tackling the challenges we face today means addressing essential issues such as climate change, the energy transition, sustainability and the transformation of the customer experience with an open, innovative attitude, while identifying opportunities and new business models and developing solutions that contribute to society's progress and well-being.



**CONSULT THE FULL NON-FINANCIAL
INFORMATION STATEMENT (NFIS) AT:
www.molecor.com**

CONTENTS

1 A Chat
with the CEO
Page 4

5 The Molecor
Group
Page 8

9 Stakeholders
Page 13

13 Talented
Staff
Page 18

2 Main
Figures
Page 5

6 Products and
Services
Page 9

10 Contribution to
the 2030 Agenda
Page 14

14 Commitment
Page 21

3 Main
Milestones
Page 6

7 Exemplary
Management
Page 10

11 Innovation and
Digitisation
Page 16

15 Natural
Environment
Page 22

4 Business
Model
Page 7

8 Responsible
Purchasing Chain
Page 11

12 Cybersecurity
Page 17

16 Environmental
Ambition
Page 29



1. A Chat With The CEO

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

Looking back at the financial year, what milestones would you highlight from 2023?

Firstly, it's worth noting that this year was filled with challenges owing to the high level of global instability, but thanks to our value proposal, which is based on the pillars of innovation, internationalisation and agile decision making, we achieved rates of growth that were superior to those seen in the industry. For this reason, the balance sheet can only be viewed positively.

At Molecor we consider innovation a key component in our strategy. In 2023, we allocated a total of €5 million to driving R&D&I. In this vein, we continued to develop a wide range of innovative products, such as our TR6® pipes for irrigation. Furthermore, we're committed to sustainability, which is evidenced by our firm commitment to the circular economy: we reuse 96% of the PVC discarded during our production flows, among other measures.

Today, the plastic industry is facing an increase in supranational legislation that regulates this material's use and consumption; in addition, in 2023 the manufacture and sale of synthetic polymer microparticles began to be regulated. That's why Molecor continues to demonstrate its commitment (in line with SDGs 12, 14 and 15) to responsible production as well as avoiding undesired losses of pellets into the environment.

Molecor's roots lie in sustainability, which is why the company operates with the intention of generating prosperity through an approach based on environmental efficiency and social responsibility. Over time, our mission, vision and values have evolved, but sustainability has always been a core part of our identity.

On the other hand, I would like to make special mention of the people comprising the Molecor workforce as we wouldn't be able to achieve any of this without our fabulous team. In 2023, our workforce increased almost 17% on figures recorded for 2022: by the end of the year, we had 568 excellent professionals working in their respective disciplines. Molecor firmly believes in its internal talent and work stability, which is why 94.9% of the workforce has a permanent contract.



2. Main Figures



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

Commitment to
Net Zero
by 2040

20.9%
Increase in the consumption of renewable energy

0
Environmental emergency incidents



568
Employees, an increase of 16.87% on 2022

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

€76,377
Allocated to community impact

85%
Local suppliers



€5M
Allocated each year to driving R&D

8.5
Rating in satisfaction surveys for products by Molecor Tecnología and Molecor Canalizaciones

0
Cybersecurity incidents

0
Complaints received through the whistleblowing channel

3. Main Milestones



Launch of the Sustainability Strategy 2023-2025

Defining action areas to achieve business goals and meet stakeholder expectations in the management of environmental, social and good governance matters.



Rollout of the Compliance Programme

Implementation of the Compliance Programme, which includes our ethics and legal compliance channel and the Organisational Model for Crime Prevention.



Founding of the Molecor Sustainability Committee

Created to ensure correct supervision of the Sustainability Strategy approved during the year. The Committee reports directly to the Board of Directors and will commence operation in 2024.



OCS certification for Spanish manufacturing plants

We secured certification from the voluntary Operation Clean Sweep (OCS) programme for the production centres of Alovera, Antequera and Alcázar de San Juan in accordance with the OCS Europe certification scheme through AENOR.

Certification in accordance with ISO Management Systems

Paraguay: Quality Management System according to the ISO 9001 Standard

Malaysia: Health and Safety Management System according to the ISO 45001 Standard

Spain, Loeches: Energy Management System according to the ISO 50001 Standard



Launch of the online training platform

More than 350 courses associated with languages, office programmes, coaching and mentoring, among other subjects.



Reduction of the accident rate

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



Net-Zero Commitment 2040

As part of our Sustainability Strategy, we've set out a commitment to be a net-zero company by 2040.



“Novedad Técnica” Award

We won the “Novedad Técnica 2023” award associated with innovation at the Smagua fair for our molecularly oriented PVC TOM® pipes in 1200 mm.



4. Business Model

Our purpose:

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

Our values:

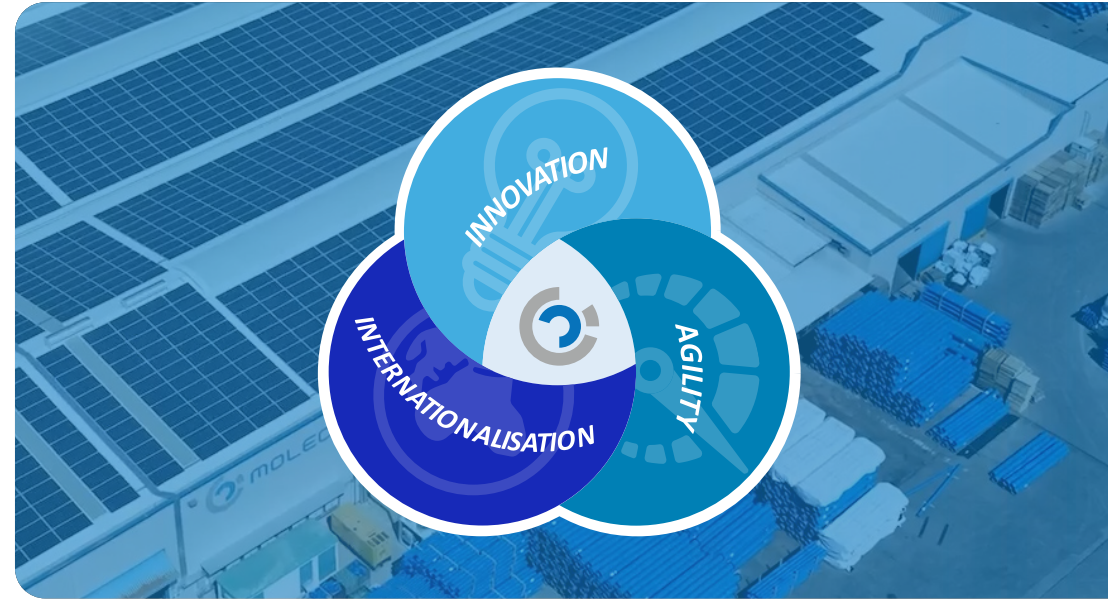
Refusing to conform: We strive to exceed previously reached levels (quality, efficiency, innovation, safety, etc.) and we're never fully satisfied with what we achieve.

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 at 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.



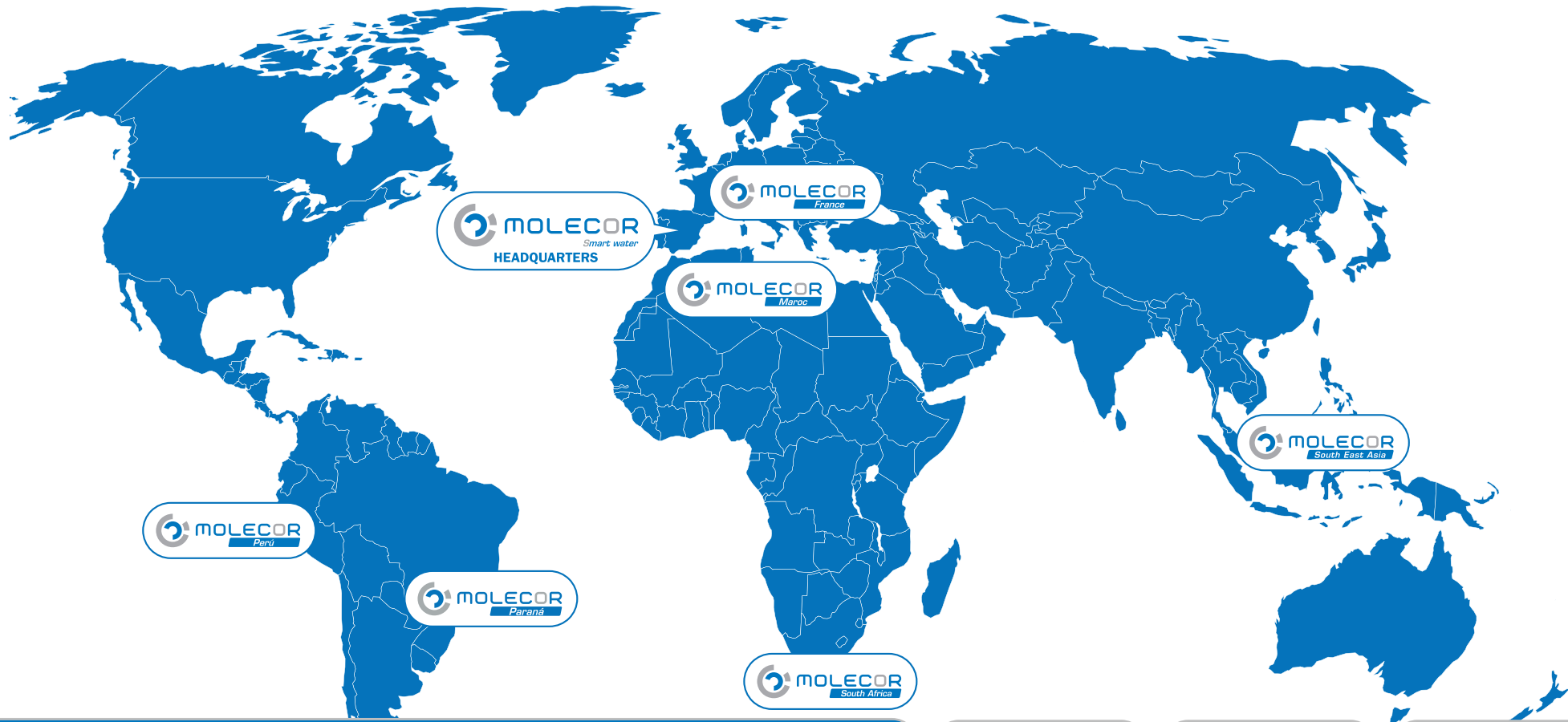
Our organisation

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.

In this context, qualified specialists founded the company in 2006. The company has experienced exponential growth and has provided innovative solutions in developing technology used in the production of molecularly oriented PVC pipes and fittings. As a result, Molecor Tecnología has established itself as a global leader in the industry. Its workforce is the company's best asset and the basis for its continuous innovation.

Since then, the Molecor Group has evolved with a broader portfolio that includes sewage and building products, considerably strengthening its market position.

5. The Molecor Group



 HEADQUARTERS				
Molecor Tecnología		Molecor Canalizaciones		
Loeches	Getafe	Alovera	Alcázar de San Juan	Antequera
PVC-O pipes and fittings factory	Technology factory and R&D headquarters	Building accessories factory	Factory for sewage and drainage pipes and fittings for building	Pressurised pipes factory

Molecor (SEA) was founded in 2013 to manufacture and distribute PVC-O pipes in south-east Asia

Molecor Paraná emerged in 2017 from the expansion in Paraguay with the goal of producing PVC-O pipes in the Southern Cone

Joint venture with Sizabantu Piping Systems Pty Ltd. to manufacture PVC-O pipes in the African country

6. Products and Services

The Molecor Group stands out in the industry thanks to multiple forms of leverage that define its value proposal and enable it to position itself as an industry leader. The brand's values and attributes are mainly related to:

- Reliability and quality in the product and its services.
- Extensive product and service portfolio.
- Multiple awards and collaborations on diverse R&D projects, developed with international partners.
- The user experience, because the details matter. In its effort to offer its clients the best service possible, the Molecor Group listens to all their concerns and requirements, then includes them in its processes of manufacturing and finishing its molecularly oriented PVC pipes and fittings, as well as in the development of tools that facilitate users' tasks.
- A commitment to the environment, evidenced in its products, which have undergone studies on their environmental performance.
- An accessible, ongoing after-sales and troubleshooting service.

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"> • Machinery to manufacture PVC-O



MOLECOR's extended warranty

Molecor offers a 50-year extended warranty for PVC-O TOM® pipes manufactured by the company in Spain. If it is deemed that any of its pipes do not comply with set standards, Molecor will replace said PVC-O TOM® pipes for others of the same type, size and number.



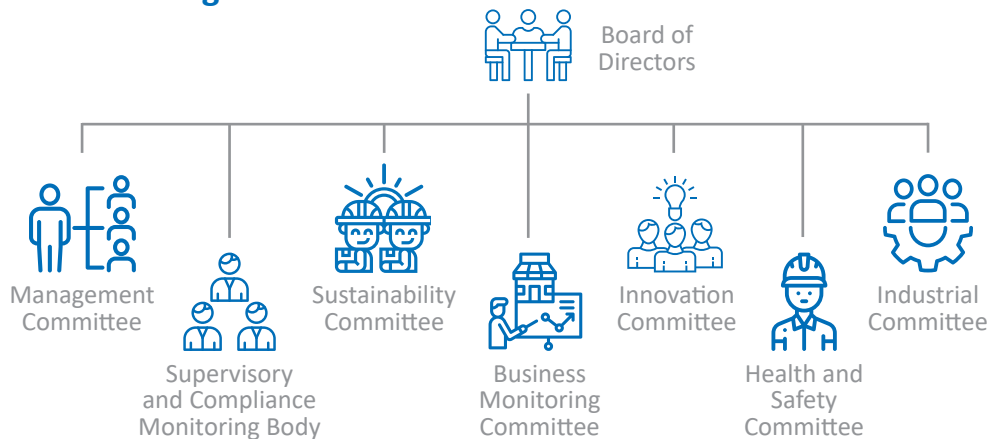
7. Exemplary Management



Structure and corporate governance

Molecor uses the recommendations set out in the Code of Good Governance for Listed Companies of the National Securities Market Commission (Comisión Nacional del Mercado de Valores, the CNMV) as a reference in order to comply with corporate governance best practices. Thus, it applies the highest standards in this area with the goal of building a robust business model and excellent communication with stakeholders.

Governing bodies:



Promoting good governance in the formation of our bodies

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

Functional organisation chart



Ethical behaviour

Integrity, transparency, compliance and ethics are the principles governing the development of Molecor's activity. Through its Code of Ethics and Conduct, the company demonstrates its commitment to ensuring regulatory compliance, the fight against corruption and money laundering, protecting the environment, sustainability, and employee health and safety.

In this same vein, in 2023 Molecor started to introduce a regulatory compliance programme.

8. Responsible Supply Chain

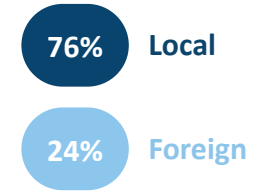
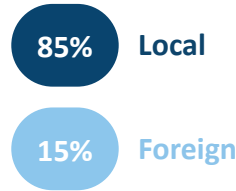


Suppliers are partners in Molecor's bid to aid the fight against climate change and promote the circular economy. Therefore, they are a key component in the company's daily operations and value chain.

Molecor Tecnología offers its suppliers the *Environmental Guide for Suppliers and Subcontractors*, which serves as a benchmark for communication of the Environmental Management System, aimed at setting out the minimum requirements expected of its suppliers' environmental performance. It's worth noting that in 2023 said Guide underwent slight modifications to include a series of energy-related concepts in accordance with the requirements of the ISO 50001 Standard implemented at the Loeches centre. With regard to Molecor Canalizaciones, the use of this guide will be introduced in 2024.



2023 supplier management in numbers



*Molecor views local as domestic

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

Purchases with a direct awarding process must have at least three offers, unless there is a justified reason, and the reasons for the award decision will be explained.



Analysis of the ESG information reported by suppliers

In 2023 the company made an effort to analyse information reported by suppliers. At present, the task remains ongoing, for which reason no ESG assessment methodology has been established yet.

The sustainability performance obtained through the questionnaire (launched in 2022) about the sustainable contribution of the company's suppliers and contractors will be included as an assessment criterion in the new methodology, which will be developed on SAP over the course of 2024.

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



Develop ongoing supplier performance assessment and monitoring processes



Enhance relations with suppliers



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



Supplier health and safety

The company is committed to health and safety, extending this commitment to all entities in its value chain. As part of said commitment, the Guides to Good Environmental Practices are included when contracts are signed and, if necessary, so is the document for coordinating occupational hazard prevention (OHP) activities. Thus, we ensure that suppliers are aware of the policies they must comply with if they wish to form a part of our group of authorised suppliers. This methodology is only applied to plants in Spain at present.

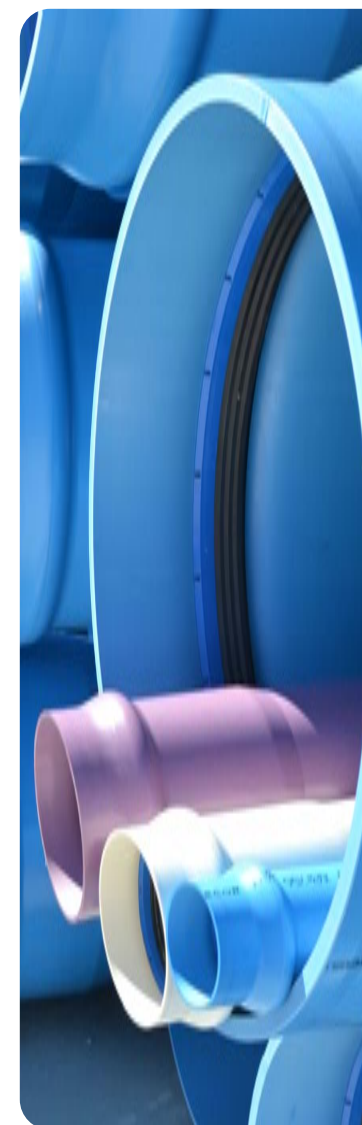
9. Stakeholders



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.

Based 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, Environment and Prevention 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"> Purchasing policy (being drafted) 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, Environment and Prevention Policy NPS Certifications in ISO 9001, 14001 and 50001 (Loeches) Certifications in suitability for use with water for human consumption Product environmental studies
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

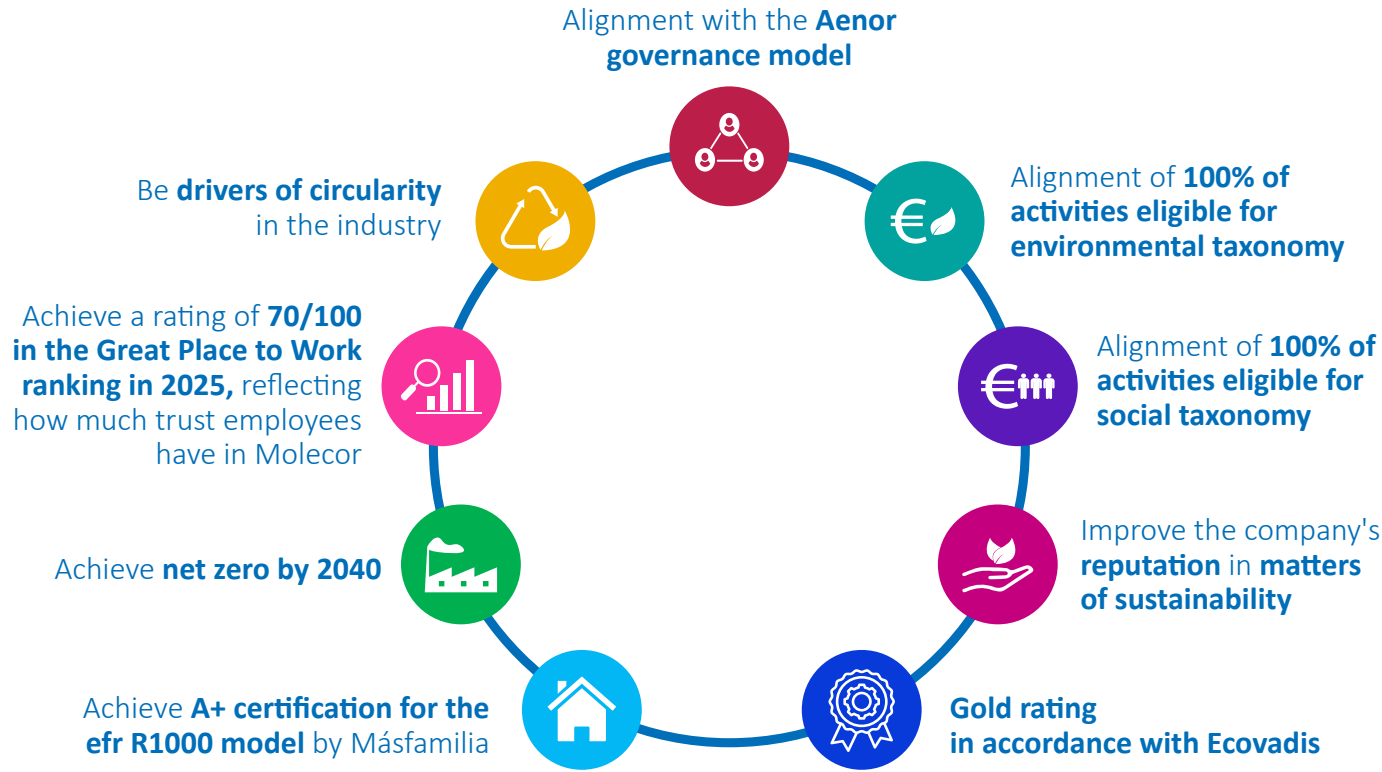


10. Contribution to the 2030 Agenda

Sustainability for Molecor: Sustainability Strategy 2023-2025











In 2023, Molecor approved the company's Sustainability Strategy 2023-2025 with the goal of defining action areas to achieve its business goals and meet stakeholder expectations in the management of environmental, social and good governance matters.

Through this Strategy, Molecor has defined nine ambitions with 10 goals and 17 strategic levers that aim to guide the company's activity using key performance indicators and management teams responsible for their rollout.



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

Through its Quality, Environment, Energy and Prevention Policy, in addition to its Sustainability Strategy 2023-2025, the company is committed to working for sustainable development that generates value for all stakeholders, aligning our activity with the Sustainable Development Goals (SDGs) of the United Nations' 2030 Agenda, and making every resource available to achieve these.

 <p>6 CLEAN WATER AND SANITATION</p>	<p>The company's activity revolves around two main axes: increasingly efficient development and manufacturing, and the manufacture of pipes and fittings for safer, more sustainable water networks. Molecor's products have a long useful life, ensuring water quality and making water an asset that can be accessed by many societies at risk of social exclusion.</p>	<p>The company effectively helps to ensure its pipes and fittings enable the construction of sustainable environments, while they are also fully recyclable.</p>	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Molecor contributes to economic and social development by promoting quality, safe and inclusive employment.</p>	<p>Implementation of an Integrated Quality, Environment and Energy Management System 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 system that optimises the use of natural resources while reducing energy consumption.</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Molecor is firmly committed to responsible energy consumption and use, both in its production process (with high energy efficiency and free from the consumption of fossil fuels) and in greater use of renewable energy; since it has secured guarantees of origin for 30% of the energy consumed at four of its production plants in Spain. In 2023, the Loeches plant was certified according to the ISO 50001 Management System Standard. In 2024, this certification will be extended to all other production centres in Spain.</p>	<p>Molecor makes a significant contribution to the planet's sustainable development through all the impacts mentioned previously. Proof of this lies in its implementation of Operation Clean Sweep (OCS), the goal of which is to prevent the unwanted release of microplastics into the environment, thus helping to correctly manage waste in the environment. All of the company's production centres in Spain are certified according to the voluntary AENOR certification.</p>	 <p>14 LIFE BELOW WATER</p>
 <p>13 CLIMATE ACTION</p>	<p>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. Note the launch of a new, innovative TR6® pipe for irrigation.</p>	<p>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.</p>	 <p>15 LIFE ON LAND</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>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. Note the launch of a new, innovative TR6® pipe for irrigation.</p>	<p>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.</p>	 <p>17 PARTNERSHIPS FOR THE GOALS</p>

11. Innovation and Digitisation



Innovation in its DNA

Molecor allocated €5 million to R&D in 2023. This investment in R&D helped to develop and launch innovative products, such as a series of large-diameter pipes created using the company's patented technology, as well as PVC-O fittings that are unique in the world.

Additionally, the company commenced its “Silk Worm” project this year. This project seeks innovative solutions for the factory's connectivity and logistics issues. To date, we've spent €3 million of the €8 million expected to be invested in this area in the coming years.

In 2023, Molecor executed diverse innovation projects:

- Creation of a new product range for irrigation, TR6®. Completion of the product's development and certification.
- Commencement of Industry 4.0 rollout at 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.
- Start of the project on the drainage range to include rPVC (recycled PVC).

In addition, after carrying out an opportunity analysis, Molecor has identified several areas of interest for the future development of products and services, 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



Molecor's Innovation Committee has worked to develop new sustainable products by applying eco-design concepts to meet market and regulatory requirements. This area is responsible for aligning different operational areas in order to achieve business stability.

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

- 1 Technological innovation**
Developing machinery to drive the launch of new processes and products.
- 2 uPVC product innovation**
Designing conventional PVC products for building and infrastructure. Some examples include: the soundproof pipe system and products that include PVC recycled from other processes or even post-consumption.
- 3 PVC-O product innovation**
Designing and developing the PVC-O product range and seeking new market solutions.

GEO TOM

Application to create virtual maps of water piping networks that enables the network's pipes to be geolocated and maintained. Designed in 2022 and launched in 2023

12. Cybersecurity and Information Security



Information security and data protection are key pillars for Molecor, which is why the company has made a commitment in this regard via a comprehensive regulatory framework that's constantly evolving and which is outlined in the Data Protection Policy.

With regard to cybersecurity, in 2023 Molecor continued to dedicate a significant part of its efforts to unifying IT processes following the merger of Molecor Tecnología and Molecor Canalizaciones and all other Group companies. Although IT policies have not been formalised at Group level, they do apply operationally to all work centres.

Regarding data protection, in 2023 the company's actions mainly focused on handling employee data. In 2024, progress continues to be made on the data processing review for all Molecor Tecnología and Molecor Canalizaciones employees, as well as customer data management.

An external advisor was employed to ensure data confidentiality and anonymity.

In 2023, Molecor did not record any losses or thefts of data



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, thefts or losses of customer data		0	0

13. Our Talented Staff



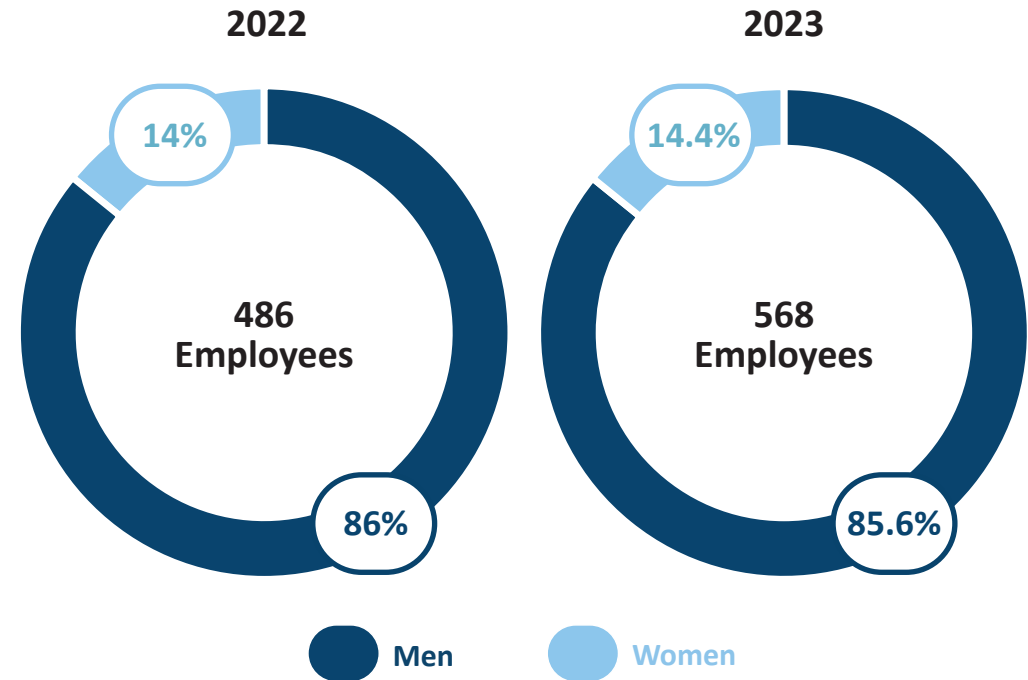
Molecor's greatest asset is its people, which is why it works to enhance their development and ensure they enjoy quality working conditions in an environment inspired by the company's corporate values.


At the close of 2023, the Molecor team was comprised of 568 people across all its business divisions, almost 17% more than in 2022. This growth of the team aimed to address the organisation's needs in different business areas, together with its corporate strategy. Of the total workforce, 99% of employees work full time.

Molecor supports a human resource model based on talent, flexibility and continuous professional development. Molecor's staff is the key to the company's present and future success.

In 2024, the company is planning to carry out a work climate survey once more, in line with the FourFlags® model used in 2022, which is based on identifying profiles capable of driving change and improvement within the company. This survey enables the company to detect improvement plans with regard to training and development, continuous communication and leadership pathways, and the Net Promoter Score from the Molecor workforce was very positive.

Distribution of the workforce by sex



 **94.9%**
of employees have a permanent contract

We guarantee an environment of no discrimination in our selection processes

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

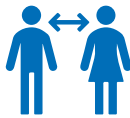


The best talent

In 2023, Molecor amalgamated its two Annual Training Plans in Spain into one. It previously had one plan for Molecor Tecnología and a different plan for Molecor Canalizaciones. The goal of the Annual Training Plan is to offer the entire workforce quality training adapted to their personal needs, department requirements, and the nature of their role in the company, in addition to the business strategy. Furthermore, this Plan is adjusted as unforeseen needs arise.



Provided more than **95** courses



Trained **75%** of the workforce



Given more than **8,000** hours of training



8.66 hours per employee

Furthermore, in 2023 Molecor launched its **new online training** platform. Thanks to this platform, Molecor employees can access more than 350 courses that are associated with languages, office suites, coaching and mentoring, among other subjects.

Diversity and inclusion

Molecor promotes diversity within its team and makes every effort to encourage diversity in all its forms, encompassing aspects like experience, age, different skills, the LGBTQ community, gender and others. In addition, Molecor has a Policy for Equal Treatment between Men and Women, and it promotes equal opportunities in employment, professional development and training, among other relevant aspects.

Furthermore, Molecor has a Protocol for Preventing and Addressing Situations of Harassment and its Whistleblowing Channel. In this regard, it's worth noting that the company did not receive any complaints in 2023.





Health, safety and well-being

Molecor develops its activities while upholding a commitment to protect the health, safety and well-being of its workforce and all those who may be affected by its actions. With regard to said commitment, in Spain work has continued on the preventive organisational model, which commenced in 2022 and which continues to unify and integrate Molecor Tecnología and Molecor Canalizaciones. To ensure full independence in matters of employee health and safety, the external prevention service has been maintained.

Furthermore, in 2023 Molecor gave a total of 1,704 hours of health and safety training covering various subjects:

Cardiopulmonary resuscitation	Working at a height
Bridge cranes	Forklifts
Specific role risks	Emergency plan
Basic prevention course	Lift platforms



In 2023 Molecor worked on its occupational hazard prevention, both at its subsidiaries and outside Spain, with highlights including:

- Molecor SEA (Malaysia) secured the ISO 45001 Standard certification for its occupational health and safety management system.
- In Paraguay, preventive aspects were promoted in the project to construct the new Molecor Paraná facilities, reviewing the relevant aspects from the work execution stage.
- In South Africa, a prevention coordinator was appointed for the centre and they proceeded to integrate safety in its processes, achieving control of prevention actions, incident control, and the delivery and use of PPE.
- With the opening of the new Molecor Maroc distribution centre, the occupational hazards were assessed and, once identified, employees were informed and trained in ways to prevent them.



14. Commitment

Molecor is firmly committed to helping to develop the communities where it operates through projects that align its management strategies with the Sustainable Development Goals (SDGs). This commitment is recorded in its **Integrated Quality, Environment, Energy and Prevention Policy**. In 2022, Molecor donated €25,791 to social initiatives, while in 2023 it invested €76,377 in this area.



Support for the Turkish recovery

With the goal of helping the cities, towns and villages affected by the February earthquake in Turkey, Molecor donated more than 12 km of TOM® pipes and ecoFITTOM® fittings to help restore potable water to the affected areas.



Obtainment of potable water at Los Zafiros School

Perforation project at Los Zafiros School in the town of Antsoamadiro (Madagascar) together with the Agua de Coco Foundation to fight the scarcity of potable water. The beneficiaries will be: 650 school students, 60 girls at risk of sexual and labour abuse and in a situation of extreme poverty who live at the boarding school during the school year, and 1,500 families.

Collaboration with the Adecco Foundation to raise awareness for women and the inclusion of disabled people

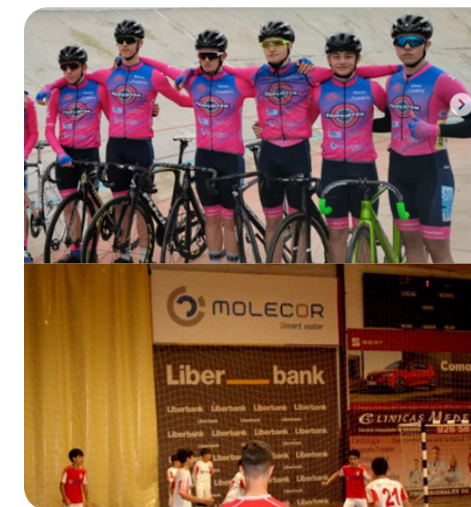
To celebrate International Women's Day, the company once again joined the Adecco Foundation in a programme to help thousands of particularly vulnerable women. We publicised the campaign through our communication channels.

Molecor has also sponsored initiatives developed by the Adecco Foundation for International Day of Persons with Disabilities, raising awareness through its communication channels.



Promoting health and sport

Molecor recognises the key role of sport in achieving the Sustainable Development Goals related to health, education, gender equality, reducing inequality, 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.



15. Natural Environment



Molecor has an **Integrated Quality, Environment, Energy and Prevention Policy** that demonstrates its commitment to protecting and avoiding causing harm to the natural environment. It applies to all corporate centres and encourages contamination prevention via the Environmental Management System, which operates in accordance with Molecor's ISO 14001 Standard certification. As a result of the rollout of an Energy Management System based on the ISO 50001 Standard, the policy has been updated to align it with this standard's requirements:

- Ensure compliance with applicable legal and regulatory requirements, as well as any other voluntary requirement Molecor identifies.
- 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 the acquisition of energy-efficient products and services that help to improve our environmental and energy performance, and design activities by considering the best energy performance.
- Work to ensure sustainable development while creating value for our stakeholders and aligning ourselves with the Sustainable Development Goals (SDGs).

Sustainable products

Our ranges manufactured in PVC-O (TOM®, ecoFITTOM®, TR6®) are highlights. Caring for and protecting the natural environment has been taken into account when designing them. The globally patented production process 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.

To address the growing trend for transparency regarding a product's environmental impact, in 2023 Molecor prepared Environmental Product Declarations (EPDs) for the most important products in its portfolio.

An EPD assesses a product's impact at all stages of its life cycle in relation to 14 environmental impacts grouped according to the condition of the different resources:





Caring for the natural environment

Molecor's environmental management model falls within an Integrated Quality, Environment and Energy Management System in line with the ISO 14001:2015 Standard and certified by AENOR. Taking into account products' entire life cycles, this system includes procedures and tools to identify environmental aspects and assess potential risks in order to implement controls, prevent or reduce possible environmental impacts, involve all stakeholders, and develop activities to improve their environmental performance. This system is in place at all Molecor plants in Spain.

Climate strategy

Molecor accepts the importance of fully reducing the impact resulting from global warming and, therefore, it is endeavouring to respond to the climate emergency. The company makes an intrinsic contribution to decarbonisation of the economy through its products as well as its responsible production processes. A Sustainability Strategy Plan was drawn up in 2023. It includes goals in climate matters, and in 2024 the roadmap will be outlined so the actions proposed in the Plan may be carried out and so the company can continue to drive corporate development in this area.



Making progress with our Decarbonisation Plan

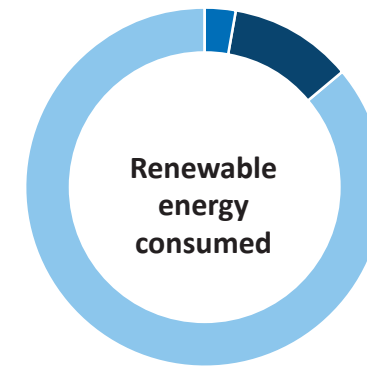
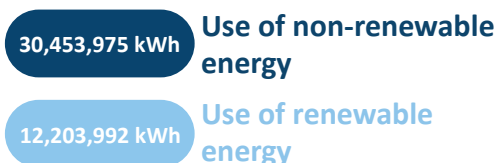
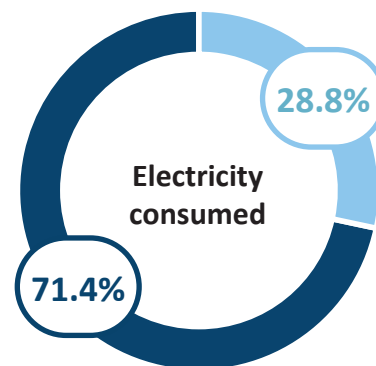
Molecor is committed to achieving the goals set out in the Paris Agreement and the European Green Deal. To this end, the Sustainability Strategy Plan specifies a goal to be a net-zero company by 2040. To achieve this objective, Molecor is developing its decarbonisation roadmap and setting reduction goals. Among the many actions developed, the company has made progress with its organisation carbon footprint calculation and the introduction of an energy management system.



Renewable energy consumption

In 2023, Molecor continued to use the photovoltaic panel facility with a PPA (power purchase agreement) for self-consumption. This facility has been operating since 2022 on the roof of the Loeches production plant, where the company manufactures TOM® pipes and ecoFITOM® fittings in molecularly oriented PVC (PVC-O).

Thanks to this initiative, Molecor is contributing towards achieving the goals set out in the PNIEC (Integrated National Energy and Climate Plan) 2021-2030. In addition, as a result of the purchase of energy with GdO (Guarantees of Origin), the use of renewable electricity has increased by 20.9%.



Energy source		Unit	2022	2023
Renewable energy	Electricity	kWh	1,437,701	1,703,992
	Electricity (GdO)	kWh	1,100,000	10,500,000
Non-renewable energy	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





Molecor has developed different measures to continue making progress in its commitment to reduce its environmental impact associated with energy use:

Gradual transition to renewable electrical energy consumption
Purchase of energy with guarantees of origin for the Loeches, Alovera, Antequera and Alcázar plants.
Implementation of energy saving measures
Change to LED lighting at the Loeches and Alovera plants. Improvement of lighting in the Antequera production warehouse. Optimisation of internal raw material transport, with the subsequent fuel savings, at Alcázar. Replacement of old equipment with new, more efficient equipment at Alovera and Antequera.
Drive and commitment to innovation
Driving investment in new machinery at the Paraguay plant.
Environmental awareness and training for staff
Publication of the environmental/energy guide and issue to suppliers with access to the Loeches facilities. Environmental awareness campaign: turning off lights and adjusting air conditioning temperatures at all centres in Spain. Training in the ISO 50001 Standard as a result of rolling out the EMS at Loeches.
Implementation of the Energy Management System (EMS) according to the ISO 50001 Standard
Implementation and certification of the EMS at the Loeches plant. Definition of criteria for the purchase of energy-consuming equipment.

We made progress with our Decarbonisation Plan

Molecor is committed to achieving the goals set out in the Paris Agreement and the European Green Deal. To this end, the Sustainability Strategy Plan specifies a goal to be a net-zero company by 2040. To achieve this objective, Molecor is developing its decarbonisation roadmap and setting reduction goals. Among the many actions developed, the company has made progress with its organisation carbon footprint calculation and the introduction of an Energy Management System according to the ISO 50001 Standard.

Greenhouse Gas Emissions

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

¹ The data reported for Scope 1 consider the use of refrigerant gases and the use of fossil fuels in all plants, used to operate internal transportation forklifts. They also include the consumption of fuel by company vehicles used commercially at the Paraguay plant. The process to gather information for all other centres is currently underway and is expected to be completed in 2024.

² The data reported for Scope 2 consider the use of electrical energy in both offices and factories at all production centres.



Circular economy

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 ENVALORA management systems
- Management of the waste arising from the introduction of the OCS (Operation Clean Sweep) programme at the Alovera, Antequera and Alcázar de San Juan centres
- Membership to VALOBAT

PVC-O life cycle



Commitment to zero microplastics loss

Molecor, taking responsibility for this problem given its activity, and as part of the value chain of the plastics industry, is #IndustryCommitted to the preservation of ecosystems. Thus, all manufacturing plants in Spain adhere to the voluntary Operation Clean Sweep (OCS) programme, the goal of which is to reduce the unwanted release of microplastics into the environment.

To ensure its equipment meets this requirement, the company has created an annual awareness and training programme under the motto **“We're all OCS”**. This programme focuses on the employees involved in preventing plastic raw material spillages in particular.



Waste management

Molecor's waste management approach is guided by internal corporate regulations and carried out by an authorised management company. This procedure distinguishes between hazardous and non-hazardous waste, and it establishes a record of the waste generated, separation guidelines, labelling and waste storage at each production plant. The goal is to guarantee correct waste management and disposal and to minimise any forms of contamination arising from possible spillages.

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

Molecor complies with European legislation in force in this area and does not use substances of very high concern (SVHC) – for example, additives based on lead salts – in the formulation of its products such that all Molecor production processes are almost completely circular since 95.8% of the PVC waste generated is reused.

Extended Producer Responsibility (EPR)

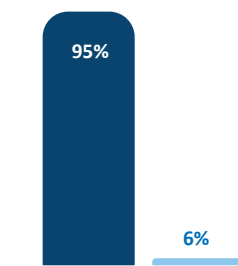
In 2023, Molecor fulfilled the EPR obligations set out in Royal Decree 1055/2022 on packaging and packaging waste: it registered as a product producer (RPP) with the Ministry of the Energy Transition and the Demographic Challenge (MITERD), included the RPP number on invoices, and declared its packaging for the 2021-2023 financial years.

In France, Extended Producer Responsibility (EPR) was applied to construction products in the building sector, known as PMCB (Produits et Matériaux de la Construction et du Bâtiment). In 2023, Molecor joined another SCRAP collective, VALOBAT. In this case, Molecor has opted to accept the responsibilities associated with its membership: paying the corresponding eco-contribution, submitting an annual declaration of the PMCB made available to the French market, and displaying the eco-contribution on each invoice, all of which is done voluntarily.

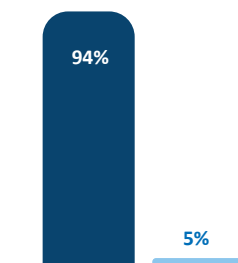


45% Waste sent for disposal

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



Waste allocated for other recovery, preparation or recycling operations



Waste sent for disposal

Non-hazardous waste **Hazardous waste**



Sustainable water management

Molecor acknowledges the importance of preserving water as an essential natural resource and it has integrated this consideration in its business model. For this reason, the company manufactures infrastructure that guarantees optimal water management while it is piped.

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

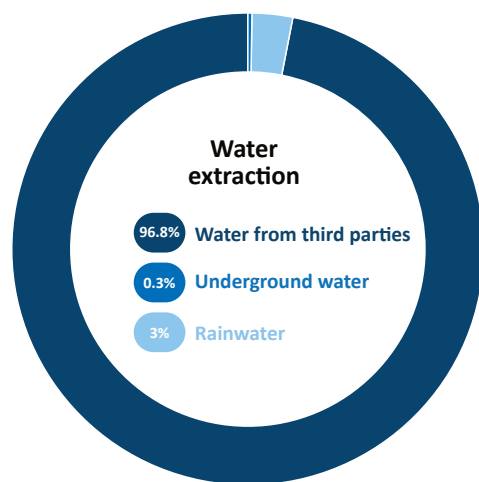
One of its most notable initiatives is implementation of a water circularity system at the Loeches plant, which harnesses the rainwater collected on the facility's roofs and integrates it in the production process; all other water consumed at this plant is supplied by tankers. The company's other production plants, both in Spain and abroad, consume water from the potable water supply that comes from the corresponding municipal network.



Biodiversity protection

Molecor is committed to caring for and protecting biodiversity in the areas where it operates. However, Molecor's corporate activities are not developed in areas with a high level of value in terms of biodiversity, either protected or unprotected, to prevent any potentially negative impact.

The company works closely with public institutions to protect the local species that interact with its facilities. For example, at the Alcázar production centre we have identified two white stork (*Ciconia ciconia*) nests. To preserve them, the company has offered its support to the research work carried out by the Research Institute for Hunting Resources (Instituto de Investigación en Recursos Cinegéticos, IREC).



Consumption source	2022	2023
Potable water	14,733 m ³	22,214 m ³
Rainwater	715 m ³	681 m ³
Underground water	60 m ³	60 m ³

There was an increase in water consumption by the company compared with the 2022 figures owing to the inclusion of consumption at the Malaysia and South Africa plants in the accounting.

16. Environmental Ambition



Looking to the future, Molecor is defined by its environmental ambition, in line with the company's ESG Strategy Plan 2023-2025:

- **Alignment of 100% of activities eligible for environmental taxonomy:** To this end, the company will analyse its financial and non-financial information in accordance with the EU's taxonomy requirements. The goal is to implement a classification system for environmentally sustainable activities and contribute to a carbon-neutral economy.
- **Improve the company's reputation in matters of sustainability** through Molecor's ESG communication.
- **Achieve net zero by 2040:** As mentioned previously, this is one of Molecor's main goals given its connection to the Paris Agreement and the European Green Deal, among other reasons.
- **Continue to define specific climate and biodiversity policies** by assessing climate risks in relation to the Taskforce on Nature-related Financial Disclosures (TNFD) and the Taskforce on Climate-related Financial Disclosures (TCFD)
- **Be drivers of circularity in the industry:** Molecor aims to make full use of the resources it uses, thus enhancing its products' life cycle. New, more sustainable products were developed in 2023 and they will be available to clients in 2024.





MOLECOR
Smart water

TOM  FIT TOM TR6 SANECOR AR EVAC+ 

info@molecor.com
www.molecor.com



Molecor®, TOM®, ecoFIT TOM®, TR6®, SANECOR®, AR®, EVAC+® and geoTOM® are trademarks