



INTEGRATED 2022 REPORT

BONDALTI



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- Partnerships and Strategic Ecosystem

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Chairman's Foreword

Growth and consolidation in an adverse environment

The year 2022 will go down in Bondalti's History as a time during which the entire company and staff showed resilience and the ability to maintain focus against a backdrop of volatility and uncertainty. In the face of continuous challenges on a global scale, our teams never lost sight of our major long-term goals, which are seen as key factor for sustainability.

This was a year of important achievements paving the way for a strong business growth, significant advances in the field of energy transition, consolidation of the business development strategy, while aiming at the creation of a positive impact on society.

Results obtained are particularly relevant considering the strongly adverse social and economic situation worldwide, affected by the disruptive effects on logistics chains, which persisted from the pandemic years, and by the outbreak of war in Ukraine. The year 2022 was thus marked by economic slowdown, general rise in inflation and energy and raw material price pressures, with strong impact on our industrial operations.

Renewed ambition for growth

Notwithstanding multiple external challenges, Bondalti maintained, renewed and reaffirmed its strong commitment to growth in 2022, based on three key pillars: growth in the chemical sector, consolidation in the water treatment business and development of new businesses in the area of decarbonization, namely in new energies. Bondalti Chemicals, Bondalti Water and Bondalti Energy are the visible faces of a transformation reflecting the company's current reality, guided by growth, diversification and internationalisation.

Green energies represent a new pillar for strategic growth, with emphasis on the H2Enable project in 2022, for the production of green hydrogen in the chemical complex of Estarreja, which will allow the decarbonisation of industrial processes - with an estimated investment of € 144 million and IPCEI status granted by the European Commission. Bondalti's participation in the GreenH2Atlantic consortium, in Sines, is also noteworthy; the consortium holds recognised strategic relevance, as it was one of the three consortiums selected by the Portuguese Government within the scope of the European Green Deal.

João de Mello

Chairman of the Board of Directors



A boost was also given to the production of green lithium, which Bondalti will develop in a first phase in Estarreja, through innovative and environmentally responsible processes, reflecting the company's innovation DNA.

Commitment to sustainability

As "industry of industries" Bondalti takes seriously its role as supplier of sustainability with its customers and partners, in line with the commitment expressed in the renewed purpose of "Contributing to a better world, creating innovative and sustainable chemistry".

We are clearly geared towards carbon neutrality and climate transition and that is why we are committed to the decarbonisation of one of our essential raw materials – energy. To this end, we installed a solar park with a capacity of 2 MWh and around 18% of our energy consumption is already from renewable sources. Moreover, we lowered energy consumption and reduced the carbon footprint by 24% in the chemicals sector, thanks to our energy efficiency program, equipment modernisation and technological innovation.

I am proud to say that Bondalti was distinguished for the third year in a row with the platinum medal of the Ecovadis benchmark, the highest classification awarded by this worldwide organization dedicated to assessing corporate sustainability. This award shows the company's commitment to complying with strict ESG criteria and the success of the benchmark practices that it has implemented in its business.

Economic and financial performance

Bondalti posted quite positive figures in 2022. The 34% growth in consolidated sales reflects the continued investment in the development of the company's activities and translates the strong commercial dynamics of our teams, making the expansion into new markets and clients increasingly robust and

successful. I underline the strong growth of our international activity, with the consolidation of the water treatment and recycling businesses at Iberian level and the increase in chlorine production obtained with our new plant in Cantabria (Spain), which started operation in 2019. We are currently the largest chlorine producer in Iberia.

On a commercial level, a new 15-year contract was signed with Dow Chemicals and Air Liquide, Bondalti's long-time partners in the industrial flows of the Estarreja Chemical Complex, confirming the vitality of this important industrial hub in the centre of Portugal.

The year 2022 was full of achievements and new accomplishments, but it also meant dealing with uncertainty and global volatility, in the face of which we implemented early risk management, through long-term contracts and the adjustment of the supply chain, along with a tight cost management policy. This allowed us to contain the increase in costs at 29% compared to the previous year and improve operating margins.

The optimisation of operations, combined with a solid business performance, allowed us to continue to invest in our long-term vision, freeing up resources to reinforce capital expenditure, which grew by 45% compared to the previous year, reaching € 16 million. This investment was mostly allocated to the modernisation of industrial infrastructure, with emphasis on the start of the reconversion of electrolysis technology in the Estarreja industrial complex with an estimated investment of € 40 million.

The company's financial solidity was reinforced through the reduction of net debt from € 112 million to € 69 million, with the net debt/EBITDA ratio falling to 0.7x (1.8x in 2021).

The people and communities at the core of our operation

As shown in this report, the challenges of 2022 reinforced our confidence in the path we chose in favour of society, decent work and economic growth.

Our strategy is based on our people. They represent the strength of our Organisation; in this line, we reinforced the Family Responsible Company (EFR) measures to reconcile work and personal life, upholding the certification obtained in 2022. Likewise, we promoted professional training, while strengthening and rejuvenating our teams.

We also have a responsibility to support and involve our surrounding community. Accordingly, in 2022 Bondalti allocated over € 1.2 million to various social organisations, university projects and specific projects to promote Biodiversity, such as the protection of the Iberian lynx and the brown bear .

I would also like to highlight the merit and opportunities for development and innovation that we embrace, through strategic partnerships with the academic and research ecosystem, as well as with business associations and organisations for the promotion of social and environmental development.

2023 will again be challenging for achieving our ambition for growth, bearing in mind our corporate values: Competence, Innovation, Human Development, Integrity and Responsible Care.

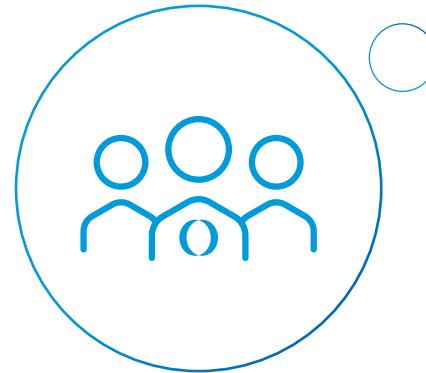
These are the foundations of our goals.


João de Mello
Chairman of the Board of Directors



Our year 2022

Bondalti wants to be a renowned chemical partner on the global market. We want to be recognised for long-lasting relationships based on a range of high-quality innovative solutions, ensuring superior safety and environmental standards, creating value for employees, shareholders, clients, suppliers and the community.



Bondalti's people

+37 000 hours of Training
744 professionals (+53 over 2021)
+65% of the personnel covered by CCT*
*CCT - Collective Bargaining Agreement



Environment

+23% overall reduction in CO₂ emissions
-1 582t generated waste
+85% of generated waste is recycled



Financial

+102M€ in EBITDA
595M€ turnover
16M€ in capital expenditure



Projects

8 financing applications
2 PhD/Post-doc grant holders



Community

2.3M€ invested in the Community
5 new projects



01

Governance and Strategy

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Governance and Strategy

Consolidation of the Water Treatment Business

Updating of Bondalti's Values

Development of new business areas

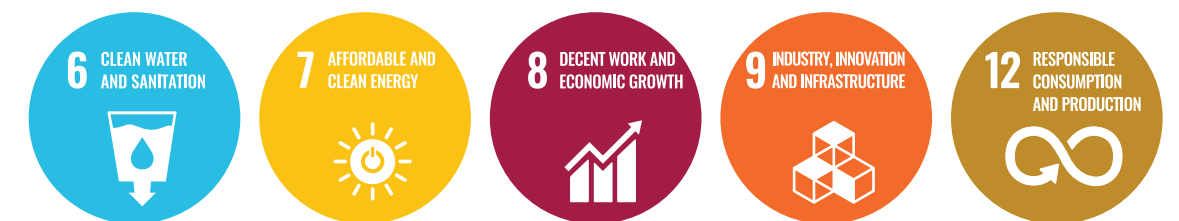
85% of Bondalti's suppliers are local suppliers

+32% in purchases to suppliers over 2021

48% of clients asked about their level of satisfaction



Strategic SDGs:



Impacted SDGs:



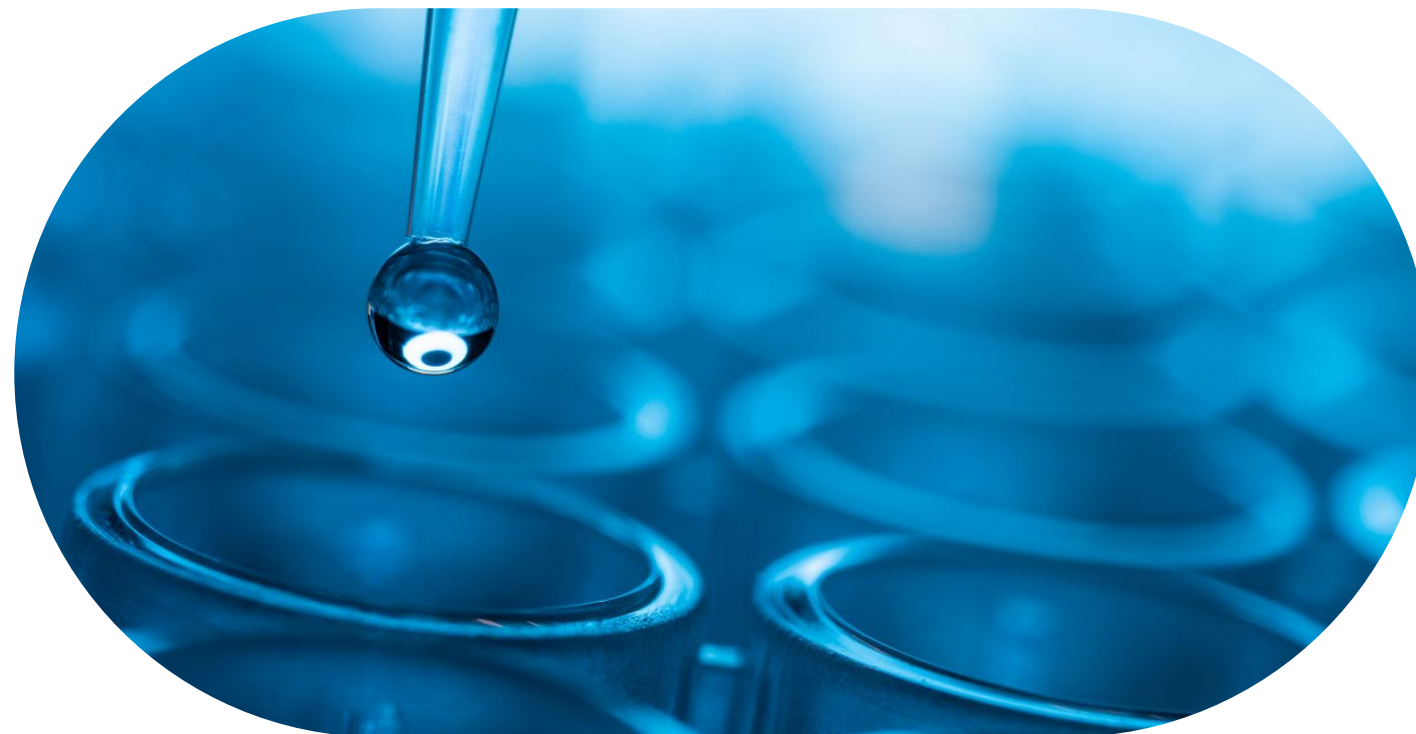


01. Governance and Strategy

Identity

Purpose

Contribute to a better world,
by creating an innovative
and sustainable Chemistry



Values



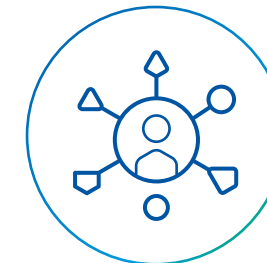
Competence

Bondalti encourages a permanent attitude of doing more and better, through individual responsibility and teamwork, striving for excellence and consistency.



Innovation

Bondalti fosters an entrepreneurial culture and an open and curious mindset, continuously searching for new solutions and value-creating opportunities.



Human Development

Bondalti places people's dignity at the heart of its decision-making and contributes to the development of their skills, promoting autonomy and continuous learning.



Integrity

Bondalti promotes ethical and honest behaviour, creating relationships of trust and loyalty, treating everyone fairly and truthfully.



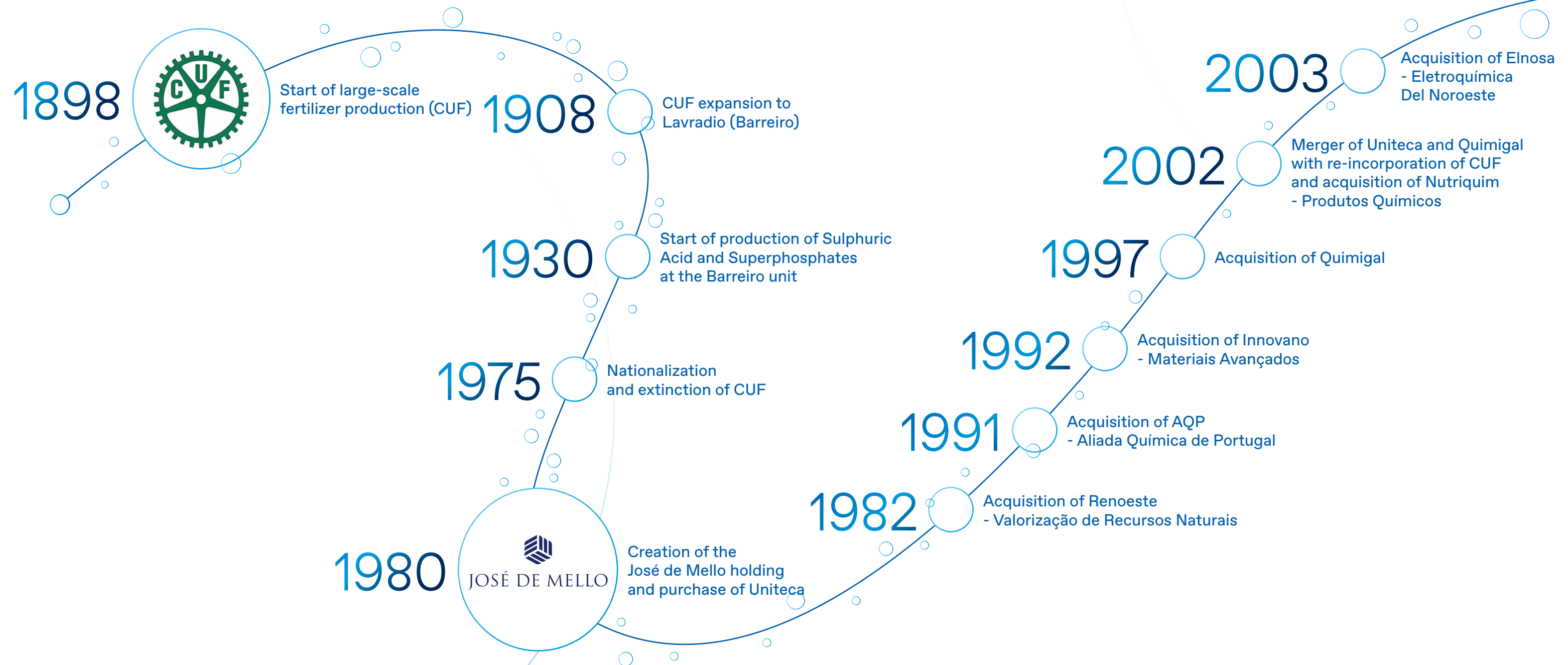
Responsible care

Bondalti continuously pursues high standards of quality, safety and respect for the environment, seeking to add value to the communities where it operates, protecting people and the planet.



At Bondalti, everyone is united by innovation at the service of people's well-being.

The Company is the largest chemical company in Portugal and continues to be inspired by the passion of its founder, Alfredo da Silva, who 120 years ago showed that it was possible to rely on national inventiveness and excellence.





2004

Acquisition of Dolopand
- Investimentos Imobiliários e Turísticos

2005



Change of CUF's brand image

2006

Expansion of the Estarreja
Chemical Complex

2008

Sale of the fertilizer business
and focus on Industrial Chemicals

2009



Completion of the
expansion of the Estarreja
Chemical Complex

2017

Acquisition of Miralcalis
- Ativos de Produção de Cloro

2018



Change of brand
from CUF to Bondalti

2019

Expansion of Chlor-Alkalis production
to a new plant in Spain, Cantabria

2021

Entry into water treatment with the
acquisition of Enkrott and Grupo AEMA

2022

Entry into New Businesses

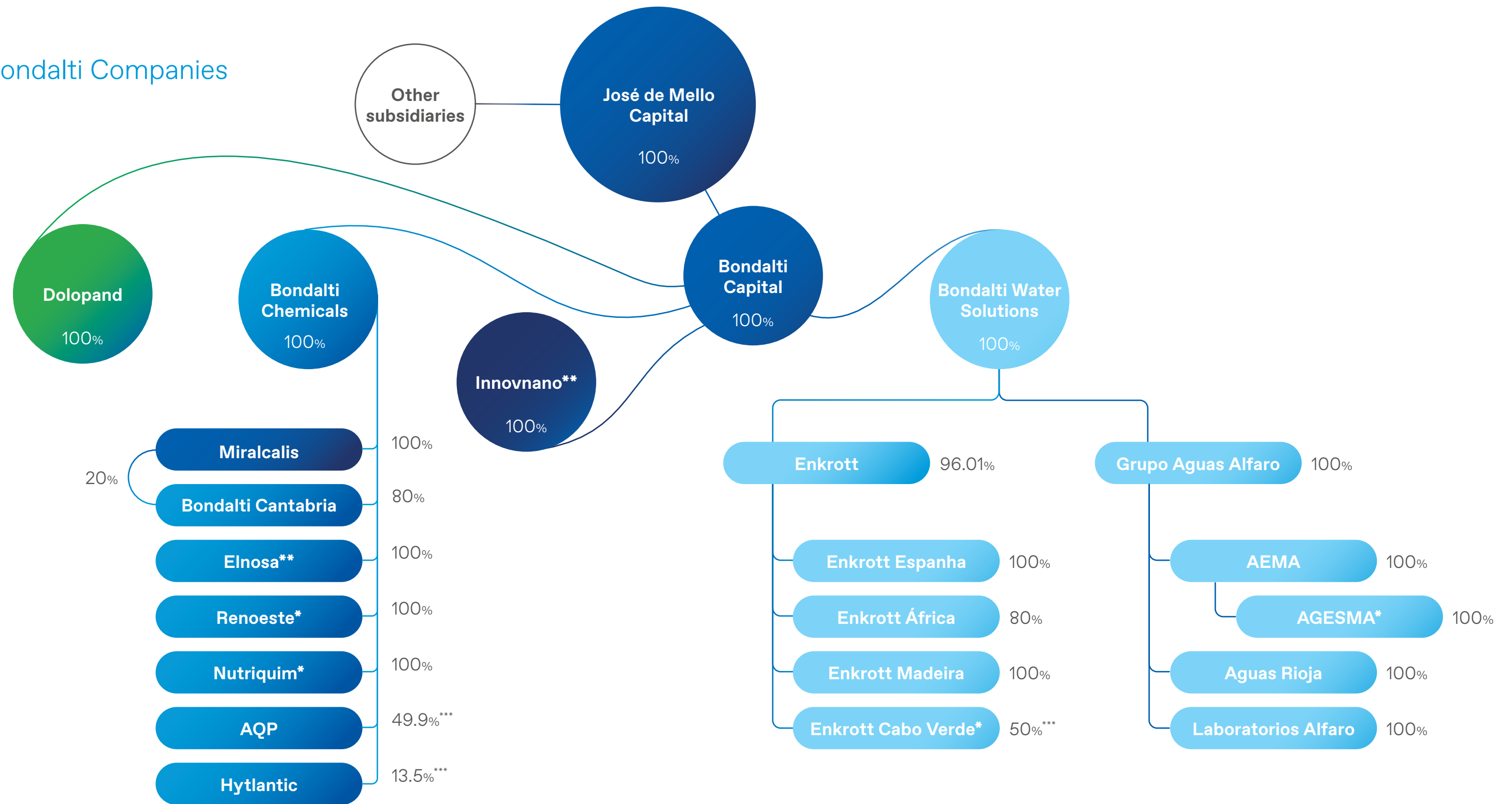
2023

BONDALTI

Changing of Bondalti
Brand Image



Bondalti Companies



* Discontinued activity

** Discontinued industrial activity

*** Does not consolidate in Bondalti Capital

Equity Holders

Real Estate

Nanomaterials

Industrial Chemicals

Water Treatment



01. Governance and **Strategy**

Business Areas



BONDALTI CHEMISTRY

Organic Chemicals

- Aniline and by-products

Inorganic Chemicals

- Chlor-alkalis

As a leading chemical industry with a competitive position in the market where it operates, Bondalti core business is the production of Chlor-Alkalis (PCA), in the inorganic chemical segment, and Aniline and Derivatives (PAD), in the segment of organic chemicals.

Currently Bondalti is the largest Iberian producer of chlorine and hypochlorite and European leader in sales of aniline and mononitrobenzene (MNB), as well as one of the world's leading non-integrated aniline producers.

To produce its chemical products, Bondalti relies on two industrial units that are dependent on raw materials such as benzene, salt, ammonia and hydrogen, as well as utilities such as electricity. Bondalti is a national reference in the hydrogen (H_2) value chain, as it is the second largest Iberian producer of H_2 without direct use of natural gas.





























As for the production sector of inorganic products in the Chlor-Alkalis sector, Bondalti supplies inorganic products mainly to the Iberian market. On the other hand, with regard to the production of organic products (aniline and by-products), in Estarreja, these (chlorine, soda and aniline) are supplied via pipeline to the main client-partner of the Estarreja Chemical Complex (CQE). These products are also integrated into the production of partners, which is essentially for export.

Additionally, Bondalti supplies organic products to several clients in the international market, such as Belgium, Spain, the USA, Germany and the Netherlands.

Bondalti products have different applications in everyday life, playing a relevant role in different and varied industries, with countless direct or indirect purposes.

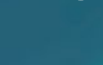
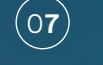




	Nitric Acid	Sulphanilic Acid	Aniline	Mononitrobenzene	Hydrochloric Acid	Chlorine	Sodium Hypochlorite	Caustic Soda
<div></div> <div>Chemical Industry The chemicals produced form part of the beginning of the value chain for countless clients</div>								
<div></div> <div>Paints and Pigments The composition of paints involves water-insoluble chemicals and oily substances</div>								
<div></div> <div>Rubber Industry The rubber industry uses organic chemicals in rubber composition</div>								
<div></div> <div>Pharmaceutical Industry Pharmaceutical industry products require a very high degree of purity</div>								
<div></div> <div>Hygiene and Cleaning Products / Detergents and Soaps Cleaning products are used for the effective removal of oils and greases and the disinfection of surfaces</div>								
<div></div> <div>Water Treatment Chlorine-based products act in the disinfection of public water and for human consumption</div>								
<div></div> <div>Paper Industry The manufacturing of paper and its by-products depends essentially on inorganic products</div>								



INDUSTRIAL CHEMICALS VALUE CHAIN



Bondalti Chemicals, S.A.'s two main production sectors (organic and inorganic) are located at the Estarreja industrial unit. Bondalti operates in Spain, more precisely at Torrelavega, through Bondalti Cantabria, S.A., exclusively in the inorganic production sector. Also in Spain, specifically at Pontevedra, Elnosa - Electroquímica del Noroeste, S.A. major activity is the trading of products from the two industrial units.

As a chemical company, Bondalti is focused on providing solutions with ambitious environmental goals, both globally and at European Union level.

Legend:



Production units



Logistics centers



Offices

Location of the Industrial Chemicals operations





Bondalti operates in the Water Treatment solutions market in Portugal, Spain and Angola, as well as globally, exporting solutions all over the world since 2020.

In this business area, Bondalti specialises in two large groups of complementary activities:

- **Design and Engineering:** Design, production, marketing and installation of highly reliable and competitive water and wastewater treatment equipment and solutions.
- **Maintenance and Operation:** follow-up of each client with an offer of continued support, including comprehensive management, operation, preventive and/or corrective maintenance, while maintaining a close relationship with the client's interlocutors.

Serving high-demand clients for whom water is a critical asset, especially in the industrial, health, tourism and large buildings and facilities sectors.

Establishing the water-energy-resources connection, by taking advantage of its capacities in order to allow and promote the reuse of water, the increase of water and energy efficiency, as well as the recovery of waste and the generation of biogas from wastewater.

This business area reflects a long-term commitment to and in line with global trends in sustainable development, including the United Nations Sustainable Development Goals (SDGs), with emphasis on the efficient use, supply and access to drinking water (SDG 6) and on ensuring sustainable consumption and production patterns (SDG 12), among others.

The portfolio of solutions for water and wastewater treatment comprises numerous solutions and technologies for the production of water for human consumption, industrial water process and utilities, as well as for wastewater and waste treatment. We highlight the following:

- Solutions with membrane technologies, such as reverse osmosis or ultrafiltration;
- Electrodeionization equipment;
- Advanced biological solutions, such as MBR membrane bioreactor solutions;

- Advanced biological solutions allowing energy recovery and reduction of emissions and waste, such as UASB type anaerobic reactors;
- Solutions with physical-chemical treatments, advanced oxidation systems and sludge treatment;
- Customized chemical dosing equipment for water treatment or other applications;
- Solutions for the reuse of wastewater for various purposes;
- Advanced monitoring and control solutions associated with Bondalti products.

This technical portfolio comprises the supply of services focused on two key pillars: the regular operation and maintenance of client facilities, and technical assistance whenever requested, providing a quick and efficient response, ensuring ongoing operation, and applying the best techniques, resources and consumables.

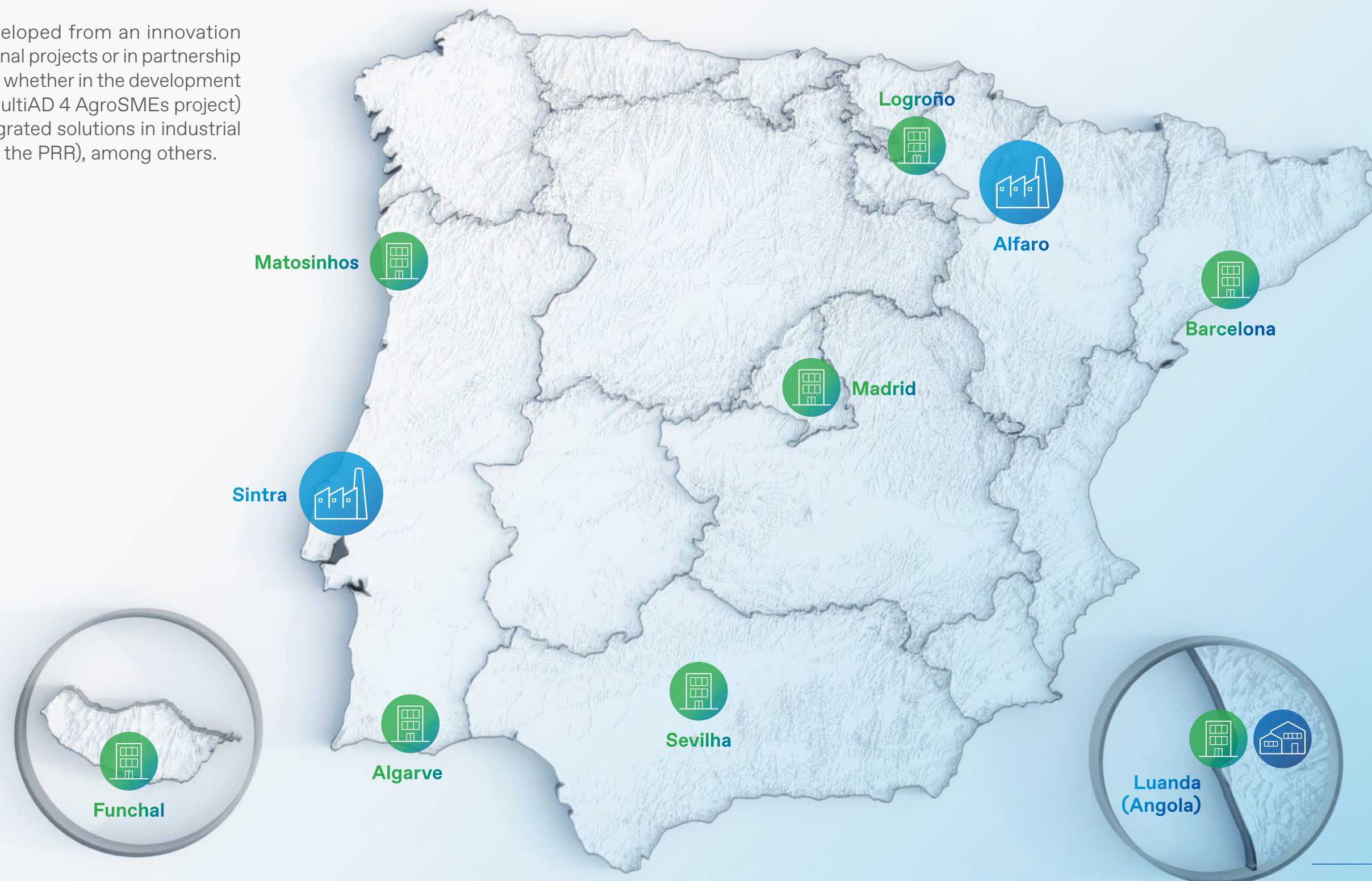
This activity is assisted by a chemical and biological analysis laboratory, accredited in Spain, which supports internal activity and provides high quality analysis and inspection services.



Bondalti has over 350 professionals, located in Portugal, Spain and Angola, serving local markets and exporting to international markets.

This services portfolio was developed from an innovation perspective, through various internal projects or in partnership with various international entities, whether in the development of anaerobic reactors (eg LIFE-MultiAD 4 AgroSMEs project) or in the search for efficient integrated solutions in industrial sectors (eg Giatex project, under the PRR), among others.

Location of Water Treatment activities



Legend:



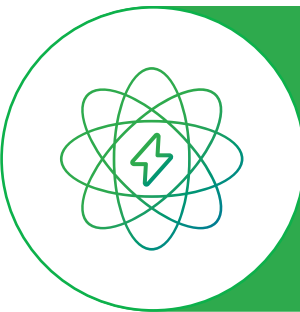
Production units



Logistics centers



Offices



BONDALTI
ENERGY

Green Hydrogen

Sustainable Lithium

Bondalti Energy was set up in 2022 in the wake of several decades of development of technologies and processes in the field of industrial chemicals. Taking into account the growing demand for solutions with a positive impact on the sustainability of industries, Bondalti now has the opportunity to apply these developments in the value chains of new industries, namely in the Energy sector. The Energy area translates Bondalti's commitment to a sustainable track record, a mission based on four vectors. One of the most relevant vectors is the potential for decarbonisation, i.e. the mission to create products and processes with a lower carbon footprint than current industry alternatives. A second crucial vector in Bondalti Energy's mission is the potential for circularity, which translates into the integration of waste, by-products or end-of-life products, whether coming from Bondalti's value chain or other. If, on the one hand, the impact of the mission is of the utmost significance, the way to achieve it is equally critical – Bondalti's competitive advantage. Thus, a third essential vector is the integration into Bondalti's value chain, incrementally, whether upstream or downstream. Finally, a fourth fundamental vector is the application of Bondalti's skills, technologies or processes, both proprietary and acquired from third parties.

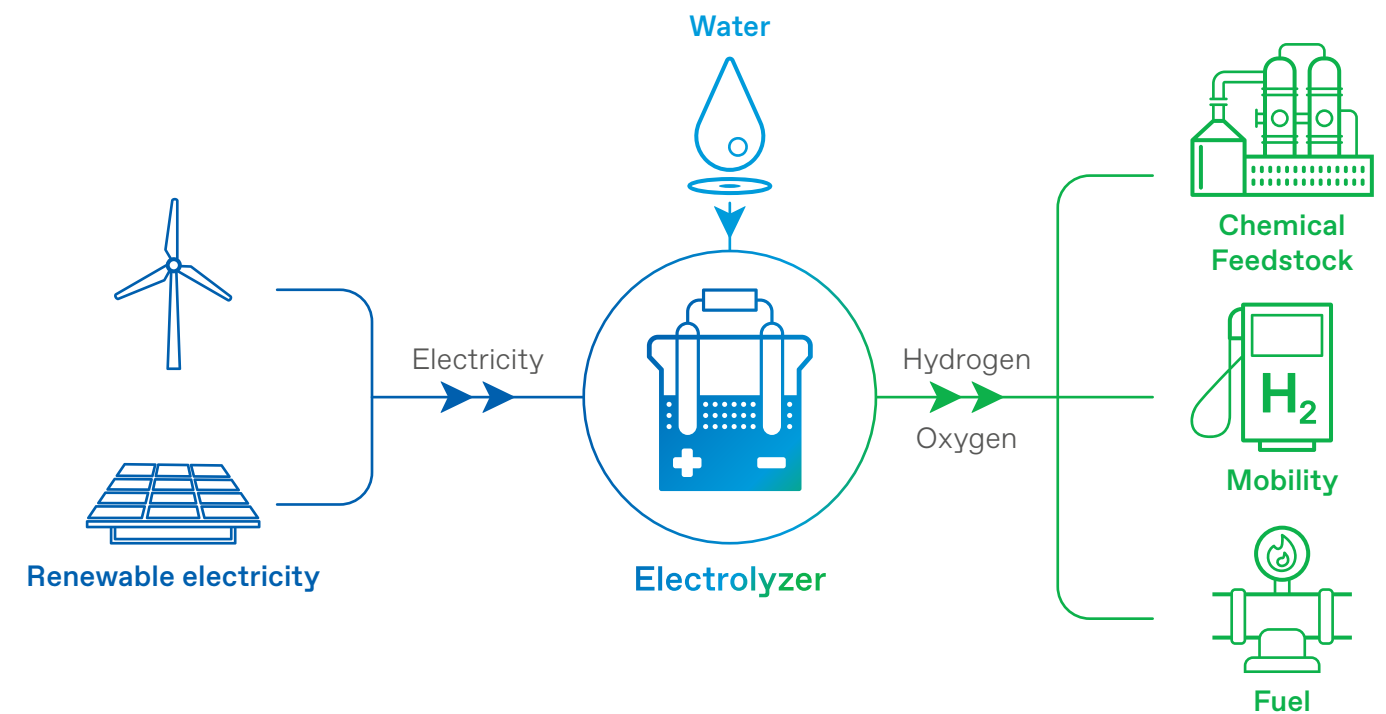
Currently, Bondalti Energy's scope of action is essentially focused on the areas of Green Hydrogen and Sustainable Lithium, which are described in more detail below.

Green Hydrogen

"Fit for 55" is a European Union initiative aimed at reducing greenhouse gas emissions by 55% by 2030, for which green hydrogen will play an important role in terms of the decarbonisation capacity of European economies. Logically, Bondalti's vision and its strategic objectives for 2030, which include, among others, the significant integration of green hydrogen in its value chain, reflect the ambition to decarbonise its current operations and contribute to European

climate and energy goals, complying with the "Fit for 55" goals for the chemical sector.

The Estarreja Chemical Complex (CQE) is currently the national site with the most developed hydrogen value chain. Currently, Bondalti is the second largest Portuguese consumer of hydrogen, having already considerable knowledge in the production of hydrogen via electrolysis, through the chlor-alkali production process. Within the scope of the latter, Bondalti developed knowledge about membrane cell technology and implemented characterisation tools and operational procedures aimed at reducing costs. These two facts – the current existence of a hydrogen value chain in Estarreja and the experience in electrolysis technology and its operation – provide a competitive edge to Bondalti's bet on positioning itself as a future producer of green hydrogen.



Bondalti is developing a green hydrogen project, the "H2Enable", which was recently recognized as an IPCEI-H2 project by the European Commission, having also been approved in 2022 for funding under the Recovery and Resilience Plan. The project is in line with the European decarbonisation and reindustrialisation goals, based on advanced, intelligent and efficient technologies, low environmental impact, orientation towards more qualified products with greater added value, as well as the principles of circularity.

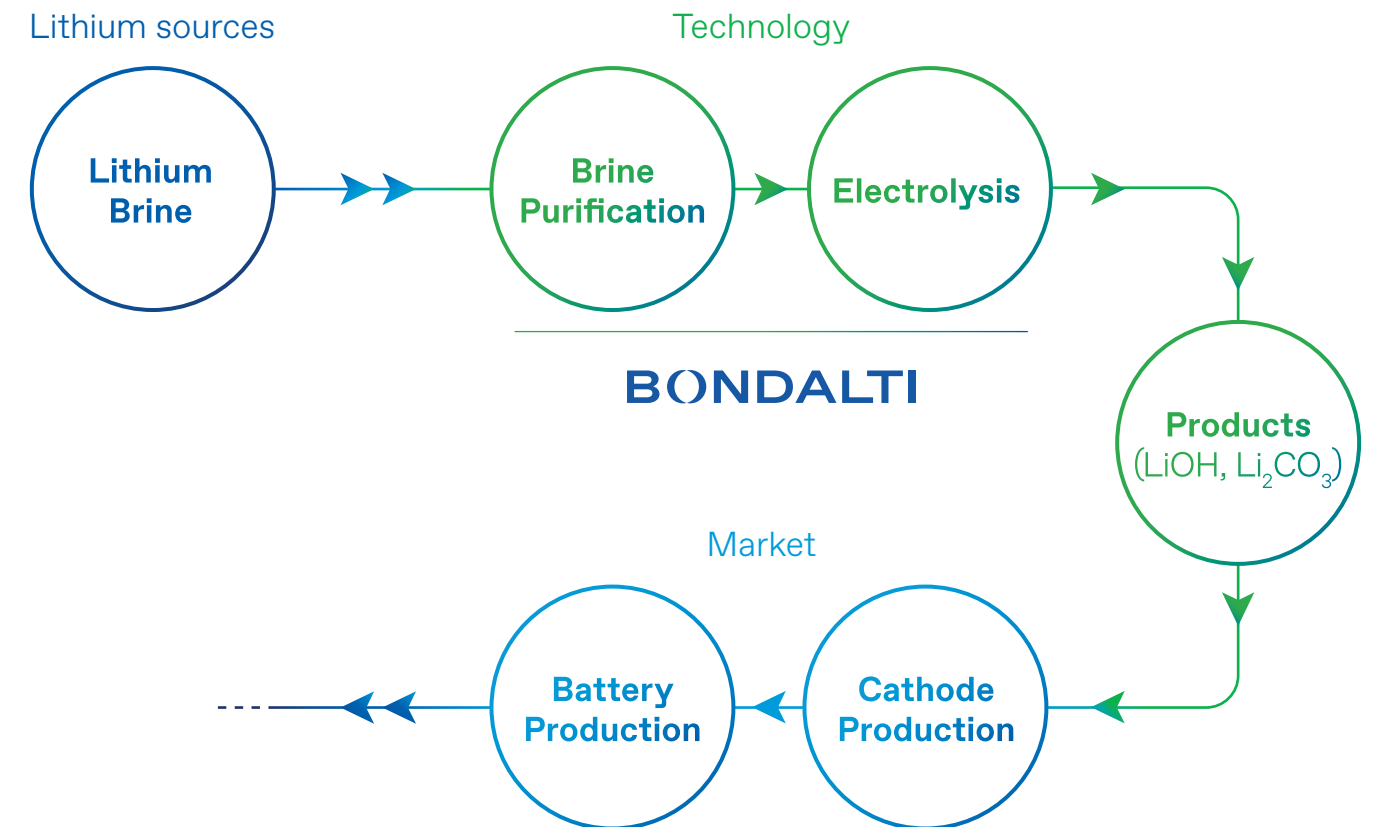


Bondalti is also part of a consortium formed by 13 entities that aims to develop a new green hydrogen production project in Sines, entitled “GreenH2Atlantic”. This project was one of three selected for funding by the “Horizon 2020 – Green Deal”, to demonstrate the viability of green hydrogen on an unprecedented scale of production and technological application.

Sustainable Lithium

Simply put, the lithium battery production value chain begins with the exploitation of lithium sources. The ore is subsequently purified and refined (usually converted to lithium hydroxide or lithium carbonate). Afterwards, the refined products are delivered to cathode producers and finally integrated into batteries.

In this value chain, Bondalti seeks to operate in the purification and refining segment, producing lithium hydroxide. The main reason is the possibility for Bondalti to adapt its brine electrolysis technology used in the chlor-alkali sector for several decades, and replace conventional processes, which have a larger carbon footprint and higher costs, with this process powered by electricity from renewable sources. In addition to lithium hydroxide, this process results in chlorine and hydrogen, by-products that are easily integrated into Bondalti’s current value chains.



At the end of their life, batteries are recycled and there is also a specific value chain for this purpose. The batteries are first collected, grouped, discharged and disassembled; an essentially mechanical process then follows that ends with the production of the so-called “black mass”, an agglomerate of metals including lithium, manganese, cobalt and nickel. Lastly, a chemical process takes place that allows the separation of these metals and subsequent delivery to cathode producers.

In this value chain, the positioning that matters most to Bondalti is where it adds the most value, which is naturally the development of the chemical process for separating metals, again following the logic of increasing sustainability and reducing costs through circularity and integration into the company’s existing value chains.

The activities that will allow Bondalti to be a player in the production of lithium hydroxide and in the recycling of lithium batteries are being developed within the scope of the “New Generation Storage” project, approved in 2022 for funding under the Recovery and Resilience Plan.

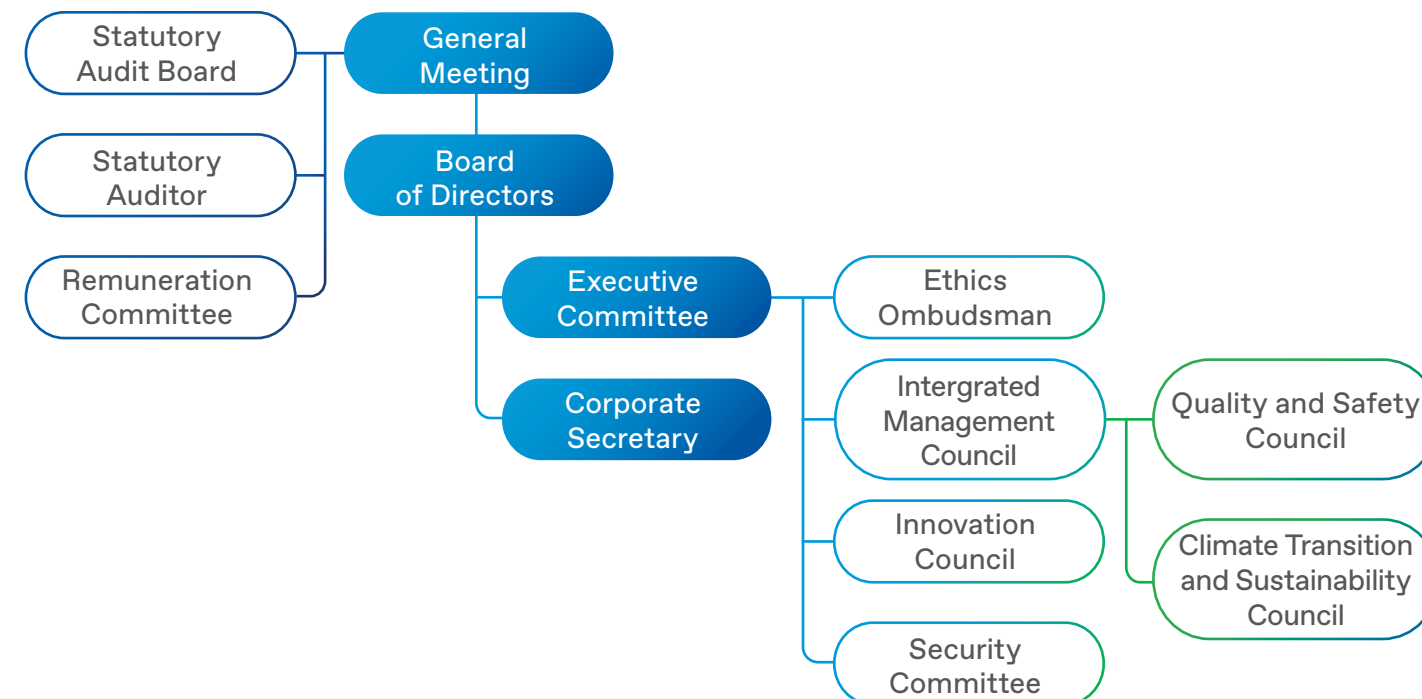


01. Governance and Strategy

Principles of Governance

Bondalti Capital, S.A. owns a group of companies dedicated to the management of industrial chemicals and water treatment businesses. Bondalti Capital, S.A. is responsible for defining cross-corporation responsibilities such as mission, vision, values, or strategy, as well as for coordinating the management of all the subsidiaries.

Bondalti's governance model is based on ethical and transparency principles, operated by different bodies responsible for guiding, managing, and supervising the activity.



General Meeting

The General Meeting is formed by shareholders with voting rights and its operating rules and attributions are defined in the Articles of Association, complying with the provisions of the Commercial Companies Code. The General Meeting is convened and chaired by the chairman of the respective board, which is also made up of a secretary; they are both elected by General Meeting for a term of office of four years. The members of the Board of Directors and of the Supervisory Board must also participate in the meetings of this body, without the right to vote.

It is incumbent upon the General Meeting to appraise the report of the Board of Directors; discuss and vote on the balance sheet and accounts and resolve on the appropriation of results for the year; elect the Board of the General Meeting, the Board of Directors, the Statutory Audit Board, and the Remuneration Committee; resolve on any amendments to the articles of association and capital increase; among others.

Board of the General Meeting

Chairman

Alexandre Cabral Corte-Real de Albuquerque

Secretary

Pedro Jácome da Costa Marques Henriques





The Statutory Audit Board and Statutory Auditor

The supervision of the company is the responsibility of the Statutory Audit Board, made up of three effective members and an alternate, elected at the General Meeting, for the current four-year period. The structure, composition, powers, and duties of this body are stipulated in articles 413 to 423 of the Commercial Companies Code.

It falls to this body to supervise the administration of the company; monitor compliance with the law and the Articles of Association; verify the regularity of the books, accounting records and supporting documents; oversee the process of preparing and disclosing financial information; among others.

Statutory Audit Board	Chairman
	Maria do Rosário Mayoral Robles Machado Simões Ventura
	Members
Statutory Auditor	José Miguel Tavares Mora do Vale
	Romualdo Luís Ribera Salcedo
	Alternate
	Igor Amarii
	ERNST & YOUNG AUDIT & ASSOCIADOS – SROC S.A.

Remuneration Committee

The Remuneration Committee's duty is to define the remuneration policy of the members of corporate bodies, subject to the approval of the General Meeting, and fix the remuneration of the members of the corporate bodies.

Board of Directors

The management of the company is exercised by a Board of Directors, elected by the shareholders at the General Meeting for a renewable term of four years. In January 2021 the General Meeting elected the Board of Directors for the 2021-2024 period, having re-elected the Chairman of the previous term, as well as the members of the Executive Committee (EC).

This body is responsible for managing the business, actions and operations related to the corporate object; act on the company's behalf; establish the technical-administrative organization and internal functioning rules, among others. The Chairman of the Board of Directors is responsible for ensuring the correct execution of the decisions of this body, as well as for coordinating its activity. The meetings of the Board of Directors must be held on a monthly basis and are convened by the Chairman.

Board of Directors	Chairman
	João Maria Guimarães José de Mello*
	Members
	André Cabral Côrte-Real de Albuquerque*
	João Jorge Gonçalves Fernandes Fugas
	João Pedro Ribeiro de Azevedo Coutinho
	João Pedro Stilwell Rocha e Melo
	Luís Augusto Nesbitt Rebelo da Silva*
	Luís Henrique Marcelino Alves Delgado*
	Marisa Poncela García
	Vasco Luís José de Mello

*Executive Committee



João Maria Guimarães
José de Mello

João de Mello is Chairman of the Board of Directors and Chairman of the Executive Committee of Bondalti Capital, as well as member of the Board of Directors and Executive Committee of José de Mello Capital, SA, the shareholder of Bondalti.

With over 30 years of professional experience in the chemical sector, in addition to his functions at Bondalti, he represents Bondalti with the General Council of COTEC (Portuguese Business Association for Innovation); he is Vice-chairman of the General Meeting of AIP (Portuguese Industrial Association), member of the Board of ACEGE (Christian Association of Entrepreneurs and Managers) and Vice-chairman of the Board of the General Meeting of APQuímica (Chemical, Petrochemical and Refining Industry Association).

João de Mello studied Business Administration at École d'Administration et de Direction d'Entreprises, in Switzerland, having completed his university studies at Catholic University de Louvain, in Tournay, specialising in Industrial Textile Techniques. In addition, he trained in several management areas, having completed the Leadership Management Training Program for Top Managers, at IMD International.



André Cabral Côrte-Real
de Albuquerque

With 10 years of experience in the chemical sector, André de Albuquerque is member of the Board of Directors and Executive Committee of Bondalti Capital. André de Albuquerque is also member of the Board of FEIQUE, and Business Angel accredited by IAPMEI (Competitiveness and Innovation Agency).

Over the years, André de Albuquerque held management positions in companies and sectors as different as Printed Electronics, Nanotechnology, Civil Explosives or Fertilizers, having gained large experience in several functional and sector areas.

André de Albuquerque has a degree in Business Administration from Universidade Católica Portuguesa, and postgraduate studies from the same University and AESE Business School.



João Jorge Gonçalves
Fernandes Fugas

João Fugas is Non-Executive Member of the Board of Directors of Bondalti Capital and Auditor at the Instituto de Defesa Nacional (Institute of Homeland Defence).

João Fugas has over 35 years of professional experience in various industries, having held top management positions in various industrial and services companies of the Sonae Group.

João Fugas holds a degree in Chemical Engineering from Faculdade de Engenharia da Universidade do Porto. In addition, João Fugas has completed several management training programs, including the Leadership Program for Top Managers at IMD International and the Senior Business Management Program at the AESE Business School.



João Pedro Ribeiro
de Azevedo Coutinho

João Azevedo Coutinho is Executive Director of José de Mello Capital and non-executive member of the Board of Directors of Bondalti Capital.

With over 35 years of professional experience, he started his career at Coopers & Lybrand and was the manager responsible for the Investment Banking Division of Deutsche Bank in Portugal. João Azevedo Coutinho was member of the Executive Committee of Banco Mello de Investimento, Executive Member of the Board of Directors and CFO of Brisa, being also responsible for several areas and subsidiaries of the Brisa Group. He was also a member and later Chairman of the Board of Directors of CCR - Companhia de Concessões Rodoviárias in Brazil.

Graduated in Business Administration and Management from Universidade Católica Portuguesa, he completed the Leadership Management Training Program for Top Managers at IMD International and the Advanced Management Program at Harvard Business School.



João Pedro Stilwell
Rocha e Melo

Pedro Rocha e Melo is Executive Director of José de Mello Capital, Non-executive Director of Bondalti Capital, Vice-chairman of CUF and Vice-chairman of ACEGE.

He was Vice-chairman and Executive Director of Brisa Autoestradas de Portugal and Chairman of Via Verde Portugal. Before joining Brisa, he worked in Investment Banking, as CEO of Banco Mello de Investimentos, Director of Banco Mello, Companhia de Seguros Império and Mello Valores. He was also a member of the Board of the Portuguese Chamber of Commerce and Industry.

Pedro Rocha e Melo has a degree in Mechanical Engineering from Instituto Superior Técnico and a MBA (Master of Business Administration) from Universidade Nova de Lisboa.



Luís Augusto Nesbitt
Rebelo da Silva

Luís Rebelo da Silva is member of the Board of Directors and the Executive Committee of Bondalti Capital and member of the Board of Directors of the European Chemical Industry Council (CEFIC).

At the beginning of his career, Luís Rebelo da Silva worked for ICEP (Portuguese Trade and Investment Institute), and in the venture capital industry as an investment analyst. Prior to joining Bondalti, Luís Rebelo da Silva worked for more than 18 years in several other companies of the José de Mello Group, where he held top management positions.

Luís Rebelo da Silva graduated in Business Administration from Instituto Superior de Economia e Gestão in Lisbon.



Luís Henrique Marcelino
Alves Delgado

Luís Delgado is member of the Board of Directors and of the Executive Committee of Bondalti Capital and Chairman of APQuímica.

Luís Delgado joined the José de Mello Group as head of the Strategic Planning, Development and Control Division of José de Mello, having subsequently held positions in several companies of the group, among which Efacec Power Solutions, where he was Executive Director, acting on behalf of shareholders José de Mello and Têxtil Manuel Gonçalves.

Luís Delgado holds a B.S. in Electro technical and Computer Sciences Engineering from Instituto Superior Técnico, and a MBA from Universidade Nova de Lisboa.



Marisa Poncela
García

Marisa Poncela García is member of the Board of Directors of Bondalti Capital, holding non-executive functions.

Marisa Poncela García graduated in Economic Sciences from the University of Zaragoza, having begun her professional career in 1984, as technician at the Ministry of Economy and Commerce, and pursued a relevant career in the Spanish public administration, as General-Secretary for Science and Innovation, State Secretary for Trade, chairman of ICEX Espanha Exportações e Investimentos and, until 2020, international director of Renfe Operadora.

Marisa García was also a professor in several master's programs and general manager of Fundação Abbott and co-founder of Addtalentia S.L. Currently, Marisa Poncela García is also non-executive director at Talgo, a company in the railway sector; Idom, Engenharia e Consultoria; Salvat Laboratories, in the pharmaceutical area; and Amber, a communications technology and engineering company.



Vasco Luís
José de Mello

Vasco Luís José de Mello is the General Manager of José de Mello Capital and a Non-Executive Member of the Board of Directors of Bondalti Capital.

With over 30 years of professional experience, he began his career in the mergers and acquisitions department of Hambros Bank in London and Lisbon. He joined the Corporate Finance area of Banco Mello de Investimentos and was the manager responsible for the Strategic Planning and Control area of José de Mello. He worked in the health area and was Executive Director of CUF, having held various positions, namely President of the Executive Committee of Hospital CUF Infante Santo and Hospital CUF Descobertas, Executive Director of Quirón (Spain), and he was also Chairman of the Board of Directors Hospital de Braga, PPP and Hospital de Vila Franca de Xira, PPP. He returned to the parent company as General Manager, with responsibility for the areas of Strategic Planning, Control and Accounting.

Graduated in Mechanical Engineering at the Catholic University of Louvain, Belgium, Vasco Luís José de Mello completed a Master's in Business Management at the same University and participated in several management courses at IMD, INSEAD (Institut Européen d'Administration des Affaires) and MIT Sloan.



Executive Committee

The Board of Directors delegates the day-to-day management of the company to the Executive Committee (EC), namely the monitoring of all activities and projects developed in the Bondalti companies.

As a rule, this body’s meetings take place on a weekly basis, and aim to manage critical and priority issues of any of the Organization’s departments, so that decisions are taken in a timely and responsible manner. The regular follow-up carried out by the EC is crucial for managing risk and assessing the fulfilment of short-, medium- and long-term goals.

The performance assessment of this body is based on objectives defined for a specific time horizon and in different areas, namely the economic, social and stakeholder perception areas.

The Directors who form the Executive Committee are responsible for managing the coordination of different areas and departments:

João de Mello	André de Albuquerque	Luís Delgado	Luís Rebelo da Silva
<ul style="list-style-type: none">- Communication and Brand- Internal Audit and Risk Management- IT, Information Security, Digitalisation and Innovation- People- Sustainability & Climate Transition	<ul style="list-style-type: none">- Chemistry and Hydrogen Business- Coordination of Industrial Sites- Commercial- Business Development and Market Intelligence- Integrated Production and Energy Planning- Safety, Environment and Quality- Supply Chain- Technology	<ul style="list-style-type: none">- Lithium Business	<ul style="list-style-type: none">- Water Treatment- Bondalti Water Solutions Structures- Administrative and Financial- Legal- Real Estate, Insurance, General Services and Fleet Management- Management Planning and Control

Bondalti has other advisory bodies to support the management of relevant and wide-ranging themes within the Organisation.

Ethics Ombudsman

The mission of the Ethics Ombudsman is to monitor and supervise all matters related to the application of the Bondalti Code of Ethics. The Code of Ethics demonstrates the organization’s commitment to acting ethically and with integrity under all circumstances, always respecting the rights of its stakeholders. The Code of Ethics and Ombudsman Regulations provide the internal and external advisory and reporting mechanisms for behaviours that might be deemed unethical, unlawful, or lacking integrity.

The Ethics Ombudsman is appointed or dismissed by the Executive Committee and acts in direct coordination with corporate bodies, committees, and structures of the Organisation.

Integrated Management Council

The Integrated Management Council is responsible for the implementation of the different areas Management Systems, namely Quality, Occupational Health and Safety, Environment and Energy at Bondalti Chemicals and Bondalti Cantabria, viewing to improve performance, sustainable development, employee health and safety protection and prevention of serious industrial accidents.

This body is sub-divided into two, according to the subjects and areas concerned, the **Quality and Safety Council**, for issues relating to Quality, Occupational Safety and Health and Industrial Safety, and the **Climate Transition and Sustainability Council**, for Environment, Energy, Environmental Sustainability and Climate Change related matters.



Innovation Council

The Innovation Council is an advisory body created to define and guide the strategy and policy of Bondalti with regard to innovation, proposing and following up the general lines of the Research, Development & Innovation System implemented at Bondalti Chemicals according to NP 4457, with a view to improve its performance, whilst continuously promoting sustainable innovation focused on a better efficacy and efficiency of processes and/or exploiting growth opportunities paving the way for disruptive innovation.

Security Committee

The Security Committee is responsible for the Security of Information strategy, and for controlling its implementation. It is the responsibility of this Committee to: analyse and monitor Bondalti's compliance with legal and regulatory obligations concerning Security of Information; discuss and propose initiatives in this field to improve the level of internal control; promote discussion about significant changes within the Organisation; identify and analyse the impacts at Information Security level and the risk profile of the Organisation; and control performance indicators relating to Security of Information.





01. Governance and Strategy

Key indicators and value creation



- Development of innovation capacity
- Production operational efficiency
- Development of scientific knowledge
- Higher visibility and recognition



- Production operational efficiency
- Reduction of environmental impact
- Protection of biodiversity and ecosystems



- Creation of sustainable value
- Growth of the organisation








- Development of skills
- Reconciliation between personal and professional life
- Protection of Employees
- Safe working environment



- Confidence in products and services
- Increase in Client satisfaction
- Increase in safety and efficiency
- Increase in recognition
- Development of Local Community



	Effort	Results
<div><div>Financial Capital</div></div>	<div>€M 356.8 in Cost of Goods Sold</div> <div>€M 114.7 in Supplies and Services</div> <div>€M 35.6 in Personnel Expenses</div>	<div>€M 595.1 in Turnover</div> <div>€M 102.6 in EBITDA</div> <div>€M 51.9 in Net Profit</div> <div>€M 69 in Net Debt</div>
<div><div>Intellectual Capital</div></div>	<div>91 ideas submitted by Employees</div> <div>€M 3.2 in RDI costs and investment</div> <div>9% of Employees allocated to RDI activities</div>	<div>€M 1.7 cumulative return on implemented ideas</div> <div>39 RDI initiatives and/or projects</div> <div>68 RDI partnerships</div>
<div><div>Human Capital</div></div>	<div>744 Employees (440 in Portugal, 223 in Spain, 81 in Angola)</div> <div>€k 1 021 in employment benefits</div> <div>37 624 training hours</div>	<div>efr certification from Fundación MásFamilia</div> <div>14 non serious occupational accidents with sick leave</div> <div>Incidence rate of 0.022</div>
<div><div>Social Capital</div></div>	<div>€k 2 291 invested in the Community</div> <div>206 stakeholders assessing performance in Sustainability</div> <div>157 clients assessing Industrial Chemicals</div>	<div>82 out of 100 in the EcoVadis sustainability survey</div> <div>4.14 out of 5 in the Stakeholder Sustainability assessment</div> <div>4.29 out of 5 in the Clients assessment</div>
<div><div>Natural Capital</div></div>	<div>547 kt of raw materials used at Industrial Chemicals</div> <div>1 988 k m³ water consumed</div> <div>3 112 kGJ energy consumed</div>	<div>1 777 kt of Industrial Chemicals products</div> <div>1 081 k m³ of effluents</div> <div>16 969 t of waste</div> <div>140 kt CO₂ eq. emitted</div>





01. Governance and Strategy

Strategy and Materiality

Achieving effective sustainable development requires acting on current needs without compromising future needs, while assessing the balance between economic growth and the protection of the environment and social well-being.

Bondalti is well aware of this and therefore, the company adjusts its strategy and operations to current and future needs.



Consolidate **sustainability, climate transition and energy** into strategic priorities



Provide the **Business Units** with the **solidity** required to achieve their ambitions



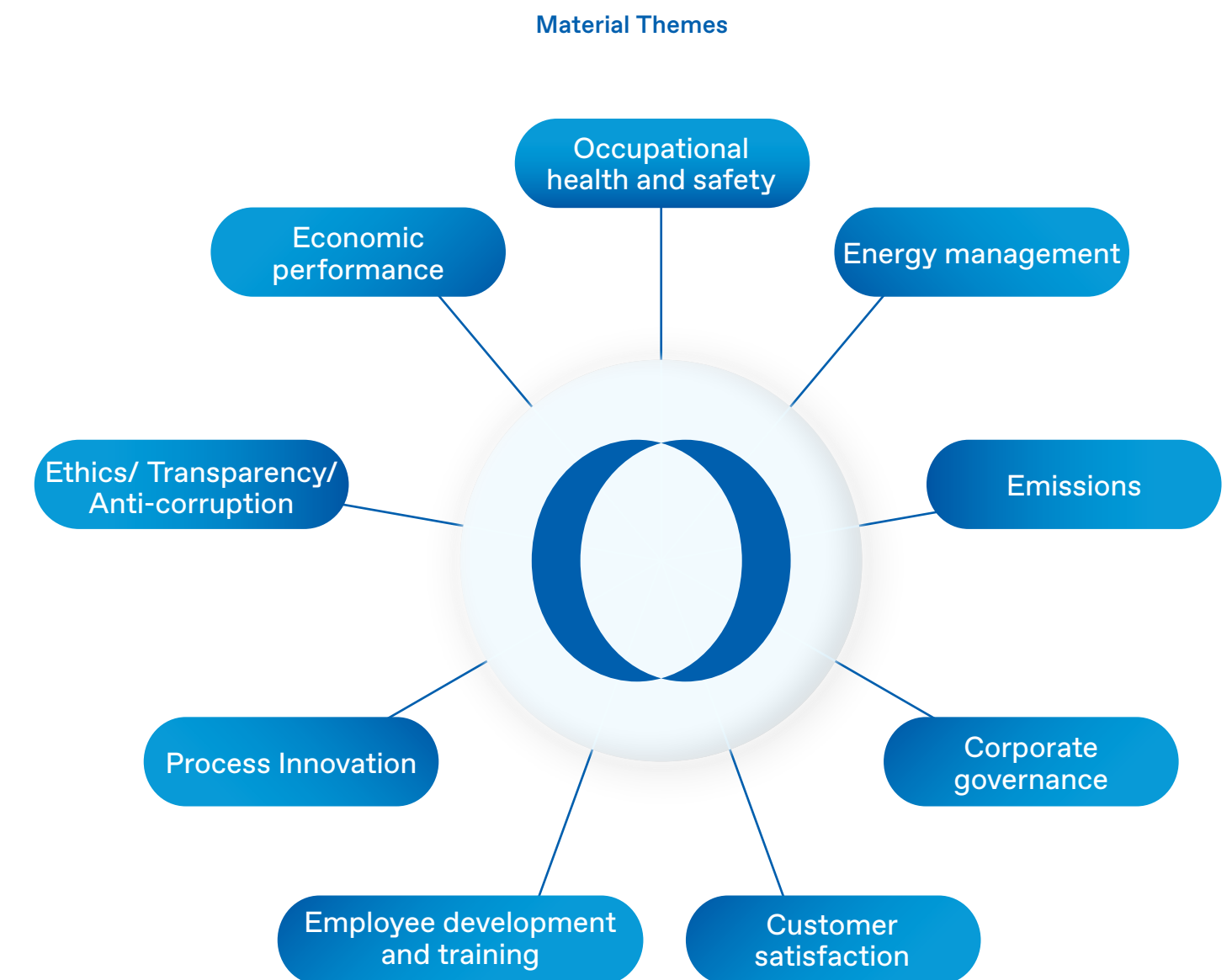
Maintain, at the corporate centre, the responsibility for proposing **cross-cutting policies**

Bondalti's material sustainability themes are defined based on the Organisation's strategy, as well as on the process of consulting internal and external stakeholders, supported by trend and benchmark analyses.

The company carried out a bibliographical survey on relevant sector issues and trends in global terms, in order to identify the themes to consider in the materiality assessment process.

The materiality matrix of the Sustainability themes emerged from this survey, taking into account the importance of the theme for the company vs. importance to stakeholders. This exercise was carried out through a questionnaire to stakeholders; in 2023 Bondalti plans to carry out a general review of this strategy and update material themes.

Bondalti's material themes were updated at the beginning of 2022 in line with stakeholder consultations carried out at the end of 2021.





This materiality analysis is also relevant for the identification of the SDGs most impacted by the Organisation, whether positively or negatively. The SDGs encompass the United Nations 2030 Agenda for Sustainable Development, a new global model, which must be implemented by all, to promote prosperity and overall well-being, while protecting the environment and fighting climate change. Bondalti contributes to several SDGs, most relevantly to the following:



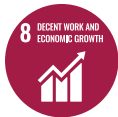
Clean Water and Sanitation

Bondalti takes effective measures aimed at reusing water, monitoring **water efficiency and effluent emission**. Some of the products produced by Bondalti are essential in water treatment methodologies.



Affordable and Clean Energy

Bondalti develops a range of energy efficiency measures and continuously monitors its emissions. Bondalti aspires to **increase renewable energy** consumption in the global energy matrix.



Decent Work and Economic Growth

Bondalti is focused on the sustainable development and expansion of its activity, banking on **operational efficiency** and **human capital**.



Industry, Innovation and Infrastructure

Bondalti is a relevant company in the Portuguese industrial landscape, banking on **RDI activities** to achieve operational efficiency and technological and functional modernization.



Responsible Consumption and Production

Bondalti invests in **circular economy** initiatives, fostering a responsible and more competitive business growth, with less impact on social and natural capital.

Economic Performance					
Energy Management					
Client Satisfaction					
Process Innovation					
Emissions					
Health and Safety at Work					
Ethics / Transparency / Anti-corruption					
Development and Training of Employees					
Corporate Governance					

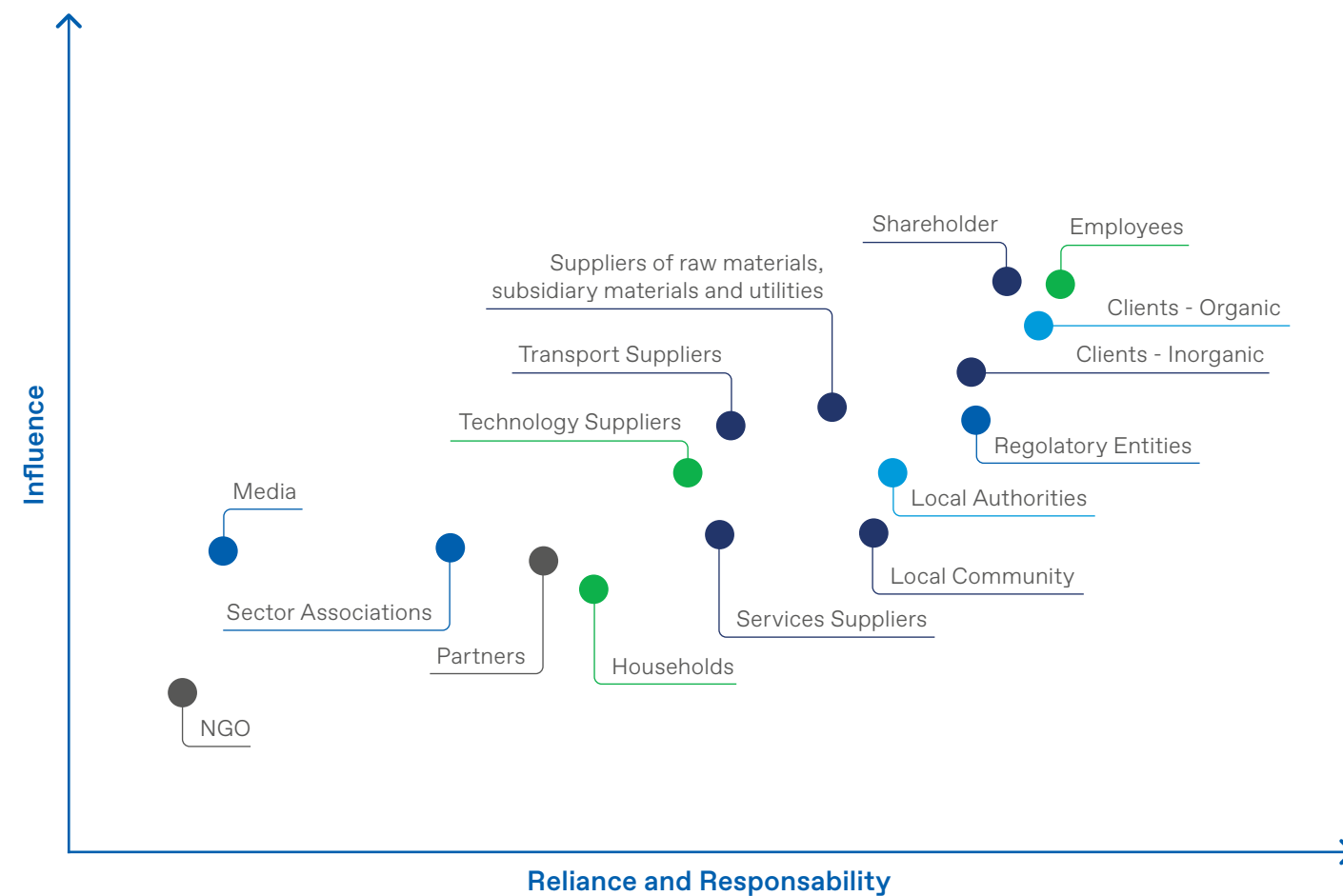


01. Governance and Strategy

Management of Stakeholders

For Bondalti, an effective identification of stakeholder groups is a crucial step towards value creation. These different groups of stakeholders are defined in a matrix in which their relevance is assessed according to their influence and their dependence on Bondalti (and vice versa), as well as the responsibility that the Organisation has towards these groups.

Matrix of Stakeholders



Every two years, the Organisation carries out a consultation survey with its most relevant stakeholders in order to understand their perception of Bondalti's sustainable performance, assess their degree of satisfaction and also to know their main requirements and expectations. The latest consultation was carried out in the second half of 2021.

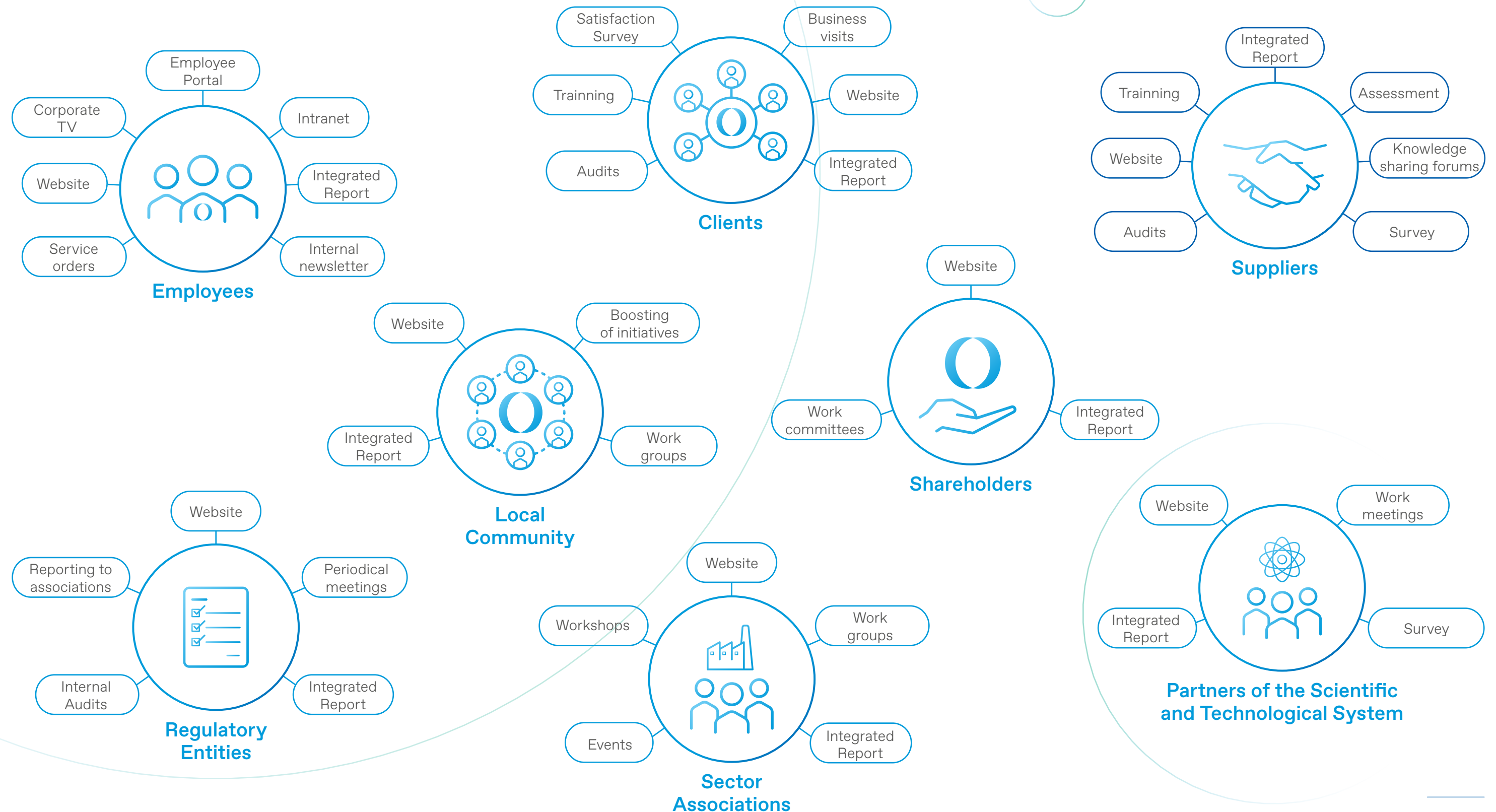
Though it does not assess in detail each of the topics covered, this listening exercise is relevant to determine the themes requiring greater focus, the opportunities for improvement and also the Involvement Plan for each group of stakeholders.

The stakeholder consultation survey established some of the sustainability practices of Bondalti's main Clients and Suppliers, providing very important results for the analysis of the Organisation's Value Chain.





Communication Channels with Stakeholders





Suppliers

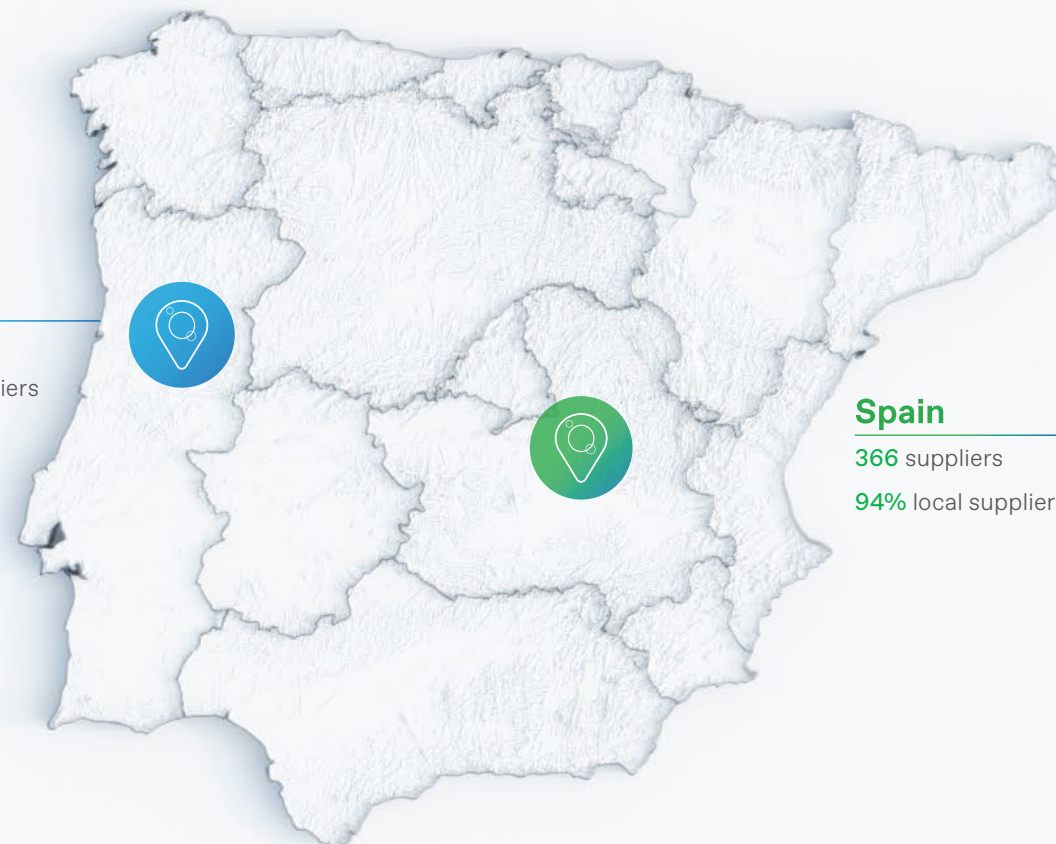
With the aim of ensuring that its suppliers are also aligned with the principles of sustainable development, since 2021 Bondalti has implemented its Suppliers Conduct Code, which sets out the main guidelines in the areas of Environment, Safety and Health; Human and Labour Rights; and Ethics and Governance. Bondalti expects its suppliers to recognise and act in accordance with the contents of this Code, in addition to complying with their contractual obligations and Bondalti's General Purchase Terms.

In relation to the supply chain and considering the respective places of operation of Industrial Chemicals, local suppliers are considered to be those located in Portugal and Spain.

Operations in Industrial Chemicals

Portugal

903 suppliers
84% local suppliers



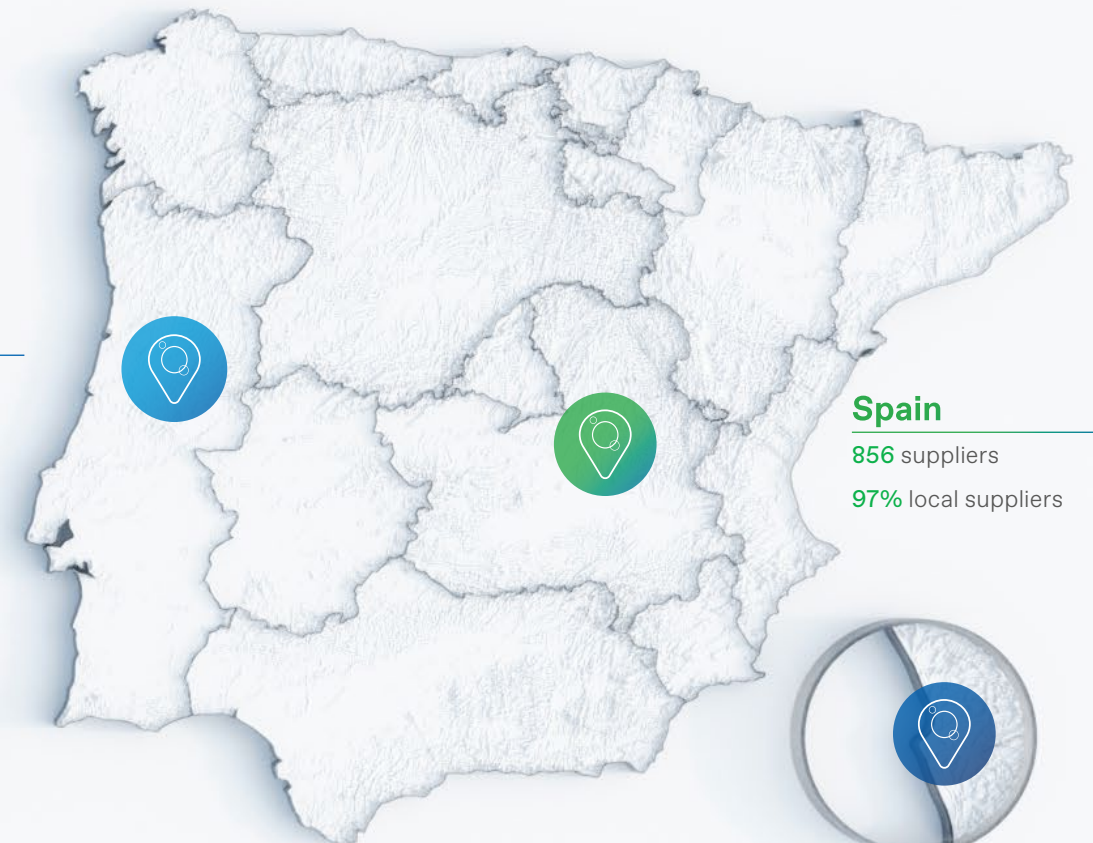
Spain

366 suppliers
94% local suppliers

Operations in Water Treatment

Portugal

552 suppliers
91% local suppliers



Spain

856 suppliers
97% local suppliers



Angola

101 suppliers
100% local suppliers



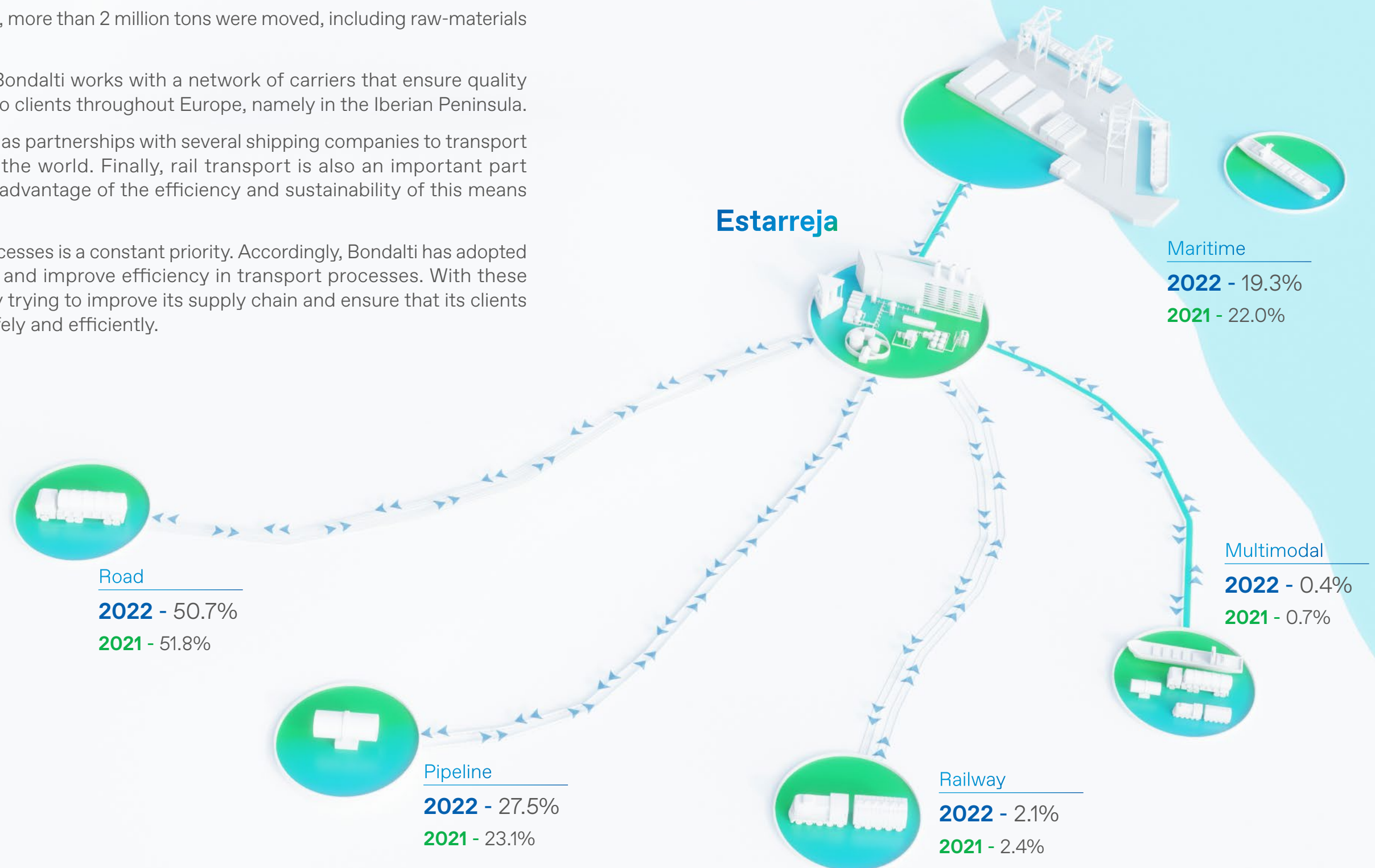
Logistics

In 2022, in the Estarreja complex, more than 2 million tons were moved, including raw-materials and finished products.

With regard to road transport, Bondalti works with a network of carriers that ensure quality in the transport of its products to clients throughout Europe, namely in the Iberian Peninsula.

In maritime transport, Bondalti has partnerships with several shipping companies to transport its products to clients around the world. Finally, rail transport is also an important part of the logistics strategy, taking advantage of the efficiency and sustainability of this means of transport.

The optimisation of logistical processes is a constant priority. Accordingly, Bondalti has adopted lean practices to reduce waste and improve efficiency in transport processes. With these measures, Bondalti is constantly trying to improve its supply chain and ensure that its clients will receive products quickly, safely and efficiently.





Product Regulations

(EU) Regulation 2020/878 introduced changes to the structure and content of Safety Data Sheets; all Bondalti Safety Data Sheets were revised during 2022 in order to comply with this requirement.

To this end, the Company carried out continuous monitoring of proposed regulatory changes arising from the Strategy for the Sustainability of chemical products, such as the revision of the REACH and CLP Regulations and also the restriction of PFAS. Within this scope, a first legal framework was also carried out for the Energy business.

ISCC Plus Certification

With regard to raw materials, Bondalti has set the objective of integrating raw materials with a lower carbon content and of sustainable origin in its value chain, such as Bio-benzene and Energy from renewable sources. In this light, Bondalti is currently working to obtain ISCC Plus certification for the acquisition of sustainable raw materials.

ISCC Plus is a certification system that allows the implementation and certification of sustainable supply chains, supporting companies in defining and achieving their sustainability goals.

Fulfilment of Sustainable Procurement

In 2022, Bondalti began implementing the ISO 20400 guidelines for sustainable procurement, which is the best way to structure and create a methodology for incorporating sustainable procurement into everyday life.

ISO 20400 is a guide of good practices for sustainable procurement, which aims to ensure that decision-making relating to procurement is not merely a matter of cost-effectiveness and specifications, but that environmental parameters, working conditions and equality issues are also considered. The process takes place in 4 phases: understanding the fundamentals of the standard; defining a sustainable procurement strategy; setting goals and involving stakeholders; integrating procurement sustainability into processes.

For the development of this work, Bondalti opted to involve suppliers to test the model and validation of the qualification matrix in order to perceive the attractiveness of the model and results.





01. Governance and Strategy

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Clients

Client satisfaction is one of Bondalti's material themes; therefore, client involvement is very important for the Organisation.

At Bondalti Chemicals in Estarreja a survey is carried out every two years to determine the level of satisfaction of clients with regard to the products and services that Bondalti provides, as well as possible opportunities for improvement in the areas of customer service, commercial service, product, documentation, supply and technical assistance. In 2022 a customer satisfaction survey was carried out regarding Bondalti Chemicals activity in 2020; the overall response rate of was 77%, based on a total of 157 responses.

In the Water Treatment area, both the Enkrott Group and the AEMA Group carry out different surveys to assess customer satisfaction. At the Enkrott Group, the survey was made to clients with over € 20 thousand turnover; the response rate was 75%, reflecting an overall assessment of 83% on a percentage scale, and a Net Promoter Score of 65%; 95% of clients gave an evaluation equal or better compared to the previous year. At AEMA Group, clients assessed the performance of the different companies in the Group, resulting in an average of 7.86 on a scale of 1 to 10.

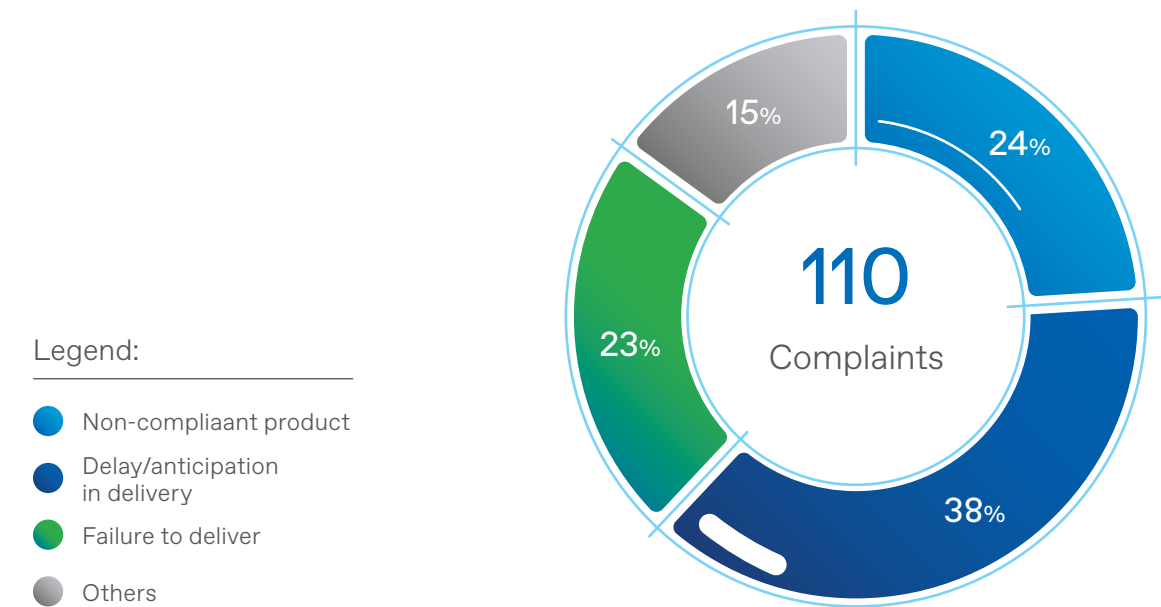
Customer satisfaction is one of Bondalti's main concerns as Organisation. In order to minimize claims, Bondalti analyses and monitors all complaints received. The company implements resolution and mitigation measures to respond to claims; support teams deal with matters carefully and ensure that all claims are solved.

Management of Claims and Complaints

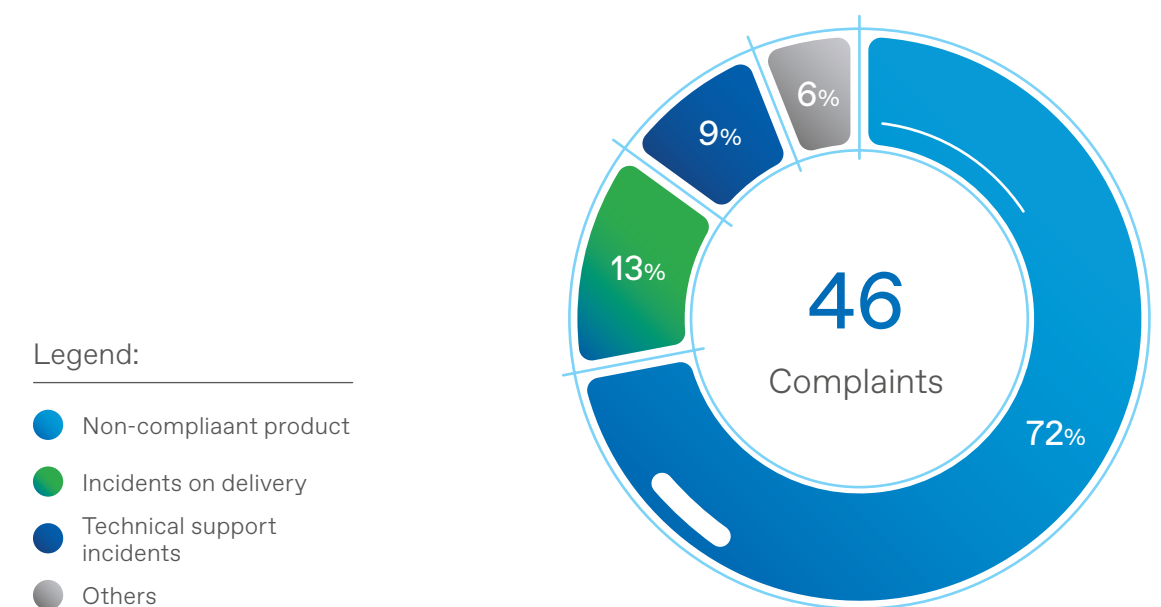
Customer satisfaction is a material issue for Bondalti and, to deal with it, the company continuously invests in the development of solutions for resolving claims and complaints, as well for improving the experience of its customers and the careful handling of its teams in order to resolve every issue.

In order to minimize claims, Bondalti analyses and monitors all complaints received.

Customer Complaints in Industrial Chemicals



Customer Complaints in Water Treatment





Bondalti is aware of the methodologies required for a safe use of products, and therefore makes updated Safety Data Sheets available to everyone. Its products are also labelled in accordance with national and EU regulations in force. In 2022, Bondalti's Industrial Chemicals had 16 products (11 in Estarreja and 5 in Torrelavega) duly identified with a Safety Data Sheet. In order to guarantee the correct use of its products, Bondalti Chemicals also conducts training, audits and visits to its clients and suppliers.

Audits to Clients



28 clients

Chlorine
storage conditions



14 clients

Corrosive liquids
storage conditions

In the Water Treatment segment, Bondalti Water Solutions Group companies have 326 products (204 in the Enkrott Group and 122 in the AEMA Group) duly identified with a Safety Data Sheet.

The organisation has put in place solid practices to ensure that all activities related to the production, storage, transport and use of products follow best safety practices. In 2022 Bondalti carried out 36 audits, including 25 internal audits. In the Water Treatment segment, 13 audits were carried out within the scope of management systems.





01. Governance and Strategy

Risk management

With more than 120 years of experience in the chemical sector, Bondalti has a strong risk management culture.

Due to the labour and environmental regulatory obligations (Seveso Directive) to which Bondalti is subject, the Organization has adhered voluntarily to various Management Systems - Quality (ISO 9001), Environment (ISO 14001), Occupational Safety and Health (ISO 45001), Energy (ISO 50001), Research, Development and Innovation (NP 4457:2007) and Responsible Family Entity (efr 1000) – for which Bondalti is certified.

Bondalti's risk management - governance and procedure - covers six structuring pillars:

- Bondalti's Risk Taking Policy
- Three lines of defence model
- Integrated management system (covers all implemented certification systems)
- Principles of ISO 31000:2018 and COSO ERM (Enterprise Risk Management) Framework
- Risk Management Process Cycle
- Internal Audit and Risk Management Division

Bondalti's Risk Taking Policy

Bondalti's strategic goals and management practices are aligned with a very low level of risk taking as concerns people and the environment, and an even lower level of risk taking as concerns economic, reputation and ongoing operation risks, seeking a sustainable development by banking on research, development, and innovation.

Risk Management Process





Bondalti analyses its external and internal context to identify risks that could bring significant uncertainty to the pursuit of the Organisation's objectives.

Context analysis is performed in three stages: (i) a formal, systematic, proactive and participatory analysis that involves, the Executive Committee, all directors and heads of supporting areas, and which is carried out every two years; (ii) in the budget process, when each area presents its action plans; and (iii) the continuous monitoring of the risk context of each activity by the person in charge.

From this analysis, and according to their potential impact on the company's activity, as well as on the probability of occurrence, Bondalti identified 26 Top Risks requiring continuous treatment and monitoring.

Top Risks are characterised in terms of impact, probability, risk events, mitigation measures, controls and risk indicators, and Sustainability and Climate Transition risks are addressed in the management of each of them.





01. Governance and Strategy

Recognitions and Certifications

In line with its commitment to responsible activity, Bondalti is certified according to various management systems that help to ensure the implementation of best practices, as well as the continuous improvement of all its operations:

- **ISO 9001:2015** – Quality Management System – Bondalti Chemicals, Bondalti Cantabria;
- **ISO 14001:2015** – Environmental Management System – Bondalti Chemicals, Bondalti Cantabria;
- **ISO 45001:2018** – Occupational Safety and Health Management System – Bondalti Chemicals, Bondalti Cantabria;
- **ISO 50001:2018** – Energy Management System – Bondalti Chemicals, Bondalti Cantabria;
- **NP 4457:2007** – Research, Development & Innovation Management System – Bondalti Chemicals.

In the Water Treatment activity, Bondalti seeks to offer the highest degree of quality and commitment to the client and the environment, holding the following certifications:

- **ISO 9001:2015** – Quality Management System – Enkrott SA; Enkrott Espanha; AEMA; Aguas Rioja;
- **ISO 14001:2015** – Environmental Management System – AEMA; Aguas Rioja;

- **ISO 45001:2018** – Occupational Safety and Health Management System – AEMA; Aguas Rioja;
- **UNE-EN ISO/IEC 11731:2017** – Certification to carry out of physical-chemical, microbiological and legionella analyses - Laboratorios Alfaro;
- **UNE-EN ISO/IEC 17020:2012** – Accreditation as Inspection Entity by ENAC number 177/EI321 – Laboratorios Alfaro;
- **UNE-EN ISO/IEC 17025:2017** – Accreditation as a testing laboratory laboratory by ENAC under number 524/LE1135 - Laboratorios Alfaro.

The commitment to sustainable development was again recognised in the annual reassessment carried out by EcoVadis of the sustainability practices of Bondalti Chemicals (Estarreja and Torrelavega sites), as the company upheld its Platinum medal – with a score of 82 out of 100, relative to the 2021 performance, obtained thanks to improvements implemented in the “Environment” category. Bondalti Chemicals thus maintains its position in the Top 1% of companies in its sector assessed by EcoVadis – ranking 36 points above the average. In 2022, a comprehensive work was carried out to gather further evidence, mainly in terms of the Social, Ethics, Labour Practices and Human Rights vectors, to introduce improvements where needed.

The EcoVadis assessment is crucial to meet customer requirements, and in some cases it may be a critical factor in the internal assessment of suppliers.



In May 2022, following a client request, Bondalti began the registration and evaluation of Bondalti Chemicals (Estarreja and Torrelavega sites) in the CDP (Carbon Disclosure Project). This marks the start of a more in-depth assessment involving the gathering of various indicators and figures from different areas of the company. The part of the questionnaire relating to Climate Change was completed in July 2022; Bondalti Chemicals obtained a Level C result at the end of the year (the sector average is at level B-). In view of this result, an analysis began in 2022 to identify potential improvements, with a view to obtaining recognition at higher level. Bondalti will answer all categories of the CDP questionnaire in an independent way.

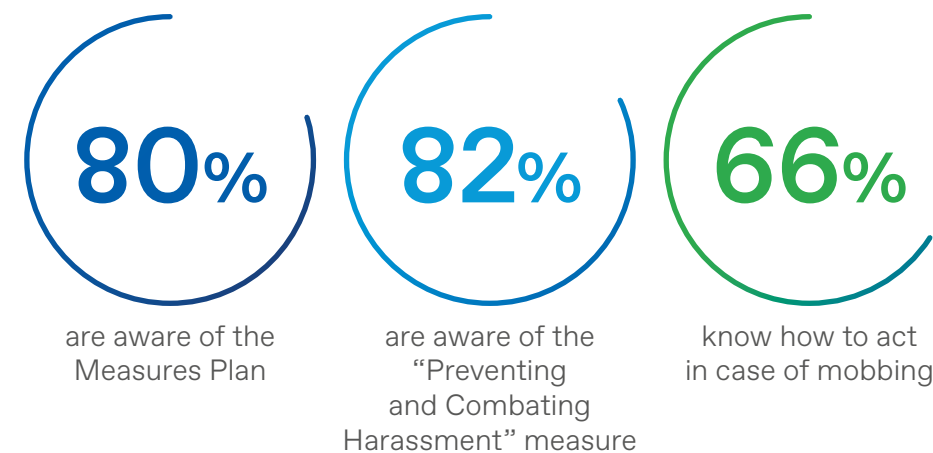


Bondalti is efr certified (Family Responsible Entity) in the area of Industrial Chemicals since 2020. This certification is promoted by Fundación MásFamilia. This process is continuous and it is audited and monitored according to a set of indicators that are essential for assessing the success of implemented efr measures. In accordance with the certification's regulations, 13 indicators are monitored measuring aspects such as, labour reconciliation, job stability, time and spatial flexibility, respect for motherhood and the presence of women, equal access to employment, communication, personal development, training and satisfaction with efr measures.





In the 1st half of 2022, the Satisfaction Assessment of the efr Measures was carried out for all Bondalti employees, which included the assessment of 37 measures.



In the 2nd quarter of 2022, Bondalti participated in the National Sustainability Award Ceremony (Jornal de Negócios, Deloitte), following an application made in 2021 for the "Preservation of Natural Capital" project.

Also at the end of 2022, Bondalti again submitted two applications for the National Sustainability Award under the "Preservation of Natural Capital" project and the "H2Enable - The Hydrogen Way for Our Chemical Future" project.

In the same quarter, Bondalti was distinguished with the "Vasco da Gama" business excellence award for 2022, promoted by the Hispano-Portuguese Chamber of Commerce and Industry. The award-giving event took place in Madrid and was attended by more than a hundred personalities from the business world and official bodies from both countries. The Chairman of the Board of Directors, João de Mello, was present at the event, having mentioned the following:

“The award gives us great satisfaction as it recognises the success of our internationalisation strategy. We strongly believe in an Iberian market dynamic.”

- João de Mello

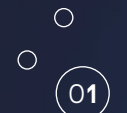


Bondalti's H2Enable project was recognized as "Important Project of Common European Interest" by the European Commission and consists of the construction of an infrastructure for the production of green hydrogen at the Estarreja Chemical Complex (ECC). This project is also part of the mobilisation agendas of the PRR (Recovery and Resilience Programme) with projected capital expenditure of around € 142 million until 2026. The project is led by Bondalti and includes other partners, such as Air Liquide, Faculdade de Engenharia do Porto, APQuímica and HyLab.

“This notification by the European Commission represents the recognition of the validity and competence of the project led by Bondalti in the hydrogen chain, as well as its strategic relevance for the decarbonisation targets defined by Portugal and Europe until 2050. With this validation from the European Union, an important step is taken towards the implementation of H2Enable.”

- João de Mello





02

Prosperity and Business

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Prosperity and Business

General Shutdown in the first quarter of the year

Tax benefit of **€ 326,131.75** (SIFIDE II)

91 Colombo ideas (30 in 2021)

+ € 151 million (↑34%) in Turnover*

+66% in EBITDA*

+45% in Capital Expenditure*

* As compared with the same period of the previous year



Strategic SDGs:





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02. Prosperity and Business

Evolution of the Business

2022 was marked by record turnover in all areas of both the organic and inorganic segments, as the Company gained new clients and entered into new markets in the organic segment and increased its market share in Spain, contributing to the consolidation of activity of Bondalti Cantabria. Sales prices rose as a result of a general rise in the benchmark prices of raw materials and utilities, namely energy and logistics costs.

Industrial Chemicals

Bondalti Chemicals carried out the general maintenance shutdown at the beginning of the year, with very positive results. We highlight the non-occurrence of serious accidents and the resumption of operations within the planned schedule. In Spain, 2022 was marked by record production at Torrelavega, a unit where several operational improvements were made.

In the production of organic products, the main specific consumptions were historically lower, reflecting the operational improvements that were implemented, thus contributing to increase the competitiveness of the Estarreja site.

Mononitrobenzene: A large part of Bondalti's active production consists of mononitrobenzene, with sales above 60 kt. A new medium and long-term contract was also concluded with one of Bondalti's main clients, and an agreement was reached to increase storage capacity, which should lead to a reduction in logistics costs and carbon footprint.

Aniline: During 2022, Bondalti performed effectively in aniline production; there was, however, a marked slowdown in demand in the 4th quarter and the cancellation of a number of orders. At the end of the first quarter of 2022, Bondalti stopped selling to the Russian market, following the war situation in Ukraine.

In 2022, the main inorganic products units showed very high levels of reliability, efficiency and performance. By way of example, we highlight the Brine Electrolysis capacity utilisation rate, which stood at 75%, a rather high figure taking into account the general maintenance stoppage that covered part of January and February.

Soda: The year started with a downward trend in prices due to the increase in imports from outside Europe, mainly from the USA, however, at the beginning of the 2nd quarter, the War in Ukraine triggered a rise in the cost of energy and other raw materials, pushing soda prices to historic highs. This cycle started to be reversed in the 4th quarter, as demand fell and imports from abroad (USA, China, India and Indonesia) increased again.

Hypochlorite: In 2022 the company continued to supply the product to new partners, reaching a new sales record for this product.

Hydrochloric acid: Bondalti Chemicals managed to export this product to European countries, such as France and Germany, where hydrochloric acid is not available.

Chlorine: Chlorine production did not go as planned for 2023 due to internal logistics problems of Bondalti clients. However, Bondalti renegotiated its contracts for the medium term.

Production at Industrial Chemicals (kt)





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Water Treatment

Bondalti Water Solutions S.A. was set up in 2022, with a view to aggregating Bondalti's holdings in the Water Treatment business, namely Enkrott and the Aguas Alfaro Group. This corporate reorganisation took place in parallel with the implementation of a single functional structure; the Water Treatment business is now run and operated in a more coordinated manner in the various geographies. In 2022 Bondalti acquired a further 27.52% of the share capital of Enkrott S.A., adding to the 68.49% it already held, the remaining 3.99% representing the company's treasury stock. Enkrott S.A. acquired 33.50% of the share capital of Enkrott Madeira, becoming the sole owner of that subsidiary. Net profit in 2022 totalled € 595.8 thousand.

Enkrott grew 10% compared to the previous year, recording a turnover of € 13.6 million, on the back of a favourable performance in the operation and maintenance area in Portugal. In 2022 consolidated net profit totalled € 284.8 thousand.

Aguas Alfaro Group increased its consolidated turnover by 59% compared to 2021, to € 22.6 million, driven by growth in works and also in operation and maintenance in Spain. In 2022 consolidated Net Profit totalled € 304.9 thousand.



Consolidated Results

	Unit	2020	2021	2022	Δ (abs)
Turnover (T)	€M	243	444	595	151
Operational cash flow (EBITDA)	€M	40.1	61.8	102.6	41
Operational income (EBIT)	€M	20.9	40.1	80.1	40
Operational income / T	%	8.6	9.0	13.5	5
Net financial costs	€M	3.1	15.5	12.4	-3
Income before taxes	€M	17.9	24.6	67.7	43
Net income*	€M	14.5	19.1	51.9	33
Equity	€M	106	113	160	47
Net assets	€M	326	355	377	22
Investments	€M	10	11	16	5
Financial debt	€M	146	135	104	-31
Net financial debt	€M	107	112	69	-43
Financial debt / EBITDA	Number of x	3.7	2.2	1.0	-1
Net financial debt / EBITDA	Number of x	2.7	1.8	0.7	-1
Gearing	%	32	32	42	10

*Attributable to equity holders of the parent company

Bondalti achieved very favourable results in 2022, only possible thanks to the commitment of all the people and teams who worked hard to overcome the challenges; Results before taxes totalled € 67.7 million (+ € 43.1 million than in the previous year), reflecting historic record figures.

Financial structure and evolution

The year stood out for the sharp growth in sales. Despite this strong resurgence in demand and the hindrances recorded in local and international supply chains, Bondalti managed to ensure the continuous supply to its clients, and also signed new supply contracts for the short, medium and long term.

In 2022 Bondalti's cash management continued to show the solidity and resilience that have characterised the company in recent years. Trade receivables and payments to suppliers were not affected by the continuation of the COVID-19 pandemic situation or the beginning of the war in Ukraine.



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Effective vs. 2022 Outlook

As mentioned above, 2022 was particularly favourable for Bondalti, as shown in the surpassing of the various economic and financial indicators projected for the year, as Net Profit stood at € 51.9 million. The efficiency achieved in the operation of Bondalti's industrial units contributed greatly to this variation, namely the consolidation of the business at Bondalti Cantabria, as well as the activity of the new Water Treatment area.





02. Prosperity and Business

Focus on Innovation

Innovation is considered one of the main drivers for sustainable development and increasing competitiveness in the markets where the company operates. Bondalti continuously invests in RDI activities, promoting technological capacity and the active involvement of all employees in continuous improvement.

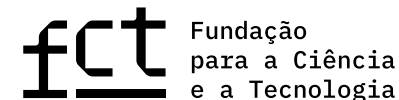
Bondalti has promoted a dynamic entrepreneurial culture among its stakeholders, constantly searching for new solutions and opportunities that create value and impact. Innovation is essential and decisive for the company's future.

With a view to respond to future challenges, Bondalti has developed several innovation projects to implement solutions to achieve carbon neutrality in its industrial operations and disruptive projects in line with its business profile. In 2022 some of these projects led to 8 applications for funding opportunities, within the scope of the Environmental Fund, the Foundation for Science and Technology (FCT) and the Recovery and Resilience Plan (PRR).



Funding measures for indirect costs in facilities covered by the European Emission Trading Scheme (EETS)

The project consists of reinforcing the cost-effectiveness of GHG emission reductions and investing in low-carbon technologies in the period 2021-2030 and the tender for the "Allocation of reserve injection capacity in the public utility grid" (production of energy exclusively from renewable sources, for injection into the public utility grid).



SYNBIOANI Project

The project aims to develop a sustainable and efficient bioprocess capable of replacing, in part, the current chemical process for the production of aniline.



"H2ENABLE", "H2DRIVEN" and "NEW GENERATION STORAGE" Projects

These projects are the result of final proposals submitted under the 2nd phase of Component C5 – Capitalisation and Business Innovation within the "Resilience" dimension, which view to establish Agendas within the scope of the management and enhancement of a new green fuel value chain, specifically a segment with the capacity to produce hydrogen, ammonia and green methanol, and the construction of a factory to process lithium electrolyzers in the chemical complex of Estarreja.

"RePower Chemicals" Project

Also within the scope of the PRR, the "RePower Chemicals" project was submitted under Component C14 – Industry Decarbonisation, within the "Climate Transition" dimension, which aims to leverage the integration of advanced, intelligent and efficient technologies, and the integration of renewable energies in energy-intensive processes, in order to reduce the environmental impact of the production processes of the industrial complex of Estarreja, while promoting the reduction of fossil fuel consumption and GHG emissions in this industrial facility.



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In the 2nd year of the current Multiannual Financial Framework (MFF), Bondalti Chemicals planned an eligible capital expenditure of € 227 million. Additionally, as in previous years, Bondalti Chemicals' application to the R&D Tax Incentive System (SIFIDE II) relating to 2021 was internally developed and submitted, with a tax benefit of € 326,131.75. This system aims to assist companies in R&D activities, through a support mechanism for the deduction of eligible corporate income tax expenses.

During 2022, other projects were underway with the aim of promoting the development of solutions arising from the Company's requirements:

- Implementation of Project Cleópatra 4.0;
- Development of the new employee portal for internal use;
- System implementation of the delivery and validity management process of PPE to employees;
- Transformation to SAPFiori in Radio Frequency processes for warehouse management;
- Improvements in administrative processes in the Human Resources area, with several developments in the Interoperability Platform/Web Services - SAP versus Social Security in Portugal and Spain;
- Application support to external companies within the scope of the provision of outsourcing services.

In the Water Treatment segment, some RDI initiatives are underway, with respective funding applications submitted within the scope of the 2nd phase of component 5 of the PRR.



GIATEX Project

The GIATEX project is co-promoted by the Enkrott Group and its objective is to reduce the specific consumption of water, using membrane separation processes.

MULTI AD Project

The MULTI AD project is led by the AEMA Group and focuses on improving energy efficiency and sludge management.

ULTRACLEAN Project

In line with the MULTI AD project developed by the AEMA Group, the ULTRACLEAN project aims to improve the MBR membrane cleaning process.

Based on the reactivation of the José de Mello Group Innovation Committee (GJdM), whose mission is to reinforce the culture of innovation through the sharing of knowledge between companies and the joint organisation of cross-company initiatives, Bondalti actively participated in all initiatives arising therefrom, and led the project entitled "RDI investment indicators". This project consisted of creating and consolidating a procedure for quantifying and reporting key RDI investment indicators to be implemented by all Group companies.

In recent months, the Innovation area has focused on identifying the ideal partner to support Bondalti in the development of an Innovation Vision and Strategy, and in redefining and implementing an adequate Innovation Model aligned with the corporate strategy and business characteristics.



RDI Key results at Bondalti	2020	2021	2022	Δ (abs)
Expenses and investment in RDI	3.3 M€	2.7 M€	3.2 M€	0.5 M€
Employees involved in RDI activities	22%	10%	9%	-
PhD/Post-doc grant holders	3	3	2	-1
Ongoing RDI projects	52	36	39	3
RDI partnerships	24	41	68	27
Patent families (Bondalti Chemicals)	3	4	4	0
Scientific papers/presentations	1	3	13	10

Summing up, in 2022 Bondalti invested around € 3.2 million in RDI initiatives, of which approximately 59% correspond to Innovation activities and the 41% to R&D activities.

Colombo Program



Bondalti considers its people as the key element for the success In Innovation, both through the development of RDI activities and through the innovative ideas and solutions that they annually present to the Organisation. At Bondalti chemistry the management of these ideas is carried out through the Colombo Programme, which began in 2006 aimed at encouraging creativity, as well as the generation and implementation of employees' ideas, in the respective Group companies in a comprehensive, cross-cutting and systematic way.

To this end, Bondalti has an internal platform where it is possible to submit ideas and to view the current status of each submitted idea. Each idea is assessed firstly by a multidisciplinary team and subsequently, by each area directly involved.

In this way, Bondalti promotes the creativity of its employees, involving them directly in the organisation's activity and rewarding their work with monetary prizes. Employees can choose between the cash prize or equivalent amount in training. The amount of the prize awarded varies according to the classification of each idea. Awards are ranked 1st, 2nd and 3rd and as the most sustainable idea

During the course of the year, all submitted ideas, approved ideas, ideas under implementation, implemented and even those retrieved (ideas from previous years that were only implemented later) are assessed by the evaluation committee. Each implemented idea is assessed for its investment and financial return over time.

Each employee can submit as many ideas as they wish without any obligation and throughout the year. The Colombo OpenDay is held once a year, to present all the ideas submitted during the previous year and award the prizes to respective winners of the most innovative and sustainable ideas. All employees of the Organisation are invited to vote for the most innovative and sustainable ideas.

Until this date, 633 ideas were submitted, of which 198 (31%) were approved and 137 (69%) were implemented. Bondalti has a total of 247 creators and the programme has an overall financial return up to end-2022, of € 1.7 million.

As a result of the organisational and functional restructuring of the Colombo Programme, namely with the creation in the last quarter of 2021 of the Evaluation Committee and of a new version of the Platform made available for submitting and monitoring the status of submitted ideas, as well as the extension of the Programme to Bondalti Cantabria, a total of 91 new ideas were submitted in 2022, which is 3x the figure of 2021, while decision time was reduced by at least half.

Over the 17 years of the Colombo Programme, the main objective has been the direct involvement of employees in the Organisation's activities. The recognition of creative minds on an annual basis should increasingly involve employees in problem identification and improvement suggestion, resulting in more ideas that will serve everyone.



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TOMORROW MATTERS

GREENH2ATLANTIC

Green Hydrogen for Europe

Objective

To leverage the link between renewable energies and commercial/ industrial applications - Building a low-carbon future that is resilient to climate change by actively contributing to the acceleration of the implementation of the European Green Deal.

Methodology

Development and operation of a groundbreaking 100 MW alkaline electrolyser (ALK), to enhance scalability, standardization and manufacturing automation using flexible green hydrogen production process. This includes an innovative interface system composed of advanced power electronics. In addition, an innovative advanced Hydrogen management system, improved by Artificial Intelligence, will allow the reduction of OPEX, load factor, real-time production management, analysis of system behaviour, among other things.

Aim and expected results

Global operation and replication is expected to reach 1GW production as from 2030, in Sines. With this project, Bondalti will contribute to:

1. reduce greenhouse gas (GHG) emissions
2. deploy additional renewable energy capacity
3. replace grey Hydrogen and Natural Gas with Green Hydrogen
4. achieve an affordable green hydrogen price

5. unlock investments in the green hydrogen value chain at European level
6. create more than 1000 direct and more than 2700 indirect jobs
7. achieve European and national energy and carbon targets
8. test new technology to support the network and to service industrial clients
9. facilitate market preparedness and response for green hydrogen in Europe
10. provide relevant data for harmonization in the European sector and for regulation on renewable energy sources

Contribution to Sustainable Development Goals





NEW GENERATION STORAGE

Objective

Creation of a new Technological and Industrial Platform, with application in the sectors of mining and refining, production of components and cells, assembly of packs and integration and application of batteries, with a view to developing new models of material recycling and reuse, contributing to the increasing the sustainability of the respective value chains.

Methodology

To develop a new Technological and Industrial Platform in symbiosis with semi-industrial lines, covering 5 pillars of action:

Pillar I – Act in refining activities with a view to valuing materials for sustainable metallurgy and refining

Pillar II – Act in terms of structural batteries, viewing the production of flexible thin film battery cells (new generation cells)

Pillar III – Act in terms of stationary, automotive industry, soft mobility with a view to developing tailor-made solutions

Pillar IV – Act in terms of intelligent mobility for integration and optimisation of the use of batteries in systems and networks from kW to MW

Pillar V – Transversal action to define 2nd life models and material recycling

Aim and expected results

The aim of this project is to achieve an international positioning; Bondalti is part of a consortium gathering several companies and academic institutions. The implementation of this project in the Refining-Manufacturing-Reuse and Recycling value chain views to:

1. reduce greenhouse gas (GHG) emissions in refining processes by 50%
2. create 200 new technical-scientific jobs
3. increase production of advanced lithium-based batteries
4. set up 8 pilot industrial production lines
5. leverage the entrepreneurship ecosystem and promote higher education
6. involve 25 municipalities in achieving the objectives
7. develop new applications for stationary systems
8. develop new end-of-life processes to reuse resources

Contribution to Sustainable Development Goals





BIOHYCO

Sustainability in the agri-food sector

Objective

The project aims to advance the scientific and technological knowledge previously generated within the scope of the R&D project, BioHigh – High-performance synthetic fuels from biogas, with a view to the production and separation of hydrogen and pure and dry carbon monoxide.

Methodology

The project is based on several research and development activities in a laboratory environment involving the synthesis of materials, the production of membranes for cell constitution, electrochemical testing and promotion of the work developed according to a dissemination, communication and exploration plan.

Aim and expected results

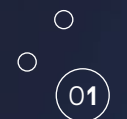
The chemicals that will result from this process form the basis of a wide range of chemicals, from fertilizers, medicines to liquid fuels. Thus, this project allows the conversion of sustainable biogas product into valuable chemical precursors. With this project, Bondalti jointly with its partners, will contribute to:

1. increase the efficiency used resources in value chains
2. promote projects for the development and application of innovative and precision technologies in the agri-food, forestry and fisheries sectors

3. improve food quality and safety
4. Recover waste such as manure or sewage, municipal waste or green waste
5. reduce the electrical demand necessary for the production of green hydrogen
6. create new value-added products
7. increase the intrinsic market value of biogas
8. decarbonise chemical production of key products

Contribution to Sustainable Development Goals





E-NOx

Recovery of materials and circular models

Objective

Given its importance in the manufacturing of fertilizers, nitric acid is one of the most important chemical commodities on an international scale, with an annual production volume of around 55 million tons (2014) and a market value close to 13 thousand million USD (2016). The E-NOx project aims to develop an innovative technology that will allow the recovery of materials that are currently unwanted by-products of nitric acid production, as well as their conversion into raw materials for that same process. This technology will also allow the recovery of greenhouse gases N_2O and NO_x , through their electrochemical processing.

Methodology

The project is based on several research and development activities in a laboratory environment involving the preparation, characterisation and testing of reduction electrocatalysts, oxidation electrocatalysts and oxygen ion conductive electrolytic membranes. Subsequently, the design, construction and testing of a pilot-scale reactor will be developed and the work carried out will be promoted according to a dissemination, communication and exploration plan.

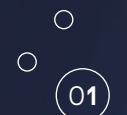
Aim and expected results

With this project, Bondalti jointly with its partners, will contribute to:

1. Development of sustainable processes, materials and systems with greater added value
2. Efficient use of resources and reduced environmental impact in production processes
3. Industrial modernisation through the Circular Economy
4. Eliminate the release of greenhouse gases N_2O and NO_x , promoting their re-integration into the production process generating electrical and thermal energy
5. Reduction and reuse of industrial waste in the set of industries that produce and use nitric acid in their processes

Contribution to Sustainable Development Goals





Repower Chemicals

Energy Efficiency and Renewable Sources

Objective

RePower Chemicals' main objective is to carry out a set of structural investments that include the following objectives: production and storage of electricity from a renewable source (solar); improvement of the energy efficiency of the brine electrolysis process and electrification of steam generation in industrial boilers.

Methodology

The project includes the implementation of a photovoltaic park at the industrial facility for its exclusive use. In circumstances where the level of consumption is not sufficient to absorb all of the photovoltaic production, the remaining electrical energy will be stored in new batteries to be installed, for later use in the facilities. In addition, the investment in increasing energy efficiency includes a technological conversion through the replacement of equipment with more advanced technology. Additionally, an existing electrical substation is planned to be renovated, to make it more efficient and reliable, and the existing steam production system using natural gas is also expected to be replaced with an electric boiler.

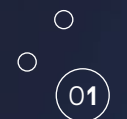
Aim and expected results

This project will bring several advantages in terms of operations at the Estarreja site, as well as in terms of the development of green products and support for other associated decarbonisation projects. We point out the following major advantages:

1. reduction of dependence on electricity from the grid
2. integration of renewable energy sources into total energy consumption
3. improvement of the energy efficiency of one of the production units at the Estarreja plant
4. reduction of greenhouse gas emissions (scopes 1 and 2) by more than 75% compared to 2005 figures at the Estarreja plant
5. Contribute to reduce Portugal's dependency on natural gas

Contribution to Sustainable Development Goals





H2Enable

New green hydrogen sources

Objective

H2Enable is a gas energy project: it foresees the use of renewable electricity to produce green hydrogen through the electrolysis of water that will be used as chemical raw material, fuel for heat generation in place of natural gas, and as fuel for vehicles powered by hydrogen replacing other fossil fuels (mainly diesel).

Methodology

The H2Enable project aims to install a green H₂ production unit, based on a water electrolysis system. The electrolysis facility will be powered by renewable electricity through renewable solar and wind farms. As part of the R&D Work Packages, the project foresees the implementation of a production management system that will integrate the supply of renewable electricity (hydrogen plant), a monitoring system for each electrolyser cell, based on IoT, which will allow monitoring ageing and anticipating failures, thus increasing operating time and reducing energy costs and a chemical production assessment tool that allows tracking the carbon footprint of products produced, with the aim of facilitating the certification of ecological chemicals.

Aim and expected results

With this project, Bondalti jointly with its partners, will contribute to:

1. the decarbonisation of an important and broad value chain that currently uses grey hydrogen
2. the decarbonisation of the European gas network
3. the creation of 5,600 direct and 14,088 indirect jobs along the entire value chain and generation of wealth for families
4. the promotion of social inclusion whilst encouraging the population to stay local and away from major cities
5. the National Hydrogen Strategy and the 2050 Carbon Neutrality Roadmap
6. a more resilient electrical network through the provision of electrical network services, since the Portuguese electrical network is interconnected with the Spanish system (thus forming the Iberian electrical system)

Contribution to Sustainable Development Goals





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GIATEX

Smart Water Management in the Textile and Clothing Industry

Objective

The GIATEX project aims to implement the sustainable and rational use of a scarce natural resource – water, in textile finishing processes known for their intensive consumption. This project will provide the national textile and clothing sector, in particular finishing companies, with the highest water management and recycling technologies, finishing technologies with reduced water consumption and effective technologies for wastewater treatment. This will contribute to their positioning as leaders in the development of green and sustainable technologies and to their national and international market recognition as manufacturers of textile products with reduced water and carbon footprints.

Methodology

The project, which involves several partners in the business sector but also in terms of the national academic and scientific system, includes the following main lines of activity:

1. Modulation of processes and strategies for water recycling
2. Process intelligence (Development of online sensing and monitoring systems, logical systems to support decision-making activities)
3. Finishing technologies with reduced water consumption
4. Textile wastewater treatment technologies

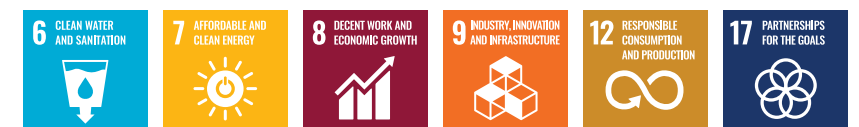
5. Industrial pilot (including Sustainability LCA and economic viability assessment)
6. Water management support software
7. Outreach and communication activities
8. Training activities

Aim and expected results

With this project, Bondalti jointly with its partners, will contribute to:

1. Increased competitiveness and productivity of the sector or cluster with great impact on the Portuguese economy and reduced dependence on external markets
2. Increased qualification of human resources, generation of knowledge and dissemination
3. Contribution to national targets for carbon neutrality and increased use of renewable energy sources
4. Increase in the proportion of reused or recycled materials in the textile sector's production processes
5. Direct job creation with the creation of over 110 new jobs
6. Over 40% reduction of water consumption in the targeted processes

Contribution to Sustainable Development Goals





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Multi AD

Innovation and automation for SMEs in the Food and Beverage sector

Objective

The main objective of the LIFE Multi-AD 4 AgroSMEs project is to develop and industrialise an innovative fully automated system for the treatment of wastewater generated by small and medium-sized companies in the Food and Beverage sector. This technology is based on the design of patented high performance multiphase anaerobic reactors and its production will be customised according to the specific needs of each customer.

Methodology

The project, which involves several partners in the business sector but also in the innovation and technological development ecosystem, will comprise the following steps:

1. Design and dimensioning at an industrial level of the new multiphase anaerobic reactor based on the prototype patented by AEMA
2. Development of a new process control and automation system to maximise the stability of the anaerobic treatment in the face of changes in wastewater composition or operating conditions.
3. Development of design software for dimensioning this technology according to the needs of each client

4. Construction of the new multiphase reactor with a capacity of 100m³ and validation of the system in a Spanish winery
5. Dissemination of project results and dissemination throughout the sector

Aim and expected results

With this project, Bondalti jointly with its partners, will contribute to:

1. reduce the environmental impact in the Food and Beverage sector
2. reduce operating costs of SMEs in this sector
3. Reduce energy consumption in the sector
4. Reduce the amount of waste produced and improve their management
5. the implementation of the European Union Water Framework Directive (2000/60/EC) and the objectives established by the European Innovation Partnership on Water - EIP Water, in line with the global objectives established for the Europe 2020 Strategy

Contribution to Sustainable Development Goals





02. Prosperity and Business

Proposed appropriation of results

The Board of Directors proposes to appropriate the Net Profit generated in the year in the amount of € 51,822,711.48 as follows:

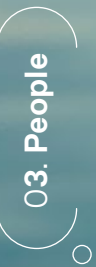
Retained earnings | € 51,822,711.48

2023 Outlook

For 2023, the uncertainty associated with the evolution of inflation, the war in Ukraine and context costs, continues to be a factor of concern for Bondalti. The effects of the current situation, namely the invasion of Ukraine and the end of the pandemic, continue to have an impact on the price of raw materials, with special incidence on the price of electricity, natural gas and fuels, although in the last quarter of 2022 the situation was not as negative as was expected. Despite this uncertain background, production and distribution chains continue to function with great reliability, and we do not anticipate any circumstance likely to jeopardise Bondalti's ability to operate in its markets.

Additionally, besides the cost of electricity, which saw a very relevant increase in 2022 – requiring urgent measures –, there is also a concern with the evolution of the prices of other raw materials (salt, for example) and other services, such as transport, which will be factors with a relevant impact on activity in 2023. Bondalti will follow the matter closely, as the technological changes which will be introduced during the 2023 general shut-down are expected to optimise the specific consumption of the units.

Production units in Estarreja, namely in the production of chlorine and its by-products, are expected to continue seeing significant investment. Bondalti's priority will always be the safety of people and facilities, as well as ensuring the normal operation of production units, in Portugal and Spain.



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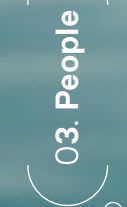
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People

- Talent Management 62
- Employee experience 63
- Occupational Safety and Health 65



People

744 Employees (+ 53 over 2021)

47% of employees in corporate areas are women

+ € 38,000 invested in training compared to 2021

14% of employees are less than 30 years old



Strategic SDGs:



Impacted SDGs:



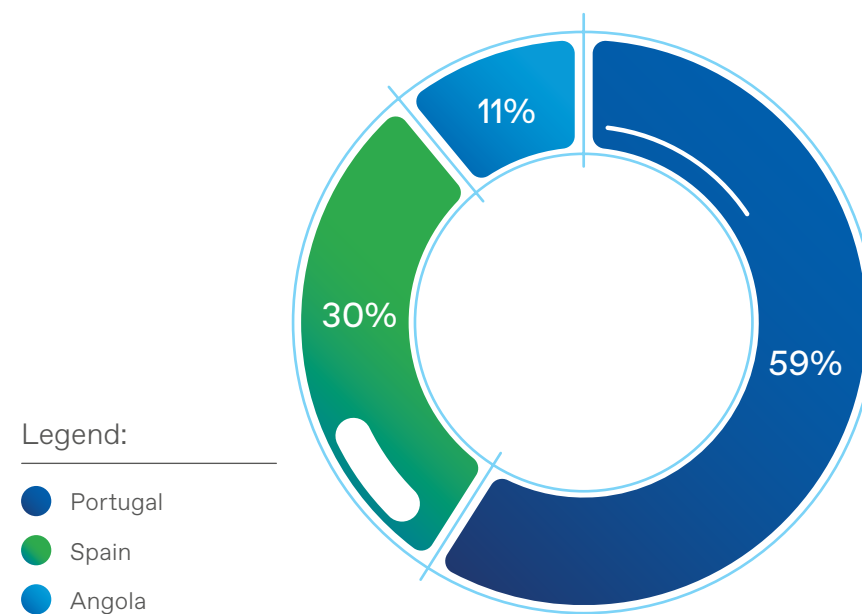


Since Human Development is one of Bondalti's values, the Organisation considers its people to be the key elements of an effective business strategy. In 2022, Bondalti doubled the number of employees (compared to 2019) with the consolidation of the Bondalti Water Solutions Group, reaching 746 employees as of 31 December.

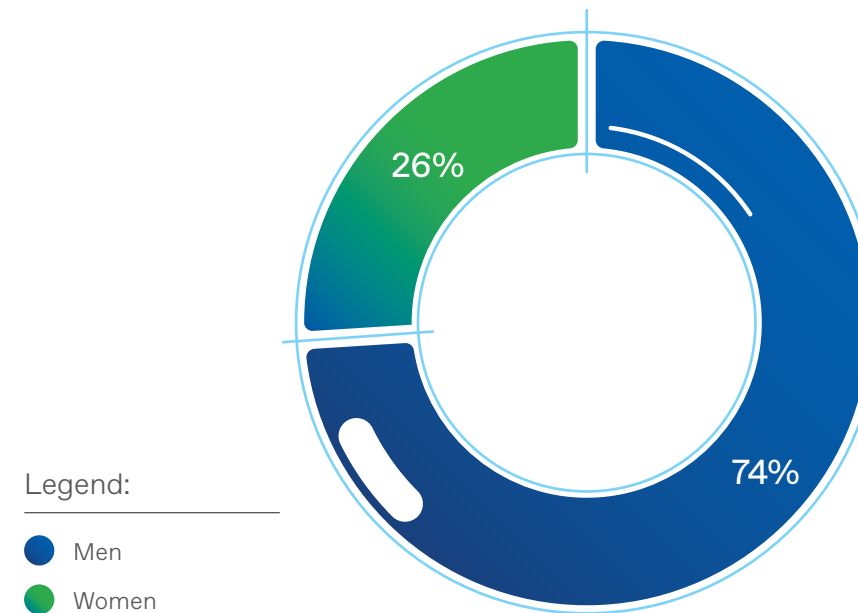
As at 31 December 2022, Bondalti had 744 employees, including:

- **26%** women
- **96%** full time workers
- **92%** with open-ended contract
- **65%** are covered by collective bargaining agreements and/or extension ordinances.

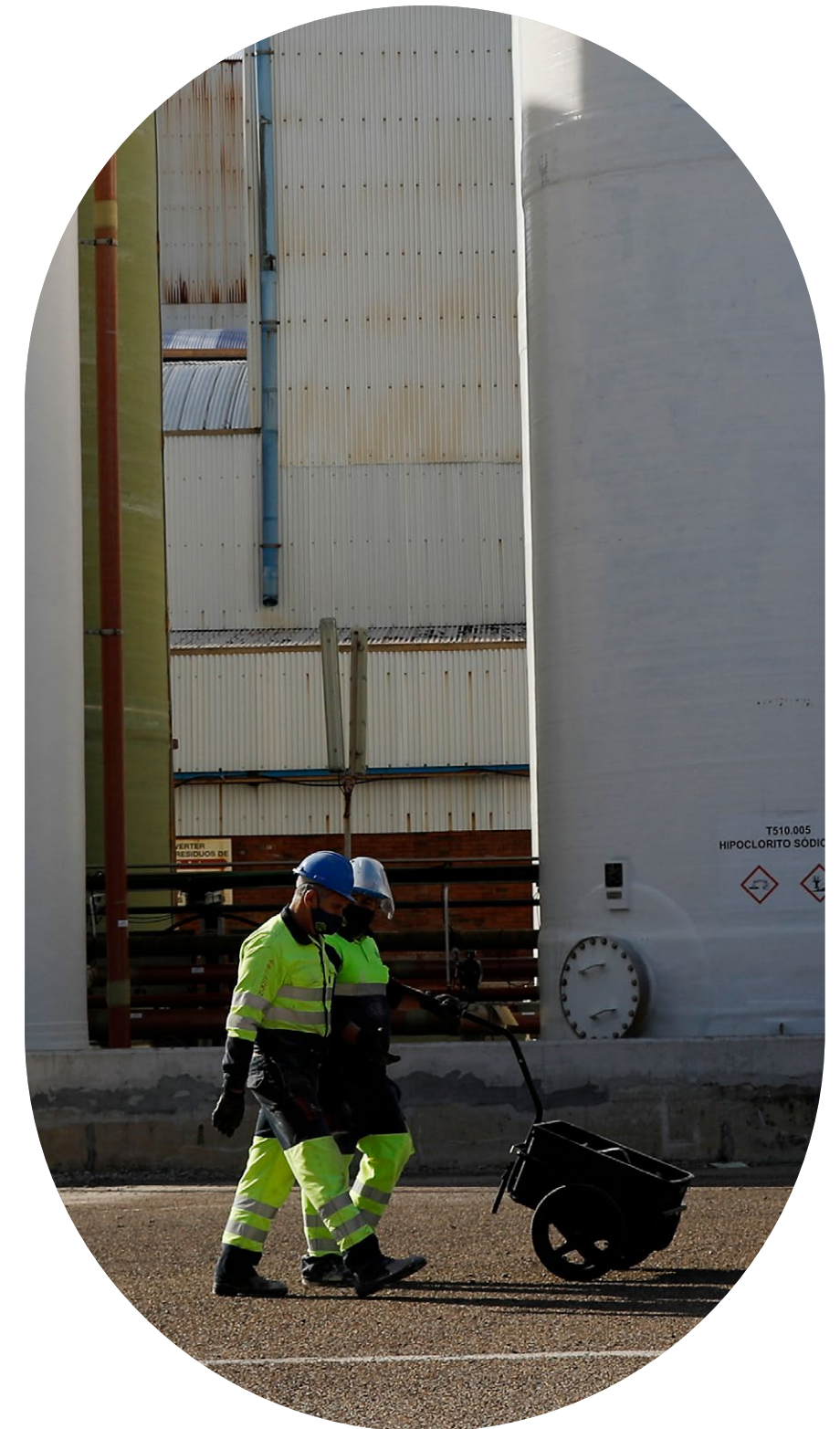
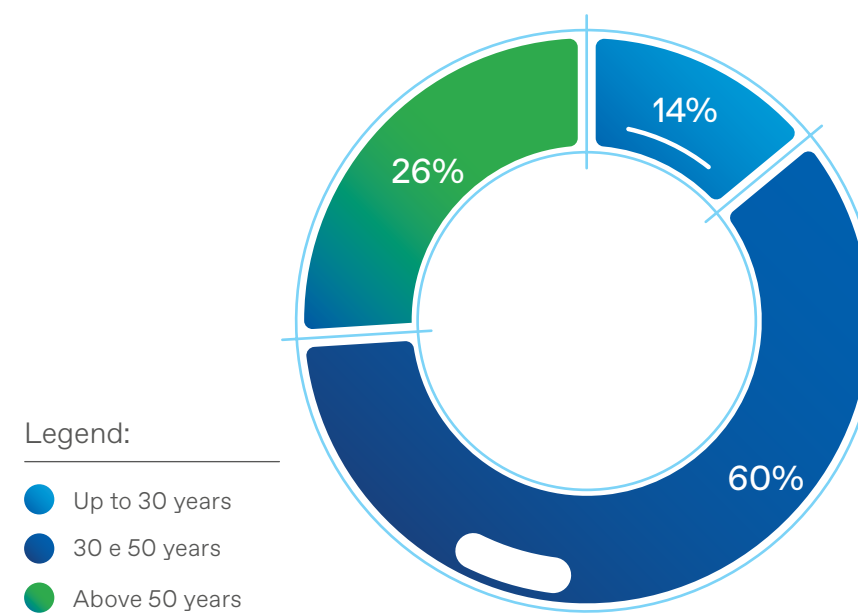
Employees by geography

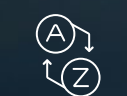
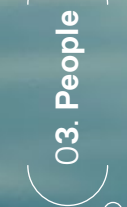


Employees by gender



Employees by age group





03. People

Talent Management

In 2022, Bondalti opted for a more intensive selection and recruitment policy. As a result of the expansion into new business areas, the company has faced challenges in attracting talent, and has improved its response and results.

With the aim of recognising its people, in 2022, in line with previous years, Bondalti continued the programmes and measures implemented to ensure job rejuvenation and succession, thus ensuring the sustainability of the business and the transition of knowledge from one generation to the other. Thanks to these programmes, Bondalti employees can count on measures such as internal mobility, allocation of employees to newly open positions (internal/external recruitment), or functional flexibility, where employees are given the possibility to acquire new tools and take on new job functions. The rejuvenation and development of employees are also associated with the talent management project using the 4Learn platform.

Also in 2022, Bondalti participated in the José de Mello Group's talent management project with the "Assessment Centre" project, in which all Directors were subject to skills assessment, based on which individual development plans were developed.





03. People

Employee experience

As professionals are growing increasingly demanding, the creation of differentiating and unique experiences enhances Bondalti's attractiveness, which is why the Company invests heavily in professional development and in establishing committed and lasting connections with its people.

Bondalti's Culture

Bondalti is recognised by its people for promoting a positive and healthy corporate environment characterised by close relationships, a sense of belonging, individual-oriented, and for leaders who foster trust and mutual respect. The reputation of the Bondalti brand is supported by engagement levels of over 75% and the implementation of benchmark management practices.

Human Development and Integrity, which are Corporate Values, are fundamental pillars of an inclusive, diversified, free of prejudice culture, where no type of discrimination is tolerated and where everyone can express their true potential.

Well-being and Benefits

With the aim of boosting the creation of new opportunities, in July 2022 Bondalti presented its new ambition and purpose, initiating an internal reorganisation, capable of responding efficiently to challenges.

Several departments were restructured, namely the People Department, in order to respond strategically to decision-making. At the same time, the management was reinforced with the admission of new elements to the team and the following areas of intervention were established: Business Partners: Compensation and Benefits; Culture, Human Capital Development.

While fully aware of changes in work models, and more targeted leaderships and experiences, the company remains committed to reconciling personal and professional life as the best tool to attract and value its people. Being a Responsible Family Entity (efr) translates Bondalti's commitment to a legacy and a culture of closeness, based on the firmness of its Values. Currently, more than 4 dozen measures are mapped, of which the following stand out:

- Payment of meal subsidy above the legal limit;
- Distribution of free coffee, tea and water;
- Flexibility in choosing vacation periods;
- Immediate family leave – relatives in the ascending and descending lines and spouse – 15 days/year;
- Scholarships in partnership with FAM (Fundação Amélia de Mello) for the children of employees;
- School kit up to 17-year-old children (inclusive);
- Possibility for employees to choose their training paths, in line with respective job and potential;
- Birthday souvenir;
- Curative Medicine, Nutrition and Psychology consultations;
- Gym subsidy;
- Summer camp for employees' children;
- Health and life insurance.

Professional Performance

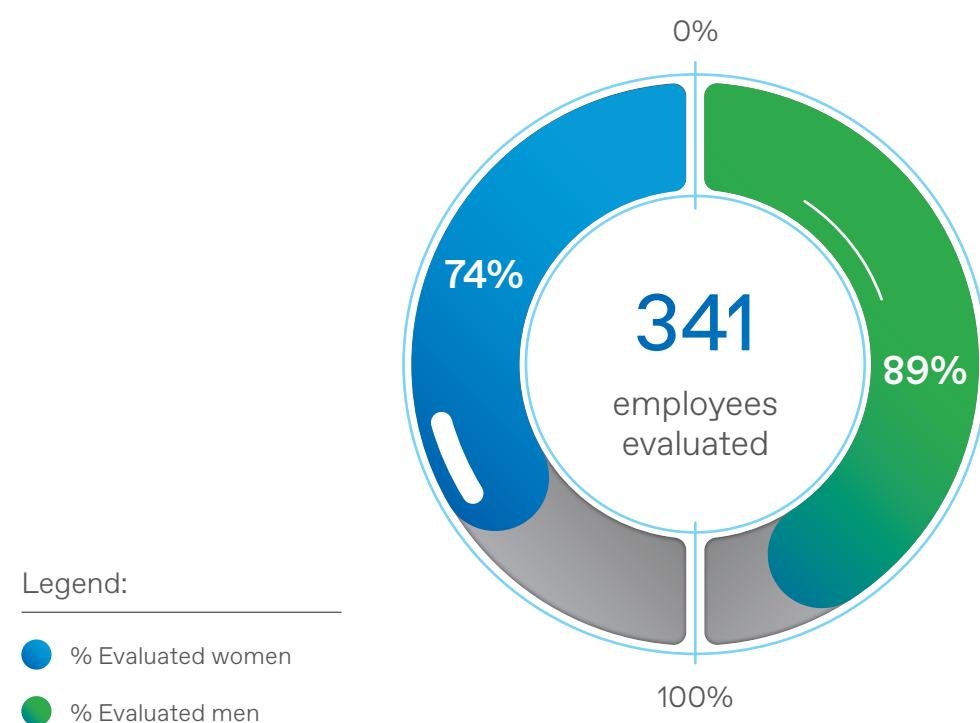
Bondalti employees in the Industrial Chemicals area are assessed annually within the scope of the Performance Management System. This system focuses on the achievement of general and specific objectives, as well as on the development of professional and personal skills.

Performance management is understood as another performance-oriented management tool available to leaders and subordinates, with an emphasis on continuous improvement to achieve the growth to be shared by all.



In 2022 all employees were assessed for their performance and, for the first time, even those less than 6 months in their job were included in the performance management process. The latter were merely subject to a qualitative assessment, as the definition of objectives had been defined long before they joined Bondalti.

Employees assessed



Skills development and training

Bondalti views personnel training as the best mechanism for personal development. Training can be provided “on the job” or in internal/external initiatives, either in person or remotely. As a common practice, in 2022 Bondalti continued to invest in the development and training of its employees, providing access to personalized training plans on subjects such as safety, mitigation of hazardous behaviour or occupational health and environment.

One of the reference plans continues to be the “4×4 Training”: a training plan aimed at Operational Technicians, to ensure the timely transfer of intergenerational knowledge, based on field and classroom training for new employees.

All training is managed by the 4Learn platform, which allows the management of individual training by recording all data relating to training completed and to be completed.

In 2022 Bondalti provided

37,624 training hours to its employees,
2,702 more hours than in the previous year.
Totalling an average of **50 hours per employee.**

The Organisation reinforces post-recruitment training, mainly using on-the-job training more directed to operational areas, thus ensuring the necessary skills to carry out the assigned functions.

Bondalti continues to work to improve the identification of training needs in a more individual and tailor-made way for each employee, aligning their potential for professional growth with their career prospects and the evolutionary path expected within the Organisation.



03. People

Occupational Safety and Health

Occupational Safety and Health is a key issue at Bondalti. Accordingly, through continuous improvement and continued assessment, the company ensures that measures are in place to prevent and mitigate existing risks.

All Bondalti companies manage occupational safety and health issues through dedicated areas or external services contracted for this purpose. The continuous management of these issues allows for the effective identification and mitigation of hazards and risks of each activity, analysis of incidents, consultation and training of employees, and management of occupational health services, allowing the implementation of corrective measures and operational control, as well as ensuring compliance with applicable legal requirements.

All Bondalti employees receive continuous training throughout their careers in subjects such as safety, mitigation of risk behaviour or occupational health. As a means of mitigating and preventing risks, periodic assessments are made of the job-related risks, which translate in mitigation and action plans. With a view to continuous improvement, Bondalti regularly assesses the needs of Personal Protective Equipment (PPE) and investigates which existing solutions may better serve the needs of its employees.

The storage and production of chemical products in large quantities necessarily requires extra care and demanding risk control measures. The European Union has thus established a directive – the SEVESO Directive – with applicability in more than 10,000 industries, especially in the chemical, petrochemical, logistics and metal refining sectors. Bondalti has a Safety Management and Serious Accident Prevention System (SGSPAG) capable of responding to all applicable legal requirements, with the aim of ensuring the safety of people, facilities and stakeholders.

As a result of the good practices implemented in terms of safety and health management, in 2022, as in previous years, there were no fatal accidents, no serious accidents, there was no record of any employee requesting to be eligible for occupational disease status, either in the Industrial Chemicals or Water Treatment segments. All occupational accidents occurring at Bondalti are investigated, their cause is identified, and the necessary corrective measures are taken.





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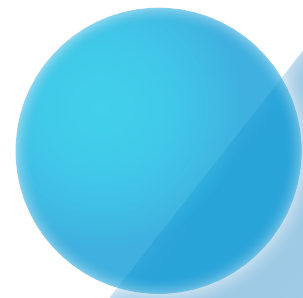
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Renewable sources account for **17%** of the energy used

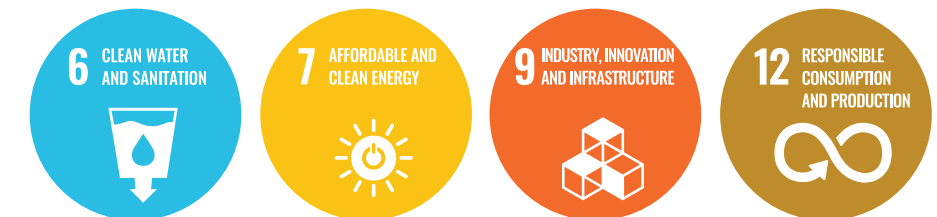
Installation of **2 MWh** capacity solar park

1 061 GJ of natural gas is saved

+9% reduction in waste generation



Strategic SDGs:



Impacted SDGs:





Environmental Protection, Emissions and Energy Management are at the top of Bondalti's priorities as contributions to a neutral impact society and towards the achievement of climate neutrality.

In order to meet the general requirements of the chemical industry, Bondalti is constantly looking for new technologies for waste recovery, and capture and use of carbon dioxide, and it provides essential products to promote energy efficiency and new forms of sustainable mobility.

To this end, in 2020, Bondalti defined its Climate Transition Programme, whereby it commits to the challenge of transformation, in line with the long-term strategy defined by the EU towards a carbon neutral and more responsible business in terms of environmental impact.



It should be noted that Bondalti Chemicals is member of EuroChlor since its foundation in 1989, having adhered in 2013 to the Euro Chlor Safety Commitment guidelines, which aim to guide the chlor-alkali industry towards a responsible and sustainable future.



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Climate Transition

Bondalti is committed to achieving carbon neutrality by 2030. To this end, it developed a Climate Transition Strategy that is annually reviewed and improved so as to meet the best practices in the sector and work towards an efficient and fair Energy and Climate Transition. Bondalti is currently developing an extensive and detailed plan to implement this strategy.

Bondalti is included in the sectors that operate in the European Emissions Trading Scheme - EETS. This is a regulated market for the transfer of carbon emission allowances.

For instance, Bondalti has very low nitric acid emissions because in 2010/2011 the company built a new plant equipped with emerging technology to reduce N_2O . As a result, we are at the top of the least polluting companies at European level.

The new voluntary carbon market that is envisaged for Portugal could become a relevant mechanism for the most efficient organisations that intend to capitalize on their investments and decarbonization projects and, on the other hand, buy credits associated with carbon sequestration projects, in case they need to offset unavoidable emissions or even intend to bet on a carbon negative ambition.

On the other hand, there are financial mechanisms, such as Green bonds, Social Bonds or Sustainability-linked bonds that can be placed privately or publicly.

Bondalti assesses all these mechanisms continuously with a view to updating and improving its Climate Transition Strategy. We believe that the best strategy is the one that adds a diverse set of solutions and tools at the following levels:

1. Technological innovation and digitisation
2. Reduced consumption and increased efficiency
3. Decarbonisation of energy sources
4. Carbon capture, use and storage
5. Carbon off-setting using nature-based solutions
6. Development of partnerships for innovation in sustainability and climate action
7. Compliance with due diligence at the level of value chains to reduce Scope 3 emissions and achieve the alignment of partners and suppliers with the decarbonization strategy and compliance with the targets established in the Paris Agreement
8. Reporting and Compliance in accordance with applicable EU regulations and international best ESG data disclosure practices
9. Financial mechanisms to support mitigation projects, boost investment, review financing conditions and debt restructuring
10. Engagement of all stakeholders to gain scale and increase awareness to individual contribution

Energy

Bondalti's energy consumption is directly related to production: in Industrial Chemicals, the PCA sector uses electricity as a raw material while the PAD sector uses natural gas to produce steam. In the Water Treatment business, energy use has a much smaller impact and is mainly associated with lighting or the use of vehicles.

As a result, in Industrial Chemicals, energy management is planned and monitored in detail, and there are several projects and initiatives underway viewing the continuous optimisation of processes and operations for energy efficiency.

Total Energy Used

17.44%

82.56%



Renewable Energy Source



Non Renewable Energy Source

In Industrial Chemicals, energy consumption amounts to a total of 3,103,135 GJ, while in the Water Treatment sector the total is 9,559 GJ.

Following the installation of the two 2 MWh solar parks at the Estarreja production unit, Bondalti began to use electricity from renewable sources, presently accounting for 17% of total energy used.

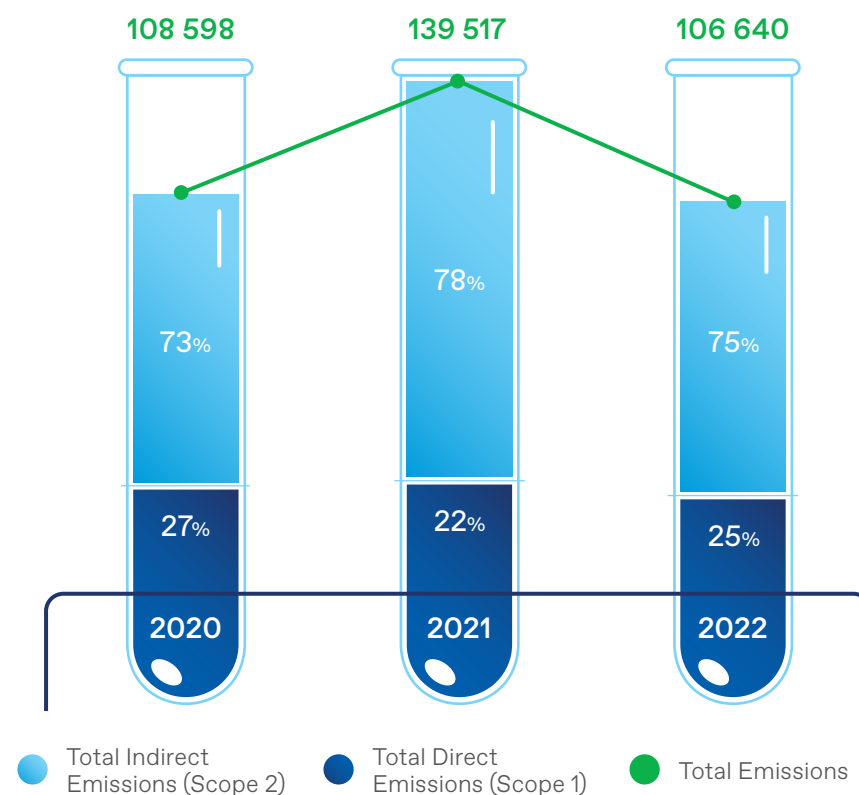


GHG (Greenhouse Gas) Emissions

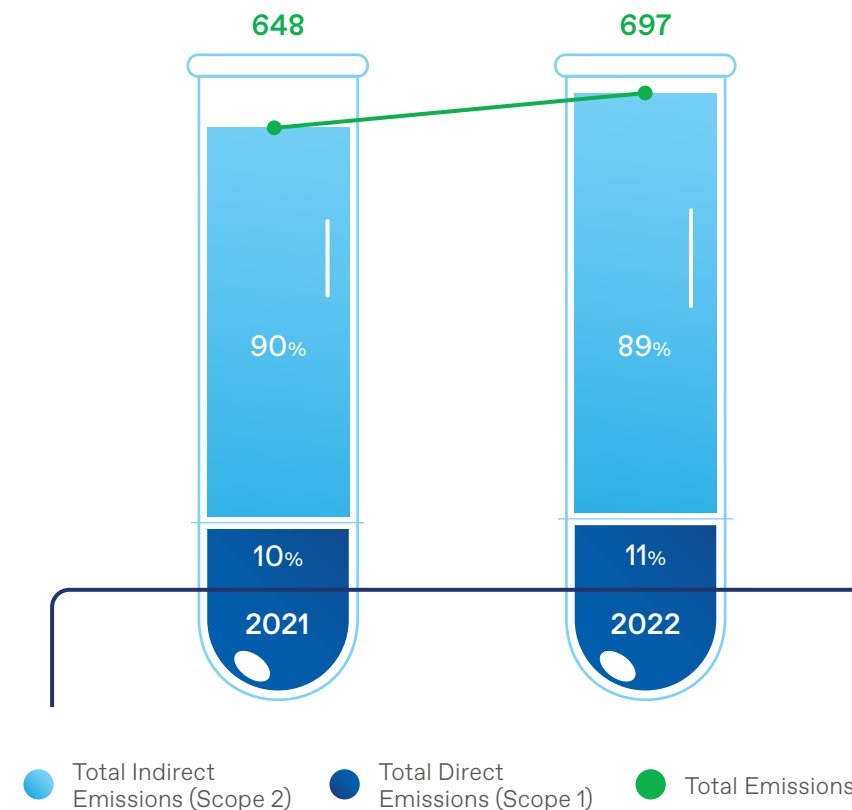
Greenhouse Gas (GHG) emissions are monitored at the various Bondalti companies, thus ensuring alignment with carbon neutrality.

In the Industrial Chemicals activity sector, direct emissions produced are the result of the consumption of natural gas for the production of steam in boilers, burning of waste in the incinerator and production of nitric acid. Indirect emissions are determined by electricity consumption, through the CO₂ emission factor associated with respective power supplier. Bondalti manages its emissions on an ongoing basis, with a focus on continuous improvement, investing in projects to reduce them.

Direct and Indirect GHG Emissions in Industrial Chemicals
(t CO₂ eq.)

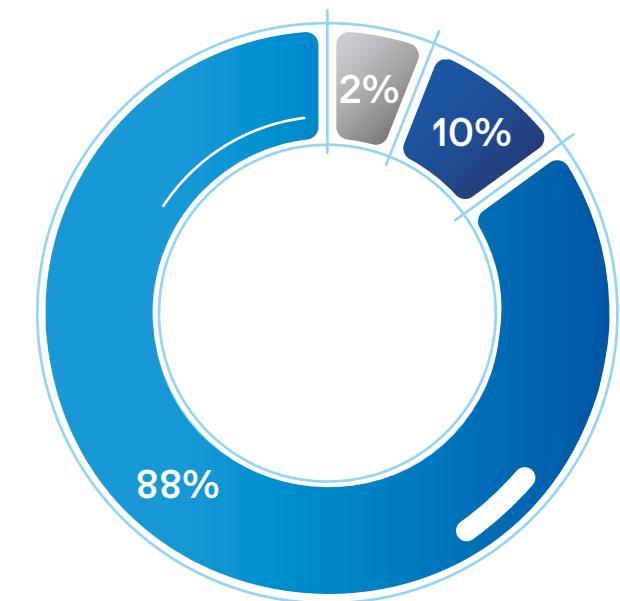


Direct and Indirect GHG Emissions in Water Treatment
(t CO₂ eq.)



In addition to scope 1 and 2 emissions, in 2022 Bondalti determined scope 3 emissions for categories 1 (Goods and Services), 3 (Fuel and Energy), 6 (Commuting) and 10 (Processing of Sold Products) of the last 3 years. In 2022, Scope 3 emissions account for approximately 88% of Bondalti's total GHG emissions.

Total GHG emissions in Industrial Chemicals



Legend:

● Scope 1 ● Scope 2 ● Scope 3





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Scope 3 Emissions in Industrial Chemicals (t CO ₂ eq)	2020	2021	2022	Δ (abs)	Δ (%)
Goods and Services	465 128	585 374	546 863	14 408	3%
Fuels and Energy	16 785	17 700	17 708	310	2%
Missions	24	29	147	81	122%
Processing of Products Sold	539 756	569 115	402 327	-101 405	-20%

To calculate the variation, the difference between 2022 was determined by the three-year average.

GHG emissions in Industrial Chemicals	2020	2021	2022	Δ (abs)	Δ (%)
Scope 1 Emissions (t CO ₂ eq)	29 069	30 373	27 069	- 17 68	- 6%
Scope 2 Emissions (t CO ₂ eq)	79 529	109 144	79 570	- 9 844	- 11%
Scope 3 Emissions (t CO ₂ eq)	1 021 693	1 172 217	967 045	-86 606	-8%
Total	1 130 290	1 311 733	1 073 685	-98 218	-8%

To calculate the variation, the difference between 2022 was determined by the three-year average.

GHG emissions in Water Treatment	2021	2022	Δ (abs)	Δ (%)
Scope 1 Emissions (t CO ₂ eq)	584	623	19	3%
Scope 2 Emissions (t CO ₂ eq)	64	74	5	7%
Scope 3 Emissions (t CO ₂ eq)	-	-	-	-
Total	648	697	24	4%

To calculate the variation, the difference between 2022 was determined by the three-year average.





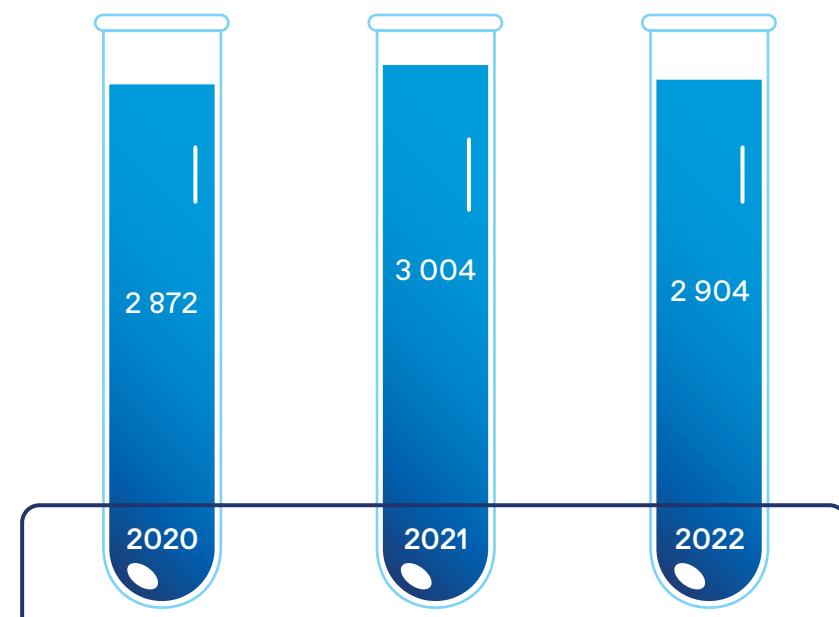
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Water management

In Bondalti Chemistry's activity, water is used for the purposes as raw material in the production process, thus requiring a careful management. Conversely, the use of water in the Water Treatment business is on a very small scale, namely for human consumption and equipment testing.

In 2022, water consumption was directly proportional to production. In Estarreja, the water used in the Industrial Chemicals processes comes from the Antuã river, while in Cantabria it comes from Solvay facilities. All water used in Bondalti's Water Treatment business comes from the public network.

Total Water withdrawn from Industrial Chemicals (ML)

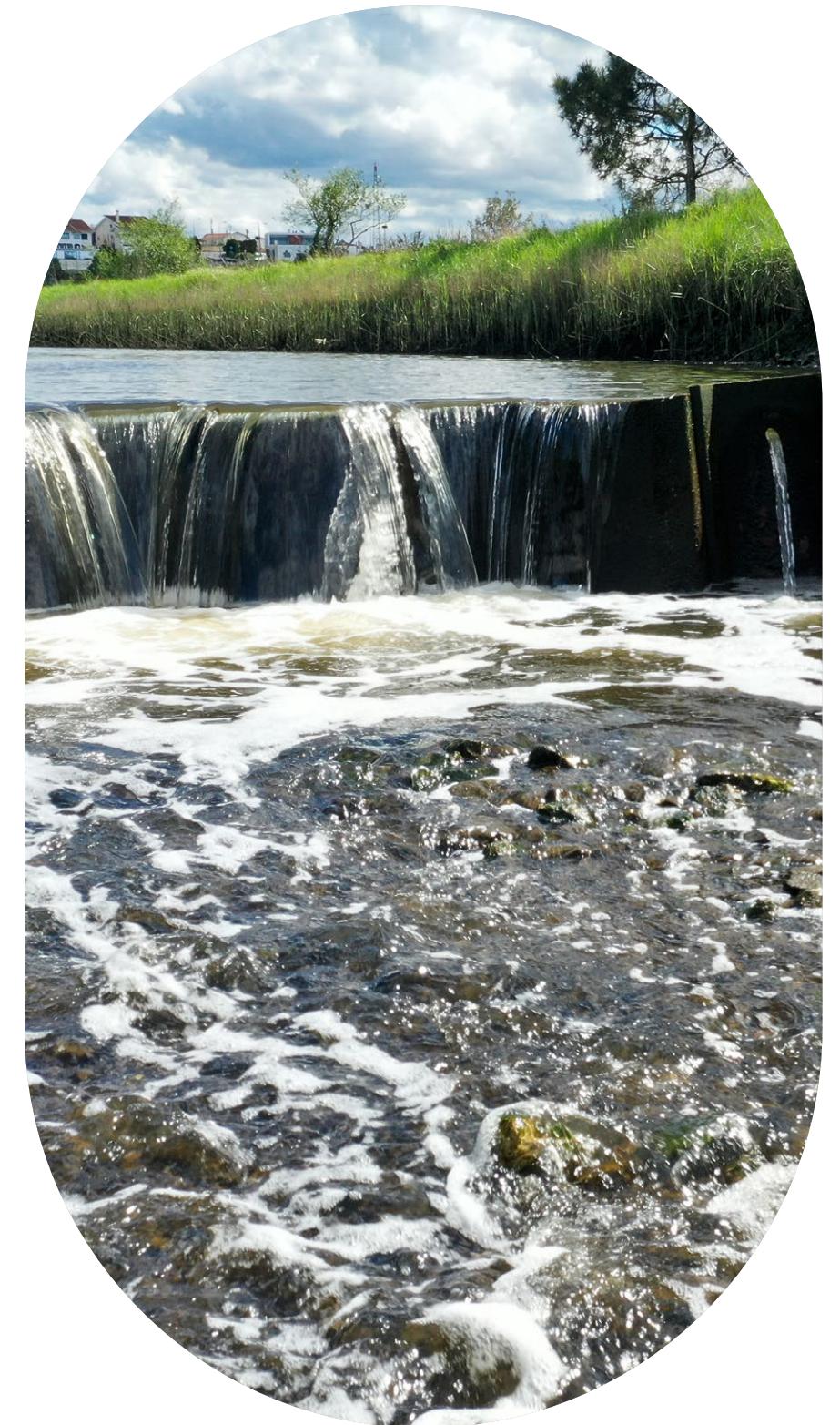


Bondalti Cantabria managed to save 25% in water consumption over its annual production thanks to working improvements, which made stoppages and the washing of electrolyzers unnecessary.

In Bondalti's Water Treatment companies, the water used in the facilities comes from the public network and is essentially used for human consumption, therefore, consumption is quite low compared to Industrial Chemicals. In this business area, extracted water is also used in an industrial environment for testing equipment.

The correct management of liquid effluents is also considered a very relevant issue. Effluent emissions in the Bondalti's Water Treatment business are insignificant, however, the same is not true in the Industrial Chemicals business. In all Bondalti's business units and geographies, water is sent to third-party water treatment plants.

In overall terms, there was an increase in the discharge of water (brine) due to the increase in production in Bondalti Cantabria. The brine is sent to Solvay's water treatment plant, after being subject to a first treatment at Bondalti's facilities.





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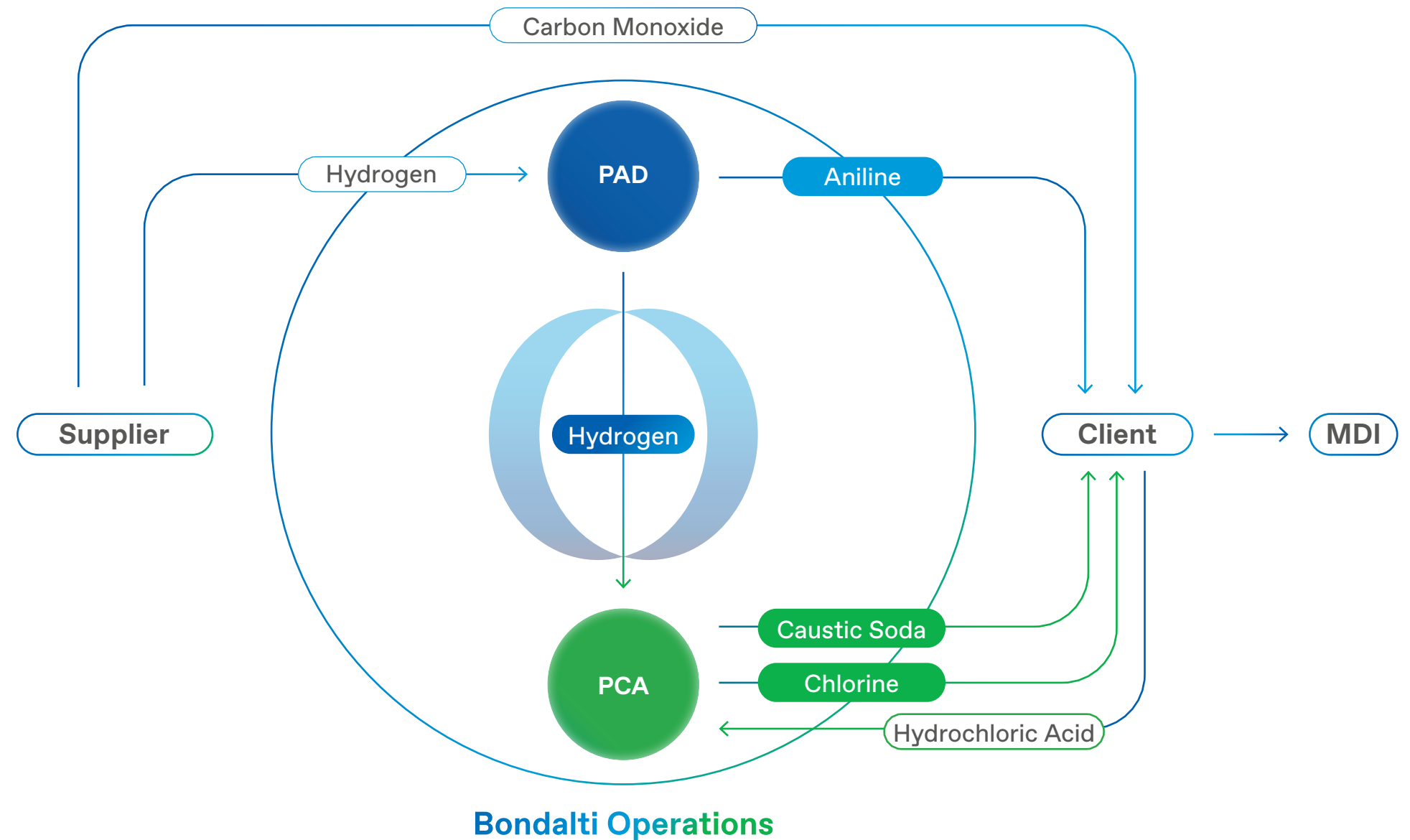
Circular Economy

Bondalti invests in transforming its processes towards an increasingly circular model with a view to optimising the use of raw materials, water and energy resources.

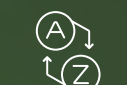
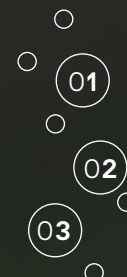
As part of the circularity of raw materials, Bondalti has maximised the use of hydrogen from the chlor-alkali production unit and recovering the ammonia produced. Bondalti has developed several projects to optimise its water resources, such as the reuse of hot water from the reactors, the reuse of water currently sent for treatment, or the development of a systematic analysis to map industrial water networks, further assessing industrial water/wastewater savings opportunities and timely tracking deviations from the desired target.

With regard to energy efficiency and the reduction of greenhouse gas emissions, Bondalti has invested in projects such as reaction heat recovery (reducing steam consumption) and energy recovery from effluents (reducing natural gas consumption).

Bondalti is part of the CQE, where Circular Economy principles are followed since several years.



With a view to improving its processes and taking advantage of industrial synergies, Bondalti continuously invests and seeks Circular Economy opportunities to implement in its production, to make it more effective, efficient and environmentally responsible.



Waste Management

During the year, Bondalti's activities were responsible for generating around 17 thousand tons of waste, around 9.6% less compared to 2021.

Industrial Chemicals (t)	2020	2021	2022	Δ (abs)	Δ (%)
Hazardous waste	18 557	18 343	16 592	- 1 239	- 7%
Recycled	337	176	365	72	25%
Other type of recovery	0	3	87	57	188%
Incinerated	17 772	17 520	15 222	- 1 616	- 10%
Landfill	353	292	831	339	69%
Other type of deposition	95	352	87	- 91	- 51%
Non-hazardous waste	277	292	470	124	36%
Recycled	234	212	425	135	46%
Other type of recovery	0	57	45	11	33%
Incinerated	0	0	0	0	0%
Landfill	25	23	0	- 16	- 98%
Other type of deposition	18	0	0	- 6	- 100%
Total waste produced	18 834	18 635	17 062	- 1 115	- 6%

Bondalti Capital's waste (comparable municipal waste) is not included due to its small size. To calculate the variation, the difference between 2022 was determined by the three-year average.

Water Treatment (t)	2021	2022	Δ (abs)	Δ (%)
Hazardous waste	15.5	11.9	- 1.8	- 13%
Recycled	14.4	9.5	- 2.5	- 13%
Other type of recovery	0.2	1.1	0.5	75%
Incinerated	0.0	0.0	0.0	0%
Landfill	1.0	1.2	0.1	13%
Other type of deposition	0.0	0.0	0.0	0%
Non-hazardous waste	36.6	31.2	- 2.7	- 8%
Recycled	6.8	8.9	1.0	13%
Other type of recovery	6.6	4.0	- 1.3	- 25%
Incinerated	9.7	4.5	- 2.6	- 36%
Landfill	13.5	13.9	0.2	- 1%
Other type of deposition	0.0	0.0	0.0	0%
Total waste produced	52.2	43.1	- 4.5	- 10%

To calculate the variation, the difference between 2022 was determined by the three-year average.

The decrease in waste is due to the general shutdown that took place in the first quarter of the year and, consequently, to a decrease in production.

In 2022, Bondalti started to send part of its waste for recycling, its recycling rate presently standing at 5%. In 2022, Bondalti improved the percentage of recycled waste from 2% to 5%, compared to the previous year.

The high percentage of incinerated waste is mainly due to their nature. The waste essentially comes from four sources: gaseous effluents, nitrophenols and carbonates from MNB production and effluents from aniline production.

With regard to the gaseous effluent from the production of MNB, the emission of this effluent occurs continuously, so its treatment has to be carried out downstream of the facilities. As for the remaining effluents, given their volume and hazardousness, Bondalti incinerates the waste locally holding incineration licenses for the purpose.



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Promotion of Biodiversity

Biodiversity is life. It is the set of all life forms that make up the genetic capital of our planet allowing for balanced relationships between living organisms, including humans, and their physical environment.

Humanity has always benefited from and depended on biodiversity and will always do. Many technologies and equipment derive directly from the knowledge that Man has of Nature - which allows using many biodiversity related services and products for own benefit.

Every 1 Euro invested into nature restoration adds €8 to €38 in benefits

(Source: The EU #NatureRestoration Law ([europa.eu](https://european-council.europa.eu/media/120000/1/Statement_EU_Nature_Restoration_Law.pdf)))

Despite the importance that biodiversity has for our Planet and Humanity, the risks that threaten it are ever greater. The Global Living Planet Report 2020, published by the World Wide Fund for Nature (WWF), shows an average 68% decrease in population sizes of mammals, birds, amphibians, reptiles and fish over the last 50 years – a decrease only comparable to previous events of mass extinction. This combined with the

destruction of the most biodiverse habitats, such as tropical forests or wetlands.

In the European Union more than 80% of natural habitats are considered at “poor” level and one in three species of bees and butterflies is in decline.

Hence, the participants of the last Biodiversity Conference (COP15) agreed to preserve 30% of the most threatened ecosystems on the planet to defend the rights of indigenous peoples and to invest 30 billion dollars in nature conservation by 2030.

In May 2020, the European Commission established the European Biodiversity Strategy 2030. This is a comprehensive, ambitious and long-term plan to protect nature and reverse the process of ecosystem degradation, which aims to put Europe’s biodiversity on a recovery path by 2030. The strategy establishes specific actions and commitments. In terms of nature protection, the European Commission assumes the following main commitments until 2030:

1. Legally protect a minimum of 30% of the EU land area and 30% of the EU’s sea area and integrate ecological corridors, as part of a coherent, transnational network.
2. Strictly protect at least a third of the EU’s protected areas, including all remaining EU primary and old- growth forests
3. Effectively manage all protected areas, defining clear conservation objectives and measures, and monitoring them appropriately.

Implications of applying EUBS2030:

Farmland

A quarter of farmland should be under organic farming management by 2030 and pesticide use and risk should be reduced by 50%, as well as the use of the most dangerous/ hazardous pesticides.

Forests

The EU biodiversity strategy for 2030 commits to planting at least 3 billion additional trees in the EU by 2030, i.e. doubling the current trend.

Pollution and soils

EU Action Plan: ‘Towards Zero Pollution for Air, Water and Soil’ addresses in particular the prevention and remedy of soil contamination. The use of fertilizers must be reduced at least by 20% by 2030.

Marine ecosystems

Reinforce the protection of marine ecosystems and restore them to achieve “good environmental status”, namely through the expansion of protected areas and the creation of strictly protected areas for the recovery of habitats and fish populations.

Freshwater ecosystems

At least 25,000 km of rivers will be restored into free-flowing rivers, through the removal of barriers and the restoration of floodplains.



Cities and local governments

New Green City agreement - the promotion of healthy ecosystems, green infrastructure and nature-based solutions must be systematically integrated into urban planning, including the design of buildings, public spaces and infrastructure.

Invasive alien species

New effort to implement the Invasive Alien Species Regulation in order to reduce by 50% the number of species on the Red List threatened by invasive alien species.

With the aim of putting the EU in a global leadership position in tackling the global biodiversity crisis, €20 billion a year will be unlocked for biodiversity through various sources, including EU funds and national and private funding. Natural capital and biodiversity considerations will be integrated into business practices.

In May 2022, the “Biodiversity 2030: New Agenda for Conservation in the Context of Climate Change” study, commissioned by Ministry for Environment and Climate Action aligned with EUBS2030 was published in Portugal.

This study responds to the challenge of reflecting about Portugal’s biodiversity policy until for 2030, considering, in particular, aspects related to the binomials biodiversity-climate, -territory, -inland and coastal waters, -ocean, and -people.

In June 2022, the European Commission adopted a proposal for a Nature Restoration Law, which is considered a key element of the EU Biodiversity Strategy (EUBS2030).

Restoring wetlands, rivers, forests, grasslands, marine ecosystems, and the species they host will help:

- increase biodiversity; secure the things nature does for free, like cleaning our water and air, pollinating crops, and protecting us from floods;
- limit global warming to 1.5°C;
- build up Europe’s resilience and strategic autonomy, preventing natural disasters and reducing risks to food security.

The proposal contains the following specific targets:

- targets based on existing legislation (for wetlands, forests, grasslands, river and lakes, heath & scrub, rocky habitats and dunes) - improving and re-establishing biodiverse habitats on a large scale, and bringing back species populations by improving and enlarging their habitats
- pollinating insects – reversing the decline of pollinator populations by 2030, and achieving an increasing trend for pollinator populations, with a methodology for regular monitoring of pollinators
- forest ecosystems – achieving an increasing trend for standing and lying deadwood, uneven aged forests, forest connectivity, abundance of common forest birds and stock of organic carbon
- urban ecosystems – no net loss of green urban space by 2030, and an increase in the total area covered by green urban space by 2040 and 2050
- agricultural ecosystems – increasing grassland butterflies and farmland birds, the stock of organic carbon in cropland mineral soils, and the share of agricultural land with high-diversity landscape features; restoring drained peatlands under agricultural use

- marine ecosystems – restoring marine habitats such as seagrass beds or sediment bottoms that deliver significant benefits, including for climate change mitigation, and restoring the habitats of iconic marine species such as dolphins and porpoises, sharks and seabirds.
- river connectivity – identifying and removing barriers that prevent the connectivity of surface waters, so that at least 25 000 km of rivers are restored to a free-flowing state by 2030.

In the face of such challenge, Bondalti has embraced various Nature Conservation and Scientific Research projects, covering several protected species from different ecosystems and geographies. From the endangered Iberian lynxes and imperial eagles in the southern border between Portugal and Spain, protecting their prey and the Mediterranean forest; to the brown bears that still survive in the Cantabrian mountain range, in the north of the Iberian Peninsula. From Marine animals that wash up on the Portuguese coasts, whether birds, seals, reptiles or dolphins; to the shorebirds that nest or seek shelter in the main Portuguese wetlands before their long-term migrations to Africa or northern Europe, often close to the Arctic Circle.

Life and biodiversity must be protected and it is everyone’s responsibility to promote its preservation for future generations.



As an environmentally responsible company, Bondalti is committed to promoting the balance of ecosystems, and involved in and providing support to worthy biodiversity projects.

Bondalti protects marine life

Bondalti is a partner of Ecomare, Marine Animal Recovery Centre – providing support to the rescue, recovery and return to nature of dolphins, seals, turtles and seabirds that wash up on our coasts. Within the scope of this project, Bondalti and the University of Aveiro signed a protocol in December 2016, with the purpose of establishing the Organisation's continuous support to Ecomare, namely by donating hypochlorite (one of the main products in the Industrial Chemicals segment) that is required to maintain the water quality of the tanks where the rescued animals temporarily live.

Bondalti's protection of Biodiversity

Perditos Habitat

In 2017 Bondalti established a partnership protocol with the ANPC (National Association of Rural Owners), with the aim of supporting the recovery of high conservation value habitats for threatened Iberian lynxes and imperial eagles.

The project, which is located in Vale de Perditos, has the support of Bondalti and contributes to the recovery of 3,000 hectares of different habitats in the Guadiana valley region. The species benefiting from this project are top predators of Mediterranean ecosystems, functioning as excellent bioindicators of the quality of rural and natural areas; their presence is evidence of the existence of good management and adequate conditions for a wide variety of other species, on which these superpredators depend. The year 2022 was the last year of the second consecutive three-year period of support

for this project, which has total funding provided by Bondalti of € 760,000 spread over 6 years, for the multifunctional management of an area of approximately 3,000 hectares. On February 22, Vale de Perditos received a couple of Iberian lynxes born at the Silves Reproduction Centre. The protocol is expected to be renewed for another three years in 2023.

This project made it possible to obtain real and innovative results (with the granting of a PhD scholarship and permanent hiring of a researcher, PhD student and a laboratory technician for development and research within the scope of this project). In addition, the project contributed to the supply and use of a new LoRa technological system.

LoRa, short for "long range", is a long-range, low-power wireless radio frequency technology. LoRa devices allow IoT (internet of things) applications to act to solve some of the biggest challenges that modern society faces, such as reducing the use of natural resources, controlling pollution in large centres or preventing disasters, among many other uses. They are now an essential tool in Habitat Perditos, helping the capture effort, minimizing the discomfort of captured wild species and contributing to their well-being.

The almost six years of the Habitat Perditos project, and the studies carried out there by CIBIO teams, were decisive for the recent creation of the Mértola Biological Station, managed by CIBIO/BIOPOLIS - whose main objective is to support research in the fields of biodiversity, agroecology and management of wild and game resources.

Still within the scope of the Habitat Perditos project, Bondalti is providing support and funding a Guest Chair in the fields of Game and Biodiversity. This Chair will have as major objectives the investigation into the ecology, demography and health of sedentary smaller game species, namely the red partridge, the Iberian rabbit and the Iberian hare, preferred prey of the Iberian lynx and the Imperial Eagle, as well as the assessment of the impact of game management on biodiversity. The research team of the Game and Biodiversity Chair will have the support of the Mértola Biological Station.

As a result of the scientific works led by CIBIO, a pilot research project on the red partridge viruses was started last year in Vale de Perditos; the project is approved by the FCT, and is being developed by researcher João Queiroz. A PhD scholarship, financed by the FCT, is under way, on issues related to the health of the red partridge and the interface with other bird species occurring in the Habitat Perditos territory.

In the year just ended, tests were started with new traps to capture mosquitoes that are vectors of the disease and which are subsequently identified by metagenomic techniques.





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Peace, Justice and Inclusion

- Corporate Responsibility

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Peace, Justice and Inclusion

€ 1 236 thousand were granted in 2022 (+ € 176 thousand more than in 2021)

5 new projects/initiatives were started



Strategic SDGs:



Impacted SDGs:





05. Peace, Justice and Inclusion

Corporate Responsibility

Bondalti has a strong sense of Corporate Responsibility. The company pursues business growth based on a sustainable development within its value chain and in surrounding communities, while protecting the environment and fostering the well-being of local communities. This translates into over 30 projects/initiatives. Bondalti's Corporate Responsibility Programme lays out the various actions that Bondalti has carried out over the years, in all the geographies where it operates, in addition to exploring new opportunities aligned with the corporate strategy and Sustainable Development Goals.

The Corporate Responsibility Programme is also an important tool for engaging with stakeholders, fostering relationships of partnership and trust with the various entities involved in the defined projects and initiatives.

Social Impact

Internal Social Responsibility



Bondalti views its people as the key element to achieve success in Innovation. In 2022 the “Colombo OpenDay” edition was held in person rather than online. The Colombo project aims to encourage the participation of employees in the company's innovation process, rewarding the most creative ideas. The 2022 award ceremony took place at the Eco-Parque auditorium in Estarreja, attended by distinguished employees and members of Bondalti's management, including Chairman João de Mello.

External Social Responsibility

Bondalti Chemicals is part of PACOPAR – Community Advisory Panel of the Responsible Care Program in Estarreja – whose mission is to improve the quality of life in Estarreja, applying the Responsible Care® commitments, by responding to people's concerns, providing greater transparency and promoting community cooperation.

PACOPAR ensures good and effective communication between the companies of the Estarreja Chemical Complex and the local community, so that everyone feels respected and safe, promoting mutual assistance between entities in the areas of Education, Science, Health, Civil Protection, Safety, Environment and the companies, for the benefit of the population. Within the framework of the Panel, Bondalti continues to sponsor and organise initiatives with local stakeholders, such as schools, cultural and sports associations, etc., fostering active and open communication with the community, with a view to promote sustainable development.

In 2022 Bondalti renewed its support for local institutions to carry out sustainable projects that aim to improve the quality of life of the local community, allocating a total of € 38,500 to support these communities. Later this year and until the end of 2023, Bondalti will take over the management of PACOPAR.





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With the aim of reaching all the communities surrounding its business areas, Bondalti established three protocols in the region of Cantabria, Spain, where it has an industrial unit, in line with its Corporate Social Responsibility programme aimed at strengthening ties with the communities in the region. The support provided focuses on biodiversity protection, environmental education and water treatment. According to Luís Delgado, Bondalti's executive director:

“

When we started Torrelavega plant's operations in 2020, we immediately established the firm purpose of implementing our Corporate Responsibility Programme in Cantabria as well, to replicate the successful experience achieved with the Estarreja community over the years. The strengthening of relations with the surrounding communities is, and will continue to be, a fundamental chapter of our operational specifications.

- Luis Delgado

”

Also in Bondalti Cantabria, at the end of the second half of the year, a campaign was launched with all employees and the Red Cross Association of Torrelavega, to help people without adequate resources to buy food. The campaign raised €900 that bought 292 kg of essential goods and had the participation of 35% of Bondalti Cantabria employees.



Bondalti Water Solutions, represented by Enkrott Africa, made the commitment to support the local school in the community where its headquarters are located, in Bairro do Sossego, Luanda, Angola.

This school regularly receives treated and disinfected water, and a water treatment system consisting of a sediment carbon-activated filter has been installed on site. In addition to facilitating the access of the school community (students, teachers, assistants and families) to drinking water, Bondalti, through Enkrott, installed a power distribution switchboard and provides school material to all students, such as A4 sheets and pens, on a regular basis. These actions largely contributed to improve student attendance, which currently numbers around 800 students.

Also in the Water Treatment business unit segment, the Aguas Alfaro Group established a partnership with the SEUR Foundation, in which it undertook to collect and recycle bottle caps donating the proceeds to the foundation.

This partnership has already helped over 130 children to obtain unregulated medical treatment in the health system, in order to improve their quality of life. The amount raised with this initiative already surpassed € 1 million corresponding to 4,000 tonnes of caps, while preventing the release of 6,000 t of CO₂.





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Promoting Education and Citizenship

In line with what has been done over the years, Bondalti and the Amélia de Mello Foundation awarded eight scholarships to students from Instituto Superior Técnico (IST). The scholarship award ceremony took place at the premises of the Civil Engineering Department at IST and was attended by the former director of Human Resources at Bondalti, Luis Wissman, the general secretary of the Amélia de Mello Foundation, Jorge Quintas, and the deputy president for the Academic Area, Alexandre Francisco, on behalf of IST. The award of scholarships is based on the following factors: Income per capita and average grades obtained in the previous year/semester.



These awards represent the company's recognition of the academic merit of the students involved and our strong commitment to human development, as cherished corporate values of both Bondalti and the José de MelloGroup.

- Luis Wissmann



Environmental Responsibility

In order to encourage its employees to participate in voluntary work and contribute to the promotion of environmental protection, in the first quarter of 2022 Bondalti employees joined the BioLiving Association to plant 100 trees in the Eco-Parque Empresarial de Estarreja, initiating a forestation programme to plant a total of 800 trees. In line with its Corporate Responsibility Programme, this action shows Bondalti's contribution to offsetting carbon dioxide emissions, preserving biodiversity and improving the community's quality of life.

Environmental Education

For the second consecutive year, the Centre for Environmental and Sea Studies (CESAM) has the support of Bondalti in the "Wetlands and Waterbirds" project of the University of Aveiro. Bondalti's contribution to the project is the offer of five tags (GPS locators) to be placed on gray plover and redshank species. These tags will allow monitoring the species' migratory path, while the collected data will be integrated into a PhD thesis and subsequent drafting of scientific articles.





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Partnerships and Strategic Ecosystem

- Partnerships and Strategic Ecosystem

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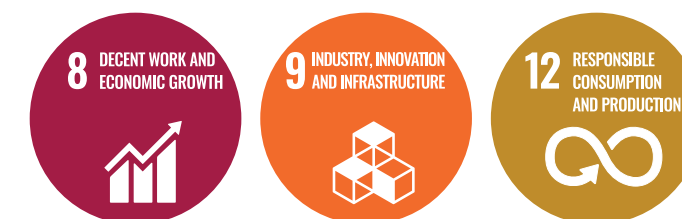
Partnerships and Strategic Ecosystem

GRACE membership

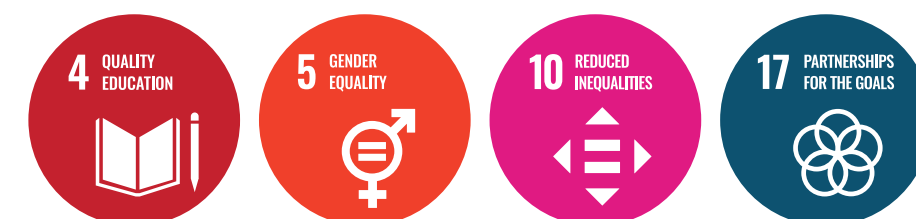
Adhesion to the **UN Global Compact**



Strategic SDGs:



Impacted SDGs:





Viewing the efficient management of its value chain, Bondalti has a Suppliers Conduct Code, which establishes good practices to be followed in the fields of Environment, Occupational Health and Safety, Human and Labour Rights, and Ethics and Governance.

Moreover, Bondalti has subscribed the Charter of Principles of BCSD Portugal (Business Council for Sustainable Development). This charter sets out the common commitments for sustainable development in Portugal. The Charter consists of 20 objectives, 20 targets and 20 indicators, common to all subscribing companies, and it is implemented throughout the 2030 Journey. The charter of principles was inspired by the 10 principles of the United Nations Global Compact, the Universal Declaration of Human Rights and the Fundamental Principles and Rights at Work of the International Labour Organisation.

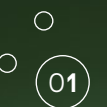
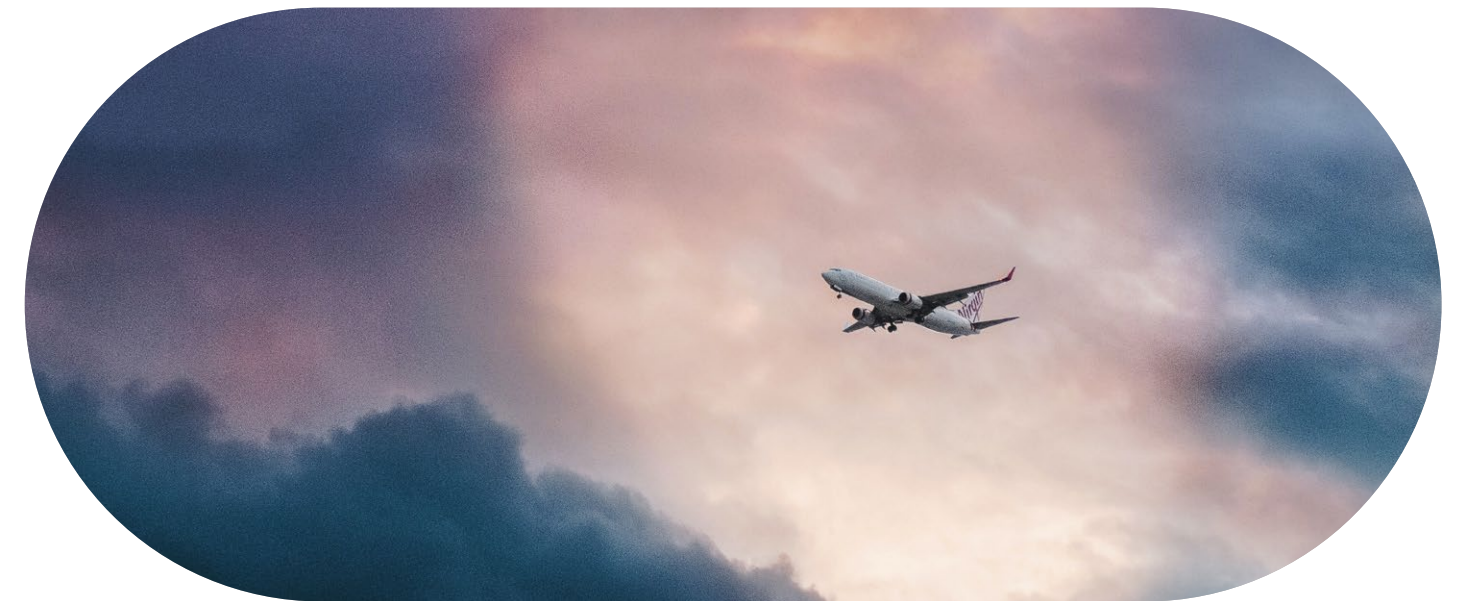


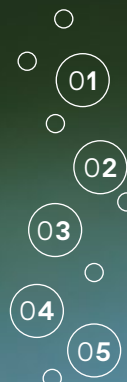
Bondalti Chemicals has subscribed CEFIC's Responsible Care® initiative, which in Portugal is represented by APQuímica. This is a voluntary nature initiative; within its scope, companies are committed to the continuous improvement of environmental, health and safety practices by sharing the characteristics of their products and respective production processes with stakeholders, resulting in safer and more reliable and environmentally friendly end products.

Like the Estarreja site, Bondalti Cantabria at the Torrelavega site also subscribes to the Responsible Care® initiative represented by FEIQUE.



In order to strengthen strategic partnerships, Bondalti became a member of GRACE – Responsible Companies, whose future objective is to participate in Clusters in order to promote knowledge, sharing and networking.





In 2022 Bondalti established a partnership with the United Nations Global Compact. This initiative aims at global business sustainability and has more than 20 years of experience and more than 70 local networks worldwide. Bondalti is an active member of UN Global Compact Network.



Field of Action	Principle	Description
Human Rights	1	Support and respect the protection of internationally recognized human rights.
	2	Ensure its non-participation in human rights violations.
	3	Uphold freedom of association and effective recognition of the right to collective bargaining.
Labour Practices	4	Uphold the abolition of all forms of forced and compulsory labour.
	5	Uphold the effective abolition of child labour
	6	Uphold the elimination of discrimination in respect of employment and occupation.
Environmental protection	7	Support a precautionary approach to environmental challenges.
	8	Undertake initiatives to promote environmental responsibility.
	9	Encourage the development and dissemination of environmentally friendly technologies.
Fight against corruption	10	Combat corruption in all its forms, including extortion and bribery.

As a family-owned and socially responsible company, Bondalti is committed to incorporating Diversity and Inclusion principles into its day-to-day practices. Accordingly, in 2022 Bondalti signed the “Commitment to Inclusion” with the ICF (Inclusive Community Forum) where it undertakes to promote the recruitment of people with disabilities (PwD).

The main objectives are to continue the legacy of a company that is socially committed to the community and to the most relevant social causes, in order to create value and generate a differentiating impact. On the subject of Diversity, welcoming and implementing the best practices in the market; on the theme of Inclusion, creating lasting and sustainable links, establishing a network of contacts that promote the effective integration of PwD, thereby giving visibility to an urgent reality and, above all, promoting a culture of integration and appreciation of everyone’s skills, regardless of their condition.



We participate annually in the project Observatory of the Sustainable Development Goals (SDGs) in Portuguese Sustainable Development Goals (SDGs) in Portuguese companies, promoted and coordinated by the Católica- Lisbon Centre for Responsible Business & Leadership.

This project aims to monitor the implementation of the United Nations 2030 Agenda in the private sector by monitoring the policies, actions and results of companies companies, which promote each of the SDGs. With this project, Bondalti has also been been reflecting more fully and deeply on the integration of the SDGs into its business strategy and on the business strategy and on the effective contribution it generates directly and indirectly, within the scope of its activities.





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In 2021 Bondalti joined the “Pact for Water Management”, an initiative funded by Universidade Católica Portuguesa with the aim of putting the water issue at the centre of Portuguese companies’ agendas. This initiative was subscribed by several Portuguese industrial companies and implies adherence to a manifesto and the commitment to adopting more sustainable and efficient measures in the management of this essential natural resource.

Bondalti’s subscription of the Pact was essential given its commitment to improve water efficiency and reuse in its industrial processes. Additionally, the now consolidated Bondalti Water Solutions business area has numerous projects and initiatives in line with the principles of the manifesto.



Bondalti, through the José de Mello Group Volunteer Programme, is member of the JAP Organization – Junior Achievement Portugal – for the promotion of education for entrepreneurship in Portugal. The company participates in the “Right Arm” initiative, which aims to bring secondary school students into contact with business reality, accompanying volunteers in the workplace for a day.



HyLAB – Green Hydrogen Collaborative Laboratory – is a joint initiative of several public and private organisations in Portugal, of which Bondalti is a partner. The purpose of this initiative is to bring research activities closer to industrial ecosystems with regard to the implementation of the green hydrogen economy in order to accelerate the energy transition along the entire hydrogen value chain.

Bondalti contributes positively to this initiative given its know-how with regard to hydrogen production, transport, storage and distribution.



Bondalti Cantabria is member of AECE – Associação de Empresas com Grande Consumo de Energia (Association of Companies with High Energy Consumption). This association was created in 1980 by the Spanish electro-intensive industry with the aim of promoting energy policies that favour the competitiveness of its members, and in 2022 it already had 27 associated industrial companies. These companies have a common bond: the high proportion of power supply costs in their production process.





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As member of the European Chemical Industry Council (CEFIC), Bondalti is represented in working groups and discussion panels on Climate Transition and Energy, Climate Ambition and Industrial Transformation, Energy Markets and Hydrogen. This organisation, which gathers large, medium and small chemical companies from across Europe, aims to generate and aggregate scientific knowledge in critical areas, offer specialised services and knowledge to its members in regulatory, scientific and technical matters involving and representing the industry to generate value as a collective entity.

Likewise, the company is an active member of the Federación Empresarial de la Industria Química Española (Feique) and the Portuguese Association of Chemistry, Petrochemistry and Refining (APQuímica).



Bondalti is also member of COTEC Portugal - major Portuguese business association for the promotion of innovation and business technological cooperation, and of Confederação Industrial Portugal (CIP), which plays an active role in the defence and participation of the national business fabric in Portugal and in the World.

The main activities carried out with these entities aim at a cross-sector analysis on topics of innovation and technological development, as well as strategic and market positioning. Bondalti thus participates actively in collaborative and knowledge-sharing networks



Bondalti is also a member of the Insure hub, an initiative that aims to promote circular, sustainable and regenerative business solutions, based on disruptive innovation and technologies. With this partnership, Bondalti also strengthens its connection with academic entities and research groups focused on Circular Economy and Decarbonisation.



Bondalti also maintains several collaboration protocols with academic institutions with a view to promoting inclusive and meritocratic teaching, through the granting of merit scholarships based on student performance and also on the financial situation of the respective families; in order to encourage support for promising young people and reduce inequalities in society. Furthermore, in partnership with the Amélia de Mello Foundation, Bondalti participates in the awarding of the Alfredo da Silva Research Prizes and develops protocols for awarding grants and internships for students from various Portuguese Universities.



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ALFREDO
DA SILVA
O FUTURO
COMO TRADIÇÃO



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About the Report

According to the Law and the Articles of Association, the Board of Directors submits herewith to the appraisal of stakeholders the Integrated Report and financial statements, which fully and transparently describe the Company's strategy, management and performance during the year ended at 31 December 2022. This Report shows how based on its business model, Bondalti creates value for stakeholders while contributing to the sustainable development of the society in which it operates.

This report was prepared in accordance with applicable national standards and the following international guidelines:

- Article 66 of the Portuguese Trading Companies Code (CSC)
- Article 130 of the Corporate Income Tax Code (CIRC) and Ministerial Order 92-A/2011 of 28 February
- International Integrated Reporting Framework from the Value Reporting Foundation
- Global Reporting Initiative (GRI) Standards
- AccountAbility's AA1000AP (2018) standard, signing up to the Inclusion, Materiality, Responsiveness, and Impact principles
- United Nations Sustainable Development Goals

In view of their materiality as far as Bondalti's activity is concerned, the GRI Standards General and Business indicators report on consolidated information, whilst Environmental and Social indicators report on information separated by company.

All financial information forming part of this Report was audited by EY, as stated in the Legal Certification of Accounts and Statutory Auditor's Report and Opinion, attached hereto. Non-financial information and GRI Standards information were audited by PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda., as expressed in the attached Sustainability Verification Report.

Sources of complementary information are as follows:

- Separate reports and accounts of Bondalti companies
- bondalti.com

Any request for clarification may be sent via email to sustainability@bondalti.com



07. Annexes

Consolidated financial statements

Consolidated Balance Sheet at 31 December 2022

Bondalti Capital, S.A. (Amounts in €)

Headings	Notes	31-12-2022	31-12-2021
Assets			
Non Current Assets			
Tangible fixed assets	6	124 495 370	129 673 725
Propiedades de Inventario	7	14 963 006	19 228 188
Goodwill	10.1	3 892 618	4 298 347
Intangible assets	8	7 001 499	4 744 677
Equity holdings - equity method	9.1	816 182	1 023 517
Equity holdings - other methods	9.2	243 750	71 006
Other financial assets	14.1	61 950 858	62 472 073
Deferred tax assets	30	7 210 196	7 114 742
		220 573 479	228 626 276
Current Assets			
Inventories	11.1	42 039 757	28 167 653
Clients	14.2	72 780 050	68 984 069
State and other public entities	12	887 929	-
Other accounts receivable	14.2	3 675 885	4 202 026
Deferrals	13.1	1 790 245	2 406 500
Financial assets held for trading		-	1 507
Cash and bank deposits	4	35 626 885	22 945 588
		156 800 330	126 707 343
Total Assets		377 373 808	355 333 619

Headings

Notes

31-12-2022

31-12-2021

Equity, Non-controlling Interests and Liabilities

Equity

Subscribed share capital	17.1	20 422 000	20 422 000
Legal reserves	17.2	4 084 400	4 084 400
Other reserves	17.2	11 265 027	11 265 027
Retained earnings	17.2	64 714 107	48 359 648
Adjustments and other changes in Equity	17.3	7 900 074	8 129 749
Net income for the year		51 822 711	19 104 459
		160 208 319	111 365 282
Non controlling interests	17.4	(294 958)	1 981 582

Total Equity

159 913 362

113 345 865

Liabilities

Non Current Liabilities

Provisions	15	6 290 614	5 799 421
Loans	14.5	78 375 117	102 650 049
Liabilities for post-employment benefits	16.1	2 122 023	2 645 769
Deferred tax liabilities	30	3 518 776	3 943 816
Other non-current Liabilities	14.4	2 699 568	3 477 264
		93 006 097	118 516 319

Current Liabilities

Suppliers	14.3	63 248 483	67 540 947
Cash receipts from clients	14	4 431 664	4 789 508
State and other public entities	12	4 590 518	3 456 629
Loans	14.5	25 935 870	31 873 689
Other creditors	14.4	25 701 780	14 905 700
Deferrals	13.2	546 035	903 963
		124 454 350	123 470 436

Total Liabilities

217 460 447

241 986 754

Total Equity, Non-controlling Interests and Liabilities

377 373 808

355 333 619



Consolidated Profit and Loss Statement by Nature

Bondalti Capital, S.A.. Period ended at 31 December 2022 (Amounts in €)

Profit & Loss	Notes	31-12-2022	31-12-2021
Sales and services	19	595 072 827	443 872 961
Operating subsidies	18	401 486	157 805
Gains/losses of Subsidiaries, Associates and Joint Ventures	20	733 637	391 137
Product stock variation	11.2	5 786 910	367 786
Work for own entity	21	315 042	229 125
Cost of goods sold	11.3	(356 768 979)	(273 169 563)
External Supplies and Services	22	(114 739 267)	(89 788 322)
Personnel costs	16.4	(35 851 194)	(28 101 108)
Impairment of receivables (losses/reversals)	14.2	74 134	93 665
Provisions (increase/decrease)	15	(536 194)	2 167 856
Increase/decrease in fair value	26	(38 600)	(96 570)
Other income	23	13 107 727	9 543 231
Other expenses	24	(4 994 304)	(3 902 181)
Earnings before Interests, Taxes, Depreciation and Amortisation		102 563 224	61 765 823
Expenses/reversal of depreciation and amortisation	27	(22 457 313)	(21 648 857)
Earnings before Interests and Taxes		80 105 911	40 116 966
Interest and similar income	28	1 706 492	178 681
Interest and similar expenses	29	(14 127 660)	(15 646 285)
Earnings before Taxes		67 684 743	24 649 362
Income tax for the year	30	(15 830 169)	(5 374 947)
Net Income for the Year		51 854 574	19 274 414
Net income for the year attributable to:			
Parent company shareholders		51 822 711	19 104 458
Non-controlling interests	17.4	31 863	169 955
		51 854 574	19 274 414



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Consolidated Statement of Changes in Equity for 2022

Bondalti Capital, S.A.. Period ended at 31 December 2022 (Amounts in €)

Description	Notes	Share Capital (Note 17.1)	Legal reserves (Note 17.2)	Other reserves (Note 17.2)	Ajustaments/ other changes in equity (Note 17.3)	Retained earnings (Note 17.2)	Net income for the period (Note 17.2)	Total	Non-controlling interests (Note 17.5)	Total Equity
Position at beginning of 2021	1	20 422 000	3 963 177	11 265 027	7 767 436	45 937 317	14 543 554	103 898 511	1 644 902	105 543 413
Changes in the period										
Adjustments to Financial Assets - Subsidiaries		-	-	-	362 312	-	-	362 312	1 466 880	1 829 192
Other Operations		-	89 154	-	-	(89 154)	-	-	-	-
	2	-	89 154	-	362 312	(89 154)	-	362 312	1 466 880	1 829 192
Net income for the year	3	-	-	-	-	-	19 104 459	19 104 459	(23 347)	19 081 112
Comprehensive result	4=2+3	-	-	-	-	-	19 104 459	19 466 459	1 443 533	20 910 304
Operations with equity holders during the year										
Distributions		-	-	-	-	(12 000 000)	-	(12 000 000)	-	(12 000 000)
	5	-	-	-	-	(12 000 000)	-	(12 000 000)	(1 106 854)	(13 106 854)
Appropriation of the net income										
Set up of Legal Reserve		-	32 069	-	-	-	(32 069)	-	-	-
Transfer to Retained Earnings						14 511 485	(14 511 485)	-	-	-
	6	-	32 069	-	-	14 511 485	(14 543 554)	-	-	-
Position at end of 2021	7=1+2 +3+5+6	20 422 000	4 084 400	11 265 026	8 129 748	48 359 648	19 104 459	111 365 282	1 981 582	113 346 864



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Description	Notes	Share Capital (Note 17.1)	Legal reserves (Note 17.2)	Other reserves (Note 17.2)	Ajustaments/ other changes in equity (Note 17.3)	Retained earnings (Note 17.2)	Net income for the period (Note 17.2)	Total	Non-controlling interests (Note 17.5)	Total Equity
Position at beginning of 2022	7	20 422 000	4 084 400	11 265 027	8 129 749	48 359 648	19 104 459	111 365 282	1 981 582	113 346 865
Changes in the period										
Adjustments to Financial Assets - Subsidiaries		-	-	-	(229 675)	-	-	(229 675)	1 466 880	1 237 206
	8	-	-	-	(229 675)	-	-	(229 675)	1 466 880	1 237 206
Net income of the year	9	-	-	-	-	-	51 822 711	51 822 711	(23 347)	51 799 365
Comprehensive result	10=8+9	-	-	-	-	-	51 822 711	51 593 037	1 443 533	53 036 570
Operations with equity holders during the year										
Distributions		-	-	-	-	(2 750 000)	-	(2 750 000)		(2 750 000)
Acquisition of minority shareholders		-	-	-	-	-	-	-	(3 720 073)	(3 720 073)
	11	-	-	-	-	(2 750 000)	-	(2 750 000)	(3 720 073)	(6 470 073)
Aplicação de resultados										
Transfer to Retained Earnings						19 104 459	(19 104 459)	-	-	-
	12	-	32 069	-	-	(19 104 459)	(19 104 459)	-	-	-
Position at end of 2022	13=8+9 +11+12	20 422 000	4 084 400	11 265 027	7 900 074	64 714 107	51 822 711	160 208 319	(294 958)	159 913 362



Consolidated Cash Flow Statement

Bondalti Capital, S.A.. Period ended at 31 December 2022 (Amounts in €)

	Notes	31-12-2022	31-12-2021
Cash flow from operating activities - direct method			
Cash received from clients		618 229 497	410 355 817
Cash paid to suppliers		(498 784 494)	(326 994 120)
Cash paid to personnel		(23 200 595)	(23 179 284)
Flows generated by operations		96 244 408	60 182 414
Income tax received/paid		(2 658 279)	(1 803 439)
Other cash received/paid		(41 127 139)	(26 598 638)
Net cash from operating activities (1)		52 458 990	31 780 338
Cash flows from investing activities			
Cash payments relating to:			
Tangible fixed assets		(15 349 029)	(10 513 370)
Intangible assets		-	(188 262)
Financial investments		(996 083)	(13 141 526)
Other assets		(500 000)	(6 000 000)
		(16 845 112)	(29 843 160)
Cash receipts relating to:			
Tangible fixed assets		163 500	43 000
Investment property		9 840 967	70 467
Financial investments		3 526	4 734
Other assets		46 200	6 638 592
Investment subsidies		229 545	-
Interest and similar income		410 832	163 822
Dividends		397 288	443 234
		11 091 858	7 363 849
Cash flows from investing activities (2)		(5 753 254)	(22 479 311)

	Notes	31-12-2022	31-12-2021
Cash flows from financing activities			
Cash receipts relating to:			
Loans		46 024 509	32 211 201
Investment subsidies		66 406	116 629
Other financing operations		4 000 000	-
		50 090 915	32 327 829
Cash payments relating to:			
Loans		(74 453 439)	(42 413 749)
Interest and similar costs		(2 911 915)	(5 596 088)
Dividends		(2 750 000)	(12 000 000)
Other financing operations		(4 000 000)	-
		(84 115 354)	(60 009 836)
Cash flows from investing activities (3)		(34 024 439)	(27 682 007)
Variation in cash and cash equivalents (1+2+3)			
Cash and cash equivalents at the beginning of the period	4	22 945 588	39 171 085
Changes in the consolidation perimeter	4	-	2 155 482
Cash and cash equivalents at the end of the period	4	35 626 885	22 945 588



Notes to the Consolidated Financial Statements

This Document contains disclosures as required by the Accounting and Financial Reporting Standards (NCRF) comprised in the Accounting Standardisation System (SNC), relating to 2022.

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1. The Company

The Bondalti Group (“Group”) led by its parent company Bondalti Capital, S.A. was incorporated on May 19, 1997 and is sieged in Lisbon. Bondalti Capital’s corporate object is the provision of consultancy in economic, financial and human resources areas, the management of companies, the provision of services of any nature, as well as the development of all related operations.

Bondalti Capital is currently the holding company of a group of companies operating in Portugal and Spain in three different activities:

- Chemicals - production and sale of industrial chemicals.
- Real estate - purchase and sale of real estate.
- Water Treatment Area – production and marketing of water treatment products and technology.

The parent company of the Bondalti Group is José de Mello Capital, S.A., with registered office in Lisbon.

2. Bases of preparation of the financial statements

The Group prepares its accounts according to the Accounting and Financial Reporting Standards (NCRF) which form an integral part of the SNC (Portuguese accounting system).

There were no derogations to providing a true and appropriate image.

Financial statements for 2022 and 2021 were prepared using principles consistent with those used in the previous year, therefore all balance sheet and profit and loss captions are comparable with those of the previous year.

3. Main accounting policies

3.1. Measurement bases used in the preparation of the financial statements:

The financial statements were prepared on the ongoing concern and accrual basis of accounting, consistency of presentation, materiality and aggregation, offsetting and comparative information.

Based on provisions in the NCFR, the accounting policies followed by the Company were as follows:

(a) Tangible Fixed Assets

Tangible fixed assets refer to assets used in production, rendering of services or for administrative purpose.

The Group adopted the deemed cost in the measurement of tangible fixed assets as of 1 January 2009 (date of transition to the NCRF), pursuant to the exemption provided in NCFR 3 - First time adoption of NCFR. The Group adopted as considered cost the amount recorded in the former financial statements prepared according to the former accounting standards (POC), which included revaluation reserves made pursuant to various decree-laws that took into account currency devaluation coefficients.

With the exception of land, which does not depreciate, tangible fixed assets are subject to depreciation over the expected economic useful life, and they are assessed for impairment whenever there is an indication that the asset may be in impairment Depreciation is determined on a twelfth basis as of the moment the assets become available for their intended use, in accordance with the straight-line method. The following depreciation rates are used:

	2022	2021
Buildings and other constructions	2.00 - 33.33	2.00 - 33.33
Basic equipment	5.00 - 50.00	5.00 - 50.00
Transport equipment	6.25 - 25.00	6.25 - 25.00
Administrative equipment	5.88 - 50.00	5.88 - 50.00
Other tangible fixed assets	12.5 - 20.00	12.5 - 20.00

Depreciation costs are recognised on the Profit and Loss Statement under the heading “Depreciation and amortization (Expenses/Reversal)”.

Costs with dismantling and removing tangible fixed assets, and restoring the site where these are located, the obligation of which is incurred when assets are acquired, or as a consequence of having been used for a certain period for purposes other than inventory production, form part of the corresponding tangible fixed asset cost and are depreciated over the useful life period of the assets in question.

Current maintenance and repair costs are recognised as expenses in the period they occur.

Replacement and major repair costs are capitalised, provided that they increase the useful life of the fixed asset to which they relate and are depreciated over the remaining useful life period of the fixed asset or its own useful life period, if shorter. Any gain or loss resulting from the derecognition of a tangible asset (calculated as the difference between the sale price, less the costs of sale and accounting value) is included in the profit and loss account of the financial year during which the asset is derecognised.



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Tangible fixed assets in progress concern goods which are still under construction or development and are measured at acquisition cost, and they can only be depreciated when they will become available for use.

At the end of each year the company assesses any possible impairment in assets, which if any, will be recognised in the profit and loss statement for the year.

(b) Investment Property

The Group adopted considered cost in the measurement of tangible fixed assets referring to 1 January 2009 (transition to the NCRF), under the terms of the exemption provided in NCRF 3 – First Adoption of the NCRF. Deemed cost resulted from an assessment made as of the said date by independent and qualified auditors. Subsequently, the Group adopted the cost model in the measurement of investment property.

Depreciation is determined on a twelfth basis as of the moment the assets become available for their intended use, in accordance with the straight-line method. Depreciation rates used are as follows:

	2022	2021
Buildings and other constructions	2.00 - 10.00	2.00 - 10.00

(c) Intangible Assets

Intangible assets acquired separately are measured at cost on the initial recognition date.

Internally generated costs of intangible assets, excluding development costs under certain circumstances, are considered as an expense and are shown on the profit and loss accounts for the year in which the expense is incurred.

After initial recognition, intangible assets are presented at cost less accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as finite or indefinite. Intangible assets with indefinite useful lives are not amortised, but are tested annually for impairment, regardless of whether or not there are indicators that they may be impaired. Intangible assets with finite useful lives are amortised over their expected life span, and they are assessed for impairment whenever there is an indication that the asset may be impaired. Amortizations of Intangible Assets are shown on the Statement of Results by Nature, on the line entitled “Depreciation and Amortization Expenses/Reversal”..

The criteria described in line a) tangible fixed assets, are used to determine the impairment of these assets.

Amortizations are calculated on a twelfth basis, using the straight-line method. The following amortization rates are used:

	2022	2021
Development projects	20.00 - 33.33	20.00 - 33.33
Software	33.33	33.33
Industrial property	20.00 - 33.33	20.00 - 33.33
Goodwill	10.00	10.00
Other intangible assets	20.00 - 33.33	20.00 - 33.33

Any gain or loss resulting from derecognition of an intangible asset is included in the profit and loss accounts for the financial year in which the asset is derecognised.

Some specific aspects relating to each type of intangible asset are shown below.

(c.1) Development Projects

Research costs are recognised as expenses in the period they occur. Development costs of an individualised product are recognised as intangible assets when the Group can demonstrate the following:

- The technical feasibility of completing the intangible asset, such that it is available for use or sale;
- Its intention to complete the intangible asset and ensure that its meets the conditions for its usage or sale;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The capacity to reliably measure expenditure during development.

(c.2) Computer Software

This caption includes computer software purchased to third parties. Internal costs associated with the maintenance and development of computer programs are recognised as expenses when incurred, as it is considered that they cannot be reliably measured and/or will not generate future economic benefits.

(c.3) Industrial Property

This heading shows patents registered in the names of companies included in the consolidation, for which exclusive usage rights are held. Amortization is calculated during the exclusive usage period of each patent.

(c.4) Emission Allowances

CO₂ emission allowances awarded to the Company under the scope of the national allocation plan for CO₂ emission



allowances are recognised in accordance with NCRF 26, under the Intangible Assets heading against Other Changes in Equity - Subsidies and Donations, at market value on the allocation date.

Acquired allowances are recognised under Intangible Assets charged against the corresponding account payable or availability account.

A Depreciation and Amortization expense is recognised against the Accumulated Amortisations of Intangible Assets, for CO₂ emissions made by the Company, based on the FIFO criteria. An amount equivalent to the reduction in the corresponding share of the subsidy is simultaneously transferred to Other Revenue and Gains, against Subsidies and Donations.

Whenever the Company emits CO₂ without holding the respective allowances, a provision is recognised under the terms of NCRF 21 - Provisions, Contingent Liabilities and Assets. The contingent amount corresponds to the best price estimate to obtain it, plus the estimated amount of penalties that will be incurred for emitting the CO₂ without allowance.

Sales of emission allowances give rise a gain or loss ascertained based on the realisable value and the respective acquisition cost, which is recorded under Other Income and Gains– Income and Gains from Non-Financial Investments and other Expenses and Losses - Expenses and Losses in Non-Financial Investments, respectively.

As there is an active market for emission allowances, they are re-valued at market value at the end of each period, and the Equity - Subsidies and Donations or the profit and loss account is adjusted simultaneously,

depending on whether the allowance are granted or acquired, respectively.

(d) Equity Holdings – Equity method

Investments in associates are valued according to the equity method.

On the investment acquisition date, the difference between the cost of the investment and the Group's share in the identifiable fair value of the assets, liabilities and contingent liabilities of the acquired investment was accounted for in accordance with NCRF 14 - Concentrations of Business Activities.. Therefore:

- Related goodwill was included under the intangible assets item, and amortised, under the terms of NCRF 6, over the period of its useful life (or in 10 years, if its useful life cannot be reliably estimated).

After the acquisition date, the carrying value of the investments:

- was increased or decreased to recognise investee shares in results after the date of acquisition;
- was decreased by the earnings distribution received;
- was increased or decreased to reflect, against Equity, changes to the Group's proportional interest in stakes resulting from changes in the equity of the stakes in question that were not recognised in the respective income statement. Among other situations, these changes include those resulting from the Revaluation of Tangible Fixed Assets and from differences in foreign currency exchange rate

The following provisions regarding the application of this method were also followed when measuring these investments:

- The financial statements of the investees were prepared, or adjusted outside the accounts, in order to reflect the Group's accounting policies before being used to determine the effects of the equity method;
- The investee financial statements used to determine the equity method effects are reported on the same date as those of the Group or, if different, there is a difference of no more than three months from those of the Group;
- Results from “ascending” and “descending” transactions are only recognized to the extent that they correspond to the interests of other investors in the associate, unrelated to the investor.
- When the value of an investment is reduced to zero, additional losses are taken into account by recognising a liability whenever the Company incurs into legal or constructive obligations. If the investees subsequently report profits, the Group only recommences their recognition once its share in the profits equals the unrecognised share of the losses.

(e) Equity Holdings – other methods

The group uses the cost model for financial investments in non-listed entities, to which the equity method does not apply.

According to the cost model, financial stakes are initially recognised at acquisition cost, including transaction costs. Their value is subsequently decreased by impairment losses, whenever they occur.

(f) Income Tax

Income tax for the year includes current and deferred taxes from the financial year.

(f.1) Deferred tax assets and liabilities

Deferred tax assets and liabilities result from determining the time differences between the accounting bases and tax bases of the Group's assets and liabilities.



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Deferred tax assets reflect:

- Deductible time differences, to the extent that future taxable gains are likely to exist, with regard to which the deductible difference may be used;
- Unused tax losses and unused tax credits, to the extent that it is likely that future taxable gains will be available, against which they may be used.

Deferred tax liabilities reflect taxable time differences.

Deferred taxes relating to time differences associated with investments in associates and interests in joint ventures are not recognised, because it is considered that the following conditions are simultaneously met:

- The Group is able to control the timing of the reversal of the time difference; and
- It is likely that the time difference will not reverse in the foreseeable future.

The measurement of deferred tax assets and liabilities:

- is made at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.
- Measurements reflect tax consequences arising from the way in which the Group, on the balance sheet date, expects to recover or settle the carrying value of its assets and liabilities.

(f.2) Income tax for the year

Income tax for the year includes current and deferred taxes from the financial year.

Current tax is determined based on the accounting profit and loss, adjusted in accordance with current tax legislation to which each of the companies included in the consolidation is subject.

The parent company and direct or indirect subsidiaries in which at least 75% of the respective capital is held, which are domiciled in Portugal and subject to Income Tax are subject to the Special Taxation Regime for Corporate Group at a rate of 21%, added of a surcharge up to the maximum rate of 9% of Taxable Income, resulting in a maximum aggregated rate of 30%.

Income tax relating to the rest of the companies included in the consolidation is calculated at the current rates in the countries where respective registered offices are located:

	Country	2022 Tax	2021 Tax
Income tax	Portugal	21.0%	21.0%
Municipal surcharge	Portugal	1.5%	1.5%
State surcharge	Portugal	3%-9%	3%-9%
Income tax	Spain	25.0%	25.0%
Income tax	Angola	25.0%	25.0%

Under the terms of the current legislation in the different jurisdictions in which the companies included in the consolidation carry out their activities, the corresponding tax returns are subject to review by the tax authorities for a period that varies from between four to five years, which may be prolonged under certain circumstances, specifically when there are tax losses or inspections, claims or challenges are in progress.

The Board of Directors, based on the positions of its tax advisers, and considering the recognised responsibilities, understand that any possible reviews of these tax returns will not result in material corrections to the consolidated financial statements.

(g) Inventories

The assessment of inventories and respective costing methods are as follows:

	Valuation	Valuation Methods
Goods	Acquisition cost (*)	Average cost
Raw materials, subsidiary materials and consumables	Acquisition cost (*)	Average cost
Finished and semi finished products	Acquisition cost (*)	Average cost
Works in progress	Acquisition cost (*)	Average cost

(*) Net realizable value, whichever the lower

The cost of inventories includes:

- Average purchase cost of integrated raw materials;
- Purchase costs (purchase price and transport costs)

Whenever the net realizable value is lower than the purchase or conversion cost, the value of the inventories is reduced by recognising an impairment loss, which is reversed when the reasons that led to it cease to exist.

For this purpose, the net realisable value is the estimated selling prices during the ordinary course of the business activity, less the estimated costs of finishing and the costs required to make the sale. Estimates consider changes related to events occurring after the end of the period.



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(h) Other financial assets

Financial assets are recognised when the companies included in the consolidation become a party to the respective contractual relationship.

Financial assets not included in previous items, and not valued at fair value, are valued at cost or at amortised cost net of impairment losses, where applicable.

The group assesses the impairment of these assets at the end of the year. Whenever there is objective evidence of impairment, the Group recognises and impairment loss on the profit and loss statement.

Objective evidence that a financial asset or group of assets could be in impairment takes into account observable data that can call attention to the following loss events:

- The debtor being in significant financial difficulty;
- Breach of contract, such as non-payment or default on interest payments or repayment of debt;
- For economic or legal reasons related to the debtor's financial difficulty, the companies included in the consolidation offer concessions to the debtor that they would not otherwise consider.
- The debtor is likely to become bankrupt or subject to any other financial reorganisation;
- Observable information indicating that has been a measured decrease in future cash flow estimates of a group of financial assets, since their initial recognitions.

Individually significant financial assets were assessed individually for the purposes of impairment. All other financial assets were assessed based on similar credit risk characteristics.

Some specific aspects relating to each type of financial asset are shown below:

(h.1) Trade receivables

During the initial recognition, trade accounts receivable is measured according to the Sales and Services Provided measurement criteria described in line q) and are subsequently measured at amortised cost less impairment.

Impairment is determined based on criteria defined in line h).

(h.2) Other accounts receivable

Other accounts receivable are valued as follows:

- Personnel - at cost less impairment;
- Receivables from accrued income – at cost;
- Other debtors – at cost less impairment.
- Loans to shareholders do not bear interest or have any implicit interest rate, so they are presented at their respective nominal value, less impairment losses, where applicable.

In both cases, impairment is determined based on criteria defined in line h).

(h.3) Cash and bank deposits

The amounts included in this item correspond to the amounts of cash and other deposits, which mature in less than three months and can be mobilised immediately with an insignificant risk of change in value.

These balances are measured as follows:

- Cash - at cost;
- Deposits without defined maturity – at cost;

- Other deposits with defined maturity - at amortised cost, determined based on the effective interest rate method.

For the purposes of the cash flow statement, the “Cash and cash equivalents” caption includes any bank overdrafts included under the “Loans” caption, as well as cash and bank deposits”.

(i) State and other public entities

The active and passive balances of this item are ascertained based on current legislation.

No impairment whatsoever was recognised for assets, as it is not considered to apply due to the specific nature of the relationship.

(j) Deferred assets and liabilities

This item reflects transactions and other events the full recognition of which is not appropriate in the profit and loss of the year in which they occur, but should be recognised in the profit and loss of future years.

(l) Equity captions

(l.1) Legal Reserves

According to art. 295 of the Trading Companies Code (CSC), at least 5% of Net Income must be allocated to setting-up or increasing the legal reserve, until at least 20% of the share capital is represented.

The legal reserve cannot be distributed, except in cases of liquidation, and may only be used to absorb losses once all other reserves have been exhausted, or for inclusion in the share capital (art. 296 of the Trading Companies Code (CSC)).



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(I.2) Other reserves

This item includes reappraisal reserves made under the terms of previous GAAP on the date of transition, net of any corresponding deferred taxes, and that are not presented in the “Revaluation Surplus”, due to the fact that the entity adopted the considered cost method on the SNC conversion date.

Revaluation reserves made by law, according to the legislation in question, are only available to increase capital or to cover losses incurred up until the date on which the reappraisal is reported, and only after being paid in (for use or sale).

This also includes reserves resulting from a reappraisal on the transition date, which will only be available for distribution after being paid in (for use or for sale).

(I.3) Retained earnings

This item includes the realised results that are available for distribution to shareholders and gains due to increases in the fair value of derivative financial instruments, financial investments and investment properties that, according to no. 2. of art. 32 of the CSC, will only be available for distribution when the elements or rights from which the arose are divested, exercised, terminated or liquidated.

(I.4) Adjustments / other changes in equity

This caption includes fair value adjustments of financial assets, such as changes in the fair value of derivatives used to manage risk of changes in interest rate, exchange rate risk, risk of prices of goods under a commitment or a high likelihood of a future transaction which, according to no. 2 of art. 32 of the CSC, will only be available for distribution when the elements or rights that led to them are divested exercised, terminated or liquidated.

This also includes adjustments concerning the application of the equity method, specifically the appropriation of changes to the equity of investees and unallocated profits.

Other changes in equity include:

(I.4.1) Investment subsidies

Subsidies are recognised when there is reasonable certainty that the Group has complied/will comply with the associated conditions and that the subsidy will be received.

This account is reduced following the initial recognition as follows:

- Subsidies relating to tangible fixed assets subject to depreciation, and intangible assets with a defined useful life, are reduced by systematic allocation to revenue for the necessary periods to balance subsidies with the related expenses that they are intended to compensate for.
- Tangible fixed assets not subject to depreciation, and intangible assets with an indefinite useful life are reduced as they are charged to income in any year where it is necessary to compensate for any impairment loss recognised in relation to such assets.

These subsidies are not available for distribution until they are assigned to revenue during the periods necessary to: ((i) balance the subsidies against related costs that these are intended to compensate for, i.e. amortizations and depreciations and/or (ii) to compensate for any impairment loss that maybe recognized in relation to the assets in question.

(I.4.2) Emission allowances

These reserves, corresponding to Emission Allowances given and recognised as provided in subparagraph c.4) above are transferred to Other income and gains as the corresponding CO₂ emissions are made by the group companies.

According to sub- no. 2 of article 32 of the CC, these reserves will only be available for distribution when the underlying allowances will be sold, exercised, extinguished or liquidated.

(m) Provisions

This caption reflects the Group’s legal and constructive obligations arising from past events, whose liquidation is expected to result in an outflow of resources from the entity, including economic benefits, with uncertain timing and amounts, but whose value can be reliably estimated

This item includes the following provisions, among others:

- Provisions for tangible fixed asset dismantling and removal costs, and for site restoration costs where localised, the obligation of which is incurred when assets are acquired, or as a consequence of having been used for a certain period for purposes other than inventory production.



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(n) Post-employment benefit and staff cost responsibilities

Personnel expenses are recognised when the service is provided by employees, regardless of their payment date.

Some specific aspects relating to each benefit are shown below:

(n.1) Post-employment benefits

The group has the post-employment benefit plans indicated on the following table:

Company	Name of Plan	Type	Addressees	Location
Bondalti Chemicals	Retirement Pension Plans	Defined benefit - Pension supplement for old age, disability and survival	Some of the former and present employees	Portugal
Bondalti Chemicals	Healthcare Plan	Defined benefit - Healthcare plan without provided fund	Some of the former and present employees	Portugal

Under the terms of the Social Benefits Regulation in force in the group, certain employees on the permanent workforce are entitled, after retirement, to a share of health care expenses and a pension supplement for old age, disability or survival. Years of service are considered when calculating these supplements and contributions, as well as their perks in the company that originally employed them.

In the defined benefit plans, responsibilities are recognised and measured in accordance with NCRF 28 - Employee Benefits.

Under these terms, the cost of providing benefits is determined as follows:

- Separately for each plan;
- Using the projected credit unit method;
- Based on actuarial assumptions in force in Portugal.

The cost of past services of current employees is recognised: (i) immediately, as concerns the share already due, and (ii) on a straight-line basis over the remaining period of service, as concerns the share not yet due.

(n.2) Holiday Pay and Holiday Bonus

According to the law in force, employees are entitled to holiday pay and holiday bonus in the following year to which the service is provided. Hence, the company recognised in the profit and loss statement for the year an amount payable in the following year, which is recorded in caption “Other Debts Payable”.

(o) Financial liabilities

Financial liabilities are recognised when the companies included in the consolidation become a party to the contractual relationship.

(o.1) Loans

Loans covered by variable interest rate hedges are recorded at amortised cost determined based on the effective interest rate. According to this method, loans are initially recognised as liabilities at the amount received, net of issuing costs, which corresponds to the respective fair value at that date. Subsequently, loans are measured according to the amortised cost method, which includes all financial expenses calculated according to the effective interest rate method.

Other loans are measured at cost, and recognised as liabilities at their nominal value.

(o.2) Trade payables, Cash receipts from customers and Other creditors

These items are measured at cost.

(o.3) Shareholders

Shareholders loans do not accrue interest or involve any type of interest, therefore they are stated at respective nominal value, in caption “Other debts payable”, minus any impairment loss where applicable, determined based on the criteria provided in sub-paragraph o).

(o.4) Other Financial liabilities

This caption includes financial instruments held for sale and the negative fair value of derivative financial instruments which, although contracted in accordance with the Group’s risk management policies, do not qualify for hedge accounting whether because they were not formally designated for that purpose or simply because they are not efficient hedges in accordance with the conditions established NCRF 27 and IAS 39.



Other financial liabilities include:

- Non efficient part of hedging derivatives ;
- non-hedging derivatives;
- Other liabilities held for trading

These are measured at fair value and changes in the fair value are recognised in the income statement for the period.

(o.5) Leases

Lease contracts are classified as finance lease if it substantially transfers all the risks and rewards incidental to ownership of an asset to the lessee.

Fixed assets acquired under finance lease contracts as well as the corresponding liabilities are recorded in accordance with the financial method, where fixed assets, corresponding accumulated depreciation and liabilities are recognised in accordance with the contracted financial plan. In addition, the interest included in the lease instalments and depreciation of the tangible fixed assets are recognised as expenses in the statement of profit and loss for the year concerned.

In the case of operating leases, lease instalments are recognised as expenses on a straight-line basis in the statement of profit and loss over the period of the lease contract.

(p) Effect of changes in exchange rate

Foreign currency transactions are translated into Euro at the date of transaction.

Balances due at the end of the period are translated at closing rate and the difference is recognised in the income statement.

(q) Sales and services

Sales and rendered services are measured at the fair value of the consideration received or receivable, minus the amounts relating to trade discount for multiple purchase/orders.

Where the selling price of products/services includes an identifiable amount of subsequent services, such amount is deferred and recognised as revenue in the period in which the service is provided.

Although revenue is only recognised when it is probable that any future economic benefit associated with the item of revenue will flow to the company, when there is doubt as to the recoverability of an amount already recognised as revenue, the irrecoverable amount, or the amount unlikely to be recovered, will be recognised as impairment and not as an adjustment to the revenue amount initially recognised.

The recognition of sales and rendered services is subject to specific features, amongst which the following:

(q.1) Sales

Revenue arising from the sale of goods should be recognised when all of the following criteria have been satisfied:

- the seller has transferred to the buyer the significant risks and rewards of ownership;
- the seller retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the seller, and
- the costs incurred or to be incurred in respect to the transaction can be measured reliably.

(q.2) Rendered Services

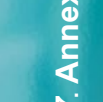
Revenue arising from rendered services is recognised when the result of the transaction can be reliably estimated, which occurs when all of the following criteria are met:

- The amount of revenue can be reliably measured ;
- It is likely that the economic benefits associated to the transactions will flow to the Group;
- the costs incurred, or to be incurred, in respect of the transaction can be measured reliably;

The stage of completion is determined based on the proportion of the costs incurred so far on total estimated costs of the rendering of the services (relating to rendered services or services to be rendered).

When the outcome of a contract cannot be estimated reliably, the Group recognises it according to the nil profit method. According to this method, total costs incurred are recognised as expenses for the period combined with equivalent revenues, and no profit is recognised.

Progressive payments and cash receipts from clients are not taken into account for determining the completion percentage, not even according to the null profit method.





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(r) Operating subsidies

This caption recognises non repayable subsidies not related to assets and only when there is reasonable certainty that the Group will comply with the conditions required for them to be granted.

(s) Interest and similar expenses

Financing costs are recognised in the income statement for the period to which they relate and include:

- Interest paid determined based on the effective interest rate method;
- interest of interest rate hedging instruments and raw-materials (swaps);

Costs incurred on loans obtained directly to finance the acquisition, construction or production of tangible fixed assets are capitalised as part of the cost of the assets. Such costs are capitalised as from the beginning of the preparation for construction or development of the assets and end upon termination of the production or construction of the asset or when the project in question is suspended.

(t) Hedging instruments

Only the effective part of derivatives designated as such are considered as financial hedging instruments, when the entity expects that the changes to the fair value or cash flows of the hedged item, attributable to the hedged risk, will practically compensate for changes to the fair value or cash flows of the hedging instrument.

In the absence of guidelines detailed in NCRF 27 - “Financial instruments” on methods used to test and document the effectiveness of the hedge, the Group follows the applicable provisions of IAS 39 - Financial instruments.

Changes to the fair value of derivative instruments to hedge fixed interest rate risks, or the risk of price of goods that are held, as well as changes to the fair value of the asset or liability subject to that risk, are recognised in the profit and loss accounts under the “Fair value increases/reduction” caption.

Changes in the fair value of derivative instruments of floating interest rate risk, foreign exchange risk, commodity price risk resulting from firm commitment or highly probable transaction are recognised in equity under caption “adjustments to financial assets” as concerns their effective part and in the income statement in caption “Increase/decrease at fair value” as concerns their ineffective part.

Hedge accounting is discontinued when the hedging instrument matures, is sold or exercised, or when the hedging relationship ceases to comply with the requirements NCRF 27- Financial Instruments, under the terms specified in of IAS 39 - financial instruments.

The effective part of the hedging instruments is included in the balance sheet under “Borrowings”.

(u) Contingent assets and liabilities

A contingent asset is a possible asset arising from past events the existence of which will depend on whether some uncertain future event will occur which are not entirely under company’s control and therefore are not recognised. However, they are disclosed when a future inflow is likely to occur.

A Contingent Liability is:

- A possible obligation arising from past events the existence of which will depend on whether some uncertain future event occurs which are not entirely under the company’s control;

or

- A present obligation as a result of past events but which is not recognised as:
 - an outflow of resources is not likely to be required to settle the obligation; or
 - the amount of the obligation cannot be reasonably quantified;

Contingent liabilities are not recognised. However, they are disclosed when there is a probability of future outflows which is not remote.

(v) Conversion of the FS in foreign currency

The results and financial position of the entity whose functional currency differs from the Euro are translated into the measurement currency using the following procedures:

- a) Non monetary items were translated using the exchange rate at the date of the transaction;
- b) Monetary items were translated using the closing rate at the date of the balance sheet;
- c) Income and expenses in each financial statement were translated using the exchange rate at the date of the transaction; and
- d) All resulting exchange differences are recognised as a separate component of equity.



(x) Subsequent events

Events that occur after the balance sheet date that provide additional information on conditions that existed as of the balance sheet date are reflected in the consolidated financial statements.

3.2. Consolidation bases

The corporate universe of the Group is made up of the subsidiaries listed in Note 5.

Joint ventures are included in the financial statements according to the proportional consolidation method, combining, line by line, the share in each item of assets, liabilities, income and gains and expenses and losses of the jointly controlled ventures with the similar items of the Groups financial statements.

In compliance with provisions in article 6 of Decree-law 158/2009, of 15 July, as amended by Decree-Law No. 98/2015, of 2 June, which approved the SNC, the entity prepares consolidated accounts of the Group composed by itself and all the subsidiaries in which:

- Irrespective of the capital ownership, one of the following occurs:
 - It can exercise or effectively exercises a controlling influence;
 - It governs the business policies of both companies as though they constituted a single entity;
- As holder of share capital:
 - It holds the majority of voting rights, except if it is proven that such rights do not confer control;
 - It has the power to appoint or remove the majority of the members of the governing body of the other entity with powers to govern the financial and operating policies of such entity;
 - It exercises a controlling influence over the other entity, by virtue of a contract entered with such entity or any other clause in the said entity's memorandum of association;

- It holds at least 20% of the voting rights and the majority of the members of the governing body of the other entity with the powers to govern the financial and operating policies of such entity who have held office during the year to which the consolidated financial statements refer, or in the preceding year until the moment these are prepared, were exclusively appointed as result of the exercise of its voting rights;
- It holds, alone or by virtue of an agreement with other capital holders of the other entity, the majority of the voting rights of the holders of this entity's share capital.

The existence and effect of potential voting rights that can currently be exercised or converted are considered when an appraisal is made as to whether or not control exists.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date when such control ceases.

Accounting policies followed by the subsidiaries and joint ventures for preparing their separate financial statements were altered, where necessary, to ensure consistency with the policies adopted by the Group.

The purchase method is used for accounting business combinations. The cost of an acquisition is measured at the fair value of the delivered assets, capital instruments issued and liabilities incurred or assumed on the acquisition date plus costs directly attributed to the acquisition.

The excess of the acquisition cost over the share of the Group in the fair value of the identifiable assets, liabilities and contingent liabilities purchase is recognised as Goodwill.

If the acquisition cost is lower than the said fair value, the difference is recognised directly in the income statement for the year it is determined, after reassessing the identification process and measuring of the fair value of the liabilities and contingent liabilities.

In the consolidation process, transactions, balances and non realised gains in intra-group transactions and dividend distributed amongst group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of loss through the impairment of the assets being transferred.

Provisions in NCRF 25 - Income Tax were applied for temporary differences arising from the elimination of results deriving from intra-group transactions.

Equity and net profit of subsidiaries which are held by other than the Group are recorded in Non Controlling Interests captions of the Balance Sheet (separately under equity) and in the consolidated income statement, respectively. On the date of each business combination, the amounts attributable to minorities are determined using the shareholding percentage held by them at the fair value of the identifiable net assets and contingent liabilities acquired.

Where losses attributed to minority shareholders exceed the minority interest in shareholders' equity of the subsidiary, the Group absorbs such excess and any additional losses, except where the minority shareholders are required to and can cover such losses. Where the subsidiary subsequently reports profits, the Group appropriates them up to the amount of the losses absorbed by the Group.



3.3. Main judgements and estimates used in the preparation of the financial statements

In the preparation of the consolidated financial statements according to the ASS, the Board of Directors of the Group uses judgements, estimates and assumptions which affect the application of policies and reported amounts.

Estimates and judgements are continuously assessed and are based on experiences of past events and other factors, including expectations regarding future events considered likely due to the circumstances, where estimates are based on or are the result of acquired information or experience. Real effects may differ from the judgements and estimates that are made, specifically regarding the impact of costs and profits that actually occur.

The most significant accounting estimates reflected in the consolidated financial statements are as follows:

(a) Useful life of tangible and intangible fixed assets

The useful life of an asset is the estimated period of during which an asset subject to depreciation is judged to be productive in a business and should be reviewed at least at the end of each economic year.

The amortisation/depreciation method applicable and estimated losses arising from replacing the equipment before the end of their useful life, due to technology obsolescence, is crucial to determine the effective life of an asset.

These parameters are defined according to the management's best estimate for the assets and businesses concerned, considering the practices adopted by companies in the sector where the Company operates.

(b) Deferred tax assets

Deferred tax assets are recognised for all recoverable losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised.

Taking into account the effect that this may have on future results, the Board of Directors must make a judgement to determine the amount of deferred tax assets that can be recognised, taking the following into account:

- The date and likely amount of future taxable gains, and
- Future tax planning strategies.

(c) Provisions for tax

The Group, based on the opinion of its tax consultants and taking into account recognised liabilities, believes that any possible reviews of these tax returns will not result in material corrections to the consolidated financial statements that would require the constitution of any provisions for tax.

(d) Fair value of financial instruments

When the fair value of financial assets and liabilities at the date of the consolidated balance sheet cannot be determined on active markets, it will be determined based on valuation techniques including discounted cash flows and other adequate techniques under the circumstances. The inputs for these techniques will be withdrawn, where possible, from market variables; if not possible, a certain degree of judgement will be required to determine the fair value, including considerations on the liquidity risk, credit risk and volatility.

(e) Post-employment benefits

The assessment of responsibilities for retirement and health benefits granted to company employees is conducted on an annual basis, using actuarial studies drawn up

by independent experts, based on actuarial assumptions associated with economic and demographic indicators. All of the indicators that are used are specific to the countries where employee benefits are granted and include, among others:

- Salary Growth Rate, Fund Yield Rate and Technical Interest Rate;
- Mortality tables available for Portugal;
- Future salary and pension increases based on expected future inflation rates for Portugal.

Changes in these assumptions may have a significant impact on liabilities.

(f) Development costs

Development costs are capitalised according to the accounting policy described in Note 3. Initial capitalisation of costs is based on management's judgement that technological and economical feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised the Board of Directors makes assumptions regarding the expected cash flows which will be generated by the project, discount rates to be applied and the expected period of benefits.

(h) Provisions

The recognition of provisions includes determining the probability of future outflows and its reliable measurement.

These factors are often dependent on future events which are not always under the Group's control, hence they may lead to significant adjustments in the future, via change in the assumptions used or the future recognition of provisions previously recorded as contingent liabilities.



(i) Provisions dismantling and restoring sites

Provisions for dismantling and removal of goods from the tangible fixed asset and for restoring the site depend on assumptions and estimates that make them sensitive to:

- Expected cost to be incurred;
- Foreseeable date for the occurrence of the costs;
- Discount rate used in the discount of expected outflows.

3.4. Changes in accounting policies

There were no changes in accounting policies in the year ended December 31, 2022.

4. Cash flows

Caption Cash and Cash Equivalents in the Cash Flow Statement is made up as follows:

	31-12-2022	31-12-2021
Cash	30 336	29 597
Bank deposits	35 590 967	22 788 808
Other bank deposits	5 582	127 183
	35 626 885	22 945 588
Bank overdrafts (Note 14.5)	-	1 047 538
	35 626 885	21 898 050

5. Related parties

5.1. Group entities

The Group is 100% owned by José de Mello, Capital S.A., previously known as José de Mello Participações II, SGPS, S.A., which holds it directly and where it presents its consolidated Financial Statements.

The subsidiaries included in the consolidation, their head offices and the proportion of capital held in them at 31 December 2022 and 2021 are as follows:

Group	Location	% Held	Effective control 2022	Effective control 2021
Bondalti Capital, S.A. ("B. Capital")	Lisbon	Parent company	Parent company	Parent company
Bondalti Chemicals, S.A. ("B. Chemicals")	Estarreja	100%	100%	100%
Renoeste - Valorização de Recursos Naturais, S.A. ("Renoeste")	Pombal	-	100%	100%
Elnosa - Electroquímica del Noroeste, S.A. ("Elnosa")	Pontevedra	-	100%	100%
Nutriquim - Produtos Químicos, S.A. ("Nutriquim")	Barreiro	-	100%	100%
Bondalti Cantábria, S.A. ("B. Cantábria")	Torrelavega	-	100%	100%
Miralcalis - Ativos de Produção de Cloro S.A. ("Miralcalis")	Porto Salvo	-	100%	100%
Innovnano - Materiais Avançados, S.A. ("Innovnano")	Coimbra	100%	100%	100%
Dolopand - Investimentos Imobiliários e Turísticos, S.A. ("Dolopand")	Porto Salvo	100%	100%	100%
Bondalti Water Solutions, SA	Porto Salvo	100%	100%	-
Enkrott - Gestão e Tratamento de Águas, S.A. ("Enkrott SA")	Sintra	-	100%	71.22%
Enkrott Madeira - Gestão e Tratamento de Águas, Lda. ("Enkrott Madeira")	Funchal	-	100%	45.55%
Enkrott África - Gestão e Tratamento de Águas, Lda. ("Enkrott África")	Luanda	-	80%	54.79%
Enkrott España, S.L.U. ("ENKROTT Espanha")	Barcelona	-	100%	68.49%
Grupo Aguas Alfaro, S.L. ("AGUAS ALFARO")	Alfaro	-	100%	100%
Agua, Energía y Medioambiente, Servicios Integrales, S.L.U ("AEMA")	Alfaro	-	100%	100%
Laboratorios Alfaro, S.L.U ("LABORATORIO ALFARO")	Alfaro	-	100%	100%
Aguas Rioja Medioambiente, S.L.U ("AGUAS RIOJA")	Alfaro	-	100%	100%
Agua, Gestion y Tratamientos, Servicios Integrales, S.L. ("AGESMA")	Alfaro	-	100%	100%





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These subsidiaries were fully consolidated according to the criteria described in Note 3.

In September 2022, the company Bondalti Water Solutions, SA was set up with the aim of gathering the water treatment companies in one business unit, which now owns the two Grupos Aguas Alfaro and Enkrott.

The Subsidiaries included in the consolidation by the equity method, their registered offices and proportions of capital held on 31 December 2022 and 2021 are as follows:

Associates	Location	% Held	Effective control 2022	Effective control 2021
AQP - Aliada Quimica Portugal, Lda («AQP»)	Estarreja	-	49.9%	49.9%
Enkrott Quimica Cabo Verde	Cidade da Praia	-	50%	34.25%

Enkrott Química de Cabo Verde has been without activity in recent years.

Other holdings of the Bondalti Group:

Other participations	Location	% Held
Hytlantic, SA	Sines	13,50%
Ynvisible Interactive Inc.	Canada	1,79%

5.2. Transactions and balances between related parties

The nature of the relationship with related parties is as follows:

Related party	Nature of relationship (services it provides / transactions it provides)	Nature of relationship (services received / transactions it receives)
José de Mello Capital, S.A.	Bond loan / loan	
ATM - Assistência Total em Manutenção, S.A.	Information services	Equipment maintenance
EFACEC Energia, Maquinas e Equipamentos, S.A.		Sale of transformers
EFACEC Engenharia e Sistemas S.A.		Engineering services
GUIMARÃES DE MELLO, LDA.		Consultancy services
HOSPITAL CUF-ISU		Medical benefits
M DADOS - Sistema de Informação, S.A.		Sale of office material and fixed assets
SAGIES - Segurança, Higiene e Saúde no Trabalho, S.A.		Occupational medicine services
Sociedade Agricola D. Dinis, S.A.		Internal events

As of 31 December 2022 and 2021 balances with these entities were made up as follows:

2021		
Companies	Sales / Services	Purchases Goods / Services
José de Mello Capital, S.A.	-	4 512
ATM - Assistência Total em Manutenção, S.A.	231 417	-
EFACEC Energia, Maquinas e Equipamentos, S.A.	-	153 384
EFACEC Engenharia e Sistemas S.A.	-	15 603
GUIMARÃES DE MELLO, LDA.	-	933 315
HOSPITAL CUF-ISU	-	12 809
M DADOS - Sistema de Informação, S.A.	-	186 053
SAGIES - Segurança, Higiene e Saúde no Trabalho, S.A.	-	10 360
Sociedade Agricola D. Dinis, S.A.	-	13 685
	231 417	1 325 209

2022		
Companies	Sales / Services	Purchases Goods / Services
José de Mello Capital, S.A.	-	10 885
ATM - Assistência Total em Manutenção, S.A.	224 402	255 324
EFACEC Energia, Maquinas e Equipamentos, S.A.	-	110 479
EFACEC Engenharia e Sistemas S.A.	-	33 770
GUIMARÃES DE MELLO, LDA.	-	952 020
HOSPITAL CUF-ISU	-	9 054
M DADOS - Sistema de Informação, S.A.	-	199 439
SAGIES - Segurança, Higiene e Saúde no Trabalho, S.A.	-	11 087
Sociedade Agricola D. Dinis, S.A.	-	8 407
	224 402	1 579 580



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As of 31 December 2022 and 2021, balances with these entities were made up as follows:

31-12-2021		Assets		Liabilities	
Companies	Clients	Other accounts receivable	Loan	Suppliers	Other debts payable
José de Mello Capital, S.A.	-	-	61 180 000	468	4 980 763
ATM - Assistência Total em Manutenção, S.A.	25 625	-	-	-	-
EFACEC Energia, Maquinas e Equipamentos, S.A.	-	-	-	836	-
GUIMARÃES DE MELLO, LDA.	-	-	-	202 833	-
HOSPITAL CUF-ISU	-	-	-	7 482	-
M DADOS - Sistema de Informação, S.A.	3 729	-	-	7 293	-
SAGIES - Segurança, Higiene e Saúde no Trabalho, S.A.	-	-	-	184	-
Sociedade Agrícola D. Dinis, S.A.	-	-	-	11 433	-
	29 354	-	61 180 000	230 529	4 980 763

31-12-2022		Assets		Liabilities	
Companies	Clients	Other accounts receivable	Loan	Suppliers	Other debts payable
José de Mello Capital, S.A.	1 168	-	61 180 000	473	13 693 885
ATM - Assistência Total em Manutenção, S.A.	22 731	-	-	-	-
EFACEC Energia, Maquinas e Equipamentos, S.A.	-	-	-	4 182	-
GUIMARÃES DE MELLO, LDA.	-	-	-	202 833	-
HOSPITAL CUF-ISU	-	1 729	-	-	-
M DADOS - Sistema de Informação, S.A.	3 729	-	-	22 186	-
SAGIES - Segurança, Higiene e Saúde no Trabalho, S.A.	-	-	-	1 160	-
Sociedade Agrícola D. Dinis, S.A.	-	-	-	165	-
	27 627	1 729	61 180 000	231 000	13 693 885

The balance of Other Debts payable with José de Mello Capital refers to the tax calculated under the RETGS.



6. Tangible fixed assets

The gross recorded amount and any cumulative depreciation and impairment losses and the reconciliation of the recorded amount for the beginning and end of the period, separately showing increases, revaluations, disposals, assets held for sale, amortisation, impairment losses and respective reversals and other changes, are specified in the following table:

	Land and natural resources	Buildings and other cosntructions	Basic equipment	Transport equipment	Administrative equipment	Other fixed assets	Investments in progress	Total tangible assets
Cost								
01 January 2021	2 906 629	51 725 166	354 390 763	3 418 288	4 371 236	2 123 998	2 561 439	421 497 519
Increases	11 954	16 965	5 720 014	51 641	181 747	161 503	4 673 852	10 817 676
Acquisition of subsidiary	120 118	936 501	2 716 758	1 190 802	685 278	612 176	-	6 261 633
Transfers	-	89 541	1 746 913	32 025	131 924	105 332	(2 105 734)	-
Disposals	-	-	-	(170 245)	(372)	(924)	-	(171 541)
Write-downs	-	(1 801 164)	(5 140 800)	-	(192 318)	(188 378)	-	(7 322 660)
31 December 2021	3 038 701	50 967 009	359 433 647	4 522 512	5 177 495	2 813 707	5 129 558	431 082 628
Increases	14 738	285 998	10 822 633	77 824	476 012	79 712	4 724 583	16 481 501
Other requalifications	(338 636)	(2 438 944)	(199 112)	(925 209)	(282 006)	(272)	-	(4 184 180)
Transfers	-	32 802	825 751	59 094	116 099	21 350	(1 055 096)	-
Disposals	(7 981)	-	(3 387)	(219 371)	(19 415)	(265)	-	(250 420)
Write-downs	(881)	-	-	-	(750)	-	-	(1 631)
31 December 2022	2 705 941	48 846 865	370 879 532	3 514 849	5 467 435	2 914 232	8 799 045	443 127 898





	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Administrative equipment	Other fixed assets	Investments in progress	Total tangible assets
Amortization and Impairment:								
01 January 2021	219 308	31 991 610	244 957 580	2 726 156	3 973 345	1 755 842	-	285 623 842
Depreciation (Note 27)	-	1 055 588	17 434 789	169 569	125 573	137 047	-	18 922 565
Previous years correction	-	-	(34 540)	-	-	-	-	(34 540)
Acquisition of subsidiary	-	504 403	2 045 182	786 807	448 118	584 654	-	4 369 164
Disposals	-	-	-	(156 975)	(145)	(924)	-	(158 044)
Write-downs	-	(1 787 267)	(5 146 122)	-	(192 318)	(188 378)	-	(7 314 084)
31 December 2021	219 308	31 764 334	259 256 890	3 525 558	4 354 573	2 288 241	-	301 408 903
Depreciation (Note 27)	-	983 656	18 026 446	285 007	255 508	182 986	-	19 733 603
Previous years correction	-	(1 093 900)	(160 773)	(996 547)	(204 849)	(1 623)	-	(2 457 691)
Disposals	-	-	(3 387)	(31 424)	(16 460)	(265)	-	(51 536)
Write-downs	-	-	-	-	(750)	-	-	(750)
31 December 2022	219 308	31 654 089	277 119 176	2 782 593	4 388 022	2 469 339	-	318 632 528
Net carrying amount:								
At 31 December 2022	2 486 632	17 192 775	93 760 356	732 256	1 079 413	444 893	8 799 045	124 495 370
At 31 December 2021	2 819 393	19 202 675	100 176 758	996 954	822 923	525 466	5 129 558	129 673 725
At 01 January 2021	2 687 320	19 733 556	109 433 182	692 132	397 892	368 156	2 561 439	135 873 678

As shown in table above, depreciation for the period totalled € 19,734 thousand (2021: € 18,923 thousand) and cumulative depreciation and impairments at the end of the period totalled € 318,633 thousand (2021: € 301,409 thousand).

7. Investment property

Investment property is property held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both. Therefore, an investment property generates cash flows largely independent from the other assets held by the entity, which are whether occupied by Group companies or held for use in the production or supply of goods or services, or determined as for short-term sale in the ordinary course of business.

As described in paragraph 3.1-b), the Company adopts the cost model to evaluate its investment property.



The gross recorded amount and any cumulative depreciation and impairment losses and the reconciliation of the recorded amount for the beginning and end of the period, separately showing increases, revaluations, disposals, assets held for sale, amortisation, impairment losses and respective reversals and other changes, are specified in the following table:

	Land and natural resources	Buildings and other constructions	Total Investment property
Custo			
01 January 2021	18 313 292	2 338 339	20 651 632
Acquisition of subsidiary	155 246	624 150	779 395
Disposals	(26 948)	(85 399)	(112 347)
31 December 2021	18 441 590	2 877 090	21 318 680
Revaluations (Note 31.3)	66 443	565 847	632 290
Disposals	(4 796 637)	(1 017 497)	(5 814 134)
Write-downs	(49 486)	(3 879)	(53 366)
31 December 2022	13 661 910	2 421 560	16 083 470
	Land and natural resources	Buildings and other constructions	Total Investment property
Amortization and Impairment:			
01 January 2021	-	1 966 574	1 966 574
Depreciation (Note 27)	-	45 603	45 603
Acquisition of a subsidiary	-	149 403	149 403
Disposals	-	(71 087)	(71 087)
31 December 2021	-	2 090 492	2 090 492
Depreciation (Note 27)	-	48 009	48 009
Disposals	-	(1 014 158)	(1 014 158)
Write-downs	-	(3 879)	(3 879)
31 December 2022	-	1 120 464	1 120 464
Net carrying amount:			
At 31 December 2022	13 661 910	1 301 097	14 963 006
At 31 December 2021	18 441 590	786 598	19 228 188
At 01 January 2021	18 313 292	371 765	18 685 058

As shown in table above, depreciation for the period totalled € 48 thousand (2021: € 46 thousand) and cumulative depreciation at the end of the period totalled € 1,120 thousand (2021: € 2,090 thousand).

At the beginning of the year, two investment properties were sold, located in Gaia and Barreiro.





8. Intangible assets

The gross recorded amount and any cumulative amortisation and the reconciliation of the recorded amount for the beginning and end of the period, separately showing increases, disposals, assets held for sale, amortisation, impairment losses and other changes, are shown in the following table:

	Development Projects	Software	Industrial Property	Emission Allowances	Other	Ongoing Investments	Total Intangible assets
Cost							
01 January 2021	2 045 031	1 372 429	193 766	1 743 428	526 415	-	5 881 068
Allocation of emission allowances	184 687	32 658	-	6 387	-	-	223 732
Acquisitions	1 040 253	653 859	2 077	-	-	-	1 696 189
Acquisitions of subsidiary	-	-	-	-	-	-	-
Use of emission allownaces	-	-	-	810 789	-	-	810 789
Changes in fair value	-	1 780	-	(316 126)	-	-	(314 346)
Transfers	-	-	-	-	-	-	-
Disposals	(9 620)	(2 983)	-	-	(144 693)	-	(157 296)
Write-downs	9 620	2 983	-	-	(333 736)	-	(321 133)
31 December 2021	3 269 972	2 060 725	195 842	5 400 179	47 985	-	10 974 703
Allocation of emission allowances	-	-	-	4 043 034	-	-	4 043 034
Acquisitions	-	100 260	-	-	-	218 469	318 728
Use of emission allownaces	-	-	-	(2 268 545)	-	-	(2 268 545)
Changes in fair value	-	-	-	247 347	-	-	247 347
Transfers	-	-	-	(688 019)	-	-	(688 019)
Write-downs	(118 004)	(40 518)	(61 864)	-	-	-	(220 386)
31 December 2022	3 151 967	2 120 467	133 978	6 733 995	47 985	218 469	12 406 862





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	Development Projects	Software	Industrial Property	Emission Allowances	Other	Ongoing Investments	Total Intangible assets
Amortization and Impairment:							
01 January 2021	2 045 031	1 145 173	81 720	781 761	526 415	-	4 580 100
Amortisation (Note 27)	-	132 055	13 869	2 274 640	-	-	2 420 564
Acquisition of subsidiary	286 764	616 296	2 077	-	-	-	905 136
Discontinued operations (Note 9)	-	(118)	(135)	-	-	-	(253)
Transfers	-	-	-	(316 126)	-	-	(316 126)
Write-downs	(9 620)	(2 983)	-	(880 965)	(144 693)	-	(1 038 261)
Impairment	9 620	2 983	-	-	(333 736)	-	(321 133)
31 December 2021	2 331 795	1 893 405	97 532	1 859 309	47 985	-	6 230 026
Amortization (Note 27)	-	159 978	10 915	2 047 761	-	-	2 218 653
Transfers	-	-	-	(688 019)	-	-	(688 019)
Write-downs	(8 070)	(8 095)	(70 587)	(2 268 545)	-	-	(2 355 297)
31 December 2022	2 323 725	2 045 289	37 859	950 506	47 985	-	5 405 363
Net carrying amount:							
At 31 December 2022	828 243	75 179	96 119	5 783 489	-	218 469	7 001 499
At 31 December 2021	938 177	167 320	98 311	3 540 869	-	-	4 744 677
At 01 January 2021	-	227 255	112 045	961 668	-	-	1 300 968

As shown in table above, depreciation for the period totalled € 2,218 thousand (2021: € 2,421 thousand) and cumulative depreciation at the end of the period totalled € 5,405 thousand (2021: € 6,230 thousand).

9. Equity Holdings

Equity holdings as of 31 December 2022 and 2021 were as follows:

	31-12-2022	31-12-2021
Equity Method		
Investments in Associates (Note 9.1)	816 182	1 023 517
	816 182	1 023 517
Other Methods		
Investment in other Companies	233 969	61 224
Non listed shares (Note 9.2)	9 782	9 782
	243 750	71 006



9.1. Investment in associates

Associate companies consolidated according to the equity method, their results and the proportion of capital held in them are as follows:

	Financial information				
	Equity	Net Income	%	31-12-2022	31-12-2022
Equity method					
AQP	1 617 288	190 226	49.9	1 014 088	807 027
Other	-	(25)	-	9 429	9 155
	1 617 288	190 201	-	1 023 517	816 182

Changes occurred during the year in associated companies measured by the equity method are as follows:

	Balance at 01 January 2021	Acquisition of subsidiary	Net Income (Note 20)	Dividend Distribution	Changes in Equity	Balance at 31 December 2021
AQP - Aliada Quimica Portugal, Lda	1 060 034	-	397 288	(443 234)	-	1 014 088
Other	6 468	-	(6 151)	-	9 112	9 429
	1 066 502	-	391 137	(443 234)	-	1 023 517

	Balance at 01 January 2022	Acquisition of subsidiary	Net Income (Note 20)	Dividend Distribution	Changes in Equity	Balance at 31 December 2022
AQP - Aliada Quimica Portugal, Lda	1 014 088	-	190 226	(397 288)	-	807 027
Other	9 429	7 811	(25)	-	-	9 155
	1 023 517	-	190 201	(397 288)	-	816 182

9.2. Equity Holdings – other methods

	31-12-2022	31-12-2021
Erase - Emp. Regeneração de Águas e Solos de Estarreja, ACE	22 628	9 228
Ynvisible Interactive Inc.	24 219	61 224
Other	554	13 954
Hytlantic, SA	209 750	-
	257 150	84 406
Amortization for losses in securities and other applications	(13 400)	(13 400)
	243 750	71 006

The company acquired a 13.5% stake in Hytlantic, SA, an entity active in the development of a hydrogen production from renewable sources (green hydrogen).





10. Goodwill

10.1. Reconciliation of amount recorded as goodwill

The positive consolidation differences recorded in assets, the acquisition cost and the percentage value of the equity of subsidiaries and associates as of acquisition date, are as follows:

	Year of acquisition	Acquisition Cost	% Equity purchased	Opening purchase difference	Cumulative amortisation	Closing purchase difference
Miralcalis	2021	5 139 230	20	139 230	(16 244)	122 987
Dolopand	2016	1 000	100	611	(153)	458
Enkrott Madeira	2022	-	34	51 318	(1 160)	50 158
Grupo Aguas Alfaro	2021	10 291 577	100	4 418 631	(699 617)	3 719 015
				4 609 790	(717 173)	3 892 618

Enkrott SA acquired a 33.5% of the share capital of Enkrott Madeira, presently holding 100%.

10.2. Additional information concerning business combinations

During 2022 Bondalti Capital acquired the minority interests of Enkrott SA, currently holding 100% of its capital.

11. Inventories

11.1. Inventories

The total carrying value of inventories, and the carrying value in appropriate classifications, are shown on the following table:

	31-12-2022	31-12-2021
Goods	5 989 746	4 608 110
Raw materials, subsidiary materials and consumables	24 513 948	17 411 203
Finished and intermediate products	10 383 595	4 699 256
Products and works in progress	1 152 467	1 449 084
	42 039 757	28 167 653

The amounts of inventories recognised as expenses for the period are as follows:

11.2. Variation in production

	Finished and intermediate products	Products and work in progress	Total
Balance at 01 January 2021	4 204 778	-	4 204 778
Adjustments	455 355	-	455 355
Change in the consolidation perimeter	-	1 120 422	1 120 422
Increase/decrease for the year	39 123	328 663	367 786
Balance at 31 December 2021	4 699 256	1 449 084	6 148 341
Balance at 01 January 2022	4 699 256	1 449 084	6 148 341
Adjustments	(399 188)	-	(399 188)
Increase/decrease for the year	6 083 528	(296 618)	5 786 910
Balance at 31 December 2022	10 383 595	1 152 467	11 536 062

11.3. Cost of goods sold

	Goods	Raw materials, subsidiary materials and consumables	Total
Balance at 01 January 2021	4 067 543	14 556 311	18 623 855
Procurement	16 447 181	259 476 016	275 923 196
Correction of inventories	-	641 826	641 826
Balance at 31 December 2021	4 608 110	17 411 203	22 019 313
	15 906 614	257 262 950	273 169 564
Balance at 01 January 2022	4 608 110	17 411 203	22 019 313
Procurement	25 444 308	339 033 246	364 477 554
Correction of inventories	-	775 807	775 807
Balance at 31 December 2022	5 989 746	24 513 948	30 503 695
	24 062 672	332 706 307	356 768 979



12. Government and Other Public Bodies

At 31 December 2022 and 2021 this caption was made up as follows:

	31-12-2022	31-12-2021
Accounts receivable		
Income tax	887 929	-
	887 929	-
Accounts payable		
Income tax	-	40 135
Income tax withheld	351 467	393 933
VAT	3 612 277	2 437 977
Payments to Social Security	626 774	584 583
	4 590 518	3 456 629

13. Deferrals

13.1. Expenses to recognise

At 31 December 2022 and 2021 the expenses to be recognised had the following breakdown:

	31-12-2022	31-12-2021
Expenses to be recognised		
Insurance	361 695	365 708
Financial expenses	1 169 341	1 616 688
Other	259 209	424 104
	1 790 245	2 406 500

Caption Financial Expenses concern the accounting of amortised cost relating to the loan contracted at Bondalti Chemicals in 2019.

13.2. Income to recognise

Recognisable income is as follows:

	31-12-2022	31-12-2021
Income to be recognised		
Surface rights	446 600	494 550
Ongoing projects	99 435	89 413
Other deferred income	-	320 000
	546 035	903 963

14. Financial Instruments

Measurement bases and other accounting policies used in the accounting of financial statements that are relevant for an understanding of the financial statements are described in sub-paragraphs h), m) and o) of paragraph 3.1.

Assets Headings:

	31-12-2022	31-12-2021
Non current		
Other financial assets (Note 14.1)	61 950 858	62 472 073
	61 950 858	62 472 073
Current		
Clients (Note 14.2)	72 780 050	68 984 069
Other trade receivables (Note 14.2)	3 675 465	4 202 026
	76 455 515	73 186 095



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**Liabilities headings:**

	31-12-2022	31-12-2021
Non current		
Loans (Note 14.5)	78 375 117	102 650 049
Other debts payable (Note 14.4)	2 699 568	3 477 264
	81 074 684	106 127 313
Current		
Suppliers (Note 14.3)	63 248 483	67 540 947
Advances from clients	4 431 664	4 789 508
Loans (Note 14.5)	25 935 870	31 873 689
Other debts payable (Note 14.4)	25 701 780	14 905 700
	119 317 797	119 109 844

14.1. Other financial assets

Financial assets for which impairment was recognised are indicated on the following tables, showing i) the accounting amount resulting from measuring at amortised cost and ii) accumulated impairment, separately for each of the classes

31-12-2022	Gross amount	Cumulative impairment	Net amount
Non current assets			
Other financial assets			
Loans to other related parties	61 180 000	-	61 180 000
Other	110 032	-	110 032
Advances on account of investments	660 825	-	660 825
	61 950 858	-	61 950 858
31-12-2021	Gross amount	Cumulative impairment	Net amount
Non current assets			
Other financial assets			
Loans to other related parties	61 180 000	-	61 180 000
Other	97 740	-	97 740
Advances on account of investments	1 194 333	-	1 194 333
	62 472 073	-	62 472 073

Loans to group companies concern the subscription of bonds issued by José de Mello Capital, S.A., in the amount of € 61,180,000. These bonds accrue interest at normal market rates.

Caption “advances on account of investments” refers to a financial investment by the subsidiary AEMA in the facilities of a client.

14.2. Clients and other accounts receivable

Financial assets for which impairment was recognized are indicated on the following tables, showing i) the accounting amount resulting from measuring at amortized cost and ii) accumulated impairment, separately for each of the classes:

31-12-2022	Gross amount	Cumulative impairment	Net amount
Clients			
Clients c/a	71 865 060	-	71 865 060
Clients securities receivable	914 990	-	914 990
Doubtful receivables	4 181 952	(4 181 952)	-
	76 962 002	(4 181 952)	72 780 050
Other accounts receivable			
Personnel	45 612	-	45 612
Accrued receivables and trade pay	511 676	-	511 676
Other receivables	2 265 903	-	2 265 903
Other debtors Grupo (Note 5)	1 729	-	1 729
Other doubtful receivables	269 316	(269 316)	-
Advanced payment to suppliers	850 545	-	850 545
	3 944 781	(269 316)	3 675 465



31-12-2021

	Gross amount	Cumulative impairment	Net amount
Clients			
Clients c/a	68 521 633	-	68 521 633
Clients securities receivable	462 436	-	462 436
Doubtful receivables	4 017 709	(4 017 709)	-
	73 001 778	(4 017 709)	68 984 069
Other accounts receivable			
Personnel	29 595	-	29 595
Accrued receivables and trade pay	1 070 020	-	1 070 020
Other receivables	2 561 510	-	2 561 510
Other debtors Grupo (Note 5)	-	-	-
Other doubtful receivables	269 316	(269 316)	-
Advanced payment to suppliers	540 900	-	540 900
	4 471 341	(269 316)	4 202 026

The amount of impairment losses recognised for each class of financial assets is as shown in the following tables:

Year 2022	Opening balance	Impairment (P&L)	Used and corrected	Reversal (P&L)	Perimeter Change	Closing Balance
Financial assets measured at cost minus impairment						
Clients						
Doubtful receivables	(4 017 709)	(74 217)	(238 376)	148 351	-	(4 181 952)
Other accounts receivable						
Other doubtful receivables	(269 316)	-	-	-	-	(269 316)
	(4 287 025)	(74 217)	(238 376)	148 351	-	(4 451 267)

Year 2021	Opening balance	Impairment (P&L)	Used and corrected	Reversal (P&L)	Perimeter Change	Closing Balance
Financial assets measured at cost minus impairment						
Clients						
Doubtful receivables	(3 681 669)	(6 327)	(364 469)	99 991	(65 236)	(4 017 709)
Other accounts receivable						
Other doubtful receivables	(269 316)	-	-	-	-	(269 316)
	(3 950 985)	(6 327)	(364 469)	99 991	(65 236)	(4 287 025)

14.3. Accounts payable

As at 31 December 2022 and 2021, caption Accounts Payable is made up as follows:

	31-12-2022	31-12-2021
Suppliers		
Suppliers c/a	54 308 250	55 669 301
Suppliers c/a Group (Note 5)	231 000	230 529
Suppliers securities receivable	4 009	1 921 647
Invoices being checked	8 705 224	9 719 469
	63 248 483	67 540 947



14.4. Other debts payable

As of 31 December 2022 and 2021, caption Other Trade Payable was made up as follows:

	31-12-2022	31-12-2021
Non current		
Investment Providers	1 699 568	1 477 264
Other debts payable	1 000 000	2 000 000
	2 699 568	3 477 264
Current		
Other debts payable		
Personnel	127 302	29 881
Suppliers of investment	5 303 180	3 334 855
Accrued expenses		
Holiday Pay and Holiday Bonus	3 374 081	1 912 690
Financial expenses	18 915	12 232
Insurance	1 847	563
Other accruals	1 873 222	2 566 099
Other debts payable	1 309 349	2 068 618
Other debts payable Group (Note 5)	13 693 885	4 980 763
	25 701 780	14 905 700
	28 401 348	18 382 964

Caption Suppliers of Capital Goods (non current) includes a debt of Bondalti Cantabria, which will only be repaid within more than a year.

Other non-current debts payable refer to a payment to be made to the shareholders of the Alfaro Group, within a period of three years.

The balance of item Other accruals includes the anticipation of water resources and effluent treatment fees, IMI and AIMI, € 226 thousand referring to the works at the Loulé mine that will be carried out in the coming years and € 870 thousand relating to costs with an ongoing project.

The balance of caption Other Amounts Payable (Note 5) concerns the tax payable by the Group to José de Mello Capital, pursuant to RETGS.

14.5. Borrowings

Item Borrowings as of 31 December 2022 and 2021 is made up as follows:

Financing entity	2022		2021	
	Current	Non current	Current	Non current
Bank loans at amortized cost (Note 14.5.1)	24 000 000	76 621 185	25 000 000	100 121 185
Bank loans at cost	1 208 941	865 532	3 926 850	2 136 175
Bank overdrafts (Note 4)	-	-	1 047 538	-
Secured accounts	-	-	552 500	-
Other AICEP loans	106 895	283 518	821 326	392 689
Finance leases	620 034	-	520 455	-
Other Financiers	-	604 881	5 019	-
	25 935 870	78 375 117	31 873 689	102 650 049

Secured accounts and finance leases relate to the Enkrott an Aguas Alfaro Group.

14.5.1. Financial liabilities at amortised cost

Current and non current financial liabilities measured at amortised cost and respective terms and conditions are as shown in the following table:

	Maturity	2022	Maturity	2021
Loans payable				
Non current				
Bank loans				
Retail banking	30/06/2027	76 621 185	30/12/2026	100 121 185
Correntes				
Bank loans				
Retail banking	30/06/2027	24 000 000	30/12/2026	25 000 000
		100 621 185		125 121 185

In 2019 Bondalti restructured its financial debt through a syndicated long term loan with 8 banks, which allowed to refinance all its loans and set out conditions for new investments in the next few years.

This refinancing assumes compliance with debt-to-equity ratios of at least 25% and net debt over EBITDA with a maximum of 4.0x. As of the closing of the year these ratios were met.





15. Provisions, Contingent Liabilities and Contingent Assets

The accounting policies adopted for the recognition of Provisions, Contingent Liabilities and Contingent Assets are described on line m) of paragraph 3.1.

15.1. Provisions

The change occurred in provisions, according to provision, is as follows:

Other provisions

At 01 January 2021	10 208 050
Used in the year	(2 369 736)
Reversals in the year	(2 275 628)
Increases for the year	107 772
Increase purchased Entities	128 963
At 31 December 2021	5 799 421
At 01 January 2022	5 799 421
Used in the year	(76 434)
Reversals in the year	(31 093)
Increases for the year	567 287
Increase purchased Entities	31 433
At 31 December 2022	6 290 614

Changes in the year were as follows:

2022							
Description	Opening balance	Used in the year	Reversals in the year (P&L)	Increases in the year (P&L)	TOTAL (P&L)	Increase purchased Entities	Closing Balance
Provision of discontinuing operations	5 000 000	-	-	500 000	500 000	-	5 500 000
Provision Guarantees to Customers	23 213	(23 213)	-	67 287	67 287	-	67 287
Provision for restructuring	587 126	(55 183)	-	-	-	-	531 943
Provision for other pending lawsuits	11 508	1 961	-	-	-	-	13 469
Other provisions	177 574	(0)	(31 093)	-	(31 093)	31 433	177 914
	5 799 421	(76 434)	(31 093)	567 287	536 194	31 433	6 290 614

2021							
Description	Opening balance	Used in the year	Reversals in the year (P&L)	Increases in the year (P&L)	TOTAL (P&L)	Increase purchased Entities	Closing Balance
Provision of discontinuing operations	5 000 000	-	-	-	-	-	5 000 000
Provision Guarantees to Customers	-	-	-	-	-	23 213	23 213
Provision for restructuring	2 452 290	(1 865 164)	-	-	-	-	587 126
Provision for other pending lawsuits	9 066	-	-	2 442	2 442	-	11 508
Other provisions	2 746 693	(504 571)	(2 275 628)	105 330	(2 170 298)	105 750	177 574
	10 208 050	(2 369 736)	(2 275 628)	107 772	(2 167 856)	128 963	5 799 421

In February 2009, it was decided to discontinue all urea and ammonia production at subsidiary AP. In order to face liabilities stemming from the decision to discontinue this operation, a provision was set up in the amount of € 57,000 thousand. In past few years, this provision was reduced by € 52,000 thousand as all amounts due as severance pay, payments to suppliers following contract rescissions, dismantling operations and cleaning of land had already been settled. This provision was increased by € 500 thousand as market value was no longer adequate given the increase in prices in recent years. As of 31 December 2022 a total amount of € 5,500 thousand will be used to face any liabilities which may still arise out of the said discontinuing process.

Subsidiary Elnosa has a provision in the amount of € 58 thousand for indemnities.

As far as Nutriquim is concerned, in order to cover the company's dismantling plan, a provision was set up in 2013 in the overall amount of € 1,150 thousand, part of which has been used to that end in recent years. As of 31 December 2022 this provision stood at € 493 thousand.



16. Employee Benefits

16.1. Employees benefits

The reconciliation between opening and closing balances of the current value of these obligations is shown in the following table:

	Defined retirement benefit plan (no fund set up)	Medical benefit plan (no Fund set up)	Total
Liability for defined benefits at 01 January 2021	2 816 574	475 391	3 291 966
Interest expenses	20 026	-	20 026
Benefits paid	(292 804)	(208 995)	(501 798)
Actuarial (gains) / losses	(164 424)	-	(164 424)
Liability for defined benefits at 31 December 2021	2 379 373	266 397	2 645 769
Interest expenses	16 844	-	16 844
Benefits paid	(267 091)	4 288	(262 802)
Actuarial (gains) / losses	(277 788)	-	(277 788)
Liability for defined benefits at 31 December 2022	1 851 338	270 685	2 122 023

16.2. Post-employment benefits (Defined Benefit Retirement Pension Plan)

The Group's accounting policy concerning the recognition of actuarial gains and losses relating to post-employment benefits pursuant to Defined Benefit Plans is described in sub-paragraph m.1) of paragraph 3.1.

Company	Plan Name	Type	Recipients	Location
Bondalti Chemicals	Retirement pension plan	Defined Benefit - Complementary old-age, disability or survivor's pension	Some former and current employees	Portugal
Bondalti Chemicals	Medical Care Plan	Defined Benefit - Medical Acts plan with no fund constituted	Some former and current employees	Portugal

The Group has commitments with some of its former and current employees with whom it assumed this responsibility to complement the retirement pensions for old age, disability and survival.

The Group uses the Projected Unit Credit method and the following assumptions and technical bases in 2022 and 2021:

	2021	2022
Salary growth rate for Social Security Responsibility	2%	2%
Salary growth rate	2%	2%
Rate of return of the fund	0.75%	3%
Pension growth rate	0%	0%
Technical rate (Life Rents)	0.75%	0.75%
Revaluation of salaries for Social Security	1%	1%
Mortality table	TV 88/90	TV 88/90
Disability table	EKV80	EKV80

Although it did not set up any fund or insurance to cover this responsibility, the Group set up a provision for the purpose, which is adjusted according to an actuarial valuation carried out by a specialised and independent firm.

Companies included in the consolidation perimeter at 31 December 2022 and 2021 were subject in reference to this date, to an actuarial report prepared by Actuariado - Estudos Actuariais, Económicos e Financeiros. The current value of liabilities for past services and retirement pensions at the date of the balance sheet is estimated at € 1,851 thousand in 2022 and € 2,379 thousand, in 2021; the liability for post-employment benefits was adjusted accordingly.

16.3. Healthcare benefits

The Group is also liable for the costs of hospitalization, appointments and surgery, according to the Company's regulations and an agreement in force with the CUF Infante Santo Hospital, as well as for the part of drugs not reimbursed by the National Health Service (only drugs reimbursed by the National Health Service) for some of its former and current employees, with whom this responsibility has been assumed.

This Company has not set up any fund or insurance to cover this responsibility, however it did set up a provision for the purpose, which is adjusted according to an actuarial valuation made by Actuariado - Estudos Actuariais, Económicos e Financeiros. According to the assessment report that has been submitted, the current value of medical liabilities for former Bondalti Chemicals employees, at 31 December 2022, is estimated at € 71 thousand (€ 266 thousand at 31 December 2021), and is included under the "Post-employment Benefits Responsibilities" heading.





16.4. Personnel expenses

Personnel expenses were as follows:

	2022	2021
Remuneration of Governing Bodies	4 223 666	3 332 058
Wages	22 739 651	17 740 680
Retirement benefits	-	-
Retirement pension plans	46 340	21 189
Indemnities	778 207	728 070
Wage expenses	5 615 648	4 477 084
Occupational insurance	341 227	306 852
Social security expenses	1 306 777	1 083 377
Other personnel expenses	799 677	411 798
	35 851 194	28 101 108

During 2022 and 2021 the average number of employees at the Group was of 702 and 689, respectively, as follows:

Corporate name	2022	2021	2021
Grupo Bondalti Chemicals	312	313	(1)
Bondalti Capital	61	60	1
Grupo Enkrott	174	180	(6)
Grupo Aguas Alfaro	155	136	19
	702	689	13

(Including 7 remunerated directors in 2022 and 5 directors in 2021)

17. Equity Instruments

17.1. Share capital

The Company's share capital at 31 December 2022 and 2021 was made up of 4,084,400 fully subscribed and paid up shares with a nominal value of € 5 each.

17.2. Reserves and Results

Amounts of retained earnings are available for distribution.

The Net Profit for the year 2021, in the amount of € 19,104,458.73 was appropriated as follows:

Dividends: € 2 750 000,00

Retained earnings: € 16 354 458,74

17.3. Adjustments/Other changes in equity

The amounts resulting from changes in the fair value of hedging instruments recognised in equity during the period, for the purpose of hedging the interest rate risk of the loans contracted for the Capacity Expansion Plan, and other risks are as follows:

	31-12-2020	Changes in fair value	31-12-2021	Changes in fair value	31-12-2022
Change in assets					
Subsidies (Note 18)	4 275 066	(1 963 915)	2 311 152	(427 190)	1 883 961
CO ₂ licences	766 242	2 070 010	2 836 252	1 892 835	4 729 087
Other	2 726 128	256 217	2 982 345	(1 695 319)	1 287 027
	7 767 436	362 312	8 129 749	(229 675)	7 900 074

Changes in issuing rights are as follows:

	31-12-2022	31-12-2021
Balance at 1 January	3 540 869	961 668
Assignments (Note 8)	4 043 034	4 030 864
Acquisition (Note 8)	-	6 387
Used (Notes 23 and 31.1)	(2 047 761)	(2 268 545)
Fair value (Note 31.1)	247 347	810 789
Transfers	-	(293)
Balance at 31 December	5 783 489	3 540 869
Deferred taxation (Note 30)	(1 054 403)	(704 618)
Net balance at 31 December	4 729 087	2 836 252





17.4. Non controlling interests

As of 31 December 2022 and 2021, non controlling interests related to the following subsidiaries:

	31-12-2022		31-12-2021	
	Proportion in net income	Proportion in Equity	Proportion in net income	Proportion in Equity
Grupo Enkrott	31 863	(294 958)	169 955	1 981 582
	31 863	(294 958)	169 955	1 981 582

The change in the non controlling interests caption as of 31 December 2022 and 2021 was as follows:

	31-12-2022	31-12-2021
Opening balance	1 981 582	1 644 902
Appropriation of income for the year	31 863	169 955
Changes in the consolidation perimeter - Miralcalis	(2 308 403)	166 725
Closing Balance	(294 958)	1 981 582

As mentioned above, as of 31 December 2022, all companies were 100% owned with the exception of the subsidiary Enkrott África, SA, which is 80% held.

18. Subsidies and Other Funding from Public Entities

The nature and amount of the government subsidies recognised in the financial statements are as follows:

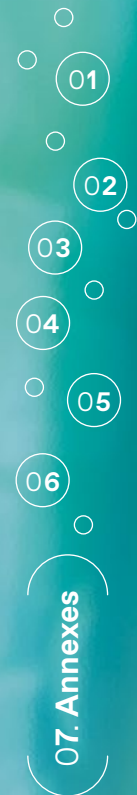
Recognised in Equity:

	2022			2021		
	Gross value	Other debts payable	Net value	Gross value	Other debts payable	Net value
Opening balance	3 003 762	(692 610)	2 311 152	5 493 331	(1 218 264)	4 275 066
Received in the year	229 545	-	229 545	-	-	-
Transferred to profit and loss	(807 047)	-	(661 410)	(2 223 335)	-	(2 223 335)
Adjustment	-	150 311	150 311	(266 234)	525 654	259 420
Closing Balance	2 426 260	(542 299)	2 029 598	3 003 762	(692 610)	2 311 152
Attributable to the Group (Note 17.3)			2 029 598			2 311 152

The main investment subsidy concerns the Expansion and Growth Plan and the amount of Other Debts payable to the associated deferred tax.

Recognised in Income for the Year:

	2022	2021
Investment subsidies (Note 23)	661 410	2 223
Operating subsidies	401 486	157 806
	1 062 897	2 381 141



19. Revenue

As of 31 December 2022 and 2021, item Sales and Services is broken down as follows:

	2022	2021
Sales of Goods		
Goods	52 492 116	28 906 312
Finished and intermediate products	542 783 627	413 424 750
By-products, waste, residues and refuse	264 492	120 273
Return of sales	4 013 697	(732 347)
Discounts and reductions to sales	(18 597 320)	(7 629 995)
	580 956 613	434 088 993
Rendered services		
Services	19 148 173	10 283 670
Discounts and reductions	(5 031 959)	(499 702)
	14 116 214	9 783 968
	595 072 827	443 872 961

Sales and services broken down by significant geographical market are as follows:

	2021					
	Portugal	Rest of Europe	Africa	Asia	America	Total
Sales of goods	237 757 122	167 272 946	1 343 561	668 495	27 046 869	434 088 993
Rendered services	1 398 161	1 398 161	23 097	-	-	9 783 968
	246 119 832	168 671 107	1 366 658	668 495	27 046 869	443 872 961

	2022					
	Portugal	Rest of Europe	Africa	Asia	America	Total
Sales of goods	285 773 099	230 097 226	915 926	49 414	64 120 947	580 956 613
Rendered services	12 382 924	1 717 574	15 717	-	-	14 116 214
	298 156 023	231 814 800	931 642	49 414	64 120 947	595 072 827

Gross margin is as shown in the following table:

	2022	2021
Sales	580 956 613	434 088 993
Changes in production (Note 11.2)	5 786 910	367 786
Cost of goods sold (Note 11.3)	(356 768 979)	(273 169 564)
	229 974 544	161 287 216

As described in the management report, the increase in sales in 2022 is not only due to the increase in quantities sold but also to the increase in prices, since the price formation mechanism is indexed to the price of various raw materials which reached historic highs in 2022.



20. Gains/Losses of Subsidiaries, Associates and Business Combinations

At 31 December 2022 and 2021, this caption was made up as follows:

	2022	2021
Income and gains of Subsidiaries, Associates and Joint Ventures		
Application of the Equity Method (Note 9.1)	190 226	397 288
Others	622 918	-
	813 144	397 288
Expenses and losses of Subsidiaries, Associates and Joint Ventures		
Application of the equity method	25	-
Others	79 482	6 151
	79 507	6 151
	733 637	391 137

21. Work for Own Entity

At 31 December 2022 and 2021, this caption was made up as follows:

	2022	2021
Work of own company to:		
Investment property	147 071	-
Tangible fixed assets	167 971	229 126
	315 042	229 126

22. Supplies and Services

At 31 December 2022 and 2021, this caption was made up as follows:

	2022	2021
Sub-contracts	4 718 847	1 741 740
Specialised Services		
Specialised works	8 139 034	5 639 747
Advertising costs	293 188	251 272
Surveillance and Safety	672 329	721 875
Fees	218 125	185 948
Other fees	17 719	94 447
Maintenance and repair	8 356 849	5 622 996
Other services	2 609 136	2 273 222
Materials		
Tools and utensils	58 705	50 188
Books and technical documentation	49 089	51 007
Stationery	454 079	447 357
Promotional items	49 468	33 012
Other	275 520	155 914
Energy and fluids		
Electricity	45 575 983	39 073 815
Fuel	5 864 737	3 639 600
Water	1 610 044	1 123 957
Other fluids	2 093 230	1 127 846
Travelling, accommodation and transport		
Travelling and accommodation	1 128 435	473 136
Transport of personnel	2 341	310
Transport of goods	27 088 338	20 182 220
Other transports	47 595	172 528
Sundry services		
Rents and rentals	1 743 212	3 637 935
Communication	295 813	243 818
Insurance	2 775 836	2 356 441
Legal services	20 636	9 668
Representation fees	126 321	67 144
Cleaning, hygiene and comfort	389 961	393 486
Other	64 697	17 691
	114 739 267	89 788 322



Heading specialized work includes € 870 thousand relating to consultancy services for new projects.

The significant increase in the electricity item, by around € 6.5 million, is due to the increasing rise in electricity market prices.

The increase in transport costs during the year and the increase in sales led to an increase of € 6.9 million in the transport of goods item.

23. Other Income

At 31 December 2022 and 2021, this caption was made up as follows:

	2022	2021
Supplementary income		
Equipment rental	379 190	374 324
Other	1 739 319	1 682 904
Prompt payment discounts obtained	1 430	4 157
Recovery of receivables	19	135
Gains on inventories	1 433	890
Income and Gains on Non Financial Investments		
Disposals	5 060 909	84 037
Rents and other income on investment property	10 023	8 261
Other	51 827	46 511
Other		
Corrections relating to previous years	383 801	285 893
Benefits contractual penalties	2 816	307 086
Indemnities of insurable events	367 826	2 634
Excess of estimated tax	-	769 839
Appropriation of investment subsidies	661 410	2 223 335
Gains on emission allowances		
Use of allowances (Note 17.3)	2 047 761	2 268 545
Gains on the disposal of emission allowances	688 019	315 833
Tax refund	3 402	75
Operating exchange differences (Note 25)	1 144 351	314 185
Other, non specified	564 190	854 588
	13 107 727	9 543 231

Gains from emission allowances concern the Portuguese Carbon Fund subsidy concerning the reduction of CO₂ emissions in the amount of € 2,048 thousand.

Item Income and Gains on Non-Financial Investments, Disposals comprises capital gains from the sale of two properties included in Tangible Fixed Assets Investment Properties and Land.

24. Other Expenses

At 31 December 2022 and 2021, this caption was made up as follows:

	2022	2021
Tax	502 504	516 777
Prompt payment discounts granted	14 749	8 274
Irrecoverable debt	-	143 440
Losses on inventories	-	76 685
Expenses and Losses on Non Financial Investments		
Disposals	568	2 053
Write-downs	7 756	53
Others		
Corrections relating to previous years	48 047	246 418
Donations	1 679 257	1 151 971
Contributions	595 880	430 204
Samples and offers of inventories	506	140
Insufficiency of estimated tax	119 886	-
Operating exchange differences (Note 25)	1 831 213	1 094 323
Penalties and fines		
Tax penalties	1 208	424
Non tax penalties	-	561
Industrial Property Expenses	17 550	8 468
Banking services	79 525	-
Confidential Expenses	27 702	-
Other	67 954	222 391
	4 994 304	3 902 181

Taxes largely reflect the amount of water resources and effluent treatment fees, as well as property taxes - IMI and AIMI.

Bank services figures relating to 2021 are recorded under “Other”.





The amount of € 1,679 thousand under Donations, includes a donation of € 1,000 thousand to Universidade Católica Portuguesa and € 500 for the World Youth Days.

25. Effects of Changes in Exchange Rates

The amount of foreign exchange differences recognised in the income statement is shown in the following table:

	2022	2021
Exchange gains included in:		
Other Income and gains		
Other operating exchange differences (Note 23)	1 144 351	314 185
	1 144 351	314 185
Exchange gains included in:		
Other expenses and losses		
Other operating exchange differences (Note 24)	1 831 213	1 094 323
	1 831 213	1 094 323

No changes have occurred in the operating currency or in relation to the parent company or any of its foreign businesses.

Favourable and unfavourable exchange rate differences arise exclusively from the depreciation of the US Dollar against the Euro resulting from the acquisition of raw materials.

26. Increase/Decrease in Fair Value

At 31 December 2022 and 2021, this caption was made up as follows:

	2022		2021	
	Balance	P&L	Balance	P&L
Financial assets				
Other financial assets	-	(38 600)	-	(96 570)
	-	(38 600)	-	(96 570)

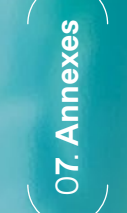
This variation results from the adjustment at Fair Value of the Compensation Fund relating to the work and participation in Ynvisible Interactive Inc..

27. Expenses/Reversal of Depreciation and Amortisation

At 31 December 2022 and 2021, this caption was made up as follows:

	2022	2021
Depreciation and Amortisation expenses		
Investment property (Note 7)	48 009	45 603
Tangible fixed assets (Note 6)	19 733 603	18 922 565
Intangible assets (Note 8)	2 218 653	2 420 564
Goodwill	457 048	260 125
	22 457 313	21 648 857





28. Interest and Similar Income

At 31 December 2022 and 2021, this caption was made up as follows:

	2022	2021
Interest earned		
On Deposits	377 661	170 855
Other similar income		
Raw material hedging swap	1 293 847	7 112
Other	34 984	715
	1 706 492	178 682

29. Interest and Similar Expenses

At 31 December 2022 and 2021, this caption was made up as follows:

	2022	2021
Interest paid		
Loans	3 253 295	5 955 616
Others	26 648	15 406
Other financing expenses and losses		
Commissions	108 009	125 609
Stamp duty on loans	25 517	10 916
Expenses with bank guarantees	1 726	29 856
Raw material hedging swap	10 612 574	9 439 313
Other	99 890	69 570
	14 127 660	15 646 286

Costs of raw material hedging swaps correspond to non-speculative operations to mitigate the impact of price changes on the operational cash flows of Bondalti Chemicals.

30. Income Tax

Expenses (income) for current taxes are as follows:

	2022	2021
Current Tax		
Corporate Income Tax for the year	18 132 406	9 046 108
	18 132 406	9 046 108
Deferred Tax		
Originated and subject to reversal for temporary differences	(2 302 237)	(3 671 160)
	(2 302 237)	(3 671 160)
	15 830 169	5 374 948

Deferred and current income tax on the items debited or credited to equity are shown in the following table:

	2022	2021
Deferred tax		
Net gains on the revaluation of tangible fixed assets		
Recognised in revaluation reserves	2 170 003	2 933 625
CO ₂ licences subsidy	1 054 403	704 618
	3 224 406	3 638 243



The amounts of deferred tax assets and liabilities recognised in the balance sheet for each period shown according to each type of temporary difference and concerning each type of non used tax losses and credit for non used taxes are as follows:

	Balance sheet items		Profit & Loss items		Other Equity items	
	2022	2021	2022	2021	2022	2021
Deferred tax assets						
Temporary differences:						
Others						
Post employment benefits - healthcare	60 904	59 939	965	(47 024)	-	-
Post employment benefits - pensions	416 551	535 359	(118 808)	(98 370)	-	-
Provisions not considered for tax purposes	1 975 035	1 287 467	(290 715)	(461 435)	-	-
Impairments on inventories	-	-	-	(231 550)	-	-
Impairment of depreciable assets	522 574	541 549	(18 974)	(103 540)	-	-
Tax losses	3 559 018	3 744 005	1 825 933	3 183 289	-	-
Others	676 113	670 805	(163 118)	-	-	-
Tax benefits	-	275 618	283 973	1 075 618	-	-
	7 210 196	7 114 742	1 519 256	3 316 987	-	-

	Balance sheet items		Profit & Loss items		Other Equity items	
	2022	2021	2022	2021	2022	2021
Deferred tax liabilities						
Temporary differences:						
Transition adjustments to SNC						
Revaluation of investment property	2 170 003	2 933 625	(763 622)	(30 814)	-	-
CO ₂ licence subsidy (Note 17.3)	1 054 403	704 618	-	-	349 785	509 192
Others	-	-	-	(16 217)	-	-
Other						
Re-assessment of tangible fixed assets	294 370	305 573	(19 359)	(307 142)	-	-
	3 518 776	3 943 816	(782 981)	(354 173)	349 785	509 192

31. Additional Information

31.1 - Environmental matters - Greenhouse gas emissions

The European Emissions Trading (ETC) is a mechanism for regulating greenhouse gas (GHG) emissions in activities that are responsible for about 45% of GHG emissions in the European Union, such as the burning of fuels, mineral oil refining, metallurgy, clinker, lime and glass production, ceramics, pulp and paper, chemicals and aviation.

The global GHG emission limit set at EU level has been reduced over time. In the fourth period of implementation of the ETS (2021-2030) a linear reduction factor of 2.2% was introduced in the total amount of available emission allowances (instead of 1.74% in the period 2013-2020).

An emission allowance allows the emission of one ton of carbon dioxide (CO₂) equivalent during a certain period. Obtaining emission allowances is, as a rule, done through an auction. The revenues generated by the auctions of emission allowances awarded to Portugal are part of the Environmental Fund.

Part of the emission allowances is allocated free of charge, as a transitional rule of this regime, namely to avoid “carbon leakage” – the transfer of production to countries where the restrictions on emissions are less stringent. The production of electricity and the capture, transport and storage of carbon dioxide are excluded from the free allocation of emission allowances. The allocation of free emission allowances has been reduced and, with the exception of urban heating, will be eliminated by 2030.



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07. Annexes



Bondalti Chemicals was granted 50,299 allowances for the 2022 financial year.

As of this date the relevant authority (APA) has not yet published the number of allowances that will be awarded in the remaining years (2023- 2030) within the scope of the fourth period of implementation of the CELE.

	2021	2022	Total
Allowances	50 411	50 299	100 710

Changes in CO₂ ton relating to greenhouse gas emission allowances during the year were as follows:

	Opening balance	Attribution and purchase	Transfers	Used (Note 23)	Fair value (Note 17.3)	Closing Balance
Balance at 1 January 2021						
Tons	53 578	52 053	(9 715)	(28 380)	-	67 536
Amount	961 668	4 037 251	(293)	(2 268 545)	810 789	3 540 869
Balance at 1 January 2022						
Tons	67 536	50 299	(8 582)	(25 476)	-	83 777
Amount	3 540 869	4 043 034	-	(2 047 761)	247 347	5 783 489

Emissions in 2022 totalled 25,476 tons, which in terms of allowances, gives rise to a positive differential in relation to the previous years of 83,777 ton, which will remain available for future use.

31.2 - Bank guarantees and surety insurance

As of 31 December 2022 the Company had liabilities for guarantees given, as follows:

Entities	2022	2021
Agência Portuguesa do Ambiente	21 122	21 122
Câmara Municipal de Loulé	74 282	74 282
Direcção Geral Energia e Geologia	14 964	14 964
Canal Isabel II, S.A.	-	136 553
Canal Isabel II, S.A.	-	91 800
Autoridad Portuaria de Vigo	24 500	24 500
Xunta de Galicia	6 500	6 500
	141 368	369 721

The amount of €74,282 corresponds to the guarantee required by the Municipal Council of Loulé concerning infrastructures for the real estate development located in Betunes, subject to Licence no. 2/2002.

The surety bonds assumed this year are as follows:

Entities	2022	2021
Autoridade Tributária e Aduaneira - Alfandega Aveiro	200 000	200 000
Autoridade Tributária e Aduaneira - Alfandega Aveiro	75 000	75 000
Autoridade Tributária e Aduaneira - Alfandega Aveiro	75 000	75 000
AdP - Águas de Portugal Serv Ambientais	16 875	36 343
	366 875	386 343



31.3 – Leases

31.3.1. - Operating leases — the Group as lessee:

Operating leases in which the Group is lessee concern vehicles and premises. These leases do not have purchase option clauses.

The total amount of minimum future lease payments for operating leases assuming that existing ones will not be rescinded or renewed, is as follows:

	2022	2021
Up to 1 year	3 654 228	3 417 894
Over 1 year and up to 5 years	14 616 911	13 671 574
Over five years and up to 10 years	22 110 911	20 840 578
	40 382 049	37 930 046

31.4 – Other Guarantees, Securities and Mortgages

Pursuant to the loan agreement entered by Bondalti Chemicals in June 2019, to secure compliance with obligations thereof, the company entered mortgage on land property, pledge on equipment, pledge on bank accounts, pledge on shares of Elnosa and Bondalti Cantabria share capital, shares and partners’ loans of Miralcalis and assigned claims and partners’ loans as security.

31.5 – Other Credit

As part of a project to replace the electrolyzers at the chlorine plant in Estarreja, Bondalti Chemicals took out a letter of credit in the amount of € 10,200 thousand, which matures in 2025.

32. Subsequent Events

No events have occurred since 31 December 2022 to this date that are not already adjusted and/or disclosed in the financial statements.

These financial statements were approved for issuing by the Board of Directors.

Oeiras, 04 April 2023

The Board of Directors

João Maria Guimarães José de Mello

André Cabral Côrte-Real de Albuquerque

João Jorge Gonçalves Fernandes Fugas

João Pedro Ribeiro de Azevedo Coutinho

João Pedro Stilwell Rocha e Melo

Luís Augusto Nesbitt Rebelo da Silva

Luís Henrique Marcelino Alves Delgado

Marisa Poncela García

Vasco Luís José de Mello

The Statutory Auditor

Sónia Cristina José Camacho



07. Annexes



Legal Certification of Accounts



Ernst & Young
Audit & Associados - SROC, S.A.
Avenida da República, 90-6º
1600-206 Lisboa
Portugal

Tel: +351 217 912 000
Fax: +351 217 957 586
www.ey.com

Certificação Legal das Contas

RELATO SOBRE A AUDITORIA DAS DEMONSTRAÇÕES FINANCEIRAS CONSOLIDADAS

Opinião

Auditámos as demonstrações financeiras consolidadas anexas de Bondalti Capital, S.A. (o Grupo), que compreendem o Balanço Consolidado em 31 de dezembro de 2022 (que evidencia um total de 377.373.808 euros e um total de capital próprio de 159.913.362 euros, incluindo um resultado líquido de 51.822.711 euros), a Demonstração Consolidada dos Resultados por Naturezas, a Demonstração Consolidada das Alterações no Capital Próprio e a Demonstração Consolidada dos Fluxos de Caixa relativas ao ano findo naquela data, e o Anexo que inclui um resumo das políticas contabilísticas significativas.

Em nossa opinião, as demonstrações financeiras consolidadas anexas apresentam de forma verdadeira e apropriada, em todos os aspetos materiais, a posição financeira consolidada de Bondalti Capital, S.A. em 31 de dezembro de 2022 e o seu desempenho financeiro e fluxos de caixa consolidados relativos ao ano findo naquela data, de acordo com as Normas Contabilísticas e de Relato Financeiro adotadas em Portugal através do Sistema de Normalização Contabilística.

Bases para a opinião

A nossa auditoria foi efetuada de acordo com as Normas Internacionais de Auditoria (ISA) e demais normas e orientações técnicas e éticas da Ordem dos Revisores Oficiais de Contas. As nossas responsabilidades nos termos dessas normas estão descritas na secção “Responsabilidades do auditor pela auditoria das demonstrações financeiras consolidadas” abaixo. Somos independentes das entidades que compõem o Grupo nos termos da lei e cumprimos os demais requisitos éticos nos termos do código de ética da Ordem dos Revisores Oficiais de Contas.

Estamos convictos de que a prova de auditoria que obtivemos é suficiente e apropriada para proporcionar uma base para a nossa opinião.

Responsabilidades do órgão de gestão e do órgão de fiscalização pelas demonstrações financeiras consolidadas

O órgão de gestão é responsável pela:

- ▶ preparação de demonstrações financeiras consolidadas que apresentem de forma verdadeira e apropriada a posição financeira, o desempenho financeiro e os fluxos de caixa do Grupo de acordo com as Normas Contabilísticas e de Relato Financeiro adotadas em Portugal através do Sistema de Normalização Contabilística;
- ▶ elaboração do Relatório Consolidado de Gestão nos termos legais e regulamentares aplicáveis;
- ▶ criação e manutenção de um sistema de controlo interno apropriado para permitir a preparação de demonstrações financeiras consolidadas isentas de distorções materiais devido a fraude ou a erro;
- ▶ adoção de políticas e critérios contabilísticos adequados nas circunstâncias; e
- ▶ avaliação da capacidade do Grupo de se manter em continuidade, divulgando, quando aplicável, as matérias que possam suscitar dúvidas significativas sobre a continuidade das atividades.

O órgão de fiscalização é responsável pela supervisão do processo de preparação e divulgação da informação financeira do Grupo.

Responsabilidades do auditor pela auditoria das demonstrações financeiras consolidadas

A nossa responsabilidade consiste em obter segurança razoável sobre se as demonstrações financeiras consolidadas como um todo estão isentas de distorções materiais devido a fraude ou a erro, e emitir um relatório onde conste a nossa opinião. Segurança razoável é um nível elevado de segurança mas não é uma garantia de que uma auditoria executada de acordo com as ISA detetará sempre uma distorção material quando exista. As distorções podem ter origem em fraude ou erro e são consideradas materiais se, isoladas ou conjuntamente, se possa razoavelmente esperar que influenciem decisões económicas dos utilizadores tomadas com base nessas demonstrações financeiras.

Sociedade Anónima - Capital Social 1.340.000 euros - Inscrição n.º 178 na Ordem dos Revisores Oficiais de Contas - Inscrição N.º 20161480 na Comissão do Mercado de Valores Mobiliários
Contribuinte N.º 505 988 283 - C. R. Comercial de Lisboa sob o mesmo número
A member firm of Ernst & Young Global Limited



Bondalti Capital, S.A.
Certificação Legal das Contas Consolidadas
31 de dezembro de 2022

Como parte de uma auditoria de acordo com as ISA, fazemos julgamentos profissionais e mantemos ceticismo profissional durante a auditoria e também:

- ▶ identificamos e avaliamos os riscos de distorção material das demonstrações financeiras consolidadas, devido a fraude ou a erro, concebemos e executamos procedimentos de auditoria que respondam a esses riscos, e obtemos prova de auditoria que seja suficiente e apropriada para proporcionar uma base para a nossa opinião. O risco de não detetar uma distorção material devido a fraude é maior do que o risco de não detetar uma distorção material devido a erro, dado que a fraude pode envolver conluio, falsificação, omissões intencionais, falsas declarações ou sobreposição ao controlo interno;
- ▶ obtemos uma compreensão do controlo interno relevante para a auditoria com o objetivo de conceber procedimentos de auditoria que sejam apropriados nas circunstâncias, mas não para expressar uma opinião sobre a eficácia do controlo interno do Grupo;
- ▶ avaliamos a adequação das políticas contabilísticas usadas e a razoabilidade das estimativas contabilísticas e respetivas divulgações feitas pelo órgão de gestão;
- ▶ concluímos sobre a apropriação do uso, pelo órgão de gestão, do pressuposto da continuidade e, com base na prova de auditoria obtida, se existe qualquer incerteza material relacionada com acontecimentos ou condições que possam suscitar dúvidas significativas sobre a capacidade do Grupo para dar continuidade às suas atividades. Se concluirmos que existe uma incerteza material, devemos chamar a atenção no nosso relatório para as divulgações relacionadas incluídas nas demonstrações financeiras consolidadas ou, caso essas divulgações não sejam adequadas, modificar a nossa opinião. As nossas conclusões são baseadas na prova de auditoria obtida até à data do nosso relatório. Porém, acontecimentos ou condições futuras podem levar a que o Grupo descontinue as suas atividades;
- ▶ avaliamos a apresentação, estrutura e conteúdo global das demonstrações financeiras consolidadas, incluindo as divulgações, e se essas demonstrações financeiras representam as transações e os acontecimentos subjacentes de forma a atingir uma apresentação apropriada;
- ▶ obtemos prova de auditoria suficiente e apropriada relativa à informação financeira das entidades ou atividades dentro do Grupo para expressar uma opinião sobre as demonstrações financeiras consolidadas. Somos responsáveis pela orientação, supervisão e desempenho da auditoria do Grupo e somos os responsáveis finais pela nossa opinião de auditoria; e
- ▶ comunicamos com os encarregados da governação, incluindo o órgão de fiscalização, entre outros assuntos, o âmbito e o calendário planeado da auditoria, e as conclusões significativas da auditoria incluindo qualquer deficiência significativa de controlo interno identificada durante a auditoria.

A nossa responsabilidade inclui ainda a verificação da concordância da informação constante do Relatório Consolidado de Gestão com as demonstrações financeiras consolidadas.



Bondalti Capital, S.A.
Certificação Legal das Contas Consolidadas
31 de dezembro de 2022

RELATO SOBRE OUTROS REQUISITOS LEGAIS E REGULAMENTARES

Sobre o Relatório Consolidado de Gestão

Dando cumprimento ao artigo 451, n.º 3, al. e) do Código das Sociedades Comerciais, somos de parecer que o Relatório Consolidado de Gestão foi preparado de acordo com os requisitos legais e regulamentares aplicáveis em vigor e a informação nele constante é concordante com as demonstrações financeiras consolidadas auditadas e, tendo em conta o conhecimento e a apreciação sobre o Grupo, não identificámos incorreções materiais.

Lisboa, 28 de abril de 2023

Ernst & Young Audit & Associados – SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Representada por:

Paulo Jorge Luís da Silva - ROC n.º 1334
Registado na CMVM com o n.º 20160944



Report and Opinion of the Audit Board

BONDALTI CAPITAL, SA

Relatório e Parecer do Conselho Fiscal

Exercício de 2022

Ao Acionista da Bondalti Capital, SA

1. Nos termos da lei, dos estatutos da empresa e no desempenho do mandato que nos conferiram, vimos apresentar o nosso Relatório sobre a atividade fiscalizadora desenvolvida em 2022 e dar o nosso parecer sobre o Relatório Integrado de Gestão, as contas individuais e consolidadas e a proposta de aplicação de resultados apresentados pelo Conselho de Administração da Bondalti Capital, S.A. relativamente ao exercício findo em 31 de dezembro de 2022.
2. Acompanhámos com regularidade a atividade da empresa, com a periodicidade e extensão que considerámos adequada, nomeadamente através de reuniões com a Administração e Diretores da Sociedade que tiveram lugar nomeadamente em 16 de novembro de 2022, 3 de abril e 3 de maio de 2023. Acompanhámos, da forma julgada conveniente, a verificação dos registos contabilísticos e da respetiva documentação de suporte, bem como a eficácia dos sistemas de gestão de riscos e de controlo interno. Vigiámos pela observância da lei e dos estatutos, tanto quanto foi do nosso conhecimento. No exercício da nossa atividade não deparámos com quaisquer constrangimentos ou obstáculos de qualquer tipo.
3. Reunimos com o Revisor Oficial de Contas e Auditor Externo, E & Y. Ernst & Young Audit & Associados – SROC, SA, nomeadamente nas reuniões já mencionadas, acompanhando os trabalhos de auditoria desenvolvidos e fiscalizando a sua independência. Apreciámos a Certificação Legal de Contas individual e consolidada, sem reservas ou ênfases, que merecem o nosso acordo.
4. No exercício das nossas funções, verificámos que:
 - a) O Balanço, a Demonstração dos Resultados por Naturezas, a Demonstração do Rendimento Integral, a Demonstração das Alterações no Capital próprio, a Demonstração dos Fluxos de Caixa e as correspondentes Notas às demonstrações financeiras individual e consolidada, permitem uma adequada compreensão da situação financeira da empresa e dos seus

RS
MR

resultados, do rendimento integral, das alterações no capital próprio e dos fluxos de caixa;

- b) As políticas contabilísticas e os critérios valorimétricos adotados estão conformes com as Normas Internacionais de Relato Financeiro (IFRS) tal como adotadas na União Europeia, e são adequados por forma a assegurar que os mesmos conduzem a uma correta avaliação do património e dos resultados, tendo-se dado seguimento às análises e recomendações emitidas pelo auditor externo;
 - c) O Relatório Individual e o Relatório Integrado de Gestão são suficientemente esclarecedores da evolução dos negócios e da situação da empresa, evidenciando com clareza os aspetos mais significativos da atividade.
5. Somos do parecer que a proposta de aplicação de resultados apresentada pelo Conselho de Administração não contraria as disposições legais e estatutárias aplicáveis.
 6. Nestes termos, tendo em consideração as informações recebidas do Conselho de Administração e Serviços da Empresa, bem como as conclusões constantes da Certificação Legal de Contas, somos do parecer que:
 - a) Sejam aprovados o Relatório Individual e o Relatório Integrado de Gestão;
 - b) Sejam aprovadas as Demonstrações Financeiras individuais e consolidadas;
 - c) Seja aprovada a proposta de aplicação de resultados, no montante de 51.822.711,48 (cinquenta e um milhões oitocentos e vinte e dois mil setecentos e onze euros e quarenta e oito centimos) euros, apresentada pelo Conselho de Administração.
 7. Finalmente, os membros do Conselho Fiscal expressam o seu reconhecimento e agradecimento pela colaboração prestada, ao Conselho de Administração, aos principais responsáveis e aos demais colaboradores da Empresa, bem como ao Revisor Oficial de Contas e Auditor Externo.

RS
MR

(Dra. Maria do Rosário Mayoral Robles Machado Simões Ventura)

O Vogal

Dr. José Miguel Tavares Mora do Vale

O Vogal

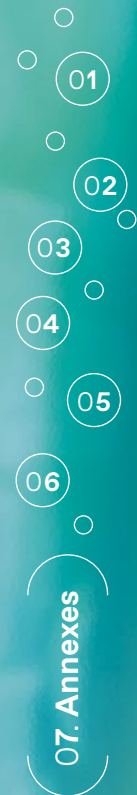
Professor Romualdo Luís Ribera Salcedo

Lisboa, 3 de maio de 2023.

O Presidente do Conselho Fiscal

Maria do Rosário Ventura





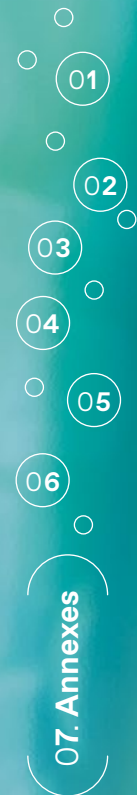
GRI Standard Indicators

GENERAL INDICATORS		ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG
CORPORATE PROFILE AND REPORTING PRACTICES				
2-1	Details of the organisation	Pg. 90 Lagoas Park, Porto Salvo	-	-
2-2	List of all entities included in the sustainability report of the organisation	Pg. 11, 90 Lagoas Park, Porto Salvo	-	-
2-3	Period covered by the report, periodicity and contact	Pg. 90 2022 activity, which started on January 1, 2022 and ended on December 31, 2022. Bondalti contributes to the SDG “12 Sustainable Production and Consumption”, more specifically to its Target “12.6 Encourage companies, especially large and transnational ones, to adopt sustainable practices and to integrate information on sustainability in their activity reports”, for the annual publication of its Integrated Report (indicator 12.6.1).	-	-
2-4	Reformulation of information	The structure of this Report has been maintained in accordance with Bondalti’s Integrated Report for the year 2021. The GRI index has been updated according to the new GRI guidelines.	-	-
2-5	External verification	Pg. 169	-	-
ACTIVITIES AND EMPLOYEES				
2-6	Activities, value chain and other business relationships	Pg. 11-19, 31-34 Employee figures do not include directors.	-	-

Employees at 31 December	2020	2021	2022
Industrial Chemicals	351	359	387
Water Treatment	182	332	357
Total number of employees	533	691	744

2-7	Activities and employees	Industrial Chemicals	2020	2021	2022
		Employees with fixed term contract	7	15	22
		% Employees with fixed term contract	2%	4%	6%
		Men	6	14	15
		Women	1	1	7
		Employees with open-ended contract	344	344	350
		% Employees with open-ended contract	98%	96%	90%
		Men	272	268	274
		Women	72	76	76

Principle 68



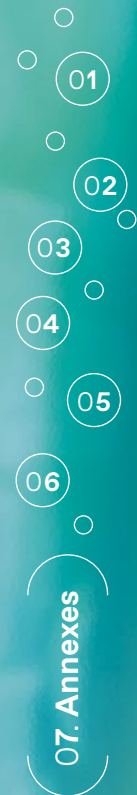
GENERAL INDICATORS		ANSWER / LOCATION / OMISSION				UN GLOBAL COMPACT	SDG		
2-7	Activities and employees	Water Treatment			2020	2021	2022	Principle 6	8
		Employees with fixed term contract			11	36	24		
		% Employees with fixed term contract			6%	11%	7%		
		Men			8	26	13		
		Women			3	10	11		
		Employees with open-ended contract			171	296	333		
		% Employees with open-ended contract			94%	89%	93%		
		Men			136	209	239		
		Women			35	87	94		
		Pg. 12-19, 61 Employee figures do not include directors.							
2-8	Collaborators who are not employees	Industrial Chemicals			2022		Principle 3, 6	8	
		Employees who are not workers			2				
		Men			2				
		Women			0				
		This indicator considers employees who do not have a direct contractual relationship with the Organisation but whose work is controlled by the Organisation.							
GOVERNANCE									
2-9	Governance structure and composition	Pg. 20-26				-	-		
2-10	Appointment and selection of the highest governing body	Pg. 21, 25				-	5, 16		
2-11	Chairman of the highest governing body	Pg. 3-4, 22, 25				-	16		
2-12	Role of the Chairman of the Board of Directors in managing management impacts	Pg. 21, 25				-	-		
2-13	Delegation of authority for management impacts	Pg. 20-26				-	16		
2-14	Role of the highest governing body in sustainability reporting	Pg. 20-21				-	-		
2-15	Conflicts of interest	Code of Ethics (www.bondalti.com)				-	16		



GENERAL INDICATORS		ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG
2-16	Communication about critical concerns	Pg. 20-26, 32	-	16
2-17	Collective knowledge of the highest governing body	Message from the Chairman Pg. 20-25	-	4
2-18	Evaluation of the highest governance body's performance	Pg. 25	-	-
STRATEGY, POLICIES AND PRACTICES				
2-19	Remuneration policies	Determining the remuneration of the members of the Board of Directors is the responsibility of the Remuneration Committee, appointed by the General Shareholders' Meeting. The remuneration of directors and other Bondalti employees is the responsibility of the Executive Committee. For other categories, remuneration is calculated based on the applicable collective labour regulation instrument. The remuneration should include a fixed component that aims, within the framework of the respective powers and responsibilities, to adequately remunerate the effort and work carried out throughout each exercise of the respective mandate, applicable to executive and non-executive members of the Board of Directors, and a variable component to be attributed to executive members with the aim of rewarding them for the performance of the Company.	-	-
2-20	Process for determining remuneration	Determining the remuneration of the members of the Board of Directors is the responsibility of the Remuneration Committee, appointed by the General Shareholders' Meeting. The remuneration of directors and other Bondalti employees is the responsibility of the Executive Committee. For other categories, remuneration is calculated based on the applicable collective labour regulation instrument. The remuneration should include a fixed component that aims, within the framework of the respective powers and responsibilities, to adequately remunerate the effort and work carried out throughout each exercise of the respective mandate, applicable to executive and non-executive members of the Board of Directors, and a variable component to be attributed to executive members with the aim of rewarding them for the performance of the Company.	-	16
2-21	Proportion of total annual compensation	<div>Industrial Chemicals</div> <div>202020212022</div> <div>Proportion of total annual remuneration4,944,934,67</div> <div>Note: figures do not include the Governing Bodies For the calculation of this indicator, the contractualised values of fixed remunerations for the total of active employees on 31/12/2022 and variable remunerations effective in 2022 were considered. Proportion of total annual remuneration = Total annual remuneration of the highest paid individual / Total average annual remuneration of employees.</div>	-	-
2-22	Statement about the sustainable development strategy	Pg. 3-4	-	-



GENERAL INDICATORS		ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG
2-23	Policy commitments	Pg. 40-41, 69-71, 85-86 Code of Ethics (www.bondalti.com); Suppliers Conduct Code (www.bondalti.com) Bondalti takes an active approach to managing financial, operational, property, environmental and health and safety risks, based on the precautionary principle. Through this principle, the company seeks to minimise the potential adverse effects associated with these risks.	Principle 10	16
2-24	Implementation of commitments	Pg. 40-41, 69-71, 85-86 Índice GRI	-	-
2-25	Processes to remedy negative impacts	Pg. 25, 31-32, 36-37, 70, 72, 74	-	-
2-26	Advisory mechanisms and growing concerns	Pg. 25-26, 38-39 Code of Ethics (www.bondalti.com); Suppliers Conduct Code (www.bondalti.com)	Principle 10	16
2-27	Compliance with laws and regulations	In 2022, there were no non-conformities in this area at Bondalti. Fines or warnings are only considered when the processes are finalised or become final. Only those with a value above € 10,000 are considered significant fines.	-	-
2-28	Main adhesions to sector organisations	www.bondalti.com	-	-
STAKEHOLDER ENGAGEMENT				
2-29	List of stakeholders of the organisation	Pg. 32	-	16
2-30	Collective bargaining agreements	Pg. 5 All employees of the Bondalti Chemicals Group and 97% of the AEMA Group are covered by Collective Bargaining Agreements or Conventions. Employee figures do not include directors.	-	-
MATERIAL TOPICS				
3-1	Process for determining material aspects	Pg. 29-30	-	-
3-2	List of material aspects	Pg. 29	-	-
3-3	Management of material aspects	Pg. 29-30 Ethics/ Transparency/ Anti-corruption Occupational health and safety Employee development and training Economic performance Customer satisfaction Emissions Corporate governance Process Innovation Energy management	-	-



SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION				UN GLOBAL COMPACT	SDG				
ECONOMIC PERFORMANCE INDICATORS											
201-1	Direct economic value generated and distributed	(€M)				2020	2021	2022	Δ	-	8, 9
		Generated Economic Value									
		Revenues				252	453	610	172		
		Distributed Economic Value									
		Operating costs				-191	-365	-468	-127		
		Wages and benefits				-22	-28	-36	-7		
		Payment to capital suppliers				-4	-16	-14	-3		
		Payments to the State				-0.28	-0.50	-0.54	0		
		Investments in the Community				-0.38	-1.60	-2.29	-1		
		Cumulative Economic Value				34	42	89	34		
The difference between 2022 and the three-year average was used to determine the change.											
201-2	Financial implications and other risks and opportunities due to climate change	In 2021 Bondalti used 25,476 ETS allowances and was granted 4,043,034 at market price.							Principle 7	13	
201-3	Defined benefit plan obligations and other retirement plans	Only Bondalti employees of the Group Industrial Chemicals recruited by the company before 31/12/1977 are entitled to retirement benefit. Industrial Chemicals offers a wide range of benefits to employees, such as Health Insurance, Life Insurance, Curative Medicine, Nutrition and Psychology consultations, allowance for gym, allowance for summer camp and school expenses, travel allowance, among others, which in 2022 corresponded to expenses of € 1,021,957. In the Water Treatment business area, employees are entitled to a health insurance, policy; the overall amount of employee benefits was € 154,008 in 2022.							-	-	
201-4	Government subsidies	In 2022 Bondalti received government subsidies in the amount of € 1,062,897.							-	-	
202-1	Ratio of basic starting salary compared to the minimum wage allowed at local level	Within Bondalti’s universe, all employees of the Bondalti Chemicals Group and 97% the AEMA Group are covered by Collective Bargaining Agreements (CCT) or similar. According to the Collective Bargaining Agreement in force in Portugal the guaranteed minimum wage is € 709/month, compared to the national minimum wage in the reporting period, € 705/ month. (Source: Job and Employment Bulletin no. 48, 29/12/2022) According to the Collective Bargaining Agreement in force in Spain the guaranteed minimum wage is € 1180.12/month, compared to the national minimum wage in the reporting period, € 1000/ month. (Source: State Official Bulletin no. 171, 19/07/2021) Not including directors.							-	8	
		Ratio		2022							
		Portugal		1.01							
		Spain		1.18							



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07. Annexes



SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG
202-2	Percentage of top management recruited from the local community in relevant operational units	Pg. 22-25 Although most of Bondalti's activity is located in the Iberian Peninsula, all of its Executive Board is of Portuguese nationality. Thus, "local community" is understood as the country of the holding company, in this case, Portugal.	Principle 6	8
203-1	Investments in infrastructure and guaranteed services	Pg. 80-82 Within the scope of the RSC, € 2,291 thousand were invested in the community, including € 1,000 thousand donated to in tUniversidade Católica Portuguesa to fund the construction of a new building for the installation of Católica Lisbon School of Business and Economics and an administrative building, and € 500 thousand were donated for the World Youth Days organisation.	-	7, 8, 9, 11
203-2	Significant indirect economic impacts	Pg. 50-57, 77, 80-82	-	9, 15

		Industrial Chemicals			UN GLOBAL COMPACT	SDG
		2020	2021	2022		
204-1	Proportion of spending on local suppliers	Operations in Portugal				
		Local suppliers	599	706	756	
		Purchases with local suppliers	95 374 785 €	133 310 967 €	149 021 610 €	
		% Of local suppliers	85%	86%	84%	
		% Of purchases with local suppliers	38%	40%	34%	
		Operations in Spain				
		Local suppliers	294	315	344	
		Purchases with local suppliers	29 572 857 €	24 944 651 €	33 015 313 €	
		% Of local suppliers	92%	92%	94%	
		% Of purchases with local suppliers	91%	95%	64%	



SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION		UN GLOBAL COMPACT	SDG
204-1	Proportion of spending on local suppliers	Water Treatment		2021	2022
		Operations in Portugal			
		Local suppliers	459	501	
		Purchases with local suppliers	5 251 710 €	4 571 654 €	
		% Of local suppliers	90%	91%	
		% Of purchases with local suppliers	70%	48%	
		Operations in Spain			
		Local suppliers	917	830	
		Purchases with local suppliers	9 667 704 €	14 364 689 €	
		% Of local suppliers	97%	97%	
		% Of purchases with local suppliers	96%	90%	
		Operations in Angola			
		Local suppliers	92	101	
		Purchases with local suppliers	534 564 €	677 106 €	
		% Of local suppliers	99%	100%	
% Of purchases with local suppliers	99%	100%			
Pg. 33-37 Bondalti's main operations are located in Portugal, Spain and Angola, considering as local suppliers those located in these geographies.					
205-1	Operations assessed for corruption related risks	Following the approval of the National Anti-Corruption Strategy 2020-2024, Bondalti continues to work on improving the internal control of Corruption Risks and related issues, complying with what is established in Decree-Law 109-E/2021, of 9 December 2021.		Principle 10	16
205-2	Communication and training relating to anti-corruption policies and procedures	Employees who received anti-corruption training		2022	
		Coordinator	4		
		Assistant manager	2		
		Senior technician	37		
		Supervisor	1		
		Functional technician	5		
		Operating technician	21		
		Total employees	70		
In 2022, training was given to Bondalti Chemicals employees, based on the company's Code of Ethics.					



SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG
205-3	Confirmed incidents of corruption and measures taken	<p>Bondalti has a “Code of Ethics” which includes the “Ethics Ombudsman Regulations”. These documents are available intranet and on Bondalti’s website, The “Code of Ethics” training is available to all employees, in e-learning format, on the 4Learn platform, and attendance is mandatory. This training is also mandatory for all new employees and is provided during admission and welcome stage.</p> <p>The Code of Ethics shows the organization’s commitment to acting ethically and with integrity under all circumstances, respecting the rights of its stakeholders at all times.</p> <p>In order to ensure prompt compliance with the Code of Ethics, Bondalti, represented by its Ethics Ombudsman, diligently investigates all reports of cases of misconduct, such as violations of law, regulations or company policies and procedures.</p> <p>Investigations are conducted in a respectful, confidential and fair manner, in accordance with the Ethics Ombudsman’s action procedure, described in the respective Regulation. Whenever he deems it necessary for the proper fulfilment of his duties and pursuit of his objectives, the Ethics Ombudsman will act in conjunction with BONDALTI’s governing bodies, committees and structures, namely with the Company’s Executive Committee, as well as with Divisions to the extent of their duties.</p> <p>All Employees, Shareholders, Clients, Suppliers and service providers may request clarification from Bondalti’s Ethics Ombudsman via email (etica@bondalti.com) or through the reporting channels made available for this purpose (intranet form).</p> <p>In 2023, Bondalti’s “Code of Ethics” will be revised to include the necessary changes to comply with the obligations set forth in the General Regime for the Prevention of Corruption (RGPC) and in EU Whistleblower Protection Directive (WPD).</p> <p>The scope of the “Code of Ethics” is to be extended to all Bondalti group companies in Portugal and Spain.</p> <p>Additionally, Bondalti has a “Suppliers Conduct Code”.</p>	Principle 10	16
206-1	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes	In 2022, there were no legal actions or convictions related to this indicator.	Principle 10	16
207-2	Governance, control and management of tax risk	Bondalti’s Financial Management is the internal body responsible for identifying and managing the financial risks of all group companies. The Financial Management monitors the exposure to financial risk on an ongoing basis, carrying out a specific analysis whenever any of the following situations occurs: legislative and/or regulatory change/revision, significant change in activities, processes or client portfolio, merger/acquisition of new business units, other changes arising from a specific geographical or geo-political context. For these specific analyses, Bondalti uses specialized consulting in Portugal and Spain to support the identification and management of financial risks, namely in the tax and transactional areas in the different business areas. This support is materialized in regular meetings to monitor the activity of Bondalti and also the legislative evolution, and in specific meetings when support on specific issues is justified.	-	-



SPECIFIC INDICATORS	ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG
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ENVIRONMENTAL PERFORMANCE INDICATORS

		Consumption of raw materials in Industrial Chemicals (t)																																									
301-1	Materials used, by weight	<div><div></div><div>Δ 34 990</div></div>			Principle 7, 8	12																																					
		2022 547 343																																									
		2021 542 359																																									
		2020 447 357																																									
		Industrial Chemicals uses several raw materials, including: Benzene, Hydrogen, Ammonia, Salt, Sulphuric Acid, Brine, Sodium Bisulphite and Cellulose.																																									
		This indicator is not applicable in the Water Treatment business area, due to the type of products and services provided.																																									
301-2	Recycled materials used	Not applicable due to the type of materials that are consumed. At Bondalti, only virgin materials are used in order to avoid product nonconformities, thus ensuring product quality and delivery safety.			Principle 7, 8	12, 13																																					
302-1	Energy consumption within the organisation	<div>Industrial Chemicals (GJ)</div> <table><tr><td></td><td>2020</td><td>2021</td><td>2022</td></tr><tr><td colspan="4">Purchased energy</td></tr><tr><td>Diesel</td><td>686</td><td>831</td><td>5 401</td></tr><tr><td>Natural gas</td><td>422 601</td><td>422 434</td><td>403 005</td></tr><tr><td>Electric power</td><td>1 387 677</td><td>1 573 812</td><td>1 610 861</td></tr><tr><td colspan="4">Produced energy</td></tr><tr><td>Used</td><td>598 132</td><td>654 015</td><td>610 810</td></tr><tr><td>Sold</td><td>5 267</td><td>5 161</td><td>4 028</td></tr><tr><td>Total energy used</td><td>2 409 096</td><td>2 651 092</td><td>2 630 077</td></tr></table>					2020	2021	2022	Purchased energy				Diesel	686	831	5 401	Natural gas	422 601	422 434	403 005	Electric power	1 387 677	1 573 812	1 610 861	Produced energy				Used	598 132	654 015	610 810	Sold	5 267	5 161	4 028	Total energy used	2 409 096	2 651 092	2 630 077	Principle 7, 8	7, 8, 12, 13
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		<div>Water Treatment (GJ)</div> <table><tr><td></td><td>2021</td><td>2022</td></tr><tr><td colspan="3">Purchased energy</td></tr><tr><td>Fuel from a non-renewable source</td><td>7 935</td><td>8 470</td></tr><tr><td>Renewable fuel</td><td>0</td><td>0</td></tr><tr><td>Electric power</td><td>1 002</td><td>1 008</td></tr><tr><td>Renewable Electricity</td><td>0</td><td>0</td></tr><tr><td>Total energy used</td><td>8 938</td><td>9 478</td></tr></table>					2021	2022	Purchased energy			Fuel from a non-renewable source	7 935	8 470	Renewable fuel	0	0	Electric power	1 002	1 008	Renewable Electricity	0	0	Total energy used	8 938	9 478																	
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Total energy used	8 938	9 478																																									



SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG
302-1	Energy consumption within the organisation	<p>Pg. 69</p> <p>Bondalti Chemicals produces energy in the form of steam by taking advantage of the exothermic reactions of its chemical production processes. Part of the energy produced is used internally, the remaining part is sold.</p> <p>The AEMA Group produces renewable energy from solar sources, which is entirely sold.</p> <p>In the Enkrott Group, only the consumptions of Enkrott - Gestão de Tratamiento de Águas, S.A. were considered.</p> <p>Gasoline (GJ) = (Litres of Gasoline x LCV (1) x Density) / 10³</p> <p>Diesel (GJ) = (Litres of Diesel x LCV (1) x Density) / 10³</p> <p>Natural Gas (GJ) = m³N x LCV (1) / 1,000</p> <p>Electric power (GJ) = KWh x 36 x 10⁻³</p> <p>(1) - LCV (lower calorific value) - Portugal Inventário Nacional APA Spain: Ministerio para la transición ecológica y el reto demográfico</p>	Principle 7, 8	7, 8, 12, 13
302-2	Energy consumption outside the organisation	GRI Index - Indicator 305-3	Principle 8	7, 12, 13
302-3	Energy intensity	<p>Industrial Chemicals: Only purchased electricity, natural gas and steam are considered relevant for calculating energy intensity. Energy Intensity = Purchased Energy (GJ) / Total Production (t)The energy Intensity value at Bondalti Chemicals stood at 1.084 GJ/t, whilst at Bondalti Cantabria it stood at 1.298 GJ/t.</p> <p>Water treatment: For the calculation of the Energy Intensity, the diesel consumption of the vehicles and the purchased electric energy are considered. Energy intensity = Purchased energy (GJ) / Total Employees (no.)</p> <p>At Enkrott - Gestão de Tratamento de Águas, S.A. energy intensity recorded was 49 GJ/person, whilst at AEMA it was 30 GJ/person.</p>	Principle 8	7, 12, 13
302-4	Reduction of energy consumption	In 2022, Industrial Chemicals recorded a reduction of 1,082 GJ in natural gas consumption as a result of improvements in the PAD unit, namely the replacement of fluorescent lighting in the maintenance workshop with LEDs; Incineration of Part of the Heavy Effluent from the Aniline Factory, achieved by evaporating the product obtained after centrifugation; Implementation of a ring pump in the MNB, with the aim of replacing the existing vacuum ejector, in order to reduce the consumption of 24bar steam and the 2MW solar project (solar) 1MW in the PCA and 1MW in the PAD.	Principle 8, 9	7, 12, 13
302-5	Lower energy requirements of products and services	<p>Not applicable due to the type of products and services that Bondalti sells.</p> <p>Energy is a raw material in one of the main products marketed by Bondalti.</p>	Principle 8, 9	7, 12, 13
303-1	Interactions with water as shared resource	Bondalti Chemicals collects the water it uses in its operations from River Antuã and from water holes and wells, according to use licences issued by the relevant entity. Consumption from each catchment is controlled through flow meters, with respective information filled in on APA's SILIAMB platform and annually reported on Portal ARH. Extracted water is used in the industrial activity after being treated at the Water Treatment Plant, where it goes through a filter process, followed by flocculation/ decantation treatment, and the removal of sludge resulting from the clarification of the water. Demineralised water is required for specific uses, being produced in de-mineralisation facility in ion exchangers. Industrial effluents from the industrial activity are discharged to a multi municipal collector, managed by AdRA. Rain effluents are directly discharged in the water environment. During 2022 Bondalti Cantabria installed the municipal supply network to supply the changing rooms and emergency showers. Bondalti Cantabria obtains the water it uses in production from Solvay, mainly clarified and demineralised water. Monitoring of the water used (clarified and demineralised) is made on a monthly basis, through a flow meter. The monitoring of effluents is also carried out monthly through flow meter. Effluent (brine) is treated through a physical and chemical dechlorination process prior to being sent to Solvay, which then sends it for final treatment.	-	6



SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG
303-2	Management of impacts from water discharges	<p>Bondalti Chemicals</p> <p>PAD</p> <p>pH: 5.5 - 9.5 with continuous monitoring TOC: ≤400 mg/l with continuous monitoring Total suspended solids (TSS): ≤1000 mg/l weekly analysis by external lab Nitrates: ≤1000 mg/l weekly analysis by external lab Sulphates: ≤2000 mg/l weekly analysis by external lab Total nickel: ≤2 mg/l weekly analysis by external lab Nitrites: ≤30 mg/l weekly analysis by external lab Note: parameters and emission limit values (ELV) as defined in AdRA use licence dated 24 November 2015 for the rejection of industrial residual water Continuous monitoring of low at the point of discharge ED1, according to Environmental Licence 52/1.0/2017 of 14 July 2017.</p>	-	6, 14
		<p>PCA</p> <p>pH: 5.5 - 9.5 with continuous monitoring Biochemical oxygen demand (BODO5): ≤500 mg/l bimonthly analysis by external lab chemical oxygen demand (COD): ≤1000 mg/l weekly analysis by external lab Total suspended solid (TSS) ≤1000 mg/l weekly analysis by external lab Sulphates: ≤2000 mg/l weekly analysis by external lab Chlorides: No ELV Monthly analysis by external lab Chlorates No ELV Monthly analysis by external lab Note: parameters and ELV as defined in AdRA use licence dated 24 November 2015 for the rejection of industrial residual water Continuous monitoring of low at the point of discharge ED2 Note: parameter defined in Environmental Licence 52/1.0/2017 of 14 July 2017. Free chlorine: ≤0.2 mg/l according to BREF-CAK document - MTD conclusions of 9 December 2013.</p>		
		<p>Bondalti Cantabria</p> <p>Requirements for water discharge are as follows: 0.2 mg/L Cl₂ in samples once a month. Bondalti Cantabria undertakes to ensure the characteristics of the residual water it sends to Solvay: Average flow: 58 m³/h Annual maximum flow: 485 000 m³/h/a Maximum flow of image: 100 m³/h Comply with limits of IPPC seller licence, except for pH in the discharge of effluents to the WWTP, which will be higher than 4 and lower than 10. Installation of pre-treatment unit, connected to WWTP, with measurement and control of quality and quantity.</p>		



SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION				UN GLOBAL COMPACT	SDG
303-3	Extracted water	Bondalti Chemicals (ML)				Principle 6, 7	6
		202020212022					
		Extracted water					
		River2 5512 7372 603					
		Holes442952					
		Wells1100					
		Total extracted water2 6062 7662 655					
		Public Network water111519					
A total of 249 ML of water was extracted at Bondalti Cantabria through Solvay.							
A total of 0.48 ML of water was extracted at the Enkrott Group There is no water extraction at AEMA Group							
Though extracted water at Bondalti Chemicals is not subject to analysis, it is deemed fresh.							
Fresh water ≤ 1000 mg/L Total dissolved solid							
Non fresh water > 1000 mg/L Total dissolved solid							
303-4	Water discharges	Industrial Chemicals (ML)				Principle 8	6
		202020212022					
		Water discharged					
		9371 0261 080					
		At Bondalti Water companies, all extracted water was discharged					
		Information defined in Indicator 303-2.					
		All water discharged by Bondalti is deemed fresh.					
		Fresh water ≤ 1000 mg/L Total dissolved solid					
Non fresh water > 1000 mg/L Total dissolved solid							
303-5	Water consumption	Industrial Chemicals (ML)				Principle 8	6, 12
		202020212022					
		Water					
		Used1 9842 0861 988					
		Sold888918917					
		Water Intensity (ML/t)					
		2,232,272,17					
		Pág. 72					
Only the water used in the industrial activity is considered relevant to determine water intensity.							
Water intensity = Total used water (ML) / Total Production (t)							



SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG
304-1	Location in protected or adjacent areas, and areas of high biodiversity value outside protected areas	Bondalti intends to soon begin a more in-depth study of all the natural capital impacted as a result of its direct and indirect operations, as well as the dependencies and interdependencies related to its business model that may have a positive or negative impact on nature. We also intend to study the viability of models for operating eco services that can serve not only internal needs but also our stakeholders, namely local communities.	Principle 8	6, 14, 15
304-2	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value located outside protected areas	Pg. 77	Principle 8	6, 14, 15
304-3	Protected or restored habitats	Bondalti intends to soon begin a more in-depth study of all the natural capital impacted as a result of its direct and indirect operations, as well as the dependencies and interdependencies related to its business model that may have a positive or negative impact on nature. We also intend to study the viability of models for operating eco services that can serve not only internal needs but also our stakeholders, namely local communities.	Principle 8	6, 14, 15
304-4	Species on the IUCN Red List and National Conservation Lists, with habitats in areas affected by operations	Bondalti intends to soon begin a more in-depth study of all the natural capital impacted as a result of its direct and indirect operations, as well as the dependencies and interdependencies related to its business model that may have a positive or negative impact on nature. We also intend to study the viability of models for operating eco services that can serve not only internal needs but also our stakeholders, namely local communities.	Principle 8	6, 14, 15
305-1	Direct emissions of GHG (scope 1)	<p>Pg. 70-71</p> <p>There are no biogenic emissions at Bondalti.</p> <p>Bondalti Chemicals has CO₂ and N₂O emissions managed by operational control.</p> <ul style="list-style-type: none">• CO₂ from natural gas and diesel consumption - calculation-based methodology.• CO₂ from the incinerator - measurement-based methodology.• N₂O from nitric acid production - measurement-based methodology <p>Bondalti Cantabria recorded a total of 3.19 t CO₂ eq.</p> <p>Enkrott - Gestão de Tratamento de Águas, S.A. recorded a total of 283 t CO₂ eq whilst the AEMA Group registered a total of 340 t CO₂ eq.</p> <p>Emission factors - Portugal: Inventário Nacional APA and European Commission Regulation R601/2012 Spain: Ministerio para la transición ecológica y el reto demográfico.</p>	Principle 7, 8	3, 12, 13, 14, 15
305-2	Indirect emissions of GHG (scope 2)	<p>Pg. 70-71</p> <p>Bondalti has indirect CO₂ emissions managed by operational control. For the calculation of these emissions, the electrical energy purchased is considered relevant.</p> <p>Bondalti Chemicals recorded a total of 51,536 t CO₂ eq and Bondalti Cantábrica a total of 28,034 t CO₂ eq.</p> <p>The emission factor is provided by the energy supplier. As far as the AEMA Group is concerned, the emission factor considered resulted of the mix of suppliers in Spain.</p> <p>Enkrott - Gestão de Tratamento de Águas, S.A. recorded a total of 41 t CO₂ eq whilst the AEMA Group registered a total of 33 t CO₂ eq.</p>	Principle 7, 8	3, 12, 13, 14, 15



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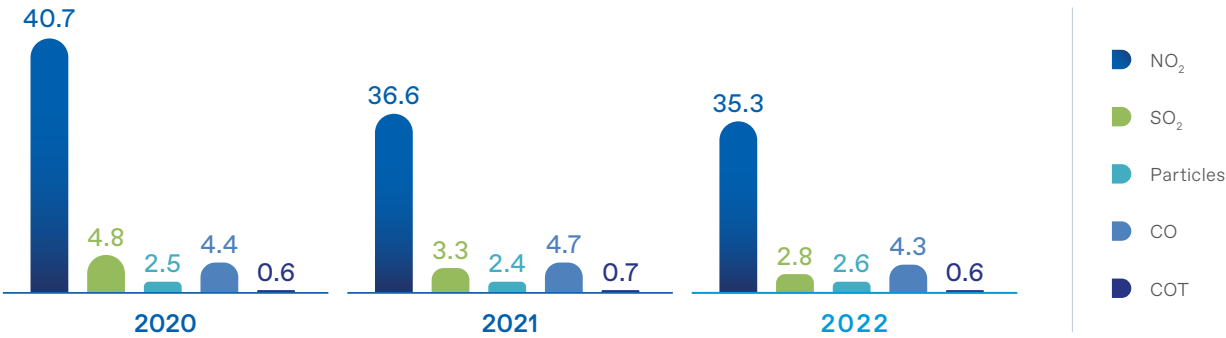
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SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG
305-3	Other indirect emissions of GHG (scope 3)	<p>Pág. 70-71</p> <p>Bondalti monitored for the first time its Scope 3 emissions. The following categories were considered:</p> <ul style="list-style-type: none">• Category 1: Goods and Services.• Category 3: Fuels and Energy.• Category 6: Travels• Category 10: Processing of Sold Products	Principle 7, 8	3, 12, 13, 14, 15
305-4	Carbon intensity	<p>Only direct and indirect GHG emissions, analysed in indicators 305-1 and 305-2 are considered material to determine carbon intensity.</p> <p>Industrial Chemicals: Carbon intensity = Total Direct and Indirect GHG Emissions (t CO₂ eq.) / Total Production (t) At Bondalti Chemicals a Carbon Intensity value of 0.057 CO₂ eq./t was verified and at Bondalti Cantabria a value of 0.069 CO₂ eq./t.</p> <p>Water treatment: Carbon intensity = Total Direct and Indirect GHG Emissions (t CO₂ eq.) / Total Employees (no.) Carbon intensity recorded At Enkrott - Gestão de Tratamento de Águas, S.A.: 3.55 CO₂ eq./person; Carbon intensity recorded at AEMA: 2.28 CO₂ eq./person.</p>	Principle 8	13, 14, 15
305-5	Reduction of GHG emissions	In 2022 Bondalti Chemicals saved 1 061 GJ of natural gas following the implementation of energy efficiency measures, as shown in indicator 302-4. Based on the emission factor, the overall decrease in CO ₂ emissions is estimated to be 61 t CO ₂ eq.	Principle 8, 9	11, 13, 14, 15
305-6	Emissions of ozone-depleting substances	Not applicable due to the typology of atmospheric emissions caused by Bondalti.	Principle 7, 8	3, 12, 13

Other Air emissions in Industrial Chemicals (t)



305-7 NO_x, SO_x and other significant air emissions

Principle 7, 8 3, 12, 13, 14, 15

Bondalti Chemicals monitors other air emissions using different methodologies, according to respective emission source:

- Incinerator - continuous monitoring; except for heavy metal - specific monitoring.
- Boilers - measuring of consumption of natural; emission factors used are as provided by APA.
- Remaining Sources - monitoring that depends on parameters defined by the APA

At Bondalti Cantabria, Grupo Enkrott and Grupo AEMA there are no other atmospheric emissions.
Bondalti Chemicals does not have POP emissions (Persistent Organic Pollutants) and no specific analyses are made to polycyclic aromatic hydrocarbons (PAH) emissions.



SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG
306-1	Waste generation and significant waste-related impacts	Bondalti Chemicals Hazardous Waste: They are generated mainly by the production of aniline and nitrobenzene and are mostly incinerated; by the production of activated carbon resulting from the activity of sulphanilic acid; and by filtering the process brine; although there are also other hazardous wastes that are generated in smaller quantities as a result of equipment maintenance and cleaning, such as oils, contaminated containers, absorbents, etc... Non-Hazardous Waste: Non-hazardous waste is generated mainly from maintenance activities (scrap, plastic, etc.) and material reception (cardboard boxes, wooden pallets, etc.).	Principle 8	3, 6, 11, 12, 13, 14, 15
		Bondalti Cantabria Hazardous Waste: These are mainly generated by filtering the brine from the process that generates cellulose with chlorides, resins, activated carbon as hazardous waste, although there are also other hazardous wastes generated in smaller quantities as a result of equipment maintenance and cleaning, such as oils, contaminated packaging, absorbents, etc. Non-Hazardous Waste: Non-hazardous waste is produced mainly from maintenance activities (scrap, plastic, etc...) and received materials (cardboard boxes, wooden pallets, etc.).		
		Enkrott Group Waste produced at Enkrott stem mainly from i) Contaminated chemical packaging that may or may not be reused; ii) Non-conforming chemical products, either due to contamination or having exceeded the expiration date; iii) Plastic waste resulting from the manufacturing processes and production of non-conforming, fully recyclable plastics; iv) Filter charges, namely resins that cannot be regenerated, or charcoal; and v) USW (urban solid waste) resulting from the company's normal activity. Enkrott is starting to quantify the types of waste, in order to understand the current reality and to be able to define and improve their practices in the near future.		
		AEMA Group In both AEMA and Aguas Rioja companies' production and management processes (EY M), the waste generated at the facilities is properly managed by authorized waste managers, pursuant to integrated contracts. Laboratorios Alfaro produce waste from its analyses, which is adequately managed. None of the waste is considered potentially hazardous, therefore its useful life is not considered relevant. For instance: contaminated plastics, aerosols, chemical reagents, sludge mixtures, etc.		



SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG																																																																																
306-2	Management of significant waste-related impacts	Bondalti Chemicals The waste is sent to a licensed operator, pursuant to a waste management contract. Waste classification is made according to the law in force, where to each category of waste is given a LER code; the destination operation is agreed between Bondalti and the waste operator. Internally, at Bondalti Chemicals’ facilities, only hazardous waste whose destination operation is incineration (without energy recovery) is treated. A portion of the non-compliant sulphanilic acid product is reintegrated back into the process.The monitoring of the waste generated includes activities such as entering data into the SILIAMB Platform (online), maintaining an internal global database, weighing each of the loads of waste at Bondalti’s facilities and at the waste operator, and the annual validation of internal data against operator data.	Principle 8	3, 6, 11, 12, 13, 14, 15																																																																																
		Bondalti Cantabria Waste is sent to an agent who negotiates with the manager responsible for waste management. Waste classification is made according to the law in force.																																																																																		
		Enkrott Group Waste is sent to a waste licensed operator. Waste classification is made according to the law in force. A Read code is assigned to each waste and the destination operation is performed by the waste operator. The monitoring of the waste generated is carried out on the Siliamb platform, the weighing of the waste is carried out at the waste operator’s facilities.																																																																																		
306-3	Generated waste	AEMA Group The waste is sent to a licensed operator, pursuant to a waste management contract. The classification of waste is carried out in accordance with the law in force, each waste being assigned an READ Code, and the of destination operation agreed between the AEMA Group and the waste manager. The monitoring of the generated waste includes activities such as entering data into the management system, maintaining a global database, weighing each of the waste loads at AEMA group and the waste manager’s facilities, and annually validating internal data against the operator’s data.	Principle 8	3, 6, 11, 12, 13, 14, 15																																																																																
		<table><tr><th>Industrial Chemicals (t)</th><th>2020</th><th>2021</th><th>2022</th><th>Δ (abs)</th><th>Δ (%)</th></tr><tr><td>Hazardous waste</td><td>18 557</td><td>18 343</td><td>16 592</td><td>-1 239</td><td>-7%</td></tr><tr><td>Recycled</td><td>337</td><td>176</td><td>365</td><td>72</td><td>25%</td></tr><tr><td>Other type of recovery</td><td>0</td><td>3</td><td>87</td><td>57</td><td>188%</td></tr><tr><td>Incinerated</td><td>17 772</td><td>17 520</td><td>15 222</td><td>-1 616</td><td>-10%</td></tr><tr><td>Landfill</td><td>353</td><td>292</td><td>831</td><td>339</td><td>69%</td></tr><tr><td>Other type of deposition</td><td>95</td><td>352</td><td>87</td><td>-91</td><td>-51%</td></tr><tr><td>Non-hazardous waste</td><td>277</td><td>292</td><td>470</td><td>124</td><td>36%</td></tr><tr><td>Recycled</td><td>234</td><td>212</td><td>425</td><td>135</td><td>46%</td></tr><tr><td>Other type of recovery</td><td>0</td><td>57</td><td>45</td><td>11</td><td>33%</td></tr><tr><td>Incinerated</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0%</td></tr><tr><td>Landfill</td><td>25</td><td>23</td><td>0</td><td>-16</td><td>-98%</td></tr><tr><td>Other type of deposition</td><td>18</td><td>0</td><td>0</td><td>-6</td><td>-100%</td></tr><tr><td>Total waste produced</td><td>18 834</td><td>18 635</td><td>17 062</td><td>-1 115</td><td>-6%</td></tr></table>			Industrial Chemicals (t)	2020	2021	2022	Δ (abs)	Δ (%)	Hazardous waste	18 557	18 343	16 592	-1 239	-7%	Recycled	337	176	365	72	25%	Other type of recovery	0	3	87	57	188%	Incinerated	17 772	17 520	15 222	-1 616	-10%	Landfill	353	292	831	339	69%	Other type of deposition	95	352	87	-91	-51%	Non-hazardous waste	277	292	470	124	36%	Recycled	234	212	425	135	46%	Other type of recovery	0	57	45	11	33%	Incinerated	0	0	0	0	0%	Landfill	25	23	0	-16	-98%	Other type of deposition	18	0	0	-6	-100%	Total waste produced	18 834
Industrial Chemicals (t)	2020	2021	2022	Δ (abs)	Δ (%)																																																																															
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SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION				UN GLOBAL COMPACT	SDG	
306-3	Generated waste	Water Treatment (t)				Principle 8	3, 6, 11, 12, 13, 14, 15	
		2021	2022	Δ (abs)	Δ (%)			
		Hazardous waste	15.5	11.9	-1.8			-13%
		Recycled	14.4	9.5	-2.5			-13%
		Other type of recovery	0.2	1.1	0.5			75%
		Incinerated	0.0	0.0	0.0			0%
		Landfill	1.0	1.2	0.1			13%
		Other type of deposition	0.0	0.0	0.0			0%
		Non-hazardous waste	36.6	31.2	-2.7			-8%
		Recycled	6.8	8.9	1.0			13%
		Other type of recovery	6.6	4.0	-1.3			-25%
		Incinerated	9.7	4.5	-2.6			-36%
		Landfill	13.5	13.9	0.2			-1%
		Other type of deposition	0.0	0.0	0.0			0%
		Total waste produced	52.2	43.1	-4.5			-10%
Pg. 74 Excluding Enkrott África - Gestão e Tratamento de Águas, Lda. The difference between 2022 and the three-year average was used to determine the change.								
306-4	Waste not intended for final disposal	GRI Index - Indicator 306-3				Principle 8	3, 6, 11, 12, 13, 14, 15	
306-5	Waste intended for final disposal	GRI Index - Indicator 306-3				Principle 8	3, 6, 11, 12, 13, 14, 15	
308-1	New suppliers screened using environmental criteria	In the Industrial Chemicals sector, Bondalti is developing a tool for selecting new suppliers.				Principle 8	8, 12, 13, 17	
308-2	Negative environmental impacts in the supply chain and measures taken	In the Industrial Chemicals sector, Bondalti is developing a tool to determine adverse environmental impacts in the supply chain.				Principle 8	6, 8, 9, 11, 13, 15, 17	



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SOCIAL PERFORMANCE INDICATORS

		Industrial Chemicals	2020	2021	2022		
401-1	New hires and employee turnover	Overall at 31/12				Principle 6	5, 8
		Hirings	20	30	40		
		Exits	24	21	25		
		Employees at 31/12	351	359	387		
		Rate of new hires	5,7%	8,4%	10,3%		
		Exit Rate	6,8%	5,8%	6,5%		
		Turnover	6,3%	7,1%	8,4%		
		Turnover					
		Female	1,3%	1,7%	3,2%		
		Male	5,0%	5,4%	5,2%		
		South Region of Portugal	1,0%	1,3%	1,6%		
		North Region of Portugal	5,3%	5,8%	6,6%		
		Spain	0,0%	0,0%	0,3%		
		Female: < 30 years	0,4%	1,1%	1,0%		
		Male: < 30 years	1,7%	0,6%	1,3%		
		Female: 30 - 50 years	0,6%	1,3%	1,4%		
		Male: 30 - 50 years	1,3%	2,4%	2,5%		
		Female: > 50 years	0,3%	0,0%	0,8%		
		Male: > 50 years	2,0%	1,8%	1,4%		
		Calculation formula: $[(\text{Entrances year } x + \text{Exits years } x)/2] / \text{Total Employees year } x$					
401-2	Benefits provided only to full-time employees	GRI Index - Indicator 201-3.			Principle 6	8	



SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG			
401-3	Maternity/paternity leave	Industrial Chemicals	2020	2021	2022	Principle 6	5, 8
		Rate of turnover to work					
		Female	100%	100%	100%		
		Male	100%	100%	100%		
		Retention rate					
		Female	-	-	67%		
		Male	-	-	67%		
		Employees who took maternity/paternity leave	18	9	21		
		Female	4	2	2		
		Male	14	7	19		
		Employees who returned to work after maternity/paternity leave ended	14	23	18		
		Female	4	7	4		
		Male	10	16	14		
		Employees with the right to take maternity/paternity leave	351	359	387		
Female	73	77	86				
Male	278	282	301				
402-1	Minimum notice period for operational changes	According to the Labour Code, the minimum period defined for giving notice to a worker about a permanent transfer of workplace is 30 days in advance. This notice must always be in writing and duly substantiated.			Principle 4	8	
403-1	Occupational Health and Safety System	Bondalti Chemicals Bondalti Chemicals has implemented and certified its Occupational Health and Safety Management System (OHSMS) by the ISO 45001:2018 Standard, in Estarreja (PAD, PCA) and in Aveiro Park, covering all its employees and activities.					
		Bondalti Cantabria Bondalti Cantabria has implemented and certified its OHSMS by the ISO 45001:2018 standard since May 2021.					
		Enkrott Group Enkrott group companies are implementing their OHSMS according to ISO 45001:2018, with respective certification expected to be completed in the first half of 2023.					
403-1	Occupational Health and Safety System	AEMA Group AEMA companies and Aguas Rioja have an Integrated Management System according to: <ul style="list-style-type: none">• UNE-EN ISO 9001 Quality Management System requirements;• UNE-EN ISO 14001 Environmental Management System requirements ;• UNE-EN ISO 45001 Health and Safety Management System requirements. Laboratorios Alfaro SL is a test laboratory accredited by ENAC in accordance with Standard UNE-EN ISO/IEC 17025 (Accreditation no.: 524/LE1135) and approved by the Ministry of the Environment as a Collaborating Entity of the Hydraulic Administration (ECAH) (Exp No.: EC 072/1y2). Laboratorios Alfaro SL is also an Environmental Inspection Entity in the field of wastewater, accredited by ENAC in accordance with Standard UNE-EN ISO/IEC 17020 (Accreditation No.: 177/LE1135) and approved as a Collaborating Entity of the Hydraulic Administration (ECAH) (Exp. No. EC 072/ 1 and 2).			-	3, 8	



SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG
403-2	Identification of hazards, risk analysis and identification of incidents	Bondalti Capital and Chemicals At Bondalti Capital, when an occupational accident occurs, the employee informs the Human Resources area to fill in the accident report form. At Bondalti Chemicals, all accident-related aspects fall within the scope of the Occupational Health and Safety Management System. The result of the risk assessment of workstations is recorded in the integrated system (SIAP), following distribution by email to employees and respective managers. Occupational accidents are recorded in the SIAP events. The Human Resources area works with the Safety area to fill in the occupational accident form and occurrence report.		
		Bondalti Cantabria Bondalti Cantabria has a contract with an external prevention service provider, which jointly with the Safety Manager of Bondalti Cantabria, performs the risk assessment of workstations. In the event of an accident, there is an established protocol of action, in which, depending on the severity and time of day, care is provided by the Mutual Medical Service or through emergency medical assistance. The Safety Manager is informed and leads the investigation of the accident, with the Prevention Deputy and other parties involved.		
		Enkrott Group At Enkrott, accidents at work which result in injuries are reported to HR who follow up the occurrence with the insurance company. In addition, HS services are informed - externally to the company that provides HS services and internally to the the HS senior technician. This information is provided through a method for reporting occurrences (accidents, incidents, near-accidents and dangerous situations) using the google forms tool. For occurrences other than accidents, HR is not informed of this, as there is no need to inform the insurer. After reporting the incident, the respective causes are analysed and corrective or preventive actions are identified, involving a continuous learning process. The set of occurrences will be periodically analysed for patterns. At the end of the year, a summary report of occurrences is prepared and these are communicated to workers.	-	3, 8
		AEMA Group AEMA has job sheets describing the skills required for each job; the effectiveness of the processes is verified through indicators that are assessed on an ongoing basis. There is an internal communication procedure describing the communication channels through which workers can report detected accidents and incidents. There are also procedures for risk assessment and accident investigation. All accidents are investigated and the conclusions are monitored in an Excel document for regular monitoring.		



SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG
403-3	Occupational health services	Bondalti Capital and Chemicals Bondalti Capital has Occupational Medicine services, in accordance with the legal requirements. At Bondalti Chemicals, occupational doctors (OD) take part in the meetings of the Health and Safety Committee (HSC). Following these meetings, the visit plan to the workstations is prepared jointly by the OD and the Safety Technicians. Corrective actions arising out of these visits are recorded in the integrated system (SIAP).	-	3, 8
		Bondalti Cantabria At Bondalti Cantabria, surveillance of health issues is carried out by the External Prevention Service Provider, who plans the health-related activities based on the risk assessment carried out jointly with the Safety Manager. All employees are subject to a general medical screening examination every year, which is not mandatory.		
403-4	Employee participation in, listening to and communication of occupational health and safety issues	Enkrott Group All Enkrott employees had HS training, provided by the HS senior technician. In addition to basic OHS training, workers have more specific training depending on the type of activity they carry out, such as safety when working at heights, forklift operators. Training was organized for emergency teams, such as first aid and firefighting training.	-	3, 8
		AEMA Group At AEMA Group companies, occupational health and safety management is carried out by an External Prevention Provider. Amongst other functions, the External Prevention Service carries out the risk assessment of workstations and the planning of prevention activities. Likewise, it also carries out annual surveillance of the health of workers. The service is in constant contact and coordination with those responsible for prevention in the group's companies.		
403-4	Employee participation in, listening to and communication of occupational health and safety issues	Bondalti Chemicals At Bondalti Chemicals, employee hearing on safety and health issues is carried out through their elected representatives - Workers representatives for Occupational Health and Safety. These representatives are members of the HSC, which is an advisory body for the Safety area, where themes and issues raised by employees are discussed. These representatives are also consulted via e-mail, to state their view on changes to Safety Standards and other OHS and accident-prevention related documents. Safety-related information is also displayed and affixed across the buildings and other areas. The information is controlled by the Safety area. At Bondalti Chemicals, 100% of employees are covered by formal health and safety committees.	-	3, 8
		Bondalti Cantabria At Bondalti Cantabria, the participation of employees is made through their representatives, i.e., Personnel Delegate and Prevention Delegate elected by them. The Plant Manager, as representative of the Company, the Safety, Environment, Quality and Logistics Manager as adviser, meet at least three times each month with the Prevention Deputy. In 2022 four meetings were held with the Prevention Deputy, who was elected that same year.		
403-4	Employee participation in, listening to and communication of occupational health and safety issues	Enkrott Group At Enkrott companies, employees are consulted on health and safety issues, every six months, through a questionnaire that is made available by the Quality and Safety Technician (Quality Area). At Enkrott Africa there is a Health and Safety Committee, as required by law.	-	3, 8
		AEMA Group There is an internal procedure for worker participation and consultation that details the means of communication with workers. Aguas Rioja has two legal representatives of the workers (Luis Manuel Martin and Eva Soler) and AEMA has one representative (Carlos Gonzalez); Quarterly meetings are held between management, personnel delegates, prevention delegates and the prevention manager.		



SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG
403-5	Workers training in health and safety topics	Bondalti Capital and Chemicals Bondalti's Training Plan is the , result of a survey of training needs. The promotion of continuous training addressed to our employees in subjects such as health prevention, mitigation of risk behaviours and occupational health is always present. In 2022, In the aftermath pandemic, a progressive resumption of face-to-face training was carried out addressing the following topics: Specific actions and functions of the relevant personnel; Fire Fighting – Use of Extinguishers; Course on Firefighting and Control of Accidents with Hazardous Materials; Training: “Actions Employees Can Take”; Functional Safety Engineering (TÜV Rheinland); Hygiene, Safety and Health at Work; Breakdown and Accident Investigation Methodologies; Radiological Protection and Safety – Level 3; Radiological Protection and Safety - Level II; Radiological Protection and Safety – Use of sealed sources and X-radiation generating devices; Employer Representative or Designated Worker – Occupational Safety; Safety in Potentially Explosive Atmospheres - ATEX Directive; Occupational Exposure to Ionizing Radiation; Occupational Exposure to Carcinogenic or Mutogenic Agents; Awareness: Preventive measures in the use of forklifts; Signalling - Mechanical Cargo Handling; Senior Occupational Safety Technician; Radiologic Emergency Workers; Transport of Hazardous Materials; Operational Training - Simulacrum 2022; Operational Training: Use of ARICAS; Leadership Workshop - Safety.		
		Bondalti Cantabria At Bondalti Cantabria, training was planned for all employees in various skills, including health and safety topics.. Bondalti Cantabria's Annual Training Plan includes a series of training courses on Occupational Safety and Health and Emergencies. During 2022, training was provided in Electromagnetic Fields, First Aid, Preventive Resources, Training in Occupational Risks (Bondalti + Kemira), Noise Risks, ATEX, Safety at Work in Laboratories, Forklift Operators, UNE EN 45001, SEVESO Directive: Serious Accidents and RD 840/2015.	-	3, 4, 8
		Enkrott Group At Enkrott, risk assessments are carried out for all activities (inside the facilities, production, at the client and on site). Assessments of the working environment are made on a regular basis, in relation to issues such as noise, vibrations, lighting, indoor air quality, exposure to chemical agents and thermal comfort. All identified and/or communicated dangerous situations are subject to analysis (in a similar way to occurrences).		
		AEMA Group There is an annual training plan, detailing planned training in health and safety at work. There is excellent control over training in preventive issues for each worker. Initially, internal OHS training is provided at the time of recruitment on work risks and internal safety procedures, and training is also provided by the External Prevention Service. The training topics are coordinated between the HR manager and Prevention managers of the group.		



SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG
403-6	Promotion of employees health	Bondalti Capital, Chemicals and Cantabria As far as primary healthcare is concerned, Bondalti provides a curative medicine doctor for regular monitoring of its employees in harmony with the NHS. Additionally, Bondalti promotes, whenever possible, appointments in its facilities for different specialities – Psychology, Nutrition, Physiotherapy and Podiatrics, whether prescribed by the occupational doctor or on the employee’s initiative. Additionally, Bondalti Chemicals employees have access to a nurse to provide curative or preventive care. At Bondalti Cantabria the External Prevention Service prepares a report, where it describes the health areas that must be developed. Health Insurance, Life Insurance, protocol with gyms, immediate family assistance up to 15 days a year and the medical specialities existing at our Medical Centre, and efr measures have enormous impact on the level of satisfaction of our employees.	-	3, 8
		Enkrott Group In addition to the provision of Occupational Medicine according to the law, there are no other initiatives in this area. AEMA Group Employees health and safety is managed externally; workers undergo annual medical checks.		
403-7	Prevention and mitigation of impacts on health and safety at work related to the activity.	Bondalti Capital and Chemicals Employees receive continuous training on topics such as safety, mitigation of risk behaviours or occupational health. At Bondalti Chemicals, occupational risks with chemical and physical agents (vibrations, noise, lighting, thermal comfort, ionising radiation, indoor air quality) are continuously monitored. Risk assessment of workstations is carried out on a regular basis, giving rise to mitigation plans, when necessary. With a view to continuous improvement, Bondalti Chemicals constantly tests PPEs, adjusting them to the needs of its workers.	-	3, 8
		Bondalti Cantabria During 2022, Preventive Safety Observations were carried out monthly, campaigns were carried out to promote the use of panoramic glazing and actions were carried out to improve the facilities. Enkrott Group In Enkrott companies in Portugal and Spain, risk assessments of activities are carried out when requested by the Client, and this practice is currently being implemented for all activities. An assessment of the PPE needs and respective training, distribution and maintenance procedures was carried out for all Enkrott companies. AEMA Group Risk assessments are carried out at AEMA Group companies, which are revised annually and whenever there are changes in working conditions. Annual controls are also carried out on lighting, noise and thermo-hygrometric conditions, as well as any specific assessment that may be necessary, such as Biological Risks.		



SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION				UN GLOBAL COMPACT	SDG	
403-8	Employees covered by the Occupational Health and Safety System	Industrial Chemicals		2020	2021	2022		3, 8
		Employees		351	359	387		
		Employees covered by the OHSMS		81%	81%	80%		
		Employees covered by the OHSMS internally audited		81%	81%	80%		
		Employees covered by the OHSMS externally audited		70%	81%	80%		
		Water Treatment			2021	2022		
		Employees		332	357			
		Employees covered by the OHSMS		45%	48%			
		Employees covered by the OHSMS internally audited		36%	37%			
		Employees covered by the OHSMS externally audited		36%	37%			
Employee figures do not include directors.								
403-9	Work related injuries	Industrial Chemicals		2020	2021	2022		3, 8
		Deaths		0	0	0		
		Occupational accidents with sick leave		2	5	3		
		Rate of non-worked hours		18%	7%	4%		
		Absenteeism rate		3%	7%	3%		
		Accident frequency rate		3.608	7.668	4,287		
		Serious accident frequency rate		0.000	0.000	0.000		
		Accident severity rate		0.249	0.135	0.220		
		Incidence rate		0.006	0.014	0.008		
		Water Treatment			2021	2022		
		Deaths		0	0			
		Occupational accidents with sick leave		9	11			
		Rate of non-worked hours		1%	1%			
		Absenteeism rate		1%	1%			
		Accident frequency rate		26.168	16.367			
		Serious accident frequency rate		0.000	0.000			
		Accident severity rate		0.619	0.345			
		Incidence rate		0.027	0.032			



SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG
403-9	Work related injuries	<p>Pg. 65</p> <p>At Bondalti Chemicals there were three work accidents requiring sick leave: 1) Accident identified as “in itinere”, the employee was heading to the workplace and had an accident with a motorcycle hitting the sidewalk on the public road. 2) Another employee tripped and hurt his left foot as he reached the pot of Sulphuric acid samples; 3) Another employee hurt his foot while walking to the chlorine storage area, causing edema and pain.</p> <p>All accidents at the work site are duly investigated, the causes identified and corrective measures implemented, where necessary. Bondalti promotes various measures to mitigate activity-related risks, as reviewed in indicator 403-7.</p> <p>At the Enkrott companies, there were 2 accidents at work requiring sick leave, one of which was related to productive activity.</p> <p>At the AEMA Group companies:</p> <ul style="list-style-type: none">• Aguas Rioja: 17 accidents without sick leave (16 men, 1 woman) and 4 accidents with sick leave (4 men, 99 days of sick leave in total). The main causes of accidents were overexertion and contact with chemical products.• Grupo Aguas Alfaro: No accidents were recorded in the year.• AEMA: 5 Accidents without sick leave and 2 accidents with sick leave. The causes of accidents with sick leave were forced postures and collisions or blows with objects and tools.• Laboratorios Alfaro: 1 casualty accident due to shock or impact with object/tools. <p>Employee figures do not include directors.</p> <p>“In itinerary” accidents are only considered if they occur on company transport.</p> <p>A serious accident is considered to be one that results in the worker being incapacitated (lack of work or alteration of the job position) for a period of more than 6 months.</p> <p>Determined based on 1,000,000 hours worked.</p> <p>Rate of non worked hours = Number of non worked hours (1) / Number of workable hours</p> <p>(1) Not including paternity, marriage, funeral or study leaves</p> <p>Absenteeism rate = Number of hours of absence to work / Number of workable hours</p> <p>Number of deaths resulting from accidents at work = Number of deaths resulting from accidents at work / Number of hours worked x 1 000 000</p> <p>Frequency rate of occupational accidents with sick leave = No. of accidents with sick leave / No. of hours worked x 1 000 000</p> <p>Frequency rate of serious accidents at work with sick leave = No. of serious accidents with sick leave / No. of hours worked x 1 000 000</p> <p>Accident severity rate = Number of days lost due to accidents at work / Number of hours worked x 1 000</p> <p>Incidence rate = No. of accidents with sick leave / Average workforce</p>	-	3, 8
403-10	Work related illnesses	<p>The safety and health of workers is controlled through plans to monitor the risks of exposure to chemical substances and physical and biological risks guaranteed by the Safety Service and monitored by Occupational Medicine.</p> <p>To date, companies of the Industrial Chemicals and Water Treatment segments did not record any request for occupational disease status eligibility.</p>	-	3, 8



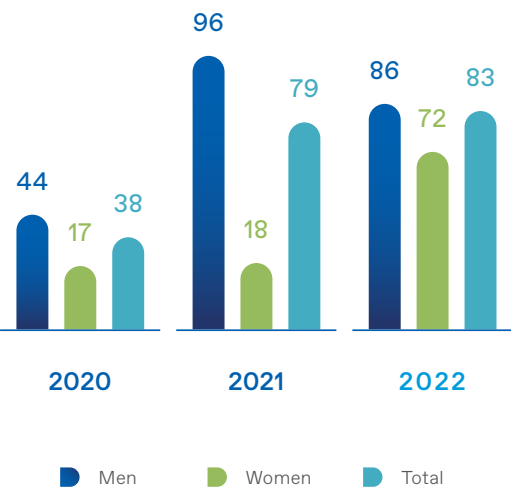
SPECIFIC INDICATORS

ANSWER / LOCATION / OMISSION

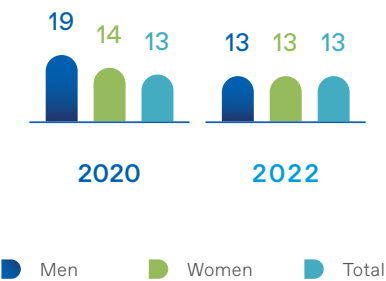
UN GLOBAL COMPACT

SDG

Average number of training hours, by employee
Industrial Chemicals



Average number of training hours, by employee
Water Treatment



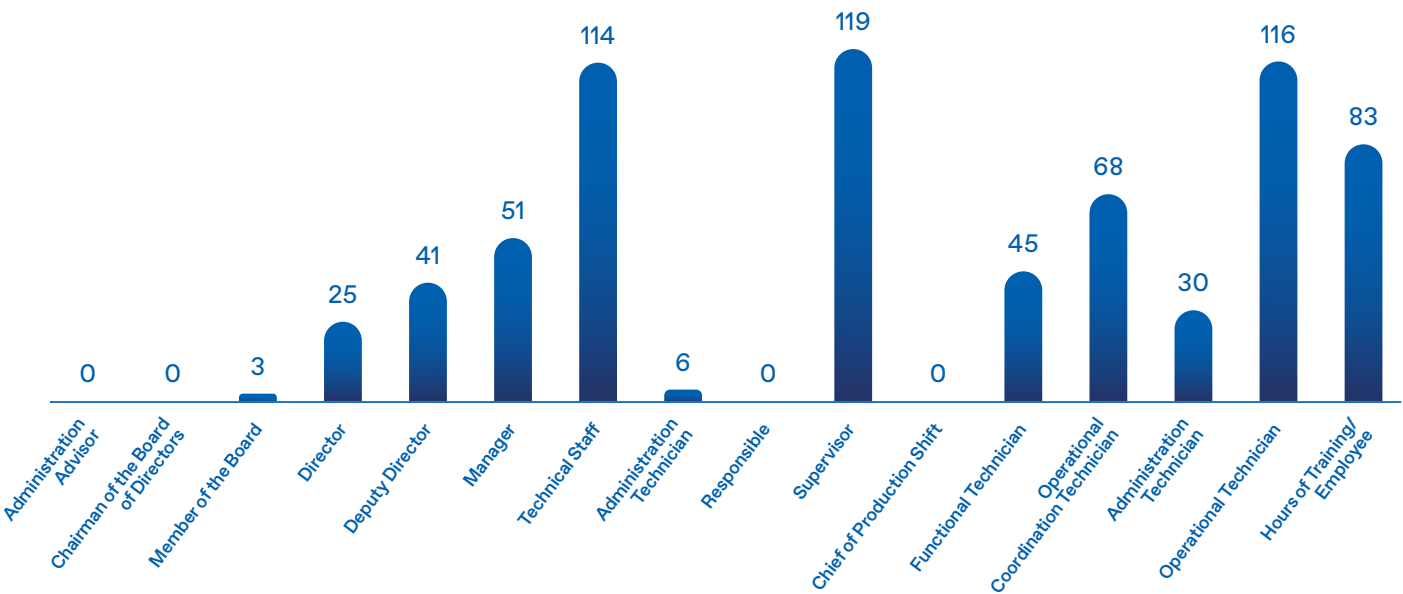
404-1

Average number of training hours,
by employee

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Average number of training hours, by employee
Industrial Chemicals





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SPECIFIC INDICATORS	ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG
404-1	<div><div>Average number of training hours, by employee</div><div><div>Average number of training hours, by employee</div><div>Water Treatment</div><div><div><div>3</div><div>7</div><div>0</div><div>6</div><div>0</div><div>2</div><div>25</div><div>27</div><div>2</div><div>11</div><div>10</div><div>0</div><div>13</div></div><div><div>Director</div><div>Coordinator</div><div>Manager</div><div>Technical Staff</div><div>Social Body</div><div>Administrative Technician</div><div>Responsible</div><div>Supervisor</div><div>Technical Functionary Coordinator</div><div>Functional Technician</div><div>Operational Technician</div><div>Treasurer</div><div>Total Employees</div></div></div></div></div>	Principle 6	4, 5, 8
404-2	<div><div>Programmes to improve the skills of employees and support the continued employability of employees</div><div><div>Pg. 62-64</div><div><div>Bondalti Capital, Chemicals and Cantabria</div><div>At the Bondalti Group (except for Enkrott and AEMA companies) the following measures are implemented:</div><div><div><div>• Annual Training Plan</div><div>• Availability of training contents through the 4Learn knowledge management platform</div><div>• Performance Management System focused on skills development</div><div>• Talent management program</div><div>• Rejuvenation plan – ensuring the transfer of knowledge between the younger and older through:<div><div>∴ 4x4 Program (for Operational Technicians) - with a fixed duration and depending on the production units to allocate the trainees, which guarantee the timely transfer of knowledge, through training in the field and in the classroom for new employees;</div></div></div><div>• Internal mobility, by assigning internal employees to open positions (internal/external recruitment) as well as through functional flexibility where employees are given the possibility to acquire new skills and assume new job positions (this functional flexibility is still very much aimed at operations)</div></div></div><div><div>Enkrott Group</div><div>Enkrott Group companies in Portugal and Spain have an Annual Training Plan (Skill Development Plan).</div></div><div><div>AEMA Group</div><div>There is a training plan for the entire AEMA In Quality, Environment, Prevention and Various needs according to each department, agreed with the Management, Human Resources and heads of each department.</div></div></div></div></div>	Principle 6	4, 8



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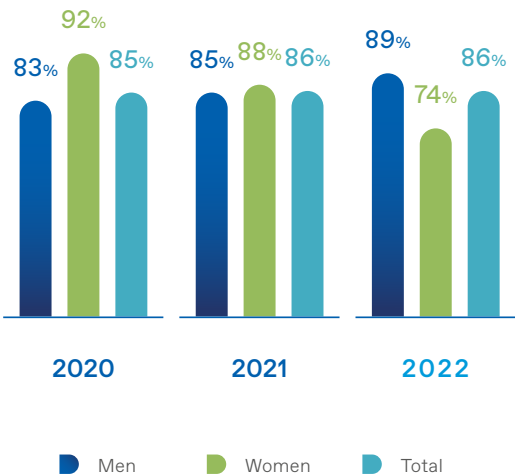
UN GLOBAL COMPACT

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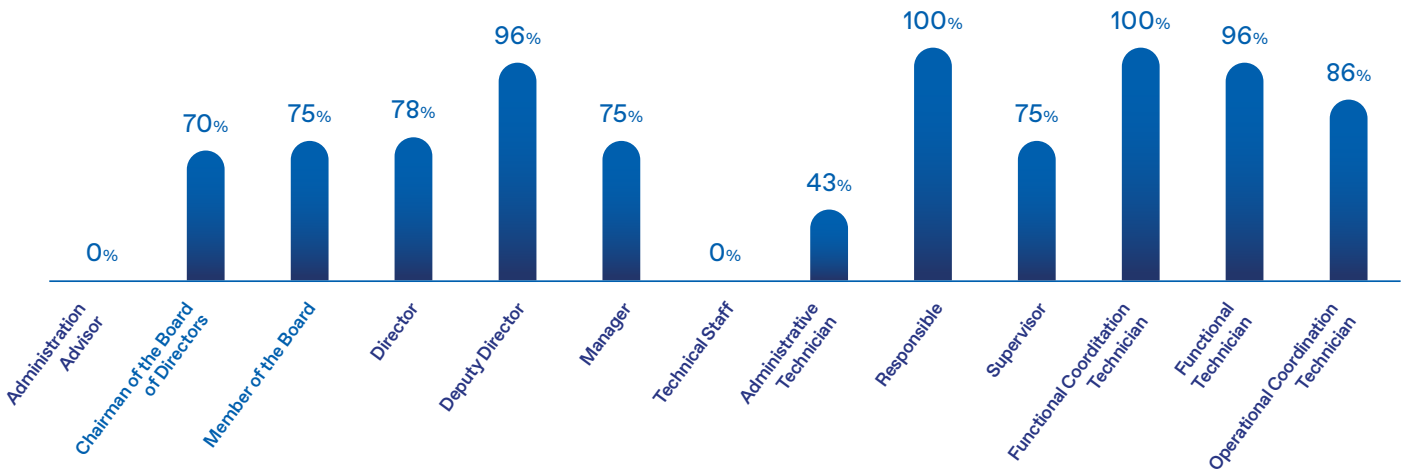
Percentage of employees subject to performance assessment and career progression revision, on a regular basis

Employees assessed
Industrials Chemicals



Men Women Total

Employees assessed
Industrials Chemicals



Principle 6

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Pg. 63-64
Employee figures do not include directors. In the Bondalti Group (except companies Enkrott and AEMA) figures only refer to the performance assessment. The Enkrott and AEMA Groups do not have a Performance Management System. As of the date of this report, we are still waiting for external verification of this indicator (Bondalti Water).





SPECIFIC INDICATORS

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Diversity of governing bodies and employees

Industrial Chemicals

Corporate Bodies	2020	2021	2022
Total	8	12	15
By gender			
Men	8	10	12
Women	0	2	3
By age group			
Up to 30 years	0	0	0
30 to 50 years	3	2	1
Above 50 years	5	10	14
Managers	2020	2021	2022
Total	24	26	31
By gender			
Men	17	18	19
Women	7	8	12
By age group			
Up to 30 years	1	0	0
30 to 50 years	12	15	20
Above 50 years	11	11	11

Directors	2020	2021	2022
Total	21	20	21
By gender			
Men	17	16	18
Women	4	4	3
By age group			
Up to 30 years	0	0	0
30 to 50 years	8	6	11
Above 50 years	13	14	10
Employees	2020	2021	2022
Total	351	359	320
By gender			
Men	278	282	252
Women	73	77	68
By age group			
Up to 30 years	48	53	53
30 to 50 years	162	171	159
Above 50 years	141	135	108

Water Treatment

Corporate Bodies	2020	2021	2022
Total	3	6	7
By gender			
Men	3	5	5
Women	0	1	2
By age group			
Up to 30 years	0	0	0
30 to 50 years	0	1	0
Above 50 years	3	5	7
Managers	2020	2021	2022
Total	16	54	67
By gender			
Men	10	30	43
Women	6	24	24
By age group			
Up to 30 years	0	0	2
30 to 50 years	14	48	56
Above 50 years	2	6	9

Directors	2020	2021	2022
Total	11	8	7
By gender			
Men	10	7	7
Women	1	1	0
By age group			
Up to 30 years	0	0	0
30 to 50 years	4	4	2
Above 50 years	7	4	5
Employees	2020	2021	2022
Total	182	332	276
By gender			
Men	133	235	197
Women	49	97	79
By age group			
Up to 30 years	16	30	28
30 to 50 years	139	255	201
Above 50 years	27	47	47

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SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION				UN GLOBAL COMPACT	SDG
405-2	Base salary ratio and remuneration of women and men, according to job category and relevant operational unit	Bondali Chemicals & Bondalti Capital				Principle 6	5, 8, 10
		< 30 years	30-50 years	> 50 years			
		Director	-	0.93	-		
		Deputy Director	-	0.95	-		
		Manager	-	0.89	0.95		
		Supervisor	-	1.10	-		
		Technical Staff	0.75	0.73	0.97		
		Administrative Technician	-	1.22	1.23		
		Functional Coordination Technician	-	-	-		
		Functional Technician	0.92	0.97	1.02		
		Operational Coordination Technician	-	-	-		
		Operational Technician	-	-	-		
		Bondali Cantabria					
		< 30 years	30-50 years	> 50 years			
		Director	-	-	-		
		Manager	-	-	-		
		Technical Staff	-	1.34	0.68		
		Administrative Technician	-	-	-		
		Functional Technician	-	-	-		
		Operational Coordination Technician	-	0.65	1.00		
Operational Technician	-	-	-				
Note: Figures do not include Governing Bodies For the calculation of this indicator, the contracted amounts of fixed remuneration for the total number of active employees on 12/31/2022 and variable remuneration effective in 2022 were considered. Calculation formula: Female Gender / Male Gender.							
406-1	Total number of discrimination incidents and corrective measures taken	In 2022 no cases of discrimination were recorded within the Bondalti Universe. Code of Ethics (www.bondalti.com)				Principle 6	10, 16
407-1	Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	In 2022, the number of occurrences was 0, and no cases of the right to freedom of association and collective bargaining were identified. Bondalti shares with all its suppliers the Code of Conduct for Suppliers. Code of Conduct for Suppliers (www.bondalti.com)				Principle 3	8
408-1	Operations and suppliers identified as at risk for incidents of child labour	Pg. 86 In 2022, the number of occurrences was 0, and no cases of risk for the occurrence of cases of child labor were identified. Bondalti shares with all its suppliers the Code of Conduct for Suppliers. Bondalti subscribes to the United Nations Global Compact in which it commits to the fulfillment of the 10 global principles. Code of Ethics and Code of Conduct for Suppliers (www.bondalti.com)				Principle 5	8,16



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SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG
409-1	Operations and suppliers identified as having a significant risk for the occurrence of forced or compulsory labour	Pg. 86 In 2022, the number of occurrences was 0, and no cases of significant risk for the occurrence of forced or slave-like labor were identified. Bondalti shares with all its suppliers the Code of Conduct for Suppliers. Bondalti subscribes to the United Nations Global Compact in which it commits to the fulfillment of the 10 global principles. Code of Ethics and Code of Conduct for Suppliers (www.bondalti.com)	Principle 4	8
410-1	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	Upon admission, all Bondalti employees are required to receive training regarding the Code of Ethics. Code of Ethics (www.bondalti.com)	Principle 1	16
411-1	Total number of cases of violation of rights of indigenous and traditional peoples and measures taken in this regard	Pg. 86 In 2022, the number of occurrences was 0. Bondalti subscribes to the United Nations Global Compact in which it commits to the fulfillment of the 10 global principles. The development of Bondalti's activity does not imply a relationship with indigenous peoples due to the location of its operations.	Principle 1	16
413-1	Operations with implemented local community engagement, impact assessments, and development programmes	Pg. 80-82 All Bondalti companies carry out engagement programs with the communities where they are located. In 2022 the total value of the donations attributed by Bondalti was 1,229 thousand euros. Note: The calculation formula has been revised compared to previous years.	Principle 1	11
413-2	Operations with significant effective and potential adverse impacts on local communities	Pg. 50-57, 77, 80-82 In all Bondalti projects, environmental and social impacts are analyzed. As a result of these environmental impact assessment processes, monitoring, mitigation and compensation measures associated with each project are defined.	Principle 1	1, 2, 4
414-1	New suppliers are selected using social criteria	Bondalti shares its "Code of Conduct for Suppliers", where they are contemplated, the "Human and Labor Rights". Currently, Bondalti is working in an integrated way on a supplier selection basis that takes into account several themes, including social criteria.	-	12, 16
414-2	Adverse social impacts in the supply chain and actions taken	Bondalti shares its "Code of Conduct for Suppliers", where they are contemplated, the "Human and Labor Rights". Currently, Bondalti is working in an integrated way on a supplier selection basis that takes into account several themes, including social criteria.	Principle 1	12, 16
415-1	Political contributions	Bondalti does not provide any political contributions, whether direct or indirect.	-	-
416-1	Assessment of the health and safety impacts of product and service categories	GRI Index - Indicator 417-1.	-	-



SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION				UN GLOBAL COMPACT	SDG		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2022 there were no non-compliances in this area at Bondalti Fines or warnings are only considered when proceedings are closed or finally decided. Only fines above € 10 000 are considered significant.				-	16		
417-1	Products and services with associated Safety and Technical specifications	Industrial Chemicals			2020	2021	2022		12, 16
		Products							
		Products	16	16	16				
		Safety data sheet	16	16	16				
		Revised safety data sheet	49	5	69				
		Specifications data sheet	16	16	16				
		Clients							
		Clients	250	246	234				
		Clients with safety data sheet	250	246	234				
		Clients with specifications data sheet	250	246	234				
		Enkrott Group			2020	2021	2022		
		Products							
		Products químicos com marca Enkrott	205	205	204				
		Safety data sheet	205	205	204				
Equipments									
Equipment	7	7	7						
Equipmentos with EC marking	7	7	7						
417-2	Incidents of non-conformity in relation to product and service information and labelling	AEMA Group		2021	2022		16		
		Products							
		AEMA branded chemical products	146	122					
		Safety data sheet	146	122					
		Revised safety data sheet	146	122					
		Specifications data sheet	146	122					
		Clients							
		Clients	134	116					
		Clients with safety data sheet	134	116					
		Clients with specifications data sheet	134	116					
Pg. 37									
417-3	Incidents of non-conformity concerning marketing communications	In 2022 no non-conformities were recorded in this area at Bondalti Fines or warnings are only considered when proceedings are closed or finally decided. Only fines above € 10 000 are considered significant.				-	16		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2022 there were no non-compliances in this area at Bondalti Fines or warnings are only considered when proceedings are closed or finally decided. Only fines above € 10 000 are considered significant.				Principle 1	16		



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07. Annexes



SPECIFIC INDICATORS		ANSWER / LOCATION / OMISSION	UN GLOBAL COMPACT	SDG
OTHER INDICATORS				
Logistics	Compliant shipments	Pg. 34 In 2022, in Industrial Chemicals, 99.69% of shipments were compliant. In Water Treatment, compliance was recorded for 99.98% of shipments made by the Enkrott Group, and for 99.15% of the AEMA Group.	-	-
		% Compliant shipments = Total Logistics Claims / Total Shipments		
Colombo	Financial return	Pg. 49 NPV is only determined for ideas that were approved and considers the revision until the period under review (2022) of amounts paid for approval and implementation of ideas (as the case may be). NPV further considers the recognition of one-off revenues as occurring in the following year of implementation date, as well as annual revenues occurring within 5 years following implementation date, both revised/capitalised until the period under review (5 years). NPV = Approval + Implementation + One-off revenue + annual revenue Approval = Includes cost of approval (does not include the cost of the award, if any) revised until 2022 at the WACC rate: Cost of approval x (1 + WACC)^(2022 - year of approval) Implementation - If idea was implemented: Cost of implementation x (1 + WACC)^(2022 - year of implementation) One-off revenue - If idea was implemented: One-off revenue x (1 + WACC)^(2022 - following year of implementation) Annual revenue - If idea was implemented: Annual revenue x 1 / WACC x (1 - (1 / (1 + WACC)^5)) x (1 + WACC)^(2022 - following year of implementation)	-	-



Sustainability Verification Report



Independent Limited Assurance Report (Free translation from the original in Portuguese)

To the Board of Directors

Introduction

We were engaged by the Board of Directors of Bondalti Capital, S.A. (“Bondalti” or “Company”) to perform a limited assurance engagement on the indicators identified below in the section “Responsibility of the auditor”, which integrate the sustainability information included in the Integrated Report 2022 (“Report”), for the year ended in December 31, 2022, prepared by the Company for the purpose of communicating its annual sustainability performance.

Responsibilities of the Board of Directors

It is the responsibility of the Board of Directors to prepare the indicators identified below in the section “Responsibility of the auditor”, included in the Integrated Report 2022, according with the sustainability reporting guidelines “Global Reporting Initiative”, GRI Standards version, with the AA1000AP Standard (2018) issued by AccountAbility, regarding the principles of inclusivity, materiality, responsiveness and impact, and with the instructions and criteria disclosed in the Integrated Report 2022, as well as for the maintenance of an appropriate internal control system that enables the adequately preparation of the mentioned information.

Responsibilities of the auditor

Our responsibility is to issue a limited assurance report, which is professional and independent, based on the procedures performed and specified in the paragraph below.

Our work was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) “Assurance engagements other than audits or reviews of historical financial information”, issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants and we have fulfilled other technical standards and recommendations issued by the Institute of Statutory Auditors. These standards require that we plan and perform our work to obtain limited assurance about whether the GRI Standards and specific indicators, included in the Integrated Report 2022 are free from material misstatement.

Our limited assurance engagement also consisted in carrying out procedures with the objective of obtaining a limited level of assurance as to whether the Company applied, in the sustainability information included in the Integrated Report 2022, the GRI Standards guidelines and the principles defined in the AA1000AP Standard (2018).

For this purpose the above mentioned work included:

- (i)

Inquiries to management and senior officials responsible for areas under analysis, with the purpose of understanding how the information system is structured and their awareness of issues included in the report;
- (ii)

Identification of the existence of internal management procedures leading to the implementation of economic, environmental and social policies;

- (iii)

Testing, on a sampling basis, the efficiency of processes and systems in place for collection, consolidation, validation and reporting of the performance information previously mentioned, through calculations and validation of reported data;
- (iv)

Confirmation that operational units follow the instructions on collection, consolidation, validation and reporting of performance information;
- (v)

Execution of substantive procedures, on a sampling basis, in order to collect evidence of the reported information;
- (vi)

Comparison of financial and economic data included in the sustainability information with the audited by the external auditor, in the scope of the legal review of Bondalti’s financial statements for the year ended in December 31, 2022;
- (vii)

Assessment of the level of adherence to the principles of inclusivity, materiality, responsiveness and impact set by AA1000AP Standard (2018), in the sustainability information disclosure, through the analysis of the contents of the Report and the internal documents of the Company;
- (viii)

Validation of the alignment of the sustainability information included in the Report according with the requirements of the GRI Standards guidelines.

The procedures performed were more limited than those used in an engagement to obtain reasonable assurance and, therefore, less assurance was obtained than in a reasonable assurance engagement.

We believe that the procedures performed provide an acceptable basis for our conclusion.

Quality control and independence

We apply the International Standard on Quality Management 1 (ISQM1), which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and of the ethics code of the Institute of Statutory Auditors.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the indicators identified above in the section “Responsibility of the auditor”, which integrate the sustainability information included in the Integrated Report 2022, for the year ended in December 31, 2022, were not prepared, in all material respects, according with the GRI Standards requirements and with the instructions and criteria disclosed in the Report and that Bondalti has not applied, in the sustainability information included in the Integrated Report 2022, the GRI Standards guidelines and the principles defined in the AA1000AP Standard (2018).

Restriction on use

This report is issued solely for information and use of the Board of Directors of the Company for the purpose of disclosing the Integrated Report 2022 and should not be used for any other purposes. We will not assume any responsibility to third parties other than Bondalti by our work and the conclusions expressed in this report, which will be attached to the Company’s Integrated Report 2022.

July 7, 2023

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Represented by:

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Sede: Palácio Sottomayor, Rua Sousa Martins, 1 - 3º, 1069-316 Lisboa, Portugal
Receção: Palácio Sottomayor, Avenida Fontes Pereira de Melo, nº16, 1050-121 Lisboa, Portugal
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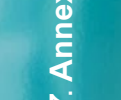
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07. Annexes

Glossary

ACEGE	Associação Cristã de Empresários e Gestores
AEMA	Agua, Energía y Medioambiente, Servicios Integrales, S.L.U.
Aguas Rioja	Aguas Rioja Medioambiente, S.L.U.
AIP	Associação da Indústria Portuguesa
ANPC	Associação Nacional de Proprietários Rurais
APA	Agência Portuguesa do Ambiente
APQuímica	Associação Portuguesa da Química, Petroquímica e Refinação
BCSD Portugal	Conselho Empresarial para o Desenvolvimento Sustentável
Bondalti	Bondalti Capital, S.A.
Bondalti Cantabria	Bondalti Cantábria, S.A.
Bondalti Chemicals	Bondalti Chemicals, S.A.
CE	Comissão Executiva
CEFIC	European Chemical Industry Council
CEI	European Innovation Council
CELE	European Emission Allowance Trade
CHS	Health and Safety Committee
CIRC	Corporate Income Tax Code
CO	Carbon monoxide
CO₂ eq.	Equivalent carbon dioxide
COT	Total Organic Carbon
COTEC	Business Association for Innovation
COV	Volatile Organic Compounds
CSC	Commercial Companies Code
Dolopand	Dolopand - Investimentos Imobiliários e Turísticos, S.A.
DSS	Diveil Surface Sensor
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Amortization and Depreciation
efr	Family Responsible Entity
Elnosa	Elnosa - Electroquímica del Noroeste, S.A.
Enkrott	Enkrott - Gestão de Tratamento de Águas, S.A.
Enkrott África	Enkrott África - Gestão e Tratamento de Águas, Lda.
Enkrott Espanha	Enkrott España, S.L.U.
Enkrott Madeira	Enkrott Madeira - Gestão e Tratamento de Águas, Lda.
EPI	Personal protective equipment
ERM	Enterprise Risk Management
ESG	Environment, Social and Governance
ETAR	Wastewater Treatment Station
FCT	Foundation for Science and Technology
FEIQUE	Business Federation of the Spanish Chemical Industry

GEE	Greenhouse Gases
GJdM	José de Mello Group
GPS	Global Positioning System
GRI	GRI Standards do Global Reporting Initiative
Grupo Aguas Alfaro	Grupo Aguas Alfaro, S.L.
HCl	Hydrochloric acid
I&D	Research & Development
IAPMEI	Agency for Competitiveness and Innovation
ICEP	Institute of Foreign Trade of Portugal
IDI	Research, Development and Innovation
Innovnano	Innovnano - Materiais Avançados, S.A.
INSEAD	Institut Européen d'Administration des Affaires
INSURE Hub	Innovation in Sustainability and Regeneration Hub
ISO	International Organization for Standardization
Laboratorios Alfaro	Laboratorios Alfaro, S.L.U.
MBA	Master of Business Administration
MBR	Membrane Bioreactor
MDI	methylene diphenyl diisocyanate
Miralcalis	Miralcalis - Activos de Produção de Cloro, S.A.
MNB	Mononitrobenzene
MT	Occupational Medicine
N₂O	Nitrous oxide
NaCl	Sodium Chloride
NCRF	Accounting and Financial Reporting Standards
NO₂	Nitrogen Dioxide
NP	Portuguese standard
Nutriquim	Nutriquim - Produtos Químicos, S.A.
ODS	Sustainable Development Goals
PACOPAR	Community Advisory Panel of the Responsible Care Programme®
PAD	Production of Aniline and Derivatives
PCA	Production of Chlor-Alkalis
PME	small and medium business
PRR	Recovery and Resilience Plan
PVC	polyvinyl chloride
RAM	Reed Advance Materials
Renoeste	Renoeste - Valorização de Recursos Naturais, S.A.
SGI	Integrated Management System
SGSST	Occupational Health and Safety Management System
SIFIDE II	R&D Tax Incentive Systems
SNC	Accounting System and Standardization
SNS	National Health System
SO₂	Sulphur dioxide
SRS	Sulphate Removal System
VAL	Net present value
VLE	Emission Limit Value
VN	Turnover
WACC	Weighted Average Cost of Capital

BONDALTI

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